

BHARTIYA

ANNUAL REPORT 2014 - 2015

" ... we are still guided by the principle that superior design and product is the key to our value and success. We are focused on delivering compelling, innovative product, whether exclusive Bhartiya designs, or styles developed in collaboration with our customers' design teams."

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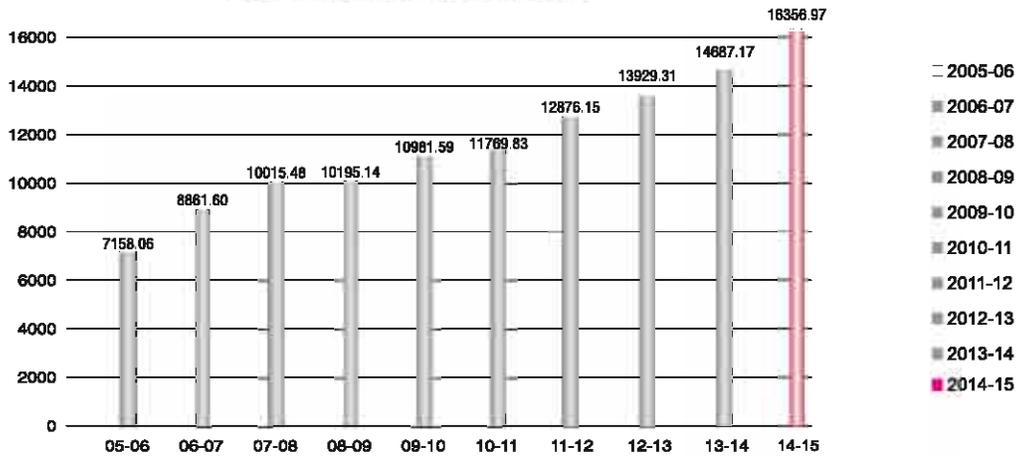
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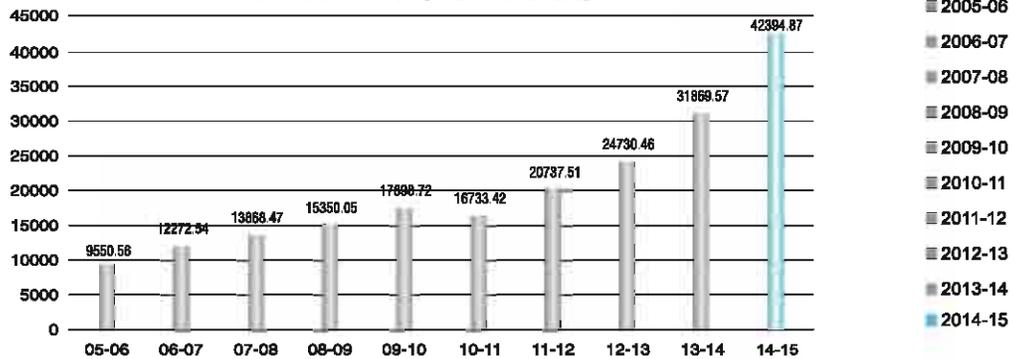
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PERFORMANCE HIGHLIGHTS

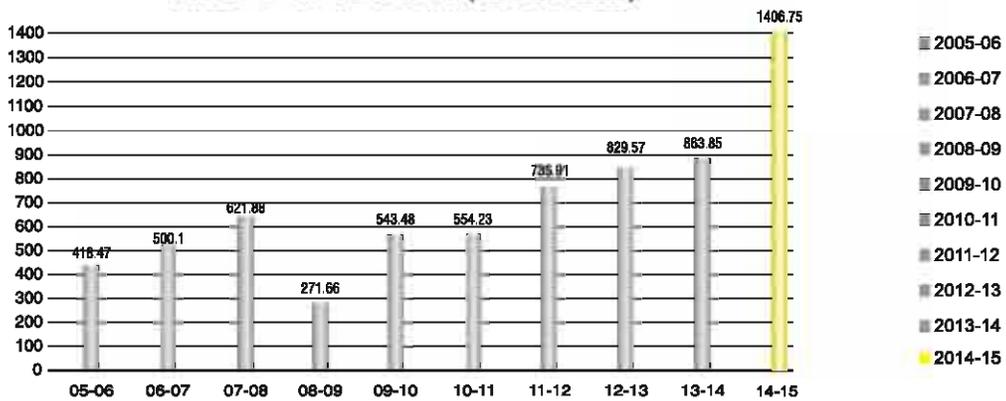
NET WORTH (Rs. in Lacs)



TURNOVER (Rs. in Lacs)



PROFIT AFTER TAX (Rs. in Lacs)



BOARD OF DIRECTORS

DIRECTORS

Snehdeep Aggarwal	Managing Director
Jaspal Sethi	Whole-Time Director
A.K. Gadhok	Whole-Time Director
Ramesh Bhatia	Director
Nikhil Aggarwal	Director
Shashank	Independent Director
A. Sahasranaman	Independent Director
C.L. Handa	Independent Director
Sandeep Seth	Independent Director
Annapurna Dixit	Additional Director (w.e.f 18th Sept., 2014)
V.K. Chopra	Director (Resigned w.e.f. 19th June, 2014)
Manoj Khattar	Chief Financial Officer
Shilpa Budhia	Company Secretary

AUDITORS

Sushil Poddar & Co., New Delhi

BANKERS

State Bank of India
Corporation Bank
IDBI Bank
HDFC Bank
Indusind Bank
CTBC Bank
Kotak Mahindra Bank
Citi Bank N.A
Axis Bank
Allahabad Bank

DELHI

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

HONGKONG

World Fashion Trade Ltd.
Suite 605, 6th Floor,
China Insurance Group Building,
141 Des Voeux Road, Central, Hong Kong

CHENNAI

Bhartiya International Ltd.
342, Nallambakkam Village, Via – Vandalur
Chennai-600048 (India)

ITALY

Ultima Italia Srl
Via Del Tiglio, 4, 26010 Casaleto Vaprio (Cr)
Italy

SWITZERLAND

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

BANGALORE

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

CHINA

World Fashion Trade Ltd.
Room 407, Tower 8, United Plaza,
No. 58 Qianjiang Road, Hangzhou,
China - Post Code: 310008

GURGAON

Bhartiya International Ltd.
Plot No. 38, Sector – 44
Gurgaon – 122 002 (Haryana - India)

U.S.A.

BIL Group LLC
146, West 29th Street, Suite # 11E,
New York, N.Y. 10001, USA

HONGKONG

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



FROM THE CHAIRMAN

Over the past years, Bhartiya International has grown from a small garment manufacturer to a global lifestyle company comprising of four operating businesses that produce leather garments, textile outerwear, leather accessories and textile products. We are proud to supply the world's best-known retailers and brands.

While much has changed since I founded Bhartiya, we are still guided by the principle that superior design and product is the key to our value and success. We are focused on delivering compelling, innovative product, whether exclusive Bhartiya designs, or styles developed in collaboration with our customers' design teams.

Each of our business groups is passionate about their customers and the products we produced for them. We know that through a relentless pursuit of better design and products, we will achieve sustainable growth and profitability for our shareholders.

As I reflect on 2014 - 2015, I am proud of the record financial performance achieved by our team. The company has delivered record revenue of Rs.558 crores showing a growth of 35% versus the prior year. But more importantly, I am excited about the future prospects of the global opportunities for each of our businesses.

Since inception, the Company has been profitable every year. And this year we produced our largest revenue and profit ever. As Chairman, this is especially meaningful as we work to support our loyal shareholders. While we have a solid record focused on growth and profitability, our management team is energized by the belief and conviction that the best years for Bhartiya International are ahead for us.

With the Bhartiya books now closed on another strong performance year, we now turn our focus to 2015-2016. The new year brings significant opportunities for the Company, and our team is motivated to continue along our growth path, building larger businesses with existing brands and retailers, and adding new customers to our portfolio. Senior management recently completed the 2015-2016 strategic planning retreat, and we are underway to plan the business road map and course that I expect will generate significant revenue and profit growth over the years to come.

One of the cornerstones of my success since inception has been our team. We invest in our people to ensure they have the tools and resources required to achieve their personal goals, contribute jointly to Bhartiya's overall success, and ultimately, add to shareholder value. In 2015, we both added key, new talent to the organization, and also launched the "budding leaders program" to better position us for accelerated and sustainable growth. Today we have the strongest, deepest "bench-strength" of talent in the Company's history.

In closing I would like to thank our dedicated and talented team, Bhartiya's many suppliers and partners, and our customers around the world for their collective energy, enthusiasm, hard work and support.

On behalf of our entire Bhartiya International team, we thank you – our shareholders for your trust and support.

Snehdeep Aggarwal

MANAGEMENT DISCUSSION & ANALYSIS

LEATHER APPAREL

The Leather Apparel group continues to generate significant revenue growth for the Company. We are leveraging design, garment making and business development capabilities to drive the business. Our broadened customer base and geographic reach including increased USA penetration are also contributing to the results.

As India's largest leather garment manufacturer, we are producing for brands like All Saints, Whistles, Coach, Timberland, Polo Ralph Lauren, Calvin Klein, G Star Raw, Levi's and others. We work closely with our customers to design, develop and produce new, compelling products that continue to excite their consumers. Strong working relationships with our customers are also part of Bhartiya's formula for success.

Important to our long-term strategy, we are leveraging the benefits of vertical integration and horizontal production expansion to position the Company for sustained financial improvements. In early 2015 we inaugurated a new state-of-the-art garment factory in Bangalore, which will operate with greater efficiencies and lower unit cost. Our tannery operations have expanded product development capabilities to produce new, innovative leathers, finishes, and treatments to support new garment design and development.

The Company has successfully combined garment making experience, supported by superior design and leather development, to create a unique competitive position. As global markets recover, and with our focus on geographic reach and customer development, the Leather Apparel group will continue to produce positive, sustained operational and financial results.

ACCESSORIES

The Company's Accessories group, based in Chennai, India has generated dramatic growth over the past several years, and significant improvement is projected this year. The Chennai team is utilizing strengthened internal design talent, expanded leather development capabilities, and an existing portfolio of Bhartiya customer relationships to drive its business. The strategic focus is to build a stronger base of core customers, and to provide better-best products to support their requirements.



The Accessories group is producing bags, accessories, and small leather goods including belts for well-known international customers including Polo Ralph Lauren, Boden, Whistles, Esprit, Coach, Tommy Hilfiger, G Star Raw, and others. We are concentrating on superior product design and the utilization of better materials and hardware to produce beautiful leather products.

Accessories growth is driven by a focus on its core businesses, combined with flawless execution. Strengthened key customer relationships, supported by superior product and on-time delivery, are creating these improved results. Having produced Coach's signature Snoopy leather dog to launch their 2015 collections, the Chennai team is now at work creating the next, new 2016 Coach introduction. We are also at the threshold to adding several major retailers to our client list, which will significantly improve Chennai's financial performance.

The Company is encouraged by the growth of the Accessories group. We are currently planning to expand accessories production capacity within the Company's owned Special Economic Zone (SEZ) in Tada, India. Growth rates with core customers demonstrate a sustainable and profitable business ahead for us.

TEXTILE APPAREL

The Company's product-sourcing Textile group services global brands and retailers in Europe, South America and North America, supporting their India and Bangladesh product needs. We design, develop, and source textile clothing for companies who may not operate sourcing offices in India. We provide sophisticated one-stop shop solutions to meet our customers' specific textile clothing needs. We call it 'virtual manufacturing.'

The Company provides customer targeted products supported by in-house design, competitive pricing, product quality, and reliable logistics. We have expanded the breadth of our product range. We have also broadened the geographic reach of our customer base beyond Europe to include South America and the US. Our customer portfolio includes Okiadi, Cato, Tao, Sears, Joe Fresh, Combipel and others.

The Textile team is comprised of a talented and experienced team of sourcing professionals. The group's merchandising approach and aim is





to provide high value apparel, produced and supplied through a reliable supply chain to support the customer's needs. We have expanded our Textile internal management team, and broadened sales coverage to support anticipated, planned growth.

OUTERWEAR

The Company has recently launched the Bangalore, India based textile Outerwear group. It will focus on better product driven by design and technical materials. We have recruited talented industry veterans to manage, oversee and build the business. We have also expanded our planning, production and marketing base and capabilities in India to support this business. Management is enthusiastic about our prospects, and expects the Outerwear group will generate revenues equivalent to our garment leather within the next 4-5 years. We will focus outerwear product development and marketing efforts on better US and European brands and retailers.

INTERNATIONAL

The Company is expanding the International business, headquartered in Neuchâtel, Switzerland. The Company's fur operations will continue forward as we 'harvest' this long-standing business. The sales expansion of our China produced PU entry-priced outerwear will be significant, and is supported by the Milan design studio, with the products produced and outsourced through independent, contracted factories in China.

Bhartiya's Hangzhou, China sourcing office oversees China sampling, commercialization and production. We are expanding our International group's management and sales team as we position this business for future, continued growth. We expect sustainable revenue and margin growth from the International business.

The preponderance of the International group's China outerwear production is lower priced garments, made primarily in PU or pigskin materials. This allows our retailer and branded customers to merchandise entry retail price- point garments made in these materials. Top customers include VF Corporation, Zara, Mango, River Island, Gas and others.

OVERVIEW

Since our founding in 1987, Bhartiya International has evolved and been supported by our overseas offices grown into a diverse global apparel company. With strong Indian roots, and a proud entrepreneurial heritage and spirit, the Company is poised for sustained future growth in all business groups.

The Company is vertically aligned from design to manufacturing, with a strong and experienced logistics and back office support structure. The Company is positioned for immediate revenue and operating margin improvement in each division: Leather Apparel, Accessories, Textile, Outerwear and International. We expect upcoming fiscal year results to be the best in the Company's history. As global brands and retailers look to India for sourcing options after China, Bhartiya International is positioned to support their apparel product needs and requirements.





OUR COMPANY

HUMAN RESOURCES

Bhartiya's belief in nurturing talent has engrossed in the DNA of the organization so much so that; most of the key initiative taken by us in the last year has revolved around talent and their development. Last year saw the advent of many policies which have a direct impact on the functioning of an organization and that of an individual like Code of Conduct and Prevention of Sexual Harassment policy.

Bhartiya has maintained their philosophy of continuous improvement in acquiring talent, retaining talent and providing a job enriching experience to each individual. Our belief in nurturing fresh talent led us to conceptualize a program to groom the youngsters of today into the leaders of tomorrow. We named this program as the "Budding Leaders". These Budding Leaders brings the fresh thought process and gives a new perspective to look at things at the strategic and operational levels which increases the competitiveness amongst people.

With the expansion in business, we worked out various strategies to acquire the best class of talent, which will help us in building the organization of future.

INTERNAL CONTROL SYSTEM

The Company has robust system of internal control to provide the reasonable assurance that all information used within the business and for external reporting is adequate. The Company has in house internal audit function manned by experienced Chartered Accountant reporting into Audit Committee. Risk based internal audits as per audit charter approved by audit committee have been conducted during the year with an objective to ensure the:

- accuracy of financial reporting,
- operating effectiveness,
- safeguarding of Company's assets,
- compliance to the applicable statutes and company policies and procedures

The audit report has been submitted to Audit Committee for consideration. Further, to ensure the completeness the Risk and Control Matrix is maintained for the process audited. With the endeavor to strengthen the internal control mechanism and accuracy of reporting, Company is in the process of implementing an ERP specific to the fashion industry.

RISK MANAGEMENT

The Company has formed Risk Management Committee 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

125 Acres Bhartiya City, being developed by the Group in Bengaluru, has achieved successful progress. 2400 Nikoo Homes were sold in Phase 1 in record time. The next edition of Nikoo Homes is also scheduled for launch in the third quarter of this year. More than half of the 170 Leela branded residences have already been sold. This is part of the Hotel and Conference Centre Project, which will also comprise a 260 rooms luxury Leela Hotel and the largest Conference Centre of its kind in Bengaluru. First building in the 3.7 mio IT Park is completed and is currently under leasing.



In addition to the site infrastructure, the 7 Acre Central Park construction has just been completed, and the Centre for Performing Arts within the Central Park is under construction.

Once fully implemented, this City of Joy will comprise of around 6000 residences, 4-5 Hotels, a 3.7 mio IT Park, a shopping district that will also boast of a high street, Ramblas and cinemas, a financial and commercial district, a world class hospital and international school , all well interlaced with meticulously designed and built public realm.



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 28th Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2015 are as follows:

		(Rs. in Lacs)	
Sl.No.	Particulars	2014-2015	2013-2014
1.	Net Sales /Income from Operations	42394.78	31869.57
2.	Other Income	265.09	225.17
3.	Total Expenditure	40528.64	30698.24
4.	Interest	1385.48	1004.92
5.	Gross Profit after Interest but before Depreciation & Tax Items	2517.49	1649.89
6.	Depreciation	386.25	253.40
7.	Profit before Tax	2131.24	1396.50
8.	Tax Expense	724.48	456.34
9.	Net Profit after Tax	1406.76	863.85
10.	Paid up Equity Share Capital	1121.38	1106.38
11.	Reserves (Excluding Revaluation Reserves)	14935.59	13559.04
12.	Earning Per Share (Basic) Rs.	12.61	7.81
13.	Earning Per Share (Diluted) Rs.	12.39	7.77
14.	Dividend	10%	10%

PERFORMANCE REVIEW

During the year under review Company achieved a turnover of Rs. 42394.78 Lacs as against Rs. 31869.57 Lacs in the previous year showing an increase of 33.03%. The Net Profit after tax also increased to Rs. 1406.76 as compared to Rs. 863.85 Lacs in the previous year showing an increase of 62.85%.

DIVIDEND

Your Directors have recommended a Dividend of Re.1.00/- per paid-up equity share of Rs. 10/- each (i.e. @ 10%) for the Financial Year ended 31st March, 2015. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

RESERVES

During the period under review an amount of rupees two crores 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 Share Capital of the Company:

Dates	Description	No. of shares	Total value of shares
April 1, 2014	Share Capital at the beginning of the year	11063848	110638480
May 6, 2014	Add: Shares issued pursuant to conversion of Warrants upon rights exercised by warrant holders	90000	900000
May 27, 2014	Add: Equity Shares allotted pursuant to conversion of Warrants upon rights exercised by warrant holders	10000	100000
March 27, 2015	Add: Equity Shares allotted pursuant to Employee Stock Option Plan 2013 upon exercise of right attached to stock options	50000	500000
March 31, 2015	Share Capital at the end of the year	11213848	112138480

In addition to above, the Company had allotted 5,00,000 warrants to Promoter Group on June 18, 2014 with right to subscribe to equal number of Equity shares upon conversion.

EMPLOYEES STOCK OPTION PLAN

The Nomination and Remuneration Committee (erstwhile Remuneration and Compensation 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').

The issuance of equity shares pursuant to exercise of options does not affect the Statement of Profit and Loss of the Company, as the exercise is made at the market price prevailing as on the date of the grant plus taxes as applicable.

The Company has received a certificate from the 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.

Disclosures as required under clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the 'SEBI Guidelines') as at 31st March, 2015, are set out in Annexure A to this Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the requirements of the Clause-32 of the Listing agreement with the Stock Exchanges and AS-21, AS-23 and AS-27 presented by ICAI, the Consolidated Financial Statements of the Company and its subsidiaries are annexed and forms part of this Annual Report.

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

It is a global marketing company engaged in export of textile and leather garments. The total revenues of the Company was Rs. 84,27,272/- and the net loss was Rs. 24,74,758/- during the financial year 2014-15.

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. 10,79,58,663/- and the net profit after tax was Rs. 34,458/- during the financial year 2014-15.

Bhartiya International SEZ Ltd.

To develop sector specific Special Economic Zone (SEZ) of Leather & Leather Products(It is a joint venture between Bhartiya International Ltd. and Andhra Pradesh Industrial Infrastructure Corporation). The total revenues of the Company was Rs. 3,31,57,388/- and the net profit after tax was Rs. 1,28,96,820/- during the financial year 2014-15.

Bhartiya Fashion Retail Ltd.

The Company had registered a loss of Rs. 25,486/- for the financial year 2014-15.

Ultima S.A. Switzerland

The Company is engaged in marketing and selling of outwears including leather garments and accessories in Europe. The total revenues of the Company was CHF 1,66,71,012 and the net profit was CHF 7,45,258 during the financial year 2014-15.

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 European and US markets. The Total revenue of the Company was HK\$ 4,54,49,136 and the net profit was HK\$ 5,15,851 for calander year 2014.

Ultima Italia SRL, Italy

The Company markets all fashion products including Fur and Leather garments in Italian market through its design and development centre in Italy. The total revenue of the Company was Euro 21,11,443 and the net profit for the financial year 2014-15 was Euro 11,329.

BIL Group LLC, USA

This Company operates as a wholesale importer and distributor of leather & textile outwears in US market. The net losses was HK\$ 3,257 for the calander year 2014.

New Subsidiary/Associate Company

During the year under review, your company had acquired one company named Design Industry Limited, Hong Kong through its wholly owned subsidiary Ultima S.A.

Design Industry Ltd.

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 revenue of the Company was HK\$ 2,18,02,838 and the net profit was HK\$ 4,14,059.

Further the statement containing the salient feature of the financial statement of a Company's subsidiaries and Associate companies as required under first proviso to Sub section (3) of Section 129 of the Companies Act, 2013 is annexed to the annual report at the end.

CORPORATE GOVERNANCE

As required by Clause-49 of Listing Agreement a Report on Corporate Governance along with a Certificate of Corporate Governance from the Auditors is annexed to this Report.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis Report forms part of this Annual Report.

LISTING AGREEMENT

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

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

The Annual Listing fee for the Financial Year 2015-2016 has already been paid to both the above Stock Exchanges.

CASH FLOW STATEMENT

As required by Clause-32 of the Listing Agreement a Cash Flow Statement is annexed and forms part of this Annual 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.

DIRECTORS

The Board of Directors had on the recommendation of Nomination and Remuneration Committee appointed Mrs. Annapurna Dixit as Additional Non-Executive Director on September 18, 2014. It is proposed to appoint Mrs. Annapurna Dixit as Independent Director in terms of Section 149 and other applicable provisions of the Companies Act, 2013, for a period until the conclusion of the 31st Annual General Meeting of the Company to be held in the calander year 2018.

Due notice under Section 160 of the Act has been received from Member of the Company proposing the appointment of Mrs. Annapurna Dixit as an Independent Director of the Company at this Annual General Meeting.

The Company has received declaration from Mrs. Annapurna Dixit confirming that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has further received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Ms. Jaspal Sethi, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

During the year under review, Mr. V. K. Chopra resigned as a Director of the Company with effect from June 19, 2014, since the revised Clause 49 of the Listing Agreement places restrictions on the directorships that an individual can serve as Independent Director in Listed Companies. The Board has placed on record its appreciation for the services rendered by Mr. V. K. Chopra during his tenure as a Director.

The details of Directors being recommended for appointment/re-appointment as required in clause 49 of the Listing Agreement are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

Appropriate Resolution(s) seeking your approval to the appointment/re-appointment of Directors are also included in the Notice.

KEY MANAGERIAL PERSONNEL

During the year under review, the Company has appointed following persons as Key Managerial Personnel:

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a structured questionnaire was prepared in the terms of the Board Evaluation Policy. The questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

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

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2014-15, six Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2014-15 forms part of the Corporate Governance report.

COMMITTEES

The details of the composition of Committees, terms of reference and numbers of Meetings held during the financial year 2014-15 is provided in the Corporate Governance Report.

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.

WHISTLE BLOWER POLICY

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

NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down the criteria for selection and appointment of Board members. The details of this policy are explained in the Corporate Governance Report.

RELATED PARTY TRANSACTIONS

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

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.

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 March 31, 2015, 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 March 31, 2015 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;
- (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

M/s. Sushil Poddar & Co., Chartered Accountants, (Firm registration No: 014969N) who are the Statutory Auditors of the Company hold office up to the 30th Annual General Meeting. Your directors have recommended their ratification in the ensuing Annual General Meeting.

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

COST AUDIT

For the financial year ended 31st March, 2015 the Company will file the Compliance Report within the due period.

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2015-16.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had appointed Mr. Ravichandran K., Practicing Company Secretary (CP No. 3207) to undertake the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report is included as Annexure C and forms an integral part of this report.

There is no secretarial audit qualification for the year under review.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has robust system of internal control to provide the reasonable assurance that all information used within the business and for external reporting is adequate.

The Company has in house internal audit function manned by experienced Chartered Accountant reporting into Audit Committee. Pursuant to the provisions of Section 138 of the Companies Act, 2013 the internal audit function is entrusted to our in-house audit team. Risk based internal audits as per audit charter approved by audit committee have been conducted during the year with an objective to ensure the:

- accuracy of financial reporting,
- operating effectiveness,
- safeguarding of Company's assets,
- compliance to the applicable statutes and company policies and procedures

The audit report has been submitted to Audit Committee for consideration. Further, to ensure the completeness the Risk and Control Matrix is maintained for the process audited. With the endeavor to strengthen the internal control mechanism and, accuracy of reporting Company is implementing a ERP specific to the fashion industry.

RISK MANAGEMENT

The Company has formed Risk Management Committee which identifies, assesses and manages risk at strategic, operational and compliance levels, across business units functions and geographics. 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a part of its initiative under the "Corporate Social Responsibility" CSR drive, the Company has undertaken projects in the area of rural development and promoting health care and sanitation. 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.

The Company has even devised a Policy on Prevention of Sexual Harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

HUMAN RESOURCES

Bhartiya's belief in nurturing talent has engrossed in the DNA of the organization so much so that; most of the key initiative taken by us in the last year has revolved around talent and their development. Last year saw the advent of many policies which have a direct impact on the functioning of an organization and that of an individual like Code of Conduct and Prevention of Sexual Harassment policy .

Bhartiya has maintained their philosophy of continuous improvement in acquiring talent, retaining talent and providing a job enriching experience to each individual. Our belief in nurturing fresh talent led us to conceptualize a program to groom the youngsters of today into the leaders of tomorrow. We named this program as the "Budding Leaders". These Budding Leaders brings the fresh thought process and gives a new perspective to look at things at the strategic and operational levels which increases the competitiveness amongst people.

With the expansion in business, we worked out various strategies to acquire the best class of talent, which will help us in building the organization of future.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provision of Section 134(3)(e) of the Companies Act, 2013, read with Rule 8(3), the Companies (Accounts) Rules 2014 for the year ended 31st March 2015 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo is given in the Annexure (E) forming part of this report.

PARTICULARS OF EMPLOYEES:

4 persons employed throughout the year, were in receipt of remuneration of Rs. 60 lac per annum or more amounting to Rs. 3.40 crore and none of the employees employed for the part of the financial year 2015 were in receipt of Rs. 5 lac per month or more.

During the financial year 2014-15, the Company had 246 employees.

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended 31st March, 2015 is given as a separate Annexure to this Report.

The above Annexure is not being sent along with this report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who wish to obtain these particulars may write to the Company Secretary at the registered office of the Company. The aforesaid Annexure is also available for inspection by Members at the registered office of the Company, 21 days before the 28th Annual General Meeting and upto the date of the ensuing Annual General Meeting during the business hours on working days.

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 8, 2014 (date of last Annual General Meeting) on the Ministry of Corporate Affairs' website.

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 by Clause 55 of the Listing Agreement with the Stock Exchanges is not applicable to your Company for the financial year ending March 31, 2015.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2015 and date of the report of the company which affects the financial position of the company.

ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board

New Delhi, 25th May, 2015

Snehdeep Aggarwal
Managing Director

Ramesh Bhatia
Director

ANNEXURE A

Statement Pursuant to Clause 12 'Disclosure in the Directors' Report' of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and as per rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 Pursuant to the Resolution passed by the shareholders in their Annual General Meeting held on September 23, 2013, the Nomination and Remuneration Committee of the Directors have granted Stock Options to eligible employees during the financial year 2013-14. These options were converted into the Equity Shares of the Company during the financial year 2014-15. The details of the Stock Option granted are given below:

Sr. No.	Description	Remarks	
A	Options granted	50,000	
B	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 / Remuneration and Compensation Committee. However the Exercise Price shall not be less than the par value of the Equity Shares of the Company.	
C	Option vested	50,000	
D	Options exercised	50,000	
E	Total number of Ordinary Shares arising as a result of exercise of Options	50,000	
F	Options lapsed	Nil	
G	Variation of terms of Options	None	
H	Money realized by exercise of Options	Rs. 78,00,000	
I	Total number of Options in force	Nil	
J	Details of Options granted to		
	i) Senior managerial personnel	Name	No. of options
		Mr. Robert Moore	50,000
	ii) 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.	Name	No. of options
		Nil	N.A
	iii) 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.	Name	No. of options
		Nil	N.A
K	Diluted Earnings per Share (EPS) pursuant to issue of Ordinary Shares on Exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share.'	12.39	
L	i) Method of calculation of employee compensation cost	The Company had calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost as per the intrinsic value method.	
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	Nil	
	iii) The impact of this difference on Profits and on EPS of the Company.	There is no impact on EPS and Profit	
M	Weighted average exercise price and weighted average fair value of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	No options in force as on March 31, 2015	
N	A description of the method and significant assumption used during the year to estimate the fair values of Options	No options in force as on March 31, 2015	

**ANNEXURE B
FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[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	:	L74899DL1987PLC026607
ii. Registration Date	:	07.01.1987
iii. Name of the Company	:	Bhartiya International Limited
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-110 030
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	Manufacture of leather garments and accessories	1410 & 1512	93.83%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N.	Name and Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya Global Marketing Ltd. E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74899DL1996PLC075128	Indian Subsidiary Company	100%	2(87)
2	J & J Leather Enterprises Ltd. 56/7, Nallambakkam Village (Via Vandalur), Chennai-600 048	U18209TN1991PLC020874	Indian Subsidiary Company	100%	2(87)
3	Bhartiya International SEZ. Ltd. E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74999DL2007PLC159827	Indian Subsidiary Company	88.95%	2(87)
4	Bhartiya Fashion Retail Ltd. E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U17120DL2009PLC193608	Indian Subsidiary Company	100%	2(87)
5	World Fashion Trade Ltd., Mauritius Room. 510, Tower 8, United Plaza, No. 58, Qianjiang Road, Hangzhou, China. Post Code-310 008	-	Overseas Subsidiary Company	100%	2(87)
6	Ultima S.A., Switzerland Avenue J-J. Rousseau-7, CH-2001, Neuchatel, Switzerland	CH-645-40960339	Overseas Subsidiary Company	100%	2(87)

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S. N.	Name and Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
7	Ultima Italia SRL, Italy Branch : Via Dei Tigli, 4, 26010, Casaleto, Vaprio (CR), Italy	-	Overseas Subsidiary Company	100%	2(87)
8	BIL Group LLC, USA 146, West 29 th Street, Suite# 11E, New York, N.Y. 11001 USA	-	Overseas Subsidiary Company	100%	2(87)
9	DESIGN INDUSTRY LTD Room 1104, Crawford House, 70, Queens Road Central, Central Hong Kong	-	Overseas Subsidiary Company	100%	2(87)
10	Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. Plot-38, Sector-44, Gurgaon-122002, Haryana	U45201HR2006PTC036015	Associate Company	29.60%	2(6)
11	Tada Mega Leather Cluster Pvt. Ltd. E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74140DL2013PTC249002	Associate Company	50%	2(6)
12	Bhartiya Prakash Leather C-20, Pamposh Enclave, Greater Kailash, Part-I, New Delhi-110048	-	Associate Party	Significant Influence (Partner Capital)	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/HUF	2102636	-	2102636	19.00	2102636	-	2102636	18.75	0.25
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2995536	-	2995536	27.07	3061926	-	3061926	27.30	0.23
e) Banks / Fiis	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	5098172	-	5098172	46.07	5164562	-	5164562	46.05	0.02
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FIIS	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(2):-A	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	5098172	-	5098172	46.07	5164562	-	5164562	46.05	0.02

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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. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	3000	3000	0.03	-	3000	3000	0.03	-
b) Banks / FI	500	300	800	0.01	1812	300	2112	0.02	0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	363	26600	26963	0.24	750611	26600	777211	6.93	6.69
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	863	29900	30763	0.28	752423	29900	782323	6.93	6.65
2. Non-Institutions									
a) Bodies Corp.	3176562	287400	3463962	31.31	2904974	8600	2913574	25.98	5.33
i) Indian									
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	817867	155453	973320	8.80	843427	133532	9769599	8.71	0.09
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1103713	-	1103713	9.98	1044814	-	1044814	9.32	0.66
c) Others	145118	248800	393918	3.56	181416	150200	331616	2.96	0.60
Sub-total(B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5243260	691653	5934913	53.64	5726854	322432	6049286	53.94	0.30
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	10342295	721553	11063848	100.00	10891416	322432	11213848	100.00	-

(ii) Shareholding of Promoters

S. N.	Share holder's Name	Share holding 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	Snehdeep Aggarwal	1143362	10.33	-	1143362	10.20	-	0.13
2	Ramesh Bhatia	340250	3.08	-	340250	3.03	-	0.05
3	Arjun Aggarwal	496150	4.48	-	496150	4.42	-	0.06
4	Parushini Aggarwal	7500	0.07	-	7500	0.07	-	-
5	Pawan Aggarwal	5000	0.05	-	5000	0.04	-	0.01
6	Kanwal Aggarwal	60374	0.55	-	60374	0.54	-	0.01
7	Snehdeep & Co. Huf	50000	0.45	-	50000	0.45	-	-
8	Bhartiya Global Holdings Pvt. Ltd.	1350000	12.20	-	1350000	12.04	-	0.16
9	Bhartiya Finstock Pvt. Ltd.	615536	5.56	-	681926	6.08	-	0.52
10	Bhartiya Infotech Pvt. Ltd.	1000000	9.04	-	1000000	8.92	-	0.12
11	R.L. Bhatia Associates Pvt. Ltd.	30000	0.27	-	30000	0.27	-	-
	TOTAL	5098172	46.08	-	5164562	46.06	-	0.02

(iii) Change in Promoters' Shareholding

S. N.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Bhartiya Finstock Private Limited				
	At the beginning of the year	615536	5.56	615536	5.56
	Market Purchase on 7 th April, 2014	42395	0.38	657931	5.95
	Market Purchase on 30 th April, 2014	4000	0.04	661931	5.98
	Market Purchase on 19 th May, 2014	5495	0.05	667426	5.98
	Market Purchase on 30 th May, 2014	7000	0.06	674426	6.04
	Market Purchase on 2 nd June, 2014	3500	0.03	677926	6.07
	Market Purchase on 3 rd June, 2014	4000	0.04	681926	6.08
	At the End of the year	-	-	681926	6.08%

(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 Shareholders*	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Spirit Impex Pvt. Ltd.	1200000	10.85	1200000	10.70
2	Morgan Stanley Asia (Singapore) PTE	-	-	745315	6.65
3	Appreal Holding Pvt. Ltd.	537356	4.86	387356	3.45
4	Share Point Pvt. Ltd.	285500	2.58	285500	2.55
5	Dwarkadhish Trading Pvt. Ltd.	-	-	240000	2.14
6	Goldline Carpets Pvt. Ltd.	168300	1.52	168300	1.50
7	Ganesh Stockinvest Pvt. Ltd.	-	-	122094	1.09
8	Arvinder Kaur	130000	1.17	130000	1.16
9	Ishaan Metals Pvt. Ltd.	-	-	110784	0.99
10	Atul Goel	-	-	71930	0.64

* 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	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Snehdeep Aggarwal				
	At the beginning of the year	1143362	10.33	1143362	10.20
	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	10.33	1143362	10.20
2	Mr. Ramesh Bhatia				
	At the beginning of the year	340250	3.08	340250	3.03
	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	340250	3.08	340250	3.03
3	Ms. Annapurna Dixit				
	At the beginning of the year	4000	0.04	4000	0.04
	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	0.04	4000	0.04

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S. N.	Shareholding of each Directors and each key Management Personal	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No.of shares	% of total shares of the company
4	Ms. Jaspal Sethi				
	At the beginning of the year	98800	0.89	98800	0.88
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	98800	0.89	98800	0.88
5	Mr. Nikhil Aggarwal				
	At the beginning of the year	20000	0.18	20000	0.18
	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	0.18	20000	0.18
6	Mr. Shashank				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	Nil	Nil	Nil	Nil
7	Mr. A. Sahasranaman				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	Nil	Nil	Nil	Nil
8	Mr. C. L. Handa				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	Nil	Nil	Nil	Nil
9	Mr. Sandeep Seth				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	Nil	Nil	Nil	Nil

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S. N.	Shareholding of each Directors and each key Management Personal	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	Mr. Manoj Khattar				
	At the beginning of the year	50	-	50	-
	Date Wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	Allotment of Equity shares pursuant to conversion of warrants (May 6, 2014)	20000	0.18	20050	0.18
	At the End of the year	-	-	20050	0.18
11	Ms. Shilpa Budhia				
	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	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,508,445,250	-	-	1,508,445,250
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,340,300	-	-	1,340,300
Total (i+ii+iii)	1,509,785,550	-	-	1,509,785,550
Change in Indebtedness during the financial year				
* Addition	456,640,313	-	-	456,640,313
* Reduction	45,736,579	-	-	45,736,579
Net Change	502,376,892	-	-	502,376,892
Indebtedness at the end of the financial year				
i) Principal Amount	1,919,348,984	-	-	1,919,348,984
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,833,531	-	-	1,833,531
Total (i+ii+iii)	1,921,182,515	-	-	1,921,182,515

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
		Mr. Snehdeep Aggarwal	Mr. A.K. Gadhok	Ms. Jaspal Sethi	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	1800000 39600	982241 -	1140000 39600	3922241 79200
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	1839600	982241	1179600	4001441
	Ceiling as per the Act	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)			

B. Remuneration to other Directors:

Sr. No.	Directors details	Particulars of Remuneration			Total
		Fee for attending Board/Committee Meetings	Commission	Others, please specify	
1	Independent Directors				
	Mr. A. Sahasranaman	8333	-	-	8333
	Mr. Shashank	25886	-	-	25886
	Mr. Sandeep Seth	30885	-	-	30885
	Mr. C. L. Handa	28108	-	-	28108
	Mr. V. K. Chopra	2777	-	-	2777
	Mrs. Annapurna Dixit	5556	-	-	5556
	Total (1)	101555	-	-	101555
2	Other Non-Executive Directors				
	Mr. Ramesh Bhatia	2777	-	-	2777
	Mr. Nikhil Aggarwal	-	-	-	-
	Total (2)	2777	-	-	2777
	Total Managerial Remuneration (Total B)	104332	-	-	104332
	Overall Ceiling as per the act	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)			

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

(Amount in Rs.)

S. N.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	853404	4467068	5320472
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	32400	32400
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	853404	4499468	5352872

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2015.

ANNEXURE C

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members of

M/s. Bhartiya International Ltd.

E-52, New Manglapuri, Mandi Road,

Mehrauli, New Delhi-110030

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Bhartiya International Limited (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2014 and ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Bhartiya International Limited ("The Company") for the financial year ended on 31st March, 2015, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014 ;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
 - v. 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, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not applicable to the Company during audit period).

- vi. I have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India
- ii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited;

During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I 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 the directors to schedule the Board Meetings and 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 clarifications on the agenda items before the meeting and for meaningful participation of the meeting. The decisions are carried out after obtaining approval of members of the Board and the same is recorded in the Minutes.

Meetings called at shorter notice to discuss on important agenda items are convened in compliance to Listing requirements and Companies Act, 2013.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines, standards, etc.

I further report that during the audit period the Company has passed following special resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. Preferential issue of 5 lakh Warrants to Promoter Group having rights attached thereto to subscribe for equal number of Equity shares
2. Increase in borrowing limits under Section 180(1)(c) of the Companies Act, 2013
3. Sell, lease or dispose off whole or substantially the whole of the undertaking under section 180(1)(a) of the Companies Act, 2013

K. Ravichandran
Company Secretary
ACS 12838
CP 3207

New Delhi, 25th May, 2015

ANNEXURE D
CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.			The CSR Policy was approved by the Board of Directors of the Company on May 27, 2014 and has been uploaded on the Company website www.bhartiyafashion.com . The policy contains the exhaustive list of programmes that can be undertaken by the Company during any period of time. During the financial year 2014-15, the company had mainly catered to health care and sanitation needs, water conservation and extended donation to NGO which aims to enhance the quality of life of local communities through work in four specific focus areas, water, agriculture, environment and child rights.				
2.	The Composition of the CSR Committee			Mr. Snehdeep Aggarwal – Chairman Mr. Ramesh Bhatia – Member Mr. Sandeep Seth – Member				
3.	Average net profit of the Company for last three financial years			Rs. 12.54 crore				
4.	Prescribed CSR Expenditure (2% of the above mentioned amount)			Rs. 25.08 lakhs				
5.	Details of CSR spent during the financial year							
	(a) Total amount to be spent for the financial year;			Rs. 9.59 lakhs				
	(b) Amount unspent, if any;			Rs. 15.49 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 or through implementing agency*
	1	Drinking Water	Safe Drinking Water	Gottigere, Bangalore	Rs. 99000	Direct – Rs. 84000 Overheads – Rs. 15000	Rs. 99000	Rs. 99000
	2	Construction of Toilets in Schools	Sanitation	Nallambakkam, Chennai Gottigere, Bangalore	Rs. 2.6 lakhs	Direct – Rs. 2.6 lakhs	Rs. 2.6 lakhs	Rs. 2.6 lakhs
	3	Donation extended to Janhit Foundation	Contribution to corpus of Trust, Section 8 Company	Lucknow, Uttar Pradesh	Rs. 6 lakhs	Direct – Rs. 6 lakhs	Rs. 6 lakhs	Rs. 6 lakhs
	TOTAL				Rs. 9.59 lakh	Rs. 9.59 lakh	Rs. 9.59 lakh	Rs. 9.59 lakh

- 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 undertake CSR activities through a trust or a section 8 Company incorporated solely for undertaking CSR activities for entire Bhartiya Group. In lieu of the same, the amount unspent will be utilized in the coming year in a phased and staggered manner.

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

Chairman and Managing Director

New Delhi, 25th May, 2015

Chairman of CSR Committee

ANNEXURE E
ANNEXURE TO DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988

a. Conservation of Energy

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

b. Technology Absorption

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

c. Foreign Exchange Earnings & Outgo

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

For and on behalf of the Board

New Delhi, 25th May, 2015

Snehdeep Aggarwal
Managing Director

Ramesh Bhatia
Director

CORPORATE GOVERNANCE REPORT

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 and transparent 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 & strengthening investor's confidence in the Company.

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

During the Financial Year 2014-2015, the Company has complied with the requirements of clause 49 of the Listing Agreement executed with the stock exchanges. The detailed Corporate Governance Report of BIL is as follows:

BOARD OF DIRECTORS

a. Composition of the Board

The Board is broad-based and consists of eminent individuals from industry, management, technical, financial and marketing. The Company is managed by the Board of Directors in coordination with the Senior Management team. The Board periodically evaluates the need for change in its composition and size.

The Board of the Company consists of ten Directors and seven out of them are Non-Executive Directors. The Independent Directors are professionals with high credentials, who 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 Directorship/Committee Membership are as given below:

Name	Director Identification Number	Date of Appointment	Category of Directors	No. of other Directorships	Memberships/ Chairmanships of other Committees
Mr. Snehdeep Aggarwal	00928080	07-01-1987	Managing Director	-	-
Mr. A. K. Gadhok	01254410	01-04-1999	Executive Director (Whole-Time Director)	1	-
Ms. Jaspal Sethi	01689695	29-06-1997	Executive Director (Whole-Time Director)	1	-
Mr. Ramesh Bhatia	00052320	06-09-1987	Non-Executive Non-Independent Director	2	-
Mr. Nikhil Aggarwal	01891082	04-10-2007	Non-Executive Non-Independent Director	-	-
Mr. C. L. Handa	00928283	26-05-2004	Non-Executive Independent Director	3	-
Mr. Sandeep Seth	01408624	28-02-2002	Non-Executive Independent Director	1	-
Mr. Shashank	01569514	27-09-2007	Non-Executive Independent Director	1	-
Mr. A. Sahasranaman	01983690	30-06-2008	Non-Executive Independent Director	-	-
Mr. V. K. Chopra**	02103940	31-12-2012	Non-Executive Independent Director	NA	NA
Mrs. Annapurna Dixit***	06844250	18-09-2014	Non-Executive Independent Director	1	-

** Mr. V. K. Chopra had resigned from the Board of the Company on June 19, 2014.

*** Mrs. Annapurna Dixit was appointed as a Director on September 18, 2014.

Notes:-

- 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.

2. In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all Public Limited Companies (excluding Bhartiya International Limited) have been considered. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.
3. The Independent Directors also meet the criteria as defined under Clause 49 of the Listing Agreement.
4. Details of Director(s) retiring or being re-appointed are given in the notice to Annual General Meeting. The brief profile of the Board Members is given on the website of Bhartiya Group www.bhartiyafashion.com.

b. Independent Directors

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made thereunder and meet with requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Agreement is disclosed on the website of Bhartiya Group www.bhartiyafashion.com. The same is issued to Independent Directors on their appointment.

c. Number of Board Meetings:

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

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

In the financial year 2014-15, the Board met six times. The meetings were held on May 6, 2014, May 27, 2014, June 18, 2014, August 11, 2014, November 12, 2014 and February 13, 2015. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Agreement.

The attendance of Directors at the Board meetings held during the financial year ended March 31, 2015 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	6	Present
Mr. A. K. Gadhok	3	Present
Ms. Jaspal Sethi	2	Absent
Mr. Ramesh Bhatia	1	Absent
Mr. C. L. Handa	5	Present
Mr. Sandeep Seth	6	Present
Mr. Shashank	5	Absent
Mr. A. Sahasranaman	3	Absent
Mr. Nikhil Aggarwal	1	Absent
Mr. V. K. Chopra **	1	-
Ms. Annapurna Dixit***	2	Absent

* Includes Meeting attended through Conference

** Mr. V. K. Chopra had resigned from the Board of the Company on June 19, 2014.

*** Mrs. Annapurna Dixit was appointed as a Director on September 18, 2014.

Information Supplied to the Board:

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

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.

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

Code of Conduct

As per requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board has laid down a Code of Conduct ("the Code") for all Board members and Senior Management Personnel of the Company. The Code is posted on the website of Bhartiya Group www.bhartiyafashion.com. All Board members and Senior Management Personnel affirm compliance with the code on an annual basis and the declaration to that effect by Mr. Snehddeep Aggarwal, Managing Director, is attached to this report.

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

The Company recognizes that sexual harassment violates fundamental rights of gender equality, right to life and liberty and right to work with human dignity as guaranteed by the Constitution of India. To meet this objective, measures have been taken to eliminate and to take necessary penal action for any act of sexual harassment, which includes unwelcome sexually determined behaviour. The Company has taken initiatives to create wide awareness amongst the employees about the policy for prevention of sexual harassment by displaying posters at all the prominent places in the Offices of the Company.

Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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.

Subsidiary Company

None of the subsidiary of the Company falls within the meaning of "Material Non-listed Indian subsidiary" as designed by Clause 49 of the Listing Agreement. However, the Company has formulated the Material Subsidiary policy and uploaded the same on the website of the Company (www.bhartiyafashion.com)

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

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

COMMITTEES OF THE BOARD

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

The Board has currently the following Committees:

(A) AUDIT COMMITTEE

(i) Composition

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. Mr. Sandeep Seth is the Chairman of the Audit Committee. Mr. Shashank and Mr. C. L. Handa are the members of the Audit Committee

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

(ii) Meetings and Attendance during the Financial Year 2014-2015

All the Member of the Audit Committee met four times during the Financial Year 2014-15. The Company is in full compliance with the provisions of Clause 49 of the Listing Agreement on gaps between any two Audit Committee meetings. The Committee met on May 26, 2014, August 8, 2014, November 10, 2014, and February 12, 2015. 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	26.05.2014	08.08.2014	10.11.2014	12.02.2015
Mr. Sandeep Seth	P	P	P	P
Mr. C.L. Handa	P	P	P	P
Mr. Shashank	-	P	P	P

(ii) Terms of Reference:

The terms of reference/powers of the Audit Committee are as under:

Powers of Audit Committee

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

The role of Audit Committee includes

- a. Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- b. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment
- c. Approving payment to statutory auditors, including cost auditors for any other services rendered by them
- d. Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors’ Responsibility Statement to be included in the Directors’ Report of the Company from time to time
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Significant adjustments made in financial statements arising out of audit findings

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

(B) STAKEHOLDERS RELATIONSHIP COMMITTEE**(i) Composition**

The Stakeholders Relationship Committee comprises of three Non-Executive Directors and all are Independent Directors. 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 2014-2015

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

Director	13.05.2014	29.07.2014	23.08.2014	16.09.2014	31.10.2014	09.02.2015	20.03.2015
Mr. Sandeep Seth	P	P	P	P	P	P	P
Mr. C.L. Handa	P	P	P	P	P	P	P
Mr. Shashank	P	P	P	P	P	P	P

(iii) Terms of Reference

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

- a. Oversee and review all matters connected with the transfer, transposition and transmission of the Company's securities;
- b. Approve issue of the Company's duplicate share / debenture certificates, if any;
- c. Monitor redressal of investors' / shareholders' / security holders' grievances about non-receipt of declared dividend, non-receipt of Annual Reports;
- d. Oversee the performance of the Company's Registrars and Transfer Agents;
- e. Recommend methods to upgrade the standard of services to investors;
- f. Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading;
- g. 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, Listing Agreements 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 30 (Thirty) only and all of them have been redressed/answered to the satisfaction of shareholders. There was no investor grievance remained unattended or pending as on March 31, 2015.

(C) SHARE TRANSFER COMMITTEE

(i) Composition

The Share Transfer Committee comprises Mr. Snehdeep Aggarwal and Mr. A. K. Gadhok as members.

(ii) Meetings and Attendance during the financial year 2014-2015

Fourteen Meetings of the Committee were held during the year on May 12, 2014, June 30, 2014, August 16, 2014, August 23, 2014, September 16, 2014, October 6, 2014, October 13, 2014, October 31, 2014, November 29, 2014, December 10, 2014, December 29, 2014, January 19, 2015, January 31, 2015 and February 12, 2015.

(iii) Terms of Reference

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

(D) MANAGEMENT COMMITTEE

(i) Composition

Management Committee comprises of Mr. Snehdeep Aggarwal, Mr. A.K. Gadhok and Mr. C. L. Handa as members.

(ii) Meetings and Attendance during the financial year 2014-2015

Ten Meetings of the Committee were held during the year on June 19, 2014, July 10, 2014, August 21, 2014, August 25, 2014, September 08, 2014, September 17, 2014, October 15, 2014, December 10, 2014, March 11, 2015 and March 26, 2015. All the members were present in all the meetings of the Committee.

(iii) Terms of Reference

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

- a. Availing term loans/working capital facilities/vehicle loans for business purposes from banks/financial institutions for an amount not exceeding Rs. 500 crore including accepting sanction letters and renewal of existing bank limits, forex transactions and all such matters which are required for dealing with the banks/financial institutions on routine basis.
- b. Authorisation for dealing/liaising with various Statutory/Regulatory authorities including state, central authorities viz., Income Tax, FEMA, MCA, SEBI, Pollution Control Board, Municipal Corporation, Telecom authorities, Service Tax authorities, VAT authorities etc. and vendors.
- c. Authorisation for opening and closing of bank accounts, changes in signatories for operating the bank accounts etc.
- d. To take up any other assignments as may be granted by the Board from time to time

(E) INVESTMENT COMMITTEE

(i) Composition

Investment Committee comprises of Mr. Snehdeep Aggarwal and Mr. A.K. Gadhok as members.

(ii) Meetings and Attendance during the financial year 2014-2015

Four Meetings of the Committee were held during the year on April 28, 2014, October 1, 2014, November 20, 2014 and November 28, 2014.

(iii) Terms of Reference

The Committee is vested with the powers of making investments in securities quoted on the stock exchanges.

(F) NOMINATION AND REMUNERATION COMMITTEE

(i) Composition

The Committee comprises of three Non-Executive, Independent Directors. 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.

(ii) Meetings and Attendance during the financial year 2014-2015

Two Meetings of the Committee was held during the year.

Director	17.09.2014	27.03.2015
Mr. Charanjit Lal Handa	P	P
Mr. Sandeep Seth	P	P
Mr. Shashank	A	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.

The Company had granted 50,000 stock options to its employees during the financial year 2013-14. These Stock Options were vested during the financial year 2014-15 and shares had been allotted by the Company during the year, details of which are provided elsewhere in the Report.

(iv) Remuneration Policy

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

Remuneration to Executive Directors for the financial year 2014-2015 is as under:

Name of the Director	Salary (Rs.)*
Mr. Snehdeep Aggarwal	18,39,600
Ms. JaspalSethi	11,79,600
Mr. A. K. Gadhok	9,82,241

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

The details of sitting fees paid for attending the Board/Committee Meetings to the Non-Executive Directors for the financial year 2014-2015 is as under: -

Name of the Director	Board Meeting Fees (Rs.)	Committee Meeting Fees (Rs.)	Total (Rs.)
Mr. C. L. Handa	13887	14221	28108
Mr. Ramesh Bhatia	2777	-	2777
Mr. A. Sahasranaman	8333	-	8333
Mr. Shashank	13887	11999	25886
Mr. Sandeep Seth	16664	14221	30885
Mr. Nikhil Aggarwal	-	-	-
Mr. V.K. Chopra	2777	-	2777
Ms. Annapurna Dixit	5556	-	5556

SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON MARCH 31, 2015

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a structured questionnaire was prepared in the terms of the Board Evaluation Policy. The questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

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

(G) CSR COMMITTEE

(i) Composition

The Committee comprises of three Directors. Mr. Snehdeep Aggarwal is the Chairman of the Committee. Other members of the Corporate Social Responsibility Committee are Mr. Ramesh Bhatia and Mr. Sandeep Seth. Ms. Shilpa Budhia, Company Secretary acts as Secretary of the CSR Committee.

(ii) Meetings and Attendance during the financial year 2014-2015

Two Meetings of the Committee was held during the year.

Director	11.11.2014	31.03.2015
Mr. Snehdeep Aggarwal	P	P
Mr. Ramesh Bhatia	-	-
Mr. Sandeep Seth	P	P

(iii) Terms of reference

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

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

Considering the cause behind the CSR Committee, the Directors have forgone the sitting fees for attending the Meetings of the Committee.

(H) RISK MANAGEMENT COMMITTEE

(i) Composition

The Committee comprises of three Directors. Mr. Snehdeep Aggarwal is the Chairman of the Committee. Other members of the Risk Management Committee are Mr. C.L. Handa and Mr. Sandeep Seth. Ms. Shilpa Budhia, Company Secretary acts as Secretary of the Committee.

(ii) Meetings and Attendance during the financial year 2014-2015

One Meeting of the Committee was held during the year.

Director	11.11.2014
Mr. Snehdeep Aggarwal	P
Mr. C. L. Handa	-
Mr. Sandeep Seth	P

(iii) Terms of reference

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

- a. to assist the Board in fulfilling its corporate governance duties by overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks;
- b. Monitoring and approving the risk policies and associated practices of the Company;
- c. Reviewing and approving risk disclosure statements in any public documents or disclosures.

MEETING OF INDEPENDENT DIRECTORS

During the year underreview, the Independent Directors met on January 22, 2015, inter-alia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Managing Director of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

MDA is attached separately in this Annual Report.

I. GENERAL BODY MEETINGS

The location and time of the Extra-Ordinary General Meeting held during the last 3 years are as follows:-

Extra-Ordinary General Meeting (EGM)	Date	Time of EGM	Location	No. of Special Resolutions passed
Year-2013-14	5 th June, 2014	10.00 A.M.	Sri SathyaSai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	1
Year-2012-13	26 th November, 2012	11.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	3
Year-2011-12	No Meeting held			

The resolution moved at the EGM held on 26th November 2012 was passed by show of hands.

The resolution moved at EGM held on 5th June 2014 for issue of 5 lakh warrants to Promoter group on preferential basis was passed though Poll(electronically and physical ballot).

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
27 th AGM	8 th September, 2014	11.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	2
26 th AGM	23 rd September, 2013	10.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	3
25 th AGM	27 th September, 2012	11.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	-

All resolutions moved at the Annual General Meeting held on 27th September 2012 and 23rd September 2013 were passed by show of hands.

All resolutions moved at the last Annual General Meeting held on 8th September 2014 were passed through Poll (electronically and physical ballot).

II. Postal Ballot

During the year, pursuant to the provisions of the Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, the Company has passed certain resolutions through Postal Ballot, as per the details mentioned below:

The Company as per the Postal Ballot notice dated February 13, 2015 passed Five Special Resolutions for (i) Amendment of the Main Objects Clause of the Memorandum of Association of Company, (ii) Amendment of Incidental or Ancillary Objects Clause of the Memorandum of Association, (iii) Deletion of the Other Objects Clause of the Memorandum of Association of Company, (iv) Amendment of the Liability Clause of the Memorandum of Association and (v) Adoption of New Set of Articles of Association of the Company in pursuance to the provisions of Companies Act, 2013.

The Company had appointed Mr. Ravi Sharma, Practicing Company Secretary as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. The details of results of Postal Ballot are as under:

Promoter/ Public	No. of Shareheld (1)	No. of votes polled(2)	% of Votes polled on outstanding shares(3)= [[2]/(1)]*100	No. of Votes- infavour(4)	No. of Votes- against(5)	% of Votes in favour on votes polled(6)= [[4]/(2)]*100	% of Votes against on votes polled(7)= [[5]/(2)]*100
Special Resolution No. – 1 : Amendment of the Main Objects Clause of the Memorandum of Association of Company							
Mode of Voting (Postal ballot paper)							
Promoter and Promoter Group	1846150	1846150	100%	1846150	-	100%	-
Public Institutional holders	-	-	-	-	-	-	-
Public-Others	520726	520726	100%	520726	-	100%	-
Total (A)	2366876	2366876	100%	2366876	-	100%	-
Mode of Voting (E-Voting)							
Promoter and Promoter Group	-	-	-	-	-	-	-
Public Institutional holders	-	-	-	-	-	-	-
Public-Others	6071	6071	100%	6046	25	99.58%	0.41%
Total (B)	6071	6071	100%	6046	25	99.58%	0.41%
RESULT (A+B)	2372947	2372947	100%	2372922	25	99.58%	0.41%

BHARTIYA INTERNATIONAL LTD.

Promoter/ Public	No. of Sharesheld (1)	No. of votes polled(2)	% of Votes polled on outstanding shares(3)= [(2)/(1)]*100	No. of Votes- infavour(4)	No. of Votes- against(5)	% of Votes in favour on votes polled(6)= [(4)/(2)]*100	% of Votes against on votes polled(7)= [(5)/(2)]*100
Special Resolution No. – 2 : Amendment of Incidental or Ancillary Objects Clause of the Memorandum of Association							
Mode of Voting (Postal ballot paper)							
Promoter and Promoter Group	1846150	1846150	100%	1846150	-	100%	-
Public Institutional holders	-	-	-	-	-	-	-
Public-Others	520726	520726	100%	520726	-	100%	-
Total (A)	2366876	2366876	100%	2366876	-	100%	-
Mode of Voting (E-Voting)							
Promoter and Promoter Group	-	-	-	-	-	-	-
Public Institutional holders	-	-	-	-	-	-	-
Public-Others	6071	6071	100%	5946	125	97.94	2.06
Total (B)	6071	6071	100%	5946	125	97.94	2.06
RESULT (A+B)	2372947	2372947	100%	2372822	125	99.99	0.01
Special Resolution No. – 3 : Deletion of the Other Objects Clause of the Memorandum of Association of Company							
Mode of Voting (Postal ballot paper)							
Promoter and Promoter Group	1846150	1846150	100%	1846150	-	100%	-
Public Institutional holders	-	-	-	-	-	-	-
Public-Others	520726	520726	100%	520726	-	100%	-
Total (A)	2366876	2366876	100%	2366876	-	100%	-
Mode of Voting (E-Voting)							
Promoter and Promoter Group	-	-	-	-	-	-	-
Public Institutional holders	-	-	-	-	-	-	-
Public-Others	6071	6071	100%	5946	125	97.94	2.06
Total (B)	6071	6071	100%	5946	125	97.94	2.06
RESULT (A+B)	2372947	2372947	100%	2372822	125	99.99	0.01
Special Resolution No. – 4 : Amendment of the Liability Clause of the Memorandum of Association							
Mode of Voting (Postal ballot paper)							
Promoter and Promoter Group	1846150	1846150	100%	1846150	-	100%	-
Public Institutional holders	-	-	-	-	-	-	-
Public-Others	520726	520726	100%	520726	-	100%	-
Total (A)	2366876	2366876	100%	2366876	-	100%	-

BHARTIYA INTERNATIONAL LTD.

Promoter/ Public	No. of Sharehold (1)	No. of votes polled(2)	% of Votes polled on outstanding shares(3)= [(2)/(1)]*100	No. of Votes- infavour(4)	No. of Votes- against(5)	% of Votes in favour on votes polled(6)= [(4)/(2)]*100	% of Votes against on votes polled(7)= [(5)/(2)]*100
Mode of Voting (E-Voting)							
Promoter and Promoter Group	-	-	-	-	-	-	-
Public Institutional holders	-	-	-	-	-	-	-
Public-Others	5821	5821	100%	5696	125	97.85	2.15
Total (B)	5821	5821	100%	5696	125	97.85	2.15
RESULT (A+B)	2372697	2372697	100%	2372572	125	99.99	0.01
Special Resolution No. – 5 : Adoption of New Set of Articles of Association of the Company in pursuance to the provisions of Companies Act, 2013							
Mode of Voting (Postal ballot paper)							
Promoter and Promoter Group	1846150	1846150	100%	1846150	-	100%	-
Public Institutional holders	-	-	-	-	-	-	-
Public-Others	520726	520726	100%	520726	-	100%	-
Total (A)	2366876	2366876	100%	2366876	-	100%	-
Mode of Voting (E-Voting)							
Promoter and Promoter Group	-	-	-	-	-	-	-
Public Institutional holders	-	-	-	-	-	-	-
Public-Others	6071	6071	100%	5946	125	97.94	2.06
Total (B)	6071	6071	100%	5946	125	97.94	2.06
RESULT (A+B)	2372947	2372947	100%	2372822	125	99.99	0.01

PROCEDURE FOR POSTAL BALLOT

In compliance with clause 35B of the Listing Agreement and sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

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

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

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorized officer. The results are also displayed on the Company's

website www.bhartiyafashion.com besides being communicated to the Stock Exchanges, Depository and Registrar and Share Transfer Agents. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

Special resolution proposed to be passed by way of Postal Ballot

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

DISCLOSURES

(i) All transactions entered into with the related parties as defined under the Companies Act, 2013 and clause 49 of the Listing Agreement 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 related party transactions that may have a potential conflict with the interests of the Company at large. Transactions with the related parties are disclosed in Note to the Accounts in the Annual Report. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Committee for review and recommendation to the Board for their approval.

As required under clause 49, 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)

(ii) While preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standard was followed. 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.

(iii) Company has laid down adequate procedure to inform the Board about the risk assessment and risk minimization procedures.

(iv) 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

(v) 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 revised guidelines on (Prohibition of Insider Trading) Regulations, 2015, the company has implemented a Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information

(vi) A Whistle Blower Policy is in place and the employees have direct access to the Audit Committee to raise their concerns.

(vii) The Company has complied with all mandatory requirements of Corporate Governance as specified under clause 49 of the Listing Agreement.

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 Listing Agreement 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 (Hindi) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

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

(iv) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.

CORPORATE FILING AND DISSEMINATION SYSTEM (CFDS)

As required under Clause 52 of the Listing Agreement all disclosures and communications to BSE & NSE are filed electronically through the CFDS portal and the hard copies of the said disclosures and correspondence are also filed with the Stock Exchanges.

NSE ELECTRONIC APPLICATIONS PROCESSING SYSTEM (NEAPS)

All compliance related filings like shareholding pattern, corporate governance report, media releases etc. are also filed electronically on NEAPS.

BSE LISTING CENTER

All compliance related filings like shareholding pattern, corporate governance report, media releases etc. are also filed electronically on the BSE listing center.

SEBI COMPLAINT REDRESS SYSTEM (SCORES)

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

GENERAL SHAREHOLDER INFORMATION

1. **AGM: Date, Time and Venue** : Monday, 21st September, 2015, 11.00 a.m. at
Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road,
Institutional Area, New Delhi-110003.
2. **Financial Calendar for 2015-2016**
Financial year - April to March
Results for Quarter ending 30th June, 2015 : by 14th of August, 2015
Results for Quarter ending 30th Sep., 2015 : by 14th of November, 2015
Results for Quarter ending 31st Dec., 2015 : by 14th of February, 2015
Year ending 31st March, 2016 : by the 30th of May, 2016
3. **Book Closure** : Tuesday the 15th September, 2015 to
Monday the 21st September, 2015
(both days inclusive)
4. **Dividend Payment Date** : On or before 20th October, 2015
if declared at Annual General
Meeting on 21st September, 2015
5. **Listing on Stock Exchanges & Stock Code**
The Company is listed at following Stock Exchanges:-
1. BSE Limited (Stock Code: 526666) and
2. National Stock Exchange of India Ltd. (Stock Code: Symbol-BIL, Series - BE)
The Annual listing fee for the year 2015-2016 has been duly paid to both the Stock Exchanges.

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

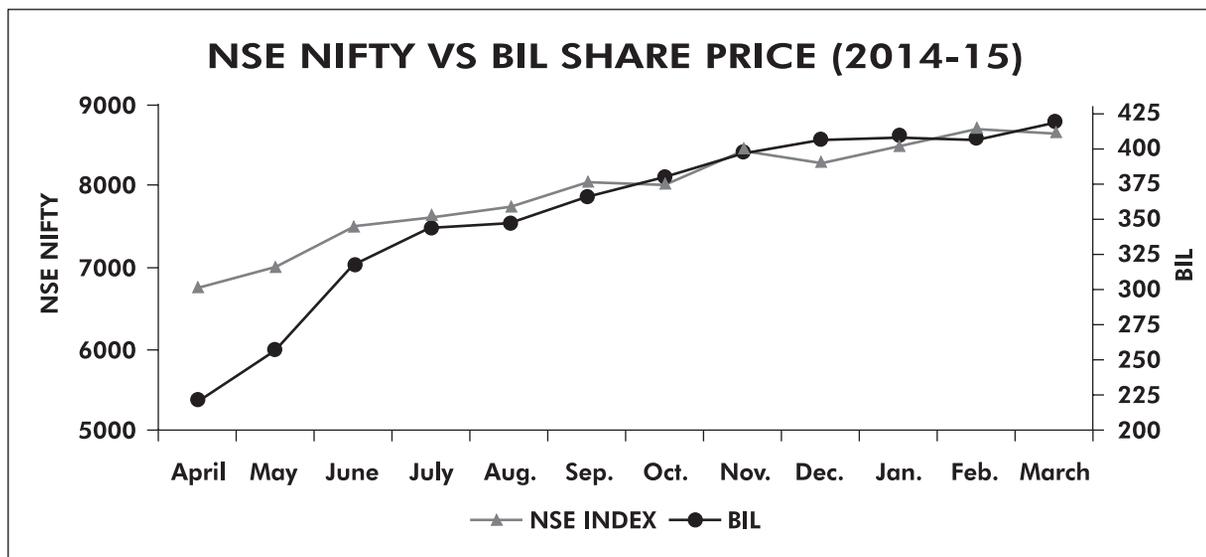
Demat ISIN Number with NSDL & CDSL for Warrants - **INE828A13011**

Annual Custody Issuer fee for the financial year 2015-16 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-14	238.85	203.20	221.03	Apr-14	6869.85	6650.40	6760.13
May-14	280.90	224.95	252.93	May-14	7563.50	6638.55	7101.03
Jun-14	365.75	266.55	316.15	Jun-14	7700.05	7239.50	7469.78
Jul-14	378.00	315.00	346.50	Jul-14	7840.95	7422.15	7631.55
Aug-14	368.00	319.35	343.68	Aug-14	7968.25	7540.10	7754.13
Sep-14	387.50	350.25	368.88	Sep-14	8180.20	7841.80	8011.00
Oct-14	404.00	364.20	384.10	Oct-14	8330.75	7723.85	8027.30
Nov-14	445.00	371.95	408.48	Nov-14	8535.35	8290.25	8412.80
Dec-14	423.95	375.00	399.48	Dec-14	8623.00	7961.35	8292.18
Jan-15	423.90	397.00	410.45	Jan-15	8996.60	8065.45	8531.03
Feb-15	428.80	381.00	404.90	Feb-15	8941.10	8470.50	8705.80
Mar-15	484.40	390.00	437.20	Mar-15	9119.20	8269.15	8694.18

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



Registrar & Share Transfer Agent

(For both Physical & Electronic Transfer etc.)

: MAS Services Ltd.

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

8. Share Transfer System

Share transfers are processed and share certificates duly endorsed are returned within a period of seven days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Share Transfer Committee which consists of two members i.e. Mr. Snehdeep Aggarwal & Mr. A. K. Gadhok, Directors of the Company. Share transfer/transmissions approved by the Committee are placed at the Board Meeting from time to time. Company Secretary of the Company acts as Secretary of the Committee. A summary of transfer/transmission of securities of the Company so approved by the Share Transfer Committee is placed at every Board Meeting / Stakeholders Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges. As at March 31, 2015 there was no Equity Share pending for Transfer, also there was no Demat Request pending as on March 31, 2015.

9. Distribution of Shareholding as on March 31, 2015

No. of Shares	SHAREHOLDERS		SHAREHOLDING	
	Number	% to total	Number	% to total
Upto-250	5065	88.89	286988	2.56
251-500	249	4.37	98939	0.88
501-1000	132	2.32	107837	0.96
1001-2000	65	1.14	96788	0.86
2001-3000	22	0.39	54963	0.49
3001-4000	18	0.32	64973	0.58
4001-5000	26	0.46	123494	1.10
5001-10000	49	0.86	383427	3.42
10001 & above	72	1.26	9996439	89.15
Total	5698	100.00	11213848	100.00

10. Shareholding Pattern as on March 31, 2015

Category	No. of Share held	% of Paid up Capital
Promoters Holding	1483612	13.23
Persons acting in concert	3680950	32.83
Mutual Funds	3000	0.03
Banks	2112	0.02
NRIs/OCBs	1010022	9.01
Indian Corporate Bodies	2913574	25.98
Indian Public	2120573	18.91
Total	11213848	100

- 12. Dematerialization of shares and liquidity** : As on March 31, 2015, 97.13% of the Paid-up share capital has been dematerialized.
- 13. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity** : As on 31.03.2015, 500,000 warrants were outstanding. These warrants were allotted to the Promoter Group on Preferential basis. During FY 2014-15, the Company had converted 1 lakh outstanding warrants to Equity Shares resulting in the increased paid-up Equity capital to Rs. 112,138,480/-
- 14. Plant Locations** : Bangalore and Chennai.
- 15. Address for Correspondence** : **Registered Office**
 Bhartiya International Ltd.
 E-52, New Manglapuri, Mandi Road (Mehrauli) New Delhi-110 030.
 Tel No.: 011-26808177, 46002100
 Fax No.: 011-26803485,
 E-mail: shares@bhartiya.com
Company Secretary and Compliance Officer
 Ms. Shilpa Budhia
 Bhartiya International Ltd.
 E-52, New Manglapuri, Mandi Road (Mehrauli) New Delhi-110 030.
 Tel No.: 011-26808177, 46002100
 Fax No.: 011-26803485

Prevention of Insider Trading:

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has instituted a comprehensive code of conduct for prohibition of insider trading in the Company's shares. The Company has adopted Code of practice and procedure for fair disclosure of unpublished price sensitive information as per SEBI (Prohibition of Insider Trading) Regulations, 2015.

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 L74899DL1987PLC026607.

NON-MANDATORY REQUIREMENTS

The non-mandatory requirements have been adopted by the Company to the extent it is in line with the nature of business activities of the Company. However, steps have been taken to implement the other requirements in a phased manner.

The Company is sending half yearly communication to its shareholders highlighting the financial and operational performance. The Internal Auditor is reporting to the Audit Committee. The Board comprises of 3 Executive Directors including one Managing Director. The company has deployed a CEO for fashion business separately.

COMPLIANCE CERTIFICATE

Certificate from the Statutory Auditor, M/s. Sushil Poddar & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed hereinafter.

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 stipulated under the provisions of sub-clause (II) E of Clause 49 of the Listing Agreement with stock exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended March 31, 2015.

New Delhi, 25th May, 2015

Sd/-
Snehdeep Aggarwal
Managing Director

For and on behalf of the Board

New Delhi, 25th May, 2015

Sd/-
Snehdeep Aggarwal
Managing Director

Sd/-
Ramesh Bhatia
Director

To
The Board of Directors
Bhartiya International Ltd.

CEO/CFO CERTIFICATION

We, Snehdeep Aggarwal, Managing Director and Manoj Khattar, Chief Financial Officer responsible for the finance function to the best of our knowledge and belief, certify that:-

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2015 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, 2015 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 to rectify these deficiencies.
- D. i. There has not been any significant change in internal control over financial reporting during the year under reference;
- ii. There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- iii. We are not aware of any instance during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Board

Sd/-
Snehdeep Aggarwal
Managing Director

Sd/-
Manoj Khattar
Chief Financial Officer

New Delhi, 25th May, 2015

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Bhartiya International Ltd.

We have examined the compliance of Conditions of Corporate Governance by Bhartiya International Ltd. ("the Company") for the financial year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 above-mentioned Listing Agreement.

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 **Sushil Poddar & Co.**
Chartered Accountants
Firm Registration No. 014969N

S. K. Poddar
Partner
Mem. No. 094479
New Delhi, 25th May, 2015

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Bhartiya International Ltd.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bhartiya International Limited ('the Company'), which comprise the balance sheet as at 31st March, 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 25th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March, 2015, 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 according to a regular program which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- ii. (a) As explained to us, physical verification of inventory, except material lying with third parties and in transit, has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of accounts.
- iii. (a) The company has granted interest free unsecured loans to two bodies corporates covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act')

- (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3 (iii) (a) of the Order is not applicable to the company in respect of repayment of the principal amount.
- (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. The Company has not accepted any deposits from the public.
- 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 records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Excise Duty, Custom Duty, Value Added Tax, Cess and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the statutory dues referred to above were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) 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
Income Tax (Tax& Interest)	1,16,39,722/- & 5,86,060/-	A.Y 2003-04 & A.Y 2004-05	High Court
Karnataka VAT	28,76,543/-	F.Y 2009-2010	Joint Commissioner of Commercial Taxes (Appeals)

- (d) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii. The company does not have accumulated losses and has not incurred cash losses in the current financial year covered by our audit and the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institutions or banks.
- x. In our opinion, the terms and conditions on which the company has given guarantees for loans taken by its wholly owned subsidiaries from banks or financial institutions are not prima-facie prejudicial to the interest of the company.
- xi. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- xii. Based upon the audit procedure performed and information and explanation given by the management we report that during the year no fraud on or by the company has been noticed or reported by the management.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

New Delhi, 25th May, 2015

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		AS AT 31st March, 2015	AS AT 31st March, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	112,138,480	110,638,480
(b) Reserves and Surplus	3	1,493,558,875	1,355,903,673
(c) Money Received against Share Warrant	4	30,000,000	2,175,000
2 Non-Current Liabilities			
(a) Long-Term Borrowings	5	313,229,647	312,674,190
(b) Deferred Tax Liabilities	6	32,571,517	33,967,191
(c) Other Long-Term Liabilities	7	15,978,600	14,526,000
(d) Long-Term Provisions	8	11,212,708	9,623,324
3 Current Liabilities			
(a) Short-Term Borrowings	9	1,553,869,143	1,157,828,830
(b) Trade Payable	10	290,973,431	207,984,975
(c) Other Current Liabilities	11	246,923,783	212,638,479
(d) Short-Term Provisions	12	86,556,874	65,813,677
TOTAL		4,187,013,058	3,483,773,819
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets	13		
(i) Tangible Assets		593,375,581	557,685,216
(ii) Intangible Assets		3,782,281	3,250,224
(iii) Capital Work In Progress		50,718,597	31,995,649
(iv) Intangible Assets Under Development		9,453,800	3,528,300
(b) Non Current Investments	14	605,518,776	593,623,211
(c) Long Term Loans And Advances	15	67,052,486	112,775,097
(d) Other Non-Current Assets	16	201,000	241,200
2 Current assets			
(a) Current Investments	17	10,257,167	8,388,432
(b) Inventories	18	1,776,740,129	1,484,398,496
(c) Trade Receivables	19	515,736,025	184,392,565
(d) Cash & Cash Equivalents	20	165,121,930	179,007,484
(e) Short Term Loans and advances	21	389,015,086	324,447,745
(f) Other Current assets	22	40,200	40,200
TOTAL		4,187,013,058	3,483,773,819

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board

S.K. Poddar
Partner
Mem. No. 094479

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Snehdeep Aggarwal
Managing Director

Ramesh Bhatia
Director

New Delhi, 25th May, 2015

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2015	Year Ended 31st March, 2014
Income:			
Revenue From Operations	23	4,239,478,289	3,186,956,741
Other income	24	26,508,680	22,517,394
Total Revenue		<u>4,265,986,969</u>	<u>3,209,474,135</u>
Expenses:			
Cost of Raw Material Consumed	25	2,143,320,591	1,212,074,530
Purchases of Stock In Trade		420,838,792	722,509,246
Changes in Inventories of Finished Goods	26	(83,498,793)	(44,008,555)
Employee Benefits Expenses	27	213,421,842	175,734,029
Finance Cost	28	85,222,797	143,599,876
Depreciation and Amortization Expense	29	38,624,537	25,339,595
Other Expenses	30	1,234,934,430	834,575,716
Total Expenses		<u>4,052,864,196</u>	<u>3,069,824,437</u>
Profit before Tax and Exceptional Items		213,122,773	139,649,698
Less Exceptional Items:	31	-	7,631,333.00
Profit before taxes		<u>213,122,773</u>	<u>132,018,365</u>
Tax Expense:	32		
Current Tax		71,670,637	38,044,794
Deferred Tax		776,816	7,588,773
Profit for the year		<u>140,675,320</u>	<u>86,384,798</u>
Earnings Per Equity Share:			
(1) Basic		12.61	7.81
(2) Diluted		12.39	7.77

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board

S.K. Poddar

Partner

Mem. No. 094479

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

Ramesh Bhatia

Director

New Delhi, 25th May, 2015

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxes	213,122,773	139,649,698
Adjusted for :		
Depreciation/Amortisation	38,624,537	25,339,595
Financial Costs	138,547,771	100,491,389
Effect of Exchange rate change	(53,324,974)	43,108,487
Loss/(Profit) on sale of fixed assets (net)	1,791,423	(1,083,046)
Loss/(Profit) on sale of Investments (net)	(2,638,596)	(1,035,025)
Dividend from Current Investments	(109,770)	(401,145)
Rental Income	(22,499,225)	(21,256,475)
Provision for Employee Stock Option Benefits	(170,363)	170,363
Share of Loss of Subsidiary	203,302	175,251
Provision no longer required	(1,464,391)	-
	<u>98,959,714</u>	<u>145,509,394</u>
Operating profit before working capital change	312,082,487	285,159,092
Adjustment for :		
Inventories	(292,341,633)	(581,292,533)
Trade and Other Receivables	(331,343,460)	89,190,251
Loans and Advances	(66,950,891)	(97,156,357)
Trade and Other Payables	109,070,559	(4,631,716)
	<u>(581,565,425)</u>	<u>(593,890,355)</u>
Cash generated from operations	(269,482,938)	(308,731,263)
Income Tax Paid (net)	(55,386,857)	(43,138,206)
Effect of Exchange rate change	53,324,974	(43,108,487)
NET CASH FROM OPERATING ACTIVITIES	<u>(271,544,821)</u>	<u>(394,977,956)</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale/(Purchases) of Investment (Net)	(9,864,615)	26,941,407
Dividend from Current Investment	109,770	401,145
Loans & Advances to Subsidiaries	51,943,953	603,599
Advance for Capital Assets	(2,890,813)	3,000,888
Rent Received	22,499,225	21,256,475
Sale of Fixed Assets	838,025	2,363,577
Purchase of fixed assets/Capital W.I.P.	(108,493,181)	(60,904,710)
Cash Flow from Investment Activities before Exceptional Items	(45,857,636)	(6,337,619)
Dividend from Overseas Subsidiary	-	67,345,000
Net Cash used in Investment Activities	<u>(45,857,636)</u>	<u>61,007,381</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds from Short Term Borrowings	396,040,313	489,317,128
Net Proceeds from Long Term Borrowings	14,863,420	40,808,515
Finance Cost Paid	(138,547,771)	(100,491,389)
Share Capital Issue Proceeds (including Share Capital/Warrants)	44,325,000	-
Dividend paid (including dividend tax)	(13,164,059)	(13,110,083)
NET CASH USED IN FINANCING ACTIVITIES	<u>303,516,903</u>	<u>416,524,171</u>
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	<u>(13,885,554)</u>	<u>82,553,596</u>
Cash and Cash Equivalents-Opening Balance	<u>179,007,484</u>	<u>96,453,888</u>
Cash and Cash Equivalents-Closing Balance	<u>165,121,930</u>	<u>179,007,484</u>

As per our report of even date attached

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

For and on behalf of the Board

S.K. Poddar
Partner
Mem. No. 094479

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Snehdeep Aggarwal
Managing Director

Ramesh Bhatia
Director

New Delhi, 25th May, 2015

**STANDALONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015****1.0 SIGNIFICANT ACCOUNTING POLICIES:****a) Method of Accounting**

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India to comply with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires judgments, estimates and assumptions to be made that effect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/materialised.

c) Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of duties, non refundable taxes, incidental expenses related to acquisition and reduced by accumulated depreciation, impairment loss & Subsidy/Grant received if any. In respect of project involving construction, related pre-operational expenses form part of the value of assets capitalised. Interest on borrowings and other costs directly attributable to the asset during the period of construction/acquisition upto the date the asset is put to use is also added to the cost of fixed assets.

d) Depreciation

In respect of fixed assets acquired during the year, depreciation is charged on a straight line basis so as to write off the cost of assets over the useful lives as prescribed in Schedule II of the Companies Act, 2013 and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remanding useful life. Cost of Leasehold land is amortised over the period of lease.

e) Inventories

Raw materials and consumables have been valued at cost after providing for obsolescence. Cost comprise of cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

Finished goods are valued at lower of cost or net realisable value. Cost is determined as per the absorption costing method.

f) Foreign Exchange Transactions

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b) Current Assets and Current Liabilities, outstanding in foreign currency at the year end, are converted at the closing exchange rates.
- c) Investments in Overseas Subsidiary is carried at the original rupee cost.
- d) In respect of transactions at the overseas offices,
 - i) revenue expenditure and income during the year are converted into Indian Rupees at the average rate prevailing during the year.
 - ii) Fixed assets acquired are accounted for at the actual exchange rate prevailing at the time of acquisition.
 - iii) Current Assets and Liabilities are translated at the rate prevailing on the last working day of the year.
 - iv) Balances of the Head Office account appearing in foreign currency in branch books are translated at corresponding rupee balance appearing in the Head Office books
- e) All gains/losses on such conversion are charged to profit and loss account.

g) Retirement Benefits

The employer's contribution to the employees provident fund is accounted for on accrual basis and is charged to the profit and loss account during the year. The gratuity liability is provided for all eligible employees during the year on accrual basis. Provision is made for value of unutilised leave due to employees at the end of the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**h) Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized as part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

i) Revenue Recognition**Sale of Goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods are passed on to the buyer which is generally on dispatch of goods to customers.

Export Incentive

Export Incentive under the "Duty Entitlement Pass Book Scheme" and "Duty Draw back scheme" are accounted for in the Year of Export

Other export incentives are accounted for on actual receipt basis.

Dividend

Dividend income is recognised when the right to receive the dividend is established

j) Investment

All long term investments are stated at cost. Provision in the carrying amount of long term investments is made for any diminution in value considered permanent. Current Investments are carried at lower of cost or market value.

k) Taxation

Provision for tax for the year comprises current Income Tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent periods.

l) Government Grants

Grants received against specific fixed assets are adjusted to the cost of assets. Revenue Grants are recognised in the Profit and Loss Account in accordance with the related scheme.

m) Impairment of Assets

Where there is an indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognised to the extent carrying amount exceeds recoverable amount.

n) Provisions Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company.

o) Employee Share based payments

The Company has formulated Employee Stock Option Plans (ESOP Schemes) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provides for grant of option to employee of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. Employee Stock Option granted by the Company are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on 'Employee Share Based Payment' issued by the Institute of Chartered Accountants of India.

p) Derivative Financial Instruments and Hedge Accounting

The Company has adopted principles of hedges accounting as set out in Accounting Standard (AS) 30, "Financial Instruments Recognition and Measurement", to the extent that the adoption does not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements of the Company Law and other regulatory requirements. The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduce the risk or cost to the Company. The Company does not use these contracts for trading or speculation purpose.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
2.0 SHARE CAPITAL		
Authorised Share Capital		
a) 20,000,000 (Previous Year 20,000,000) Equity Shares of Rs. 10/- each	200,000,000	200,000,000
b) 500,000 (Previous Year 500,000) Preference Shares of Rs. 100/- each	50,000,000	50,000,000
	250,000,000	250,000,000
Issued, Subscribed & Paid up :		
a) 1,12,13,848 (Previous Year 1,10,63,848) equity shares of Rs.10/- each fully paid Up.	112,138,480	110,638,480
	112,138,480	110,638,480

2.1 The details of Shareholders holding more than 5% shares

Name of the share holders	As at	As at	As at	As at
	31st March, 2015 No. of Shares	31st March, 2015 % of Holding	31st March, 2014 No. of Shares	31st March, 2014 % of Holding
(a) Snehdeep Aggarwal	1,143,362	10.24	1,143,362	10.33
(b) Bhartiya Infotech Pvt. Ltd.	1,000,000	8.96	1,000,000	9.04
(c) Bhartiya Global Holdings Pvt. Ltd.	1,350,000	12.09	1,350,000	12.20
(d) Spirit Impex Pvt Ltd.	1,200,000	10.75	1,200,000	10.85
(e) Bhartiya Finstock Pvt. Ltd.	681,926	6.11	615,536	5.56
(f) Morgan Stanlay Asia (Singapore) PTE	745,315	6.68	-	-

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

Particulars	As at	As at
	31st March, 2015 No. of Shares	31st March, 2014 No. of Shares
Shares outstanding at the beginning of the year	11,063,848	10,463,848
Shares Issued during the year	150,000	600,000
Shares outstanding at the end of the year	11,213,848	11,063,848

2.3 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.

2.4 100,000 Equity shares of Rs. 10/- each at a premium of Rs. 77/- each issued to non-promoters on conversion of preferential Share Warrants.

2.5 The Company allotted 50,000 Equity shares of Rs. 10/- each at a premium of Rs. 146/- each in terms of the Employee Stock Option scheme upon exercise of right of conversion of 50,000 options into equity shares by the employee.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
3 RESERVES & SURPLUS AMOUNT IN INR		
i) Share Premium A/c		
As Per last Balance Sheet	376,165,000	376,165,000
Add: On issue of Shares	15,000,000	-
	<u>391,165,000</u>	<u>376,165,000</u>
ii) Prferential Share Warrant Forfeited	8,500,000	8,500,000
iii) General Reserves		
As Per last Balance Sheet	219,851,233	199,851,233
Add: Transferred from Profit and Loss A/c	20,000,000	20,000,000
	<u>239,851,233</u>	<u>219,851,233</u>
iv) Surplus in Statement of Profit & loss		
As Per last Balance Sheet	751,217,077	697,776,428
Less Adjustment relating to Fixed Assets (Refer Note No. 13.3)	4,236,036	-
Add: Profit for the Year	140,675,320	86,384,798
	<u>887,656,361</u>	<u>784,161,226</u>
Less : Appropriations		
- General Reserve	20,000,000	20,000,000
- Proposed Dividend	11,213,848	11,063,848
- Tax on Dividend	2,282,876	1,880,301
	<u>854,159,637</u>	<u>751,217,077</u>
Less : Dividend Paid on Fresh issue of Shares	100,000	-
Less : Dividend Tax on Fresh issue of Shares	16,995	-
	<u>854,042,642</u>	<u>751,217,077</u>
V) Stock Option Outstanding	-	170,363
TOTAL	<u>1,493,558,875</u>	<u>1,355,903,673</u>
4 MONEY RECEIVED AGAINST SHARE WARRANTS		
a) Preferential Share Warrant :		
1,00,000 Preferential Share warrant paid up Rs. 21.75/- each. (Previous Year 1,00,000 warrants of Paid up Rs. 21.75/- each.)	2,175,000	2,175,000
Add : 5,00,000 Preferential Share Warrants issued paid up Rs.60/- each (Previous Year - Nil)	30,000,000	-
	<u>32,175,000</u>	<u>2,175,000</u>
Less : 1,00,000 Preferential Share Warrants Converted into Equity Shares paid up Rs. 21.75/- (Previous Year - Nil)	2,175,000	-
	<u>30,000,000</u>	<u>2,175,000</u>

- 4.1** The Company has allotted 500,000 warrants to promoter company on 18th June, 2014 on preferential basis, convertible into equity shares of Rs. 10/- each fully paid up. The holders of warrants have a right to apply one equity share of Rs. 10/- each at a premium of Rs. 230/- with in a period of 18 months from the date of allotment. Against this the company has received Rs. 60/- per warrant.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
5 LONG TERM BORROWINGS		
Secured		
- Term Loans from Banks	309,995,660	309,671,412
- Vehicle Loans from Banks	3,233,987	3,002,778
TOTAL	313,229,647	312,674,190
5.1 Term Loan from Allahabad Bank, balance outstanding amounting to Rs. 418.95 lacs (31st March, 2014 Rs. 768.03 lacs) is secured by first parri passu charge (with Axis Bank) on specific land, building and machinery of the project created out of the Term loan and personal guarantee of one of the Director. The loan is repayable in fifteen equal quarterly instalments starting from April 2013. Last installment due in January 2017. Rate of interest 13.75 p.a. as at year end (Previous Year 13.70 % p.a.)		
5.2 Term Loans from IDBI Bank, balance outstanding amounting to Rs 728.83 lacs (31st March, 2014 Rs. 750.00 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director. The loan is repayable in 180 monthly Installment starting from February, 2013. Last installment due in February, 2028. Rate of Interest 12.25 % p.a. as at year end (Previous Year 12.25% p.a.)		
5.3 Term Loans from IDBI Bank, balance outstanding amounting to Rs 1873.71 lacs (31st March, 2014 Rs. 1935.69 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director. Repayable in 161 monthly Installment starting from June, 2014. Last installment due in November, 2027. Rate of Interest 12.5 % p.a. as at year end (Previous Year 12.25% p.a.)		
5.4 Term Loan from Axis Bank, balance outstanding amounting to Rs. 585 Lacs (31st March, 2014 Rs. Nil) is secured by exclusive charge over the fixed assets funded out of it. Exclusive charge by way of Equitable Mortgage over the immovable property situated at plot No 69, 3rd Road, 1st Phase, Jigani industrial Area, Part of Sy No 588 & 590 Jigani, Anekai Taluk, Bangalore, 562106 and personal guarantee of one of the Director The Loan is repayble in 15 Quarterly Installment starting from September, 2015. Last installment due in June, 2019. Rate of interest 12.25% p.a. as at year end (previous year - N/A)		
5.5 Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.		
6 DEFERRED TAX LIABILITY (NET)		
a) Deferred Tax Assets Related to Capital Losses	(4,637,414)	(5,170,131)
b) Deferred Tax Liabilites Related to Fixed Assets	37,208,931	39,137,322
TOTAL	32,571,517	33,967,191
7 OTHER LONG TERM LIABILITIES		
(a) Security Deposit from related parties (refer note no 33.12)	15,978,600	14,526,000
TOTAL	15,978,600	14,526,000
8 LONG TERM PROVISIONS		
(a) Provision for employees benefit Provision for Gratuity	11,212,708	9,623,324
TOTAL	11,212,708	9,623,324

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
9 SHORT TERM BORROWINGS		
Secured		
- Working Capital Loans From Banks	1,553,869,143	1,157,828,830
TOTAL	1,553,869,143	1,157,828,830
9.1 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.		
9.2 Foreign documentary bills discounted with Banks have been shown as a contingent liability. The same are secured against the export bills and the personal guarantee of Director.		
10 TRADE PAYABLE		
(a) Payable	176,915,490	161,402,713
(b) Payable to related parties (refer note no 33.12)	2,667,339	18,020,935
(c) Acceptance	111,390,602	28,561,327
TOTAL	290,973,431	207,984,975
10.1 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.		
11 OTHER CURRENT LIABILITIES		
(a) Current maturities of Long Term Borrowings	52,250,193	37,942,230
(b) Unclaimed Dividend	968,223	1,071,138
(c) Due to Employees	21,289,708	14,769,115
(d) Temporary Book Overdraft	-	30,213,055
(e) Expenses Payable	149,411,565	119,789,108
(f) Statutory Dues Payable	10,198,609	4,591,111
(g) Other Payables	9,012,999	1,058,710
(h) Interest Accrued but not due	3,792,486	3,204,012
TOTAL	246,923,783	212,638,479
12 SHORT TERM PROVISIONS		
(a) Provision for Employees benefits	6,339,314	3,379,451
(b) Provision for Income Tax	66,720,836	49,490,077
(c) Proposed Dividend	11,213,848	11,063,848
(d) Tax on Proposed Dividend	2,282,876	1,880,301
TOTAL	86,556,874	65,813,677

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

13 FIXED ASSETS

Amount in Rs.

PARTICULARS	Gross Block			Depreciation			Net Block			
	As at 1st April, 2014	Additions/ Adjustments during the year	Deduction/ Retirement during the year	As at 31st March, 2015	As at 1st April, 2014	Adjustment to Retained Earnings	For the year	Deduction/ adjustments during the year	As at 31st March, 2015	As at 31st March, 2014
Tangible Assets :										
Own Assets :										
Land	22,324,670	-	-	22,324,670	-	-	-	-	-	22,324,670
Lease hold land	30,000,000	30,000,000	-	60,000,000	1,097,561	-	624,136	-	1,721,697	28,902,439
Building	361,669,030	6,356,589	-	368,025,619	46,623,731	-	8,964,444	-	55,588,175	315,045,299
Machinery	163,955,238	34,086,113	-	198,041,351	37,167,856	110,923	12,762,504	-	50,041,283	126,787,382
Vehicles	33,613,097	2,844,283	6,066,387	30,390,993	17,620,480	-	2,752,106	4,494,948	15,877,638	15,992,617
Furniture	37,279,075	1,782,873	14,467,597	24,594,351	17,468,506	1,748,717	3,047,079	13,765,994	8,498,308	19,810,569
Office Equipments	29,324,601	1,921,312	7,636,681	23,609,232	6,961,297	3,374,594	4,034,353	7,280,275	7,089,969	22,363,304
Computers	9,701,135	3,700,262	2,700,630	10,700,767	3,242,199	989,862	3,962,901	2,700,630	5,494,332	6,458,936
Total (A)	687,866,846	80,691,432	30,871,295	737,686,983	130,181,630	6,224,096	36,147,523	28,241,847	144,311,402	557,685,216
Previous Year	665,867,866	27,010,025	5,011,045	687,866,846	109,274,133	-	24,638,011	3,730,514	130,181,630	556,593,733
Intangible Assets :										
Computer Software	4,381,691	3,153,301	223,216	7,311,776	1,131,467	184,430	2,436,814	223,216	3,529,495	3,250,224
Total (B)	4,381,691	3,153,301	223,216	7,311,776	1,131,467	184,430	2,436,814	223,216	3,529,495	3,250,224
Previous Year	4,028,110	353,580	-	4,381,690	470,083	-	661,384	-	1,131,467	3,558,027
Capital work in Progress										
Capital work in Progress	31,995,649	43,826,859	25,103,911	50,718,597	-	-	-	-	-	31,995,649
Total (C)	31,995,649	43,826,859	25,103,911	50,718,597	-	-	-	-	-	31,995,649
Previous Year	1,982,844	31,995,649	1,982,844	31,995,649	-	-	-	-	-	1,982,844
Intangible Assets under Development										
Intangible Assets under Development	3,528,300	5,925,500	-	9,453,800	-	-	-	-	-	3,528,300
Total (D)	3,528,300	5,925,500	-	9,453,800	-	-	-	-	-	3,528,300
Previous Year	-	3,528,300	-	3,528,300	-	-	-	-	-	-
Total (A+B+C+D)	727,772,486	133,597,092	56,198,422	805,171,156	131,313,097	6,408,526	38,584,337	28,465,063	147,840,897	596,459,389
Previous Year	671,878,820	62,887,554	6,993,889	727,772,485	109,744,216	-	25,299,395	3,730,514	131,313,097	562,134,604

13.1 Registration formalities in respect of properties for Rs.18,50,000/- (Previous Year 18,50,000/-) are pending.

13.2 During the Year ending 31st March, 2015 certain assets which were not in use having net book value of Rs. 10,58,009/- were retired.

13.3 In compliance with the provisions of Schedule II of the Companies Act, 2013, fixed assets which has completed their useful life as on 1st April 2014, the carrying value (net of residual value) amounting to Rs. 42,36,036/- (net of deferred tax of Rs. 21.72 Lacs) has been recognized in the Retain Earning.

13.4 Had the Company continued with the previous method of depreciation, depreciation and amortization expenses for the year would have been lower by Rs. 1,08,36,045/-.

BHARTIYA INTERNATIONAL LTD.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.			
	No. of Shares/Units	As at 31 st March, 2015	No. of Shares/Units	As at 31 st March, 2014
14 NON CURRENT INVESTMENTS (at cost unless otherwise specified)				
A) Trade Investments :				
i) In Equity Shares of Subsidiary Companies - Unquoted				
1 Equity share of Rs. 10/- each, fully paid in Bhartiya Global Marketing Ltd.	4,999,020	49,990,200	2,499,020	24,990,200
2 Equity Shares of Rs. 10/- each, fully paid in Bhartiya International Sez Ltd.	12,069,230	120,692,300	12,069,230	120,692,300
3 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Retail Fashion Ltd.	50,000	500,000	50,000	500,000
4 Equity Shares in Ultima S.A. Switzerland (having par value of SFR 1,000)	1,000	33,785,508	1,000	33,785,508
5 Equity Shares in World Fashion Trade Ltd. (having par value of \$ 1)	1,000	44,780	1,000	44,780
6 Member's Contribution in B I L Group LLC	-	69,914,747	-	70,118,049
Total Investments in Subsidiary Companies		274,927,535		250,130,837
ii) In Equity Shares of Associates Companies - Unquoted				
1 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban infrastructure & Land Development Co. Pvt. Ltd.	11,200,000	280,000,000	11,200,000	280,000,000
2 Equity Shares of Rs. 10/- each, fully paid in Tada Mega cluster Pvt. Ltd.	5,000	50,000	5,000	50,000
iii) In Preference Shares of Associates Companies-Unquoted				
1 Compulsory Convertible Preference Shares of Rs. 10/- each, fully paid in Bhartiya Urban infrastructure & Land Development Co. Pvt. Ltd.	4,796,865	119,960,000	4,796,865	119,960,000
Total Investments in Associate Companies		400,010,000		400,010,000
TOTAL TRADE INVESTMENTS (A)		674,937,535		650,140,837
B) Other Investments				
i) Government Securities & Others Unquoted				
1 Indra Vikas Patra	-	6,500	-	6,500
Total	-	6,500	-	6,500
ii) Investments in Mutual Funds (Quoted)				
1 Dspml India T.I.G.E.R Fund - Growth	-	-	118,509	5,000,000
2 Dspbr Top 100 Equity Fund - G	-	-	43,518	4,000,000
3 Kotak 50 Equity Scheme - Growth	-	-	21,795	2,004,366
4 Goldman Sachs Liquid Exchange Traded Scheme	602.45	603,233	-	-
Total		603,233		11,004,366

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.			
	No. of Shares/Units	As at 31 st March, 2015	No. of Shares/Units	As at 31 st March, 2014
iii) Investments in Debenture (Unquoted)				
REDEEMABLE NCD OF CITICORP FINANCE INDIA	-	-	-	2,500,000
Total		-		2,500,000
TOTAL OTHER INVESTMENTS (B)		609,733		13,510,866
TOTAL NON CURRENT INVESTMENTS (A+B)		675,547,268		663,651,703
Less:- Provision for diminution in the value of Investments		70,028,492		70,028,492
TOTAL NON CURRENT INVESTMENTS		605,518,776		593,623,211
Aggregate amount of quoted Investments		603,233		11,004,366
Market value of quoted Investments		602,000		13,118,802
Aggregate amount of unquoted Investments		604,915,543		582,618,845

- 14.1** As per the incorporation documents of BIL Group LLC, Bhartiya international Ltd is the sole member having 100% membership interest and the entire investment has been represented as members capital contribution. An LLC for income tax purposes in USA under the IRS can elect to be taxed as either a partnership or as a separate corporate entity. In the selection of being taxed as a partnership, the LLC is a pass through entity and the members get taxed on their share of the profit/loss. BIL Group LLC has, adopted to be taxed as a partnership and hence Bhartiya International Ltd being the sole member, shall be taxed for the full profit or loss in USA. The financial year closure of this LLC is 31st December and it has reported a loss of USD 3257/- (Rs. 203,302/-) in its financial year ended 31st December, 2014. Accordingly the company has accounted for the loss in the books of accounts.
- 14.2** Investment in the subsidiary Bhartiya International SEZ Ltd. include 6 equity shares of (Rs. 60/-) held in the name of a Director/nominees in fiduciary capacity for the company.
- 14.3** Investment in the wholly owned subsidiaries Ultima S.A, Switzerland, Bhartiya Global Marketing Ltd.and Bhartiya Fashion Retail Ltd, include 1 equity share of the nominal value of SFR 1,000 (Rs. 33,785/-) and 6 equity shares (Rs. 60/-) respectively held in the name of Directors/nominees in fiduciary capacity for the company.

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
15 LONG TERM LOANS & ADVANCES		
(Unsecured & Considered Good)		
(a) Security and Other Deposits	2,545,349	2,579,018
(b) Other Advances	6,487,488	5,946,864
(c) Advance for Capital Goods	11,128,558	8,237,745
(d) Loans/Advances to related parties (refer note no 33.12)	46,891,091	96,011,470
TOTAL	67,052,486	112,775,097
16 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	201,000	241,200
TOTAL	201,000	241,200

BHARTIYA INTERNATIONAL LTD.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

PARTICULARS	As at		As at	
	No. of Shares/Units	31 st March, 2015	No. of Shares/Units	31 st March, 2014
17 CURRENT INVESTMENTS				
i) In Equity Shares Quoted, fully paid up				
1 Bharat Forge Ltd.	620	633,651	-	-
2 Container Corp. of India Ltd.	300	438,214	-	-
3 Cummins India Ltd.	665	601,413	-	-
4 Dabur India Ltd.	3,830	930,733	-	-
5 Godrej Consumer Product Ltd.	550	605,756	-	-
6 HDFC Ltd.	1,125	834,818	-	-
7 Hindalco Industries Ltd.	-	-	5,000	617,993
8 Hindustan Copper Ltd.	-	-	9,000	987,082
9 Hindustan Zinc Ltd.	-	-	5,000	605,148
10 Hero Motocop Ltd.	140	424,470	-	-
11 Indusind Bank Ltd.	710	621,166	-	-
12 Infosys Ltd.	290	625,293	-	-
13 ITC Ltd.	1,135	420,621	-	-
14 IIFs Transport Network Ltd.	-	-	5,000	572,920.00
15 Jaiprakash Associates Ltd.	-	-	10,000	535,727
16 Larsan & Toubro Ltd.	450	376,877	750	708,645
17 Lupin Ltd.	750	701,466	1,000	603,378
18 L & T Finance Holding Ltd.	-	-	5,000	357,402
19 Max India Ltd.	-	-	2,500	597,680
20 Maruti Suzuki India Ltd.	170	606,458	-	-
21 Motherson Sumi Systems Ltd.	2,000	638,580	-	-
22 Page Industries Ltd.	40	414,436	-	-
23 Sun Pharmaceuticals Ltd.	475	421,648	-	-
24 Reliance Capital Ltd.	-	-	1,000	811,186
25 Reliance Industries Ltd.	-	-	800	767,038
26 Reliance Infrastructure Ltd.	-	-	350	350,903
27 Tata Consultancy Services Ltd.	160	419,346	-	-
28 Tata Steel Ltd.	-	-	4,100	2,114,372
29 Tata Motors Ltd.	750	318,872	-	-
Total		10,033,818		9,629,474
ii) In Equity Shares Unquoted, Fully Paid Up				
1 Sai Rayalaseem Paper Mills Ltd.	31,792	386,273	31,792	386,273
Total		386,273		386,273
Grand Total		10,420,091		10,015,747
Less:- Provision for diminution in the value of Investments		162,924		1,627,315
Total Current Investments		10,257,167		8,388,432
Aggregate amount of quoted Investments		9,870,894		8,002,159
Market value of quoted Investments		12,399,828		8,733,248
Aggregate amount of unquoted Investments		386,273		386,273

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
18 INVENTORIES		
Raw Materials (including material in Transit)	1,465,005,462	1,309,452,569
Stock-in-Progress	105,026,762	58,682,928
Finished Goods	185,197,451	101,698,658
Consumable Store	21,510,454	14,564,341
TOTAL	1,776,740,129	1,484,398,496
19 TRADE RECEIVABLES		
(Unsecured, considered good)		
(a) Outstanding over six months	18,236,426	12,588,273
(b) Others	497,499,599	171,804,292
TOTAL	515,736,025	184,392,565
19.1 The Company has filed legal Suit for recovery of Rs. 6,162,337/- against one of its overseas customer. Management is confident of recovery of the same and hence has not made any provision for bad & doubtful debts against this.		
20 CASH AND CASH EQUIVALENT		
(a) Balances with Banks		
- In Current Accounts	67,484,881	56,307,995
- In Fixed Deposits	93,438,161	119,767,452
(b) Cash on Hand	4,198,888	2,932,037
TOTAL	165,121,930	179,007,484
20.1 Balances with banks Includes Unclaimed Dividend of Rs. 968,223/- (Previous year Rs. 1,071,138/-)		
20.2 Fixed deposits of Rs. 53,375,585/- (Previous year Rs. 118,422,933/-) are pledged with the banks for various limits and facilities granted.		
21 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
(a) Loans/Advances to Related Parties (refer note no 33.12)	8,848,462	34,146,475
(b) Advances with Suppliers	141,379,532	91,233,274
(c) Advance Income Tax	35,468,308	34,521,329
(d) Vat Receivable	65,654,096	40,904,043
(e) Prepaid Expenses	7,030,895	8,073,092
(f) Security & Other Deposits	3,739,512	3,084,424
(g) Advance to Staff	8,551,233	6,927,654
(h) Export Incentive Receivable	118,283,523	105,533,570
(i) Other Advances	59,525	23,884
TOTAL	389,015,086	324,447,745
21.1 The company has filed a writ petition before the Madras High Court for the recovery of drawback amounting to Rs. 3,363,721/- against the Chief Commissioner of Customs Chennai. The management is confident for the recovery of the said amount and hence has not made any provision for bad & doubtful debts against this.		

BHARTIYA INTERNATIONAL LTD.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
22 OTHER CURRENT ASSETS		
(a) Preliminary Expenses (to be written off in next year)	40,200	40,200
TOTAL	<u>40,200</u>	<u>40,200</u>
		Amount in Rs.
PARTICULARS	Year Ended 31st March, 2015	Year Ended 31st March, 2014
23 REVENUE FROM OPERATION		
(a) Sales	3,935,965,611	2,971,625,841
Less Excise Duty	<u>25,527,051</u>	<u>7,701,572</u>
Net Sales	3,910,438,560	2,963,924,269
(b) Export Incentives	<u>329,039,729</u>	<u>223,032,472</u>
TOTAL	<u>4,239,478,289</u>	<u>3,186,956,741</u>
24 OTHER INCOME		
(a) Dividend from Current Investments	109,770	401,145
(b) Net gain on sale of Current Investments	2,638,596	1,035,025
(c) Provision for diminution in Value of Investments written back	1,464,391	-
(d) Rental Income	22,499,225	21,256,475
(e) Profit/(Loss) of Subsidiary	<u>(203,302)</u>	<u>(175,251)</u>
TOTAL	<u>26,508,680</u>	<u>22,517,394</u>
25 RAW MATERIAL CONSUMPTION		
Opening Stock	1,382,699,838	845,415,860
Add : Purchases	<u>2,352,163,431</u>	<u>1,749,358,508</u>
	3,734,863,269	2,594,774,368
Less : Closing Stock	<u>1,591,542,678</u>	<u>1,382,699,838</u>
TOTAL	<u>2,143,320,591</u>	<u>1,212,074,530</u>
26 CHANGE IN INVENTORIES OF FINISHED GOODS		
(a) Opening Stock	101,698,658	57,690,103
(b) Closing Stock	<u>185,197,451</u>	<u>101,698,658</u>
Decrease/(Increase)	<u>(83,498,793)</u>	<u>(44,008,555)</u>
27 EMPLOYEE BENEFITS EXPENSES		
(a) Salary & Allowances	191,193,390	158,885,804
(b) Contribution to Provident & Other fund	13,731,519	9,903,614
(c) Staff Welfare Expenses	<u>8,496,933</u>	<u>6,944,611</u>
TOTAL	<u>213,421,842</u>	<u>175,734,029</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
28 FINANCE COST		
(a) Interest Expense- Net	117,436,142	91,327,260
(b) Borrowing Cost	21,111,629	9,164,129
(c) Loss/(profit) on foreign currency transactions	(53,324,974)	43,108,487
TOTAL	85,222,797	143,599,876
29 DEPRECIATION AND AMORTISATION		
(a) Depreciation	38,584,337	25,299,395
(b) Preliminary Expenses	40,200	40,200
TOTAL	38,624,537	25,339,595
30 OTHER EXPENSES		
(I) Manufacturing Expenses		
(a) Fabrication Charges	777,222,780	534,795,143
(b) Other Manufacturing Expenses	17,177,493	14,996,100
(c) Freight & Cartage	15,286,716	13,718,610
(II) Selling & Administrative Expenses		
(a) Legal And Professional Charges	32,632,022	27,189,492
(b) Power & Fuel	12,379,095	10,127,711
(c) Auditors Remuneration	685,396	550,000
(d) Bank Charges	25,890,707	27,023,038
(e) Repair & Maintainence		
- Building	2,570,450	2,361,651
- Plant & Machinery	2,969,303	2,492,677
- Others	10,727,046	6,982,358
(f) Communication	9,262,460	6,077,740
(g) Rates Taxes & Duties	3,284,675	2,795,322
(h) Insurance	4,499,973	3,538,460
(i) Rent	5,993,871	4,450,488
(j) Travelling & Conveyence	75,147,980	57,115,717
(k) Freight on Exports	52,313,403	29,833,536
(l) Commission, Brokerage & Discount	136,531,466	52,961,415
(m) Loss on Sale/Discard of Fixed Assets	1,791,423	(1,083,046)
(n) Misc. Expenses	26,292,787	23,842,001
(o) Expenditure towards CSR activites	959,745	-
(p) Directors Meeting Fees	104,322	88,963
(q) Packing Expenses	21,211,317	14,718,340
TOTAL	1,234,934,430	834,575,716

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
31 EXCEPTIONAL ITEMS		
(a) Dividend received from Overseas Subsidiary	-	67,345,000
Income Tax Provision	-	(11,445,283)
	-	55,899,717
(b) Provision for diminution in Investments	-	(63,531,050)
TOTAL	-	(7,631,333)
32 TAX EXPENSE		
I) Current Tax		
(a) Current Income Tax	66,600,000	38,044,794
(b) Income Tax For earlier Year	5,070,637	-
	71,670,637	38,044,794
II) Deferred Tax		
(a) Related To Capital Assets	244,099	6,282,873
(b) Related To Brought forward Capital losses	532,717	1,305,900
	776,816	7,588,773

33.01 The previous period figure has been regrouped/reclassified, wherever necessary to conform to the current period presentation.

33.02 CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31st March, 2015	As at 31st March, 2014
(a) Estimated value of contract remaining to be executed on capital account and not provided for	7,899,425	9,879,947
(b) Contingent liabilities not provided for :		
i) Letter of Credit/Import Bills outstanding -	60,333,114	172,523,135
ii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
- Ultima S A	668,694,300	247,260,000
- WFT Ltd	21,959,000	29,085,000
iii) Bills discounted with banks -	21,052,626	23,219,179
iv) Other Guarantee given by bank -with corporation Bank	2,113,580	4,545,000
v) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima SA and its subsidiary Ultima Italia SRL	943,050,000	53,300,000
vi) Income Tax Demand under dispute	12,225,782	12,225,782
vii) Karnataka VAT Demand under dispute -	2,876,543	-
viii) Forward Contracts outstanding		
In GBP	1.85 Million	0.50 Million
	(Rs. 1722.30 Lacs)	(Rs. 530 Lacs)
IN USD	9 Million	1.75 Million
	(Rs. 5658 Lacs)	(Rs. 1124.9 Lacs)
IN EURO	0.45 Million	-
	(Rs. 306.4 Lacs)	

BHARTIYA INTERNATIONAL LTD.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.			
	Year Ended 31st March, 2015	Year Ended 31st March, 2014		
33.03 VALUE OF IMPORTS ON CIF BASIS				
Raw Material	1,100,203,099	910,006,847		
Purchase under Merchandise Trade	354,169,903	681,392,052		
Capital Goods	9,132,530	19,035,348		
33.04 EXPENDITURE IN FOREIGN CURRENCY (on payment basis)				
Agent Commission/Claim on Sales	82,647,588	94,993,525		
Foreign Travelling	13,821,904	9,124,100		
Others	1,706,959	7,942,989		
Interest on Import bills	1,027,318	6,026,803		
Administration, selling and other expenses at Overseas Trading Offices (on accrual basis)	-	1,698,937		
33.05 EARNING IN FOREIGN CURRENCY				
FOB Value of Sales	3,156,804,906	1,997,136,408		
Export Under Merchandising Trade	416,747,912	802,105,877		
Dividend Income	-	67,345,000		
Sampling Charges	10,512,748	12,062,922		
33.06 AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND				
Year to which the dividend relates	2013-14	2012-13		
a) Number of non-resident shareholders to whom remittances were made	42	46		
b) No of shares on which remittances were made	244,080	320,882		
c) Amount remitted in Rs.	244,080	320,882		
33.07 VALUE OF IMPORTED & INDIGENOUS RAW MATERIAL AND CONSUMABLE CONSUMED				
	Current Year		Previous Year	
	% of Consumption	Value of Consumption. Rs.	% of Consumption	Value of Consumption. Rs.
Indigenous	39	828,021,310	43	515,323,853
Imported	61	1,315,299,281	57	696,750,677
	100	2,143,320,591	100	1,212,074,530
Amount in Rs.				
PARTICULARS	Year Ended 31st March, 2015		Year Ended 31st March, 2014	
33.08 PAYMENT TO AUDITOR				
Audit Fees	550,000		550,000	
Certification	282,500		220,000	
Tax Audit	75,000		75,000	
Reimbursement of Expenses	60,000		60,000	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
33.09 Earning Per Share (EPS)		
Income available to Equity Shareholders	140,675,320	86,384,798
No of Shares at the beginning of the Year (A)	11,063,848	11,063,848
Equity allotted during the year	150,000	-
Weighted Average Shares (B)	90,521	-
Weighted Average Shares Outstanding (nos) (A+B)	11,154,369	11,063,848
Effect of Dilutive Securities Securities (nos) :		
Add: Adjustment for warrants convertible into Equity Shares	201,692	52,532
Weighted Average number of equity shares for Diluted EPS	11,356,061	11,116,380
	Rs. Per Share	Rs. Per Share
Nominal Value per share	10.00	10.00
Earnings per share (Basic)	12.61	7.81
Earnings per share (Diluted)	12.39	7.77
33.10 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 :		
	Year Ended 31st March, 2015	
i) Gross amount required to be spent by the company during the year		2,508,352
ii) Amount spent during the year		959,000
33.11 Details of Loans Given, Investments Made and Gurantee Given.		
	As at	Maximum Balance
	31st March, 2015	during the year
(1) Loans/Advances Given		
<i>Subsidiary Company :</i>		
a) World Fashion Trade Ltd, Mauritius	44,067,517	44,697,861
	(42,261,470)	(43,621,317)
b) Bhartiya Global Marketing Ltd.	-	53,750,000
	(535,750,000)	(535,750,000)
<i>Associates Company:</i>		
a) Tada Mega Leather Cluster Pvt Ltd	2,823,575	2,823,575
	(2,823,575)	(2,823,575)
The above loans/advances have been given for business purpose		
(2) Standby Letter of Credit (SBLC) issued by company bankers against facilities granted by banks		
<i>Subsidiary Company :</i>		
a) World Fashion Trade Ltd, Mauritius	21,959,000	29,085,000
	(29,085,000)	(37,533,923)
b) Ultima S.A, Switzerland	668,694,300	668,694,300
	(247,260,000)	(247,260,000)
(3) Corporate Guarantee given by Company to a bank for facility granted by that bank to its Subsidiaries.		
Ultima S.A. and its subsidiary Ultima Italia SRL	943,050,000	943,050,000
	(53,300,000)	(53,300,000)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

33.12 Related party disclosures

Related party disclosure as required under Accounting Standard on "Related Party Disclosures" issued by the Institute Of Chartered Accountants of India are given below :

a) Names of Related Parties & description of relationship:

i) Subsidiaries :

Domestic

Bhartiya Global Marketing Ltd.
J&J Leather Enterprises Ltd.
Bhartiya International SEZ Ltd.
Bhartiya Fashion Retail Ltd.

Overseas

World Fashion Trade Ltd., Mauritius
Ultima S.A, Switzerland
Ultima Italia SRL, Italy
BIL Group LLC, USA
Design Industry Ltd., Hongkong

ii) Associates :

Bhartiya Prakash Leather
Bhartiya Urban Infrastructure & Land Development Co Pvt. Ltd.
Bhartiya City Developers Pvt. Ltd.
Tada Mega Leather Cluster Pvt. Ltd.

iii) Key Management Personnel:

Snehdeep Aggarwal
Jaspal Sethi
A.K. Gadhok

iv) Enterprises owned or significantly influenced by key management personnel or their relatives :

Itopia Management Services (India) Pvt. Ltd.

v) Relatives of Key Management Personnel :

Kanwal Aggarwal
Arjun Aggarwal

vi) Transactions during the year with related parties

	2014-2015	2013-2014
1 Sales		
World Fashion Trade Ltd.	39,395,135	416,965,988
Ultima S.A	103,706,813	183,713,888
Ultima Italia SRL	4,160,508	10,398,841
Design Industry Ltd.	104,022,829	-
Bhartiya Global Marketing Ltd.	1,034,031	757,336
Bhartiya City Developers Pvt. Ltd.	413,096	-
2 Dividend Received		
Ultima S.A.	-	67,345,000

BHARTIYA INTERNATIONAL LTD.**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**

	2014-2015	2013-2014
3 Purchase / Job Work		
World Fashion Trade Ltd.	14,501,525	14439110
Ultima Italia SRL	44,630	-
J & J Leather Enterprises Ltd	107,616,458	92362544
4 Ticketing		
Itopia Management Services (India) Pvt. Ltd.	16,623,739	12745593
5 Salaries		
Snehdeep Aggarwal	1,839,600	1800000
Jaspal Sethi	1,179,600	1140000
A.k.Gadhok	982,241	973888
Arjun Aggarwal	300,000	360000
6 Leese Rent / Rent Paid		
Bhartiya Global Marketing Ltd.	100,000	100,000
J & J Leather Enterprises Ltd	139,500	108,000
Kanwal Agarwal	480,000	480,000
7 Commission Expenses		
Ultima Italia SRL	72,790,171	33,803,558
World Fashion Trade Ltd.	37,447,453	-
8 Leese Rent Received		
Bhartiya City Developers Pvt Ltd	21,304,800	20,175,000
9 Service Charges Paid		
Bhartiya International Sez Ltd.	3,141,668	2,052,651
10 Purchase of Land Under Lease		
Bhartiya International Sez Ltd.	30,000,000	-
11 Sale of Land		
J & J Leather Enterprises Ltd	-	2,000,000
vii) Balances Outstanding at the year end:		
1 Loans Given		
World Fashion Trade Ltd.	44,067,517	42,261,470
Bhartiya Global Marketing Ltd.	-	53,750,000
Tada Mega Leather Cluster Pvt Ltd	2,823,575	2,823,575
2 Trade Paybles		
Bhartiya International SEZ Ltd	1,321,810	3,356,247
J & J Leather Entepriees Ltd	-	13,846,226
Itopia Management Services (India) Pvt. Ltd.	1,269,774	742,707
Bhartiya Prakash Leather	75,755	75,755

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

	2014-2015	2013-2014
3 Expenses / Others Paybles		
Ultima Italia SRL	106,659,415	111,613,365
World Fashion Trade Ltd.	34,470,516	-
Bhartiya City Deveopers Pvt. Ltd.	87,509	-
Snehdeep Aggarwal	43,258	43,258
Kanwal Aggarwal	36,000	36,000
4 Advances Paid		
World Fashion Trade Ltd.	-	2,282,302
Bhartiya Global Marketing Ltd.	-	2,629,413
J & J Leather Enterprises Ltd	15,000,000	-
Ultima S.A.	8,620,237	8,249,349
BIL Group LLC	228,225	228,225
Bhartiya International SEZ Ltd	-	15,883,272
Bhartiya Urban Infrastructure & Land Development Co Pvt Ltd	-	2,050,340
5 Trade Receivable		
World Fashion Trade Ltd.	5,231,853	-
Designs Industry Ltd.	32,807,636	-
Bhartiya City Developers Pvt. Ltd.	413,096	-
6 Security Deposit (Paid)		
Bhartiya Global Marketing Ltd.	500,000	500,000
7 Security Deposit (Received)		
Bhartiya City Developers Pvt. Ltd.	15,978,600	14,526,000
8 Standby Letter of Credit (SBLC) Issued by Company Bankers		
World Fashion Trade Ltd.	21,959,000	29,085,000
Ultima S.A.	668,694,300	247,260,000
9 Corporate Guarantee given by company		
Ultima Italia SRL and Ultima S.A	943,050,000	53,300,000

33.13 SEGMENT INFORMATION
a) Business Segments:

Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into more than one segment during the year.

b) Geographic Segments

Operation of the Company do not qualify, for reporting as geographic segments, as per the criteria set out under Accounting Standard 17 on segment reporting issued by the Institute of Chartered Accountants of India.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

c) Business Segments		Rs. In Lacs			
Particulars	Leather Products	Textile/ Textile Product	Others	Unallocable	Total
a. Segment Revenue	39,782.50 (29,351.79)	2,612.28 (2,517.78)	- (-)	- (-)	42,394.78 (31,869.57)
b. Segment Results	5,003.83 (3,318.02)	181.83 (155.81)	- (-)	265.09 (225.20)	5,450.75 (3,699.03)
c. Less: Unallocable expenses net of Income	- -	- -	- -	1,934.03 (1,297.58)	1,934.03 (1,297.58)
d. Operating Profit	- -	- -	- -	- -	3,516.72 (2,401.45)
e. Less:- Interest	- -	- -	- -	1,385.48 (1,004.95)	1,385.48 (1,004.95)
f. Profit before Tax	- -	- -	- -	- -	2,131.24 (1,396.50)
g. Provision for taxation	- -	- -	- -	724.48 (456.34)	724.48 (456.34)
h. Profit after Tax	- -	- -	- -	- -	1,406.76 (940.16)
i. Capital Employed	8,932.56 (7,041.87)	114.59 (95.55)	- -	7,309.82 (7,549.76)	16,356.97 (14,687.18)

33.14 Previous year expenses debited to profit & loss account Rs. 2,736,195/- (Previous Year Rs. 3,597,331/-)

33.15 In the opinion of the Directors, the Current Assets, Loans and Advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.

As per our report of even date attached

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board

S.K. Poddar

Partner

Mem. No. 094479

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

Ramesh Bhatia

Director

New Delhi, 25th May, 2015

FINANCIAL SUMMARY
Rs. in lacs

PARTICULARS	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Equity Share Capital	627.88	727.88	786.38	786.38	866.38	946.38	1046.38	1106.38	1106.38	1121.38
Reserves & Surplus	6530.18	8133.72	9229.10	9408.75	10115.21	10823.45	11829.77	12822.93	13559.04	14935.59
Net Worth	7158.06	8861.60	10015.48	10195.14	10981.59	11769.83	12876.15	13929.31	14687.17	16356.97
Capital Employed	12128.48	17040.80	14807.19	15796.06	14831.21	13014.95	14301.90	17148.74	18395.08	20086.90
Gross Fixed Assets	1732.49	1792.46	1858.32	2964.94	3145.01	4902.96	5854.10	6718.79	7277.72	8051.71
Net Fixed Assets	1311.05	1296.92	1285.33	2296.65	2352.37	3980.62	4789.96	5621.34	5964.59	6573.30
Export Sales including Export Incentives	9550.56	12272.54	13868.47	15350.05	17898.72	16733.42	20737.51	24730.46	31869.57	42394.78
Other Income	43.58	214.64	268.84	-171.40	92.83	199.62	232.35	225.27	225.17	265.09
Total Income	9594.14	12487.19	14137.31	15178.65	17991.55	16933.04	20969.86	24955.73	32094.74	4265.99
EBDIT	921.09	1032.38	1245.27	1638.41	1400.33	1397.51	2015.28	2270.69	3085.89	3369.70
Depreciation and Amortisation	74.68	79.23	82.92	97.83	128.13	143.32	162.95	200.01	253.40	386.25
EBIT	846.41	953.15	1162.35	1540.58	1272.20	1254.19	1852.33	2070.67	2832.49	2983.46
Profit before Tax	616.45	694.43	811.74	541.42	843.23	849.06	1141.85	1224.18	1320.18	2131.23
Tax Expenses	197.98	194.33	189.86	269.76	299.75	294.83	404.94	394.61	456.34	724.47
Profit after Tax	418.47	500.10	621.88	271.66	543.48	554.23	736.91	829.57	863.84	1406.75
Equity Dividend (%)	15.00	15.00	15.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
EPS (Basic) Rs.	7.08	7.33	7.91	3.45	6.89	6.39	7.33	7.65	7.81	12.61
EPS (Diluted) Rs.	6.90	7.17	7.91	3.45	6.53	6.21	7.33	7.62	7.77	12.39

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2015 are as follows:

(Rs. in Lacs)

PARTICULARS	2014-15	2013-14
Net Sales/Income from Operations	68.24	673.93
Other Income	16.04	20.75
Total Expenses	118.89	630.02
Tax Expense	(9.87)	22.77
Profit/(Loss) for the year after Tax	(24.75)	41.90

PERFORMANCE REVIEW

During the year under review Company achieved a turnover of Rs. 68.24 lacs as against Rs. 673.93 lacs in the previous year. The Net Profit after tax has plunged to Rs. (24.75) lacs. The Company is in the process to expand its global operations by strengthening its marketing activities in Europe and American markets and expects revenues to grow in future period.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2015.

RESERVES

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

SHARE CAPITAL

During the year under review, the following changes had taken place in the Authorised Share Capital of the Company:

Dates	Description	No. of Shares	Total Value of Shares
April 1, 2014	Share Capital at the beginning of the year	3,000,000	3,000,000
March 13, 2015	Increased during the year	2,000,000	2,000,000
March 31, 2015	Share Capital at the end of the year	5,000,000	5,000,000

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
April 1, 2014	Share Capital at the beginning of the year	2,499,020	24,990,200
March 27, 2015	Issued during the year	2,500,000	25,000,000
March 31, 2015	Share Capital at the end of the year	4,999,020	49,990,200

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

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

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Manoj Khattar, 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 2014-15, nine Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2014-15 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Ramesh Bhatia	Mr. Manoj Khattar	Ms. Jaspal Sethi
26.05.2014	Present	Present	Present
11.06.2014	Absent	Present	Present
10.07.2014	Absent	Present	Present
05.09.2014	Absent	Present	Present
16.09.2014	Absent	Present	Present
24.12.2014	Absent	Present	Present
13.03.2015	Absent	Present	Present
26.03.2015	Absent	Present	Present
27.03.2015	Absent	Present	Present

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted.

All related party transactions are placed before the Board for approval.

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:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2015 and of the losses of the company for the year ended on that date;
- 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;
- 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 21st Annual General Meeting Your directors have recommended their ratification in the ensuing Annual General Meeting.

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

COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2015-16.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

RISK MANAGEMENT

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

ENVIRONMENT AND SAFETY

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

HUMAN RESOURCES

Your company's philosophy has always been based on the progressive and continuous improvement, whether in business or any other function. We have given utmost importance to our human resources and believes in upgrading the skill, knowledge in the respective areas which has helped your company to foster a positive culture and transparency in the system.

Your company firmly believes that people are its most valued asset, and the focus is to retain and sustain a highly qualified and diverse work force.

PARTICULARS OF EMPLOYEES:

During the financial year 2014-15, the Company had 14 Employees.

None of the Employees were not in receipt of remuneration of Rs. 60 lac per annum or more and none of the employees employed for the part of the FY 2015 were in receipt of Rs. 5 lac per month or more.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Conservation of Energy

Not applicable

b. Technology Absorption

Not applicable

c. Foreign Exchange Earnings & Outgo

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

PUBLIC DEPOSIT

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2015 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

Ramesh Bhatia
Director

New Delhi, 22nd May, 2015

**ANNEXURE-A
FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	: U74899DL1996PLC075128
ii) Registration Date	: 03/01/1996
iii) Name of the Company	: Bhartiya Global Marketing Ltd
iv) Category Sub-Category of Company	: Public Limited Company
v) Address of the Regd. Office and contact details	: E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030
vi) Whether listed company	: No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. N.	Name and Description of Main Products/Services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale on a fee or contract basis	4641	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya International Ltd. E-52, New Manglapuri, Mandi Road, Mehrauli, New Delhi-110030	L74899DL1987PLC026607	Holding	100%	2(46)
2	J & J Leather Enterprises Ltd. 56/7, Nallambakkam Village (Via Vandalur), Chennai-600048	U18209TN1991PLC020874	Subsidiary	100%	2(87)
3	Bhartiya Prakash Leather C-20, Pamposh Enclave, Greater Kailash Part-I, New Delhi-110048	-	Associate	50%	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	2499020	2499020	100	-	4999020	4999020	100	100
e) Banks / Fiis	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)		2499020	2499020	100		4999020	4999020	100	100

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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	
(2) Foreign									0.00
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FIIS	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(2):-A	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	2499020	2499020	100	-	4999020	4999020	100	100
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2499020	2499020	100	-	4999020	4999020	100	100

(ii) Shareholding of Promoters

S. N.	Share holder's Name	Share holding 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	2,499,020	100	-	4,999,020	100.00	-	100
	TOTAL	2,499,020	100	-	4,999,020	100.00	-	100

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

S. N.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Bhartiya Global Marketing Ltd.				
	At the beginning of the year	2,499,020	100	2,499,020	100
	Allotment of Equity Shares	2,500,000	100	4,999,020	100
	At the End of the year	-	-	4,999,020	100

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

S. N.	Particulars	Share holding at the beginning of the year		Cumulative Share holding 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) Share holding of Directors and Key Managerial Personnel:

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	53,750,000	-	53,750,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	53,750,000	-	53,750,000
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	53,750,000	-	53,750,000
Net Change	-	53,750,000	-	53,750,000
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)	NIL	NIL	NIL	NIL

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

S. N.	Particulars of Remuneration	Total Amount
1.	Grosssalary (a) Salary as per provisions contained in section17(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 section17(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	Total Amount
1.	Independent Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify	Nil
	Total (1)	

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S. N.	Particulars of Remuneration	Total Amount
2.	Other Non-Executive Directors <ul style="list-style-type: none"> ● 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	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	

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2015.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Bhartiya Global Marketing Ltd.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bhartiya Global Marketing Limited ('the Company'), which comprise the balance sheet as at 31st March, 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 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 standalone 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 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) 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; and
 - 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 Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 22nd May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March, 2015, 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 according to a regular program which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- ii. (a) As explained to us, physical verification of inventory, except material lying with third parties and intransit, has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of accounts.

- iii. The company had granted interest free unsecured loans to its wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The terms of arrangements of loans did not stipulate any repayment schedule and the loan was repayable on demand. The subsidiary company has repaid entire loan amount during the year.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. The Company has not accepted any deposits from the public.
- 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 records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Custom Duty, value added tax, Cess and any other statutory dues applicable to it. We are informed that the operations of the company during the period did not give rise to any liability for Excise Duty, Service Tax & Wealth Tax.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the statutory dues referred to above were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.
(c) There are no dues in respect of the statutory dues referred to above, which have not been deposited on account of any dispute.
(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- viii. According to the records of the company, the accumulated losses of the Company at the end of the financial year are not more than fifty percent of its net worth. The company has incurred cash losses of Rs. 34, 00,427/- during the financial year covered by our audit. However the company had not incurred cash loss in the immediately preceding financial year.
- ix. According to the information and explanation given to us, the company has not taken any loan from banks or financial institutions and has not issued any debentures.
- x. In our opinion, the terms and conditions on which the company has given guarantees for loans taken by its holding company from banks or financial institutions are not prima-facie prejudicial to the interest of the company.
- xi. As per the records of the company, it has not taken any term loans and hence the reporting provision of this clause is not applicable.
- xii. Based upon the audit procedure performed and information and explanation given by the management we report that during the year no fraud on or by the company has been noticed or reported by the management.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 22nd May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		As At 31st March, 2015	As At 31st March, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	49,990,200	24,990,200
(b) Reserves And Surplus	3	(5,571,840)	(2,944,441)
2 Non-Current Liabilities			
(a) Long-Term Borrowings	4	-	53,750,000
(b) Other Long-Term Liabilities	5	500,000	500,000
(c) Long-Term Provisions	6	435,276	293,281
3 Current Liabilities			
(a) Short-Term Borrowings	7	-	2,629,413
(b) Trade Payable	8	3,283,515	8,765,362
(c) Other Current Liabilities	9	472,327	626,949
(d) Short-Term Provisions	10	280,664	1,288,160
TOTAL		49,390,142	89,898,924
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible Assets	11	909,379	879,046
(b) Non Current Investments	12	32,317,500	15,075,000
(c) Deferred Tax Assets (Net)	13	1,132,362	76,865
(d) Long Term Loans and Advances	14	-	53,750,000
(e) Other Non-Current Assets	15	217,000	86,000
2 Current Assets			
(a) Inventories	16	168,567	168,567
(b) Trade Receivables	17	7,359,882	14,184,051
(c) Cash & Cash Equivalents	18	4,780,357	3,411,948
(d) Short Term Loans and Advances	19	2,474,095	2,254,447
(e) Other Current Assets	20	31,000	13,000
TOTAL		49,390,142	89,898,924

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for **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, 22nd May, 2015

Manoj Khattar
Director

Ramesh Bhatia
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2015	Year Ended 31st March, 2014
Income:			
Revenue From Operations	21	6,823,558	67,392,986
Other income	22	1,603,714	2,075,417
Total Revenue		8,427,272	69,468,403
Expenses:			
Purchases of Stock In Trade		6,071,034	54,508,321
Change in Inventory of Stock In Trade	23	-	351,331
Employee Benefits Expenses	24	3,650,915	3,181,174
Depreciation And Amortization Expense	25	61,570	189,444
Other Expenses	26	2,105,750	4,771,823
Total Expenses		11,889,269	63,002,093
Profit/(Loss) Before Tax		(3,461,997)	6,466,310
Tax Expense:			
	27		
Current Tax		-	1,668,264
MAT Credit		-	(1,434,524)
Deferred Tax		(987,239)	2,042,947
Profit/(Loss) After Tax		(2,474,758)	4,189,623
Earnings Per Equity Share:			
(1) Basic		(0.98)	1.68
(2) Diluted		(0.98)	1.68

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for **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, 22nd May, 2015

Manoj Khattar
Director

Ramesh Bhatia
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and exceptional item	(3,461,997)	6,466,310
Adjustment for :		
Depreciation and Amortisation	61,570	189,444
Financial Costs	16,285	14,021
Effect of Exchange Difference	(909,596)	(1,467,261)
Rent Received	(100,000)	(100,000)
Share of Loss from Firm	2,500	2,500
Profit on sale of fixed assets	(2,682)	-
	<u>(931,923)</u>	<u>(1,361,296)</u>
Operating profit before working capital change	(4,393,920)	5,105,014
Adjustment for :		
Inventories	-	351,331
Trade and Other Receivables	6,824,170	1,739,680
Loans and Advances	(71,446)	1,001,159
Trade and Other Paybles	(5,269,810)	5,063,477
	<u>1,482,914</u>	<u>8,155,647</u>
Cash generated from operations	(2,911,006)	13,260,661
Income Tax Paid (net of refund)	(1,380,363)	(208,217)
Finance Cost	(16,285)	(14,021)
Effect of Exchange Difference	909,596	1,467,261
NET CASH FROM OPERATING ACTIVITIES	(3,398,058)	14,505,684
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Invetments	(17,242,500)	-
Sale of Fixed Assets	20,000	-
Rent Received	100,000	100,000
Share of Loss from Firm	(2,500)	(2,500)
Repayment of Loan from Subsidiary	53,750,000	-
Purchase of fixed assets	(299,120)	-
Preliminary Expenses Incurred	(180,000)	-
NET CASH USED IN INVESTMENT ACTIVITIES	36,145,880	97,500
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	(53,750,000)	(12,343,040)
Repayment of Short Term Borrowings	(2,629,413)	-
Share Capital Issues Receipts	25,000,000	-
NET CASH USED IN FINANCING ACTIVITIES	(31,379,413)	(12,343,040)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	1,368,409	2,260,144
Cash and Cash Equivalent-Opening Balance	3,411,948	1,151,804
Cash and Cash Equivalent-Closing Balance	4,780,357	3,411,948

As per our report of even date attached

for **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, 22nd May, 2015

Manoj Khattar
Director

Ramesh Bhatia
Director

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015****1 SIGNIFICANT ACCOUNTING POLICIES****a) Method of Accounting :**

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India to comply with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

b) Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires judgments, estimates and assumptions to be made that effect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialised.

c) Fixed Assets :

Fixed assets are stated at cost of acquisition inclusive of duties, non refundable taxes, incidental expenses related to acquisition and reduced by accumulated depreciation, impairment loss & Subsidy / Grant received if any. In respect of project involving construction, related pre-operational expenses form part of the value of assets capitalised. Interest on borrowings and other costs directly attributable to the asset during the period of construction / acquisition upto the date the asset is put to use is also added to the cost of Fixed Assets.

d) Depreciation :

In respect of fixed assets acquired during the year, depreciation is charged on a straight line basis so as to write off the cost of assets over the useful lives as prescribed in Schedule II of the Companies Act, 2013 and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remanding useful life.

e) Revenue Recognition :

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed on to the buyer which is generally on dispatch of goods to customers.

f) Inventories :

Raw materials have been valued at cost. Cost is determined on FIFO basis.

Finished Goods are valued at lower of cost or net realisable value. Cost is determined as per the absorption costing method.

g) Retirement Benefits :

The employer's contribution to the employees provident fund is charged to the profit and loss account during the year. Gratuity liability is provided for on all eligible employees during the year on accrual basis. Provision is made for value of unutilised leave due to employees at the end of year on accrual basis.

h) Investment :

(i) Investment in subsidiary is valued at cost. Provision is made for any diminution in value considered permanent.

(ii) Investment representing the capital invested in a partnership firm is valued at cost.

i) Foreign Currency Transactions

Earning and expenditure in foreign currency are accounted for at the actual exchange rate prevailing on the date of transaction and monetary items denominated in foreign currency outstanding at the year end are translated at the year end rates. Gain/loss in conversion is charged to Profit & Loss Account.

NOTES (CONTD.)
j) Taxation

Provision for Tax for the year comprises current income tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent periods.

k) Impairment of Assets

Where there is a indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognised to the extent carrying amount exceeds recoverable amount.

l) Provisions Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard -29 (Provisions, Contingent Liabilities and Contingent Assets), issued by the institute of Chartered Accountants of India, provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company.

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
2.0 SHARE CAPITAL		
Authorised Share Capital		
a) 50,00,000 (Previous Year 30,00,000) Equity Shares of Rs.10/- each	50,000,000	30,000,000
	50,000,000	30,000,000
Issued, Subscribed & Paid up :		
a) 49,99,020 (Previous Year 24,99,020) Equity Shares of Rs.10/- each, Fully Paid Up	49,990,200	24,990,200
	49,990,200	24,990,200

2.1 The details of Shareholders holding more than 5% shares

Name of the share holders	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
	(a) Bharitya International Ltd.	4,999,020	100.00	4,999,020

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

PARTICULARS	As at	
	31st March, 2015	31st March, 2014
Shares outstanding at the beginning of the year	2,499,020	2,499,020
Shares Issued during the year	2,500,000	-
Shares outstanding at the end of the year	4,999,020	2,499,020

2.3 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 shares. In the event of Liquidation of the Company, the holder of equity share will be entitled to receive assets of the Company in proportion to the number of equity shares held by the shareholders.

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
3 RESERVES & SURPLUS		
(a) Surplus		
As Per last Balance Sheet	(2,944,441)	(7,134,064)
Add: Profit for the year	(2,474,758)	4,189,623
Less: Adjustment relating to Fixed Assets (Refer Note No. 11.1)	(152,641)	
TOTAL	(5,571,840)	(2,944,441)
4 LONG TERM BORROWINGS		
Unsecured		
Loan /Advances from related party (refer note no 28.7)	-	53,750,000
TOTAL	-	53,750,000
5 OTHER LONG TERM LIABILITIES		
(a) Security Deposit	500,000	500,000
TOTAL	500,000	500,000
6 LONG TERM PROVISIONS		
(a) Provision for employees benefits	435,276	293,281
TOTAL	435,276	293,281
7 SHORT TERM BORROWINGS		
(a) Loans/Advances from Related Parties (refer note no 28.7)	-	2,629,413
TOTAL	-	2,629,413
8 TRADE PAYABLE		
(a) Trade Payable	3,283,515	8,765,362
TOTAL	3,283,515	8,765,362
8.1 The Company has not received information from vendors regarding their status under the Micro,Small and Medium Enterprises Devlopment 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.		
9 OTHER CURRENT LIABILITIES		
(a) Salary & Reimbursements Payables	223,799	473,396
(b) Statutory Dues	39,518	114,978
(c) Expenses Payable	209,010	38,575
TOTAL	472,327	626,949
10 SHORT TERM PROVISIONS		
(a) Provision for Employees benefits	280,664	56,000
(b) Provision for Income Tax	-	1,232,160
TOTAL	280,664	1,288,160

NOTES (CONTD.)
11 FIXED ASSETS

DESCRIPTION	Gross Block				Depreciation					Net Block	
	As at 1st April, 2014	Additions/ Adjustments during the year	Deduction/ Retirement during the year	As at 31st March, 2015	As at 1st April, 2014	Adjustment to Retained Earnings	For the year	Deduction/ adjustments during the year	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015
Tangible Assets											
Own Assets											
Land	492,800	-	-	492,800	-	-	-	-	-	492,800	492,800
Computers	412,986	-	-	412,986	391,842	494	-	-	392,336	21,144	20,650
Vehicles	620,718	299,120	346,370	573,468	507,826	81,856	30,570	329,052	291,200	112,892	282,268
Furniture	1,612,525	-	-	1,612,525	1,525,108	6,791	-	-	1,531,899	87,417	80,626
Office Equipments	324,264	-	-	324,264	159,471	131,758	-	-	291,229	164,793	33,035
Total	3,463,293	299,120	346,370	3,416,043	2,584,247	220,899	30,570	329,052	2,506,664	879,046	909,379
Previous Year	3,463,293	-	-	3,463,293	2,407,803	-	176,444	-	2,584,247	1,055,490	879,046

11.1 In compliance with the provisions of Schedule II of the Companies Act, 2013, fixed assets which has completed their useful life as on 1st April, 2014, the carrying value (net of residual value) amounting to Rs. 152,641/- (net of deferred tax of Rs. 68,258/-) has been recognized in the retain earning.

11.2 Depreciation and amortization expenses for the year would have been higher by Rs. 40,534/-, had the Company continued with the previous method of depreciation.

Amount in Rs.

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
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12 NON CURRENT INVESTMENTS
Trade Investments:
(a) In Equity Shares of Subsidiary Companies - Unquoted at Cost

Investment in J & J Leather Enterprises Ltd., 207,500 Equity Shares (Previous Year 125,000 shares) of Rs.100/- each, fully paid	32,267,500	15,025,000
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(b) Investment in Partnership Firms-

Capital in Firm - Bhartiya Prakash leathers (refer note no 28.3)	50,000	50,000
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TOTAL	32,317,500	15,075,000
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13 DEFERRED TAX ASSETS (NET)
a) Deferred tax Assets

Related to Carried Forward Losses	1,044,400	35,591
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b) Deferred tax Liabilites

Related to Fixed Assets	87,962	41,274
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TOTAL	1,132,362	76,865
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14 LONG TERM LOANS & ADVANCES

(Unsercured & Considered Good)

(a) Loans to related parties (refer note no 28.6)	-	53,750,000
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TOTAL	-	53,750,000
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NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
15 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	196,000	65,000
(b) Security Deposit	21,000	21,000
TOTAL	217,000	86,000
16 INVENTORIES		
(a) Finished Goods	168,567	168,567
TOTAL	168,567	168,567
17 TRADE RECEIVABLES		
(Unsecured, considered good)		
Trade receivables		
(a) Over six months	6,795,085	8,047,483
(b) Other	564,797	6,136,568
TOTAL	7,359,882	14,184,051
18 CASH AND CASH EQUIVALENT		
(a) Balances with Banks - In Current Accounts	4,366,551	2,617,405
(b) Cash on Hand	413,806	794,543
TOTAL	4,780,357	3,411,948
19 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
(a) Loans & Advances to Related Parties (refer note no 28.7)	616,529	619,029
(b) Advance Tax / TDS	195,903	47,701
(c) Advance to Staff	175,404	123,200
(d) Prepaid Expenses	46,335	24,593
(e) Others	5,400	5,400
(f) MAT Credit Entitlement	1,434,524	1,434,524
TOTAL	2,474,095	2,254,447
20 OTHER CURRENT ASSETS		
(a) Preliminary Expenses (to be written off in next year)	31,000	13,000
TOTAL	31,000	13,000

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
21 REVENUE FROM OPERATION		
(a) Sales	6,823,558	67,392,986
TOTAL	6,823,558	67,392,986
22 OTHER INCOME		
(a) Share of Profit from Firm	(2,500)	(2,500)
(b) Service Charges	-	99,873
(c) Lease Rent Received	100,000	100,000
(d) Other Income	593,936	410,783
(e) Net gain on foreign currency transaction	909,596	1,467,261
(f) Net Gain on Sale of Assets	2,682	-
TOTAL	1,603,714	2,075,417
23 CHANGE IN INVENTORY OF STOCK IN TRADE		
Finished Goods		
Opening Stock	168,567	519,898
Closing Stock	168,567	168,567
DECREASE IN STOCK	-	351,331
24 EMPLOYEE BENEFITS EXPENSES		
(a) Salary & Allowances	3,290,453	2,825,901
(b) Contribution to Provident & Other funds	360,462	231,635
(c) Staff Welfare Expenses	-	123,638
TOTAL	3,650,915	3,181,174
25 DEPRECIATION AND AMORTISATION		
(a) Depreciation	30,570	176,444
(b) Preliminary Expenses W/off	31,000	13,000
TOTAL	61,570	189,444
26 OTHER EXPENSES		
(a) Professional Charges	882,435	2,504,325
(b) Electricity Expenses	72,980	56,370
(c) Auditors Remuneration	25,000	25,000
(d) Bank Charges	16,285	14,021
(e) Discounts/ Rebate	239,213	1,441,710
(f) Rates Taxes & Duties	11,159	7,064
(g) Insurance	26,285	44,161
(h) Printing & Stationery	14,525	38,850
(i) Sundry Balances Written off	-	(29,912)
(j) Sampling Expenses	668,149	643,790
(k) General Expenses	144,101	1,174
(l) Fees & Subscription	5,618	25,270
TOTAL	2,105,750	4,771,823

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
27 TAX EXPENSES		
I) Current Tax		
(a) Current Tax	-	1,232,160
(b) Tax for earlier Years	-	436,104
	-	1,668,264
II) Deferred Tax		
(a) Related To Capital Assets	21,570	(31,670)
(b) Related To Brought Forward Losses	(1,008,809)	2,074,617
TOTAL	(987,239)	2,042,947

28.1 Previous year figures have been regrouped / reclassified wherever necessary to conform to the present year presentation

28.2 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 Limited Rs. 34.50 Crores (Previous Year Rs. 34.50 Crores.).
- b. Land and Building at Chennai of Rs. 492,800 (Previous Year Rs. 492,800) is pledged with the bank for various limits and facilities granted to its holding company.

28.3 The Company is a partner in Bhartiya Prakash Leather and has 60% share in Profit / loss and accordingly the share of Loss as per the balance sheet of M/s Bhartiya Prakash Leathers as at 31.03.2015 has been taken in the books of accounts of the company. The details of the partners and their profit / loss sharing ratio is as under.

Pawan Kumar	40%
M/s Bhartiya Global Marketing Ltd.	60%

28.4 Investment include 600 equity shares of the value of Rs. 72,120/- in M/s J & J Leather Enterprises Ltd. held in the name of six nominees of the company.

- a. No provision for Income Tax/MAT as per the provision of the Income Tax Act., 1961 is required to be made in view of loss during the year.
- b. The Company has considered the brought forward accumulated losses as deferred tax asset in accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by ICAI as there is a reasonable certainty of realisation of profits in future.

28.6 Details of Loans Given, Investments Made and Gurantee Given.

	As at 31st March, 2015	Maximum Balance during the year
(1) Loans/Advances Given		
<i>Subsidiary Company :</i>		
a) J & J Leather Enterprises Ltd.	-	53,750,000
	(535,750,000)	(535,750,000)
<i>Associates Company:</i>		
b) Bhartiya Prakash Leather	616,529	616,529
	(619,029)	(619,029)
The above loans/advances have been given for business purpose		
(2) Corporate Guarantee given by company to a bank for facility granted by that bank to its Subsidiaries.		
Bhartiya International Ltd.	345,000,000	345,000,000
	(345,000,000)	(345,000,000)

NOTES (CONTD.)
28.7 Related party disclosures

Related party disclosure as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below :

a) Names of Related Parties & Description of Relationship:
i) Holding Company:
Domestic

Bhartiya International Ltd.

ii) Subsidiaries :
Domestic

J&J Leather Enterprises Ltd.

iii) Fellow Subsidiaries :
Overseas

World Fashion Trade Ltd.

Ultima Italia S.r.l.

iv) Associates :

Bhartiya Prakash Leather

v) Key Management Personnel:
Directors

Manoj Khattar

Jaspal Sethi

Ramesh Bhatia

	2014-2015	2013-2014
vi) Transactions during the year with related parties		
1 Purchase / Job Work		
Bhartiya International Ltd.	1,034,031	757336
2 Lease Rent Received		
Bhartiya International Ltd.	100,000	100,000
3 Marketing Commission		
World Fashion Trade Ltd.	-	1,339,309
vi) Balances Outstanding at the year end:		
1 Loans Given		
J & J Leather Enterprises Ltd.	-	53,750,000
2 Loans Taken		
Bhartiya International Ltd.	-	53,750,000
3 Advances Paid		
Bhartiya Prakash Leather	616,529	619,029
4 Trade Receivable		
World Fashion Trade Ltd.	6,334,282	6,074,680
5 Trade Payable		
Ultima Italia SRL	2,718,400	3,324,000
6 Advances Receipts		
Bhartiya International Ltd.	-	2,629,413

NOTES (CONTD.)

28.8 The basic /diluted earnings per share calculated as per the Accounting Standard -20 issued by the Institute of Chartered Accountants of India is as under.

Income available to Equity Shareholders	(2,474,758)	4,189,623
No of Shares at the beginning of the Year (A)	2,499,020	2,499,020
Equity allotted during the year	2,500,000	-
Weighted Average Shares (B)	34,247	-
Weighted Average Shares Outstanding (Nos.)(A+B)	2,533,267	2,499,020
Effect of Dilutive Securities (Nos.):		
Add: Adjustment for warrants convertible into Equity Shares	-	-
Weighted Average number of equity shares for Diluted EPS	2,533,267	2,499,020
	Rs Per Share	Rs Per Share
Nominal Value per share	10.00	10.00
Earnings per share (Basic)	(0.98)	1.68
Earnings per share(Diluted)	(0.98)	1.68

28.9 Auditor's Remuneration

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Audit Fees	25,000	25,000
Tax & Consultancy	30,000	23,000

28.10 In the Opinion of the Directors, the Current Assets, Loans and Advances have the value at which they are stated in the balance sheet, if realised in the Ordinary course of business and provision for all known liabilities has been adequately made in the accounts

28.11 Earning In Foreign Currency

Exports under Merchandising Trade Rs. 6,823,558/- (Previous Year-Rs. 66,163,091/-)

28.12 Expenditure In Foreign Currency

Purchase Under Merchandising Trade Rs. 6,066,423/- (Previous Year Rs. 53,049,865/-)

Marketing Fees Rs. Nil (Previous Year Rs. 1,339,309/-)

Rebate & discounts Rs. 239,213/- (Previous Year Rs. 1,471,710/-)

As per our report of even date attached

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 22nd May, 2015

For and on behalf of the Board

Manoj Khattar
Director

Ramesh Bhatia
Director

AOC-1

Pursuant to proviso to subsection 3 of section 129 with rule 5 of Companies (Account) Rules, 2014

Statement containing salient features of financial statement of subsidiaries/associates companies/joint ventures

PART-A: SUBSIDIARIES

Name of Subsidiary	Financial Year Ended	Exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding Share capital & Reserves & Surplus)	Investments	Turnover	Profit / Loss before Taxation	Provision for Taxation	Profit / Loss after Taxation	% of Share holding
J&J Leather Enterprises Ltd	March 31, 2015	Indian Rupee	20,750,000.00	22,341,823.00	67,104,965.00	24,013,142.00	-	107,621,732.00	210,731.00	176,273.00	34,458.00	100.00

PART-B: ASSOCIATES AND JOINT VENTURES

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

NAME OF ASSOCIATES AND JOINT VENTURES	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	Networth 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 Prakash Leather	March 31, 2015	-	50,000	50.00%	Partner's Capital	Considered	-	(2,500.00)	-

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2015 are as follows:

(Rs. in Lacs)

Sl. No.	Particulars	2014-15	2013-2014
1.	Net Sales /Income from Operations	1076.22	923.98
2.	Other Income	3.37	2.48
3.	Total Expenses	1077.48	914.07
4.	Tax Expense	1.76	8.67
5.	Profit / (Loss) for the year after Tax	0.34	3.73

PERFORMANCE REVIEW AND STATE OF COMPANY'S AFFAIRS

During the year under review Company achieved a turnover of Rs.1076.22 lacs as against Rs. 923.98 lacs in the previous year showing an increase of 16.48%. The net profit has plunged down to Rs. 0.34 lakh during the year 2014-2015 mainly due to higher depreciation provided for the financial year 2014-2015.

DIVIDEND

Yours directors do not recommend any dividend for the financial year ended 31st March, 2015.

RESERVES

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

SHARE CAPITAL

During the year under review, the following changes had taken place in the Authorised Share Capital of the Company:

Dates	Description	No. of Shares	Total Value of Shares
April 1, 2014	Share Capital at the beginning of the year	125,000	12,500,000
March 12, 2015	Increased during the year	175,000	17,500,000
March 31, 2015	Share Capital at the end of the year	300,000	30,000,000

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
April 1, 2014	Share Capital at the beginning of the year	125,000	12,500,000
March 31, 2015	Issued during the year	82,500	8,250,000
March 31, 2015	Share Capital at the end of the year	207,500	20,750,000

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any subsidiary or Associate Company.

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

The Board of Directors comprises of Mr. Amrishpal Singh, Mr. Manoj Khattar and Mr. C. L Handa as Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Amrishpal Singh, Managing 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 2014-15, nine Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2014-15 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Amrishpal Singh Narag	Mr. Manoj Khattar	Mr. C. L. Handa
24.05.2014	Present	Present	Absent
12.06.2014	Present	Present	Absent
08.07.2014	Present	Present	Absent
06.09.2014	Present	Present	Absent
17.09.2014	Present	Present	Absent
22.12.2014	Present	Present	Absent
12.03.2015	Present	Present	Present
28.03.2015	Present	Present	Present
31.03.2015	Absent	Present	Present

REMUNERATION COMMITTEE

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted.

All related party transactions are placed before the Board for approval.

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, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2015 and of the profit of the company for the year ended on that date;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis; and
- (e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS AND AUDITORS REPORT

M/s. Padmanabhan, Ramani & Ramanujam, Chartered Accountants, (Registration No. 002510S) were appointed as the Statutory Auditors of the Company in the last Annual General Meeting to hold office upto the conclusion of the fourth consecutive AGM. Your directors have recommended their ratification in the ensuing Annual General Meeting.

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

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

RISK MANAGEMENT

The Company has adequate risk management process to identify and notify the board of directors about the risks or opportunities that could have an adverse impact on the Company's operations or to that could be exploited to maximize the gains. The processes and procedures are in place to act in a time bound manner to manage the risks or opportunities. The risk management process is reviewed and evaluated by the Board of Directors.

ENVIRONMENT AND SAFETY

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

HUMAN RESOURCES

Your company's philosophy has always been based on the progressive and continuous improvement, whether in business or any other function. We have given utmost importance to our human resources and believes in upgrading the skill, knowledge in the respective areas which has helped your company to foster a positive culture and transparency in the system.

Your company firmly believes that people are its most valued asset, and the focus is to retain and sustain a highly qualified and diverse work force.

PARTICULARS OF EMPLOYEES:

During the financial year 2014-15, the Company had 20 Employees.

None of the Employees were in receipt of remuneration of Rs. 60 lac per annum or more and none of the employees employed for the part of the financial year 2015 were in receipt of Rs. 5 lac per month or more.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Conservation of Energy

Not Applicable

b. Technology Absorption

Not Applicable

c. Foreign Exchange Earnings & Outgo

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

PUBLIC DEPOSIT

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2015 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

Chennai, 21st May, 2015

A. P. S. Narag
Managing Director

Manoj Khattar
Director

**ANNEXURE-A
FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[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 Limited
iv) Category Sub-Category of Company	:	Public Limited Company
v) Address of the Regd. Office and contact details	:	56/7, Nallambakkam Village Vandalur Chennai, Tamil Nadu-600048
vi) Whether listed company	:	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 0% 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 Limited E-52, New Manglapuri, Mandi Road, Mehrauli, New Delhi-110030	U74899DL1996PLC075128	Holding	100	2(46)
2	Bhartiya International Limited E-52, New Manglapuri, Mandi Road, Mehrauli, New Delhi-110030	L74899DL1987PLC026607	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	
A. Promoter(s)									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	125000	125000	100	-	207500	207500	100	66
e) Banks/Fiis	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)		125000	125000	100		207500	207500	100	66

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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	
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FIIS	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (2):-A	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	125,000	125,000	100		207,500	207,500	100	66
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	125,000	125,000	100		207,500	207,500	100	66

(ii) Shareholding of Promoters

S. N.	Share holder's Name	Share holding 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 Limited	125,000	100	-	207,500	100	-	66
	TOTAL	125,000	100	-	207,500	100	-	66

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

S. N.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Bhartiya Global Marketing Ltd.				
	At the beginning of the year	125,000	100	125,000	100
	Allotment of Equity Shares	82,500	100	207,500	100
	At the End of the year	-	-	207,500	100

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

S. N.	Particulars	Share holding at the beginning of the year		Cumulative Share holding 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				
	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	Share holding at the beginning of the year		Cumulative Share holding 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				
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	At the End of the year				

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,373,318	53,750,000	-	55,123,318
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,373,318	53,750,000	-	55,123,318
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	440,886	53,750,000	-	54,190,886
Net Change	440,886	53,750,000	-	54,190,886
Indebtedness at the end of the financial year				
i) Principal Amount	932,432	-	-	932,432
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	932,432	-	-	932,432

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

B. Remuneration to other Directors:

S. N.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors <ul style="list-style-type: none"> ● Fee for attending board committee meetings ● Commission ● Others, please specify 	- NIL -	
	Total (1)		

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S. N.	Particulars of Remuneration	Name of Directors	Total Amount
2.	Other Non-Executive Directors <ul style="list-style-type: none"> ● 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		
		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...			
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, 2015.

INDEPENDENT AUDITOR'S REPORT

To

The Members of J & J Leather Enterprises Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **J & J Leather Enterprises Ltd.** ("the Company"), which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2015;
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **Padmanabhan Ramani & Ramanujam**

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem. No. 022438

Chennai, 21st May, 2015

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 under section titled 'Report on other legal and regulatory requirements' of our report of even date.

1. a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b) All the fixed assets have been physically verified by the management according to a regular program which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No discrepancies with respect to book records were noticed on such verification.
2. a) Physical verification of inventory has been conducted at reasonable Intervals by the management. In our opinion, the frequency of verification is reasonable.
b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. The company has not accepted any deposit from the public within the provisions of Section 73 to 76 of The Companies Act 2013.
6. In our opinion and according to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act.
7. a) The company is regular in depositing undisputed statutory dues wherever applicable including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales-tax, Wealth Tax, Service tax Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
b) There are no disputed sales tax/income tax/custom tax/wealth tax/service tax/excise duty/cess.
c) There were no amounts which were required to be transferred to the Investor education and Protection Fund by the Company.
8. The company did not have any accumulated losses at the end of financial year and has not incurred cash losses during the financial year.
9. In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
10. In our opinion and according to information and explanations given to us, the company has executed guarantee for loan taken by its holding company from bank, and the terms and conditions on which the guarantee has been executed are not prejudicial to the interest of the company.
11. In our opinion, term loans were applied for the purpose for which the loans were obtained
12. According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

for **Padmanabhan Ramani & Ramanujam**

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem. No. 022438

Chennai, 21st May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		AS AT 31st March, 2015	AS AT 31st March, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	20,750,000	12,500,000
(b) Reserves and Surplus	3	22,341,823	13,498,999
2 Non-Current Liabilities			
(a) Long-Term Borrowings	4	470,103	54,682,431
(b) Deferred Tax Liabilities (Net)	5	-	1,668,249
(c) Long-Term Provisions	6	2,295,109	1,681,173
3 Current Liabilities			
(a) Trade Paybles		18,758,181	4,267,335
(b) Other Current Liabilites	7	2,489,749	1,646,302
(c) Short-Term Provisions	8	-	25,000
TOTAL		67,104,965	89,969,489
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	53,722,286	64,012,398
(ii) Intangible Assets		51,148	268,309
(iii) Capital Work in Progress			
(b) Long-Term Loans and Advances	10	10,150,908	9,379,141
(c) Deferred Tax Assets (Net)	5	324,378	-
2 Current assets			
(a) Inventories	11	343,486	334,185
(b) Trade Receivables	12	9,936	13,855,783
(c) Cash and Cash Equivalentents	13	708,872	1,134,262
(d) Short Term Loan & Advances	14	1,308,421	444,000
(e) Other Current Assets	15	485,530	541,411
TOTAL		67,104,965	89,969,489

Significant Accounting Policies 1-24

The accompanying notes are an integral part of the financial statements

As per our report of even date annexed

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

For and on behalf of the Board

N. Ramani
Partner
Mem. No. 022438
Chennai, 21st May, 2015

A. P. S. Narag
Managing Director

Manoj Khattar
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2015	Year Ended 31st March, 2014
I. Revenue from operations	16	107,621,732	92,398,339
II. Other income	17	336,931	248,273
III. Total Revenue (I + II)		107,958,663	92,646,612
IV. Expenses:			
Cost of Materials Consumed	18	4,397,983	7,474,885
Manufacturing Expenses	19	65,859,807	55,282,447
Employee benefits expense	20	10,895,814	8,167,966
Finance costs	21	135,659	118,482
Depreciation and amortization expense		13,661,253	7,819,707
Other expenses	22	12,797,416	12,543,023
Total expenses		107,747,932	91,406,510
V. Profit before exceptional and extra ordinary items and tax (III-IV)		210,731	1,240,102
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V-VI)		210,731	1,240,102
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		210,731	1,240,102
X. Tax expense:			
(1) Current tax	23	2,168,900	594,800
(2) Deferred tax		(1,992,627)	272,309
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		34,458	372,993
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI + XIV)		34,458	372,993
XVI. Earnings per equity share:			
(1) Basic		0.28	2.98
(2) Diluted		0.28	2.98

Significant Accounting Policies 1-24

The accompanying notes are an integral part of the financial statements

As per our report of even date annexed

for **Padmanabhan Ramani & Ramanujam**

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem. No. 022438

Chennai, 21st May, 2015

For and on behalf of the Board

A. P. S. Narag
Managing Director

Manoj Khattar
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	210,731	1,240,102
Adjusted for :		
Depreciation / Amortisation Expenses	13,661,253	7,819,707
Financial Cost	135,659	118,482
Loss / (Profit) on Sale of Fixed Assets	(130,000)	(55,273)
Operating profit before working capital changes	13,877,643	9,123,018
Movement In Working Capital :		
Decrease / (Increase) In Inventories	(9,301)	3,332,616
Decrease / (Increase) In Trade Receivables	13,845,847	116,431
Decrease / (Increase) In Long Term Loans and Advances	(771,767)	(637,142)
Decrease / (Increase) In Short Term Loans and Advances	(808,540)	1,176,514
(Decrease) / Increase In Trade Payables	14,490,846	(1,381,131)
(Decrease) / Increase In Other Long Term Payables	613,936	566,758
(Decrease) / Increase In Other Short Term Payables	818,447	267,390
Cash generated from operations	42,057,111	12,564,454
Taxes paid	(2,168,900)	(1,668,851)
Cash flow before Extra-Ordinary Items	39,888,211	10,895,603
NET CASH FROM OPERATING ACTIVITIES	39,888,211	10,895,603
B. CASH FLOW FROM INVESTMENT ACTIVITIES :-		
Purchase of Fixed Assets / Capital W.I.P.	(3,338,114)	(11,949,895)
Sale of Fixed Assets	130,000	160,000
NET CASH USED IN INVESTMENT ACTIVITIES	(3,208,114)	(11,789,895)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	(54,212,328)	922,871
Finance Cost	(135,659)	(118,482)
Share Capital Issue Proceed (Including Premium)	17,242,500	-
NET CASH USED IN FINANCING ACTIVITIES	(37,105,487)	804,389
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	(425,390)	(89,903)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	1,134,262	1,224,165
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	708,872	1,134,262

As per our report of even date annexed

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

For and on behalf of the Board

N. Ramani
Partner
Mem. No. 022438
Chennai, 21st May, 2015

A. P. S. Narag
Managing Director

Manoj Khattar
Director

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015****1 SIGNIFICANT ACCOUNTING POLICIES****i) Method of Accounting**

The financial statements are prepared on accrual basis under the historical cost convention in compliance in with the Accounting Standards referred to in Section 133 and in accordance with the requirements of the Companies Act, 2013.

ii) Use of Estimates

The Preparation of Financial Statements requires estimates and assumptions which affect the reported amount of Assets, Liabilities, Revenue and Expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

iii) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. The cost of Fixed assets is inclusive of duties, taxes, freight and other incidental expenses (other than those subsequently recoverable from tax authorities) related to acquisition. Interest on borrowings and other financing costs during the period of construction/acquisition are added to the cost of Fixed Assets

iv) Depreciation

Depreciation is calculated on fixed assets on written down value method in accordance with the manner specified in Schedule II of the Companies Act, 2013 Depreciation on assets whose actual cost does not exceed five thousand rupees has been provided at the rate of hundred per cent. Depreciation has been provided on prorata on additions/deletions.

v) Recognition of Income and Expenditure

Revenue / Incomes and Cost/Expenditure are generally accounted on accrual, as they are earned or incurred. Revenue is recognised when practically all risks and rights connected with the goods on which Job work performed have been transferred. This usually occurs upon dispatch, after the price has been determined and collection of the receivable is reasonably certain.

vi) Foreign Currency Transactions

Earning and expenditure in foreign currency are accounted for at the actual exchange rate prevailing on the date of transaction and monetary items denominated in foreign currency outstanding at the year end rates. Gain / Loss in conversion is charged to Profit & Loss Account.

vii) Inventories

Raw material, stores and spares and Finished Goods are valued at lower of Cost or estimated net relisable value. Cost is determined on the first in first out cost method and in the case of work in progress and finished goods, it also include an appropriate portion of production and administration related overheads.

viii) Retirement Benefits

The employer's contribution to the employees provident fund is charged to the profit and Loss account during the year. Gratuity liability is provided for on all eligible employees during the year on accrual basis. Provision is made for value of unutilised leave due to employees at the end of year on accrual basis

ix) Taxes on Income

Current tax is determined on the amount of tax payable in respect of taxable income for the Year. The deferred tax charge is recognized using current tax rates. Where there is unabsorbed depreciaion or carry forward losses, deferred tax assets are recognized only to the extent there is reasonable certainty of relization in future.

NOTES (CONTD.)
x) Government Grants

Grants received from the Government which are in the nature of promoters contribution and are with reference to the total investment without any liability for repayment, are treated as Capital reserve.

xi) Impairment of Assets

Where there is a indication that an asset is impaired, the recoverable amount, if any is estimated and the impairment loss is recognised to the extent carrying amount exceeds recoverable amount.

xii) Provision Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard-29 (Provisions, Contingent Liabilities and Contingent Assets), issued by the Institute of Chartered Accountants of India, provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligation that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

Name of the share holders	As at 31st March, 2015		As at 31st March, 2014	
	Number	Amount	Number	Amount
2 Disclosure as to Share Capital				
2.1 Authorised				
Equity Shares of Rs.100/- each.	300,000	30,000,000	125,000	12,500,000
TOTAL		<u>30,000,000</u>		<u>12,500,000</u>
2.2 Issued, Subscribed & Paid up				
Equity Shares of Rs.100/- each.	207,500	20,750,000	125,000	12,500,000
TOTAL		<u>20,750,000</u>		<u>12,500,000</u>
2.3 The reconciliation of the number of share outstanding and the amount of share capital as at 31st March, 2015 and 31st March, 2014 is set out below:				
Equity Shares of Rs.100/- each.				
Number of Shares at the beginning of the year	125,000	12,500,000	125,000	12,500,000
Shares Issued During the year	82,500	8,250,000	-	-
Closing Balance	<u>207,500</u>	<u>20,750,000</u>	<u>125,000</u>	<u>12,500,000</u>

2.4 Shareholders having equity capital 5% or more as at 31st March, 2015 and 31st March, 2014 is set out below:

Name of Share Holders	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% of holding	No. of Shares	% of holding
Bhartiya Global Marketing Ltd.	207,500	100	125,000	100

2.5 Details of shares held by holding, subsidiaries or associates of the holding company :

Name of Share Holders	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% of holding	No. of Shares	% of holding
Bhartiya Global Marketing Ltd.	207,500	100	125,000	100

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
3 RESERVES & SURPLUS		
a) Capital Reserves		
Opening Balance	4,621,283	4,621,283
	<u>4,621,283</u>	<u>4,621,283</u>
b) Share Premium Account		
As per last Balance Sheet	-	-
Addition during the year	8,992,500	-
	<u>8,992,500</u>	<u>-</u>
c) Surplus		
As Per last Balance Sheet	8,877,716	8,504,723
Add: Profit for the year	34,458	372,993
Less: Depreciation	184,134	-
	<u>8,728,040</u>	<u>8,877,716</u>
Total	<u>22,341,823</u>	<u>13,498,999</u>
4 LONG TERM BORROWINGS		
a) Secured Vehicle Loans from Banks	-	119,303
(Secured by way of hypothecation of vehicles financed by the Bank. The Loan is repayable in thirty four equal monthly installments)		
b) Secured Vehicle Loans from Others	470,103	813,128
(Secured by way of hypothecation of Vehicles - Loan of Rs. 528,269/- is repayable in forty seven equal montly installments. Loan of Rs. 254,480/- is repable in forty seven equal montly installments.)		
c) Unsecured loan and Advances	-	53,750,000
Total	<u>470,103</u>	<u>54,682,431</u>
5 DEFERRED TAX LIABILITIES (Net)		
Deferred tax Liabilites		
Related to Bonus / Grautuity	(192,445)	(168,034)
Deferred tax Liabilites		
Related to Fixed Assets	(131,933)	1,836,283
Total	<u>(324,378)</u>	<u>1,668,249</u>
6 LONG TERM PROVISIONS		
(a) Provision for Employee Benefits		
Provision for Gratuity	2,142,254	964,347
Provision for Leave Encashment	152,855	716,826
Total	<u>2,295,109</u>	<u>1,681,173</u>

NOTES (CONTD.)

Amount in Rs.

PARTICULARS	As at	As at
	31st March, 2015	31st March, 2014
7 OTHER CURRENT LIABILITIES		
a) Current maturities of long term debt	462,329	440,886
b) Accrued salaries and benefits		
Salary & benefits	675,340	444,508
Bonus & incentive	245,515	147,479
c) Other Current Liabilities		
Expenses Payable	833,738	43,363
TDS Payable	230,337	243,106
Sales tax	7,445	301,884
Service Tax	-	11,763
Professional Tax	35,045	13,313
Total	2,489,749	1,646,302
8 SHORT TERM PROVISIONS		
Provision for Leave Encashment	-	25,000
Total	-	25,000
9 FIXED ASSETS		

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Original Cost	Additions During the Year	Sale During the Year	31st March, 2015	31st March, 2014	Retained Earning	For the Year	Sale Adjustment	31st March, 2015	31st March, 2015	31st March, 2014
Land	2,752,991	-	-	2,752,991	-	-	-	-	-	2,752,991	2,752,991
Building	52,558,555	368,688	-	52,927,243	27,647,321	-	3,091,516	-	30,738,837	22,188,406	24,911,234
Roads	869,552	-	-	869,552	205,226	-	470,540	-	675,766	193,786	664,326
Machinery	83,060,733	2,595,341	-	85,656,074	50,025,153	-	8,906,261	-	58,931,415	26,724,659	33,035,579
Vehicles	2,504,895	-	-	2,504,895	742,896	(3,517)	655,727	-	1,395,106	1,109,789	1,761,999
Furniture & Fixtures	374,405	27,170	-	401,575	278,195	(478)	36,770	-	314,487	87,088	96,210
Office Equipments	1,890,941	287,215	-	2,178,156	1,234,808	91,017	299,192	-	1,625,017	553,139	656,133
Computers	1,035,076	59,700	-	1,094,776	901,151	2,066	79,131	-	982,348	112,428	133,925
Software	635,592	-	-	635,592	367,283	95,045	122,115	-	584,444	51,148	268,309
Total	145,682,740	3,338,114	-	149,020,854	81,402,034	184,134	13,661,253	-	95,247,420	53,773,434	64,280,706
Previous Year	123,037,109	2,843,495	-	125,880,604	49,401,557	9,257,628	9,257,628	-	58,659,185	67,221,419	73,635,552

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
10 LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Security Deposits	5,512,885	5,031,530
Other Deposits	-	-
Advance Income tax (Net off Provisions)	4,638,023	4,347,611
Total	10,150,908	9,379,141
11 INVENTORIES		
a. Raw Materials (Valued at Cost or Net realisable Value, Whichever is lower)	-	-
b. Stores and spares (Valued at Cost or Net realisable Value, Whichever is lower)	-	-
c. Consumable Stores	343,486	334,185
Total	343,486	334,185
12 TRADE RECEIVABLES		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	3,532	13,852,330
Unsecured, considered doubtful	-	-
	3,532	13,852,330
Less: Provision for doubtful debts	-	-
	3,532	13,852,330
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	6,404	3,453
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
	6,404	3,453
Less: Provision for doubtful debts	-	-
	6,404	3,453
Total	9,936	13,855,783
13 CASH AND CASH EQUIVALENT		
a) Balances with banks		
In Current Accounts	320,106	424,267
b) Cash on hand	388,766	709,995
Total	708,872	1,134,262

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
14 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
a) Advances With Suppliers	960,421	-
b) Advances With Staff	348,000	444,000
Total	1,308,421	444,000
15 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
a) Prepayments	316,310	193,163
b) Deposits-Others	142,620	114,500
c) Others	26,600	233,748
Total	485,530	541,411
PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
16 REVENUE FROM OPERATION		
a) Sales	-	6,040,196
b) Job Work Charges	107,621,732	86,358,143
Total	107,621,732	92,398,339
17 OTHER INCOME		
Interest Received	67,431	85,000
Rent Income	139,500	108,000
Other Misc Income	130,000	55,273
Total	336,931	248,273
18 COST OF MATERIAL CONSUMED		
Opening Stock of Raw Materials	334,185	3,476,801
Add : Purchases		
Consumables	4,407,284	4,332,269
Less : Closing Stock	343,486	334,185
Total	4,397,983	7,474,885
19 MANUFACTURING EXPENSES		
Job work Expenses	43,855,396	35,826,295
Electricity Expenses	8,003,073	5,362,477
Machinery Maintenance	5,122,863	3,886,672
Rent	2,558,436	2,558,520
Effluent Treatment Expenses	2,046,120	2,200,405
Testing Charges	3,595	76,650
Generator Running & Maintenance	4,270,324	5,371,428
Total	65,859,807	55,282,447

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
20 EMPLOYEE BENEFITS EXPENSES		
a) Salary & Allowances	8,016,231	6,088,550
b) Staff welfare expenses	1,490,908	1,514,792
c) Gratuity & Leave Encashment	1,388,675	564,624
Total	<u>10,895,814</u>	<u>8,167,966</u>
21 FINANCE COSTS		
a) Interest Paid	135,659	118,482
Total	<u>135,659</u>	<u>118,482</u>
22 OTHER EXPENSES		
Printing & Stationery	207,628	248,187
Traveling & Conveyances	1,470,069	931,037
Legal & Professional	1,563,681	2,253,454
Building Maintenance	661,579	690,119
Repair & Maintenance	2,301,433	2,065,059
Rent-Others	162,300	166,916
Rate & Taxes	635,634	90,882
Freight Outward	2,888,267	2,556,744
Miscellaneous Expenses	116,756	358,940
Communication Expenses	226,837	214,709
Auditors Remuneration - As Auditors	67,416	56,180
Insurance	141,424	76,066
Fees & Subscription	109,520	615,171
Security Expenses	2,225,961	2,185,804
Bank Charges	18,911	33,755
Total	<u>12,797,416</u>	<u>12,543,023</u>
23 TAX EXPENSES		
I) Current Tax		
(a) Current Tax	2,168,900	594,800
(b) Tax for earlier Year	-	-
II) Deferred Tax		
(a) Related to Capital Assets	(1,968,216)	272,309
(b) Related to Brought forward Capital Losses	(24,411)	-
Total	<u>176,273</u>	<u>867,109</u>

NOTES (CONTD.)

	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014

24.1 CONTINGENT LIABILITIES

Contingent Liabilities not provided for -

Corporate Guranantee 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.	3450	3450
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24.2 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid / payable to these parties during the year is NIL

	Current year (Rs. In Lacs)	Previous year (Rs. In Lacs)
--	-------------------------------	--------------------------------

24.3 Details of Management Remuneration to Whole-Time Director.

a. Salary & Allowances	3.00	3.00
------------------------	------	------

24.4 Expenditure in Foreign Currency -

Travelling	-	-
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24.5 CIF Value of Imports (Capital Goods and Maintenance) 4.51 2.98

24.6 Consumption of Imported & Indigenous Raw Material (including Consumables)

Particulars	Current year		Previous year	
	(Rs. In Lacs)	%	(Rs. In Lacs)	%
Indigenous	43.98	100.00	74.75	100.00
Imported	-	-	-	-
	100.00		100.00	

24.7 FOB Value Exports Nil Nil

24.8 Related party disclosure as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below :

(a) Relationship:

i) Holding Companies

Bhartiya Global Marketing Ltd.
Bhartiya International Ltd.

ii) Key Management Personnel:

Mr. A. P. S. Narag
Mr. Manoj Khattar
Mr. C.L. Handa

NOTES (CONTD.)
iii) (a) Transaction with Related Parties -

Summery Transactions during the year :	Holding Company	Key Management Personnel	Relatives of Key Management Personnel's
a) Rent (Recd)	139,500 (108,000)	-	-
b) Job Work	107,580,663 (86,257,256)	-	-
c) Sales	-	-	-
	(6,040,196)	-	-
d) Salaries	-	300,000	-
	-	(300,000)	-
(b) Balances Outstanding at the year end:			
Unsecured Loans	-	-	-
	(53,750,000)	-	-
Sundry Debtors	-	-	-
	(13,782,436)	-	-
Sundry Creditors	15,000,000	25,000	-
	-	(25,000)	-

24.9 Consumption of Raw Material

	Current year		Previous year	
	%	Value (Rs.Lacs)	%	Value (Rs.Lacs)
Consumable	100	43.98	100	74.75
		43.98		74.75

24.10 Segment Reporting Disclosure as per Accounting Standard AS -17, are at present not applicable to the Company.

24.11 The basic/diluted earnings per share calculated as per the Accounting Standard -20 issued by the Institute of Chartered Accountants of India is as under.

Income available to Equity Shareholders	34,458	372,993
No of Shares at the beginning of the Year (A)	125,000	125,000
Equity allotted during the year	82,500	-
Weighted Average Shares (B)	226	-
Weighted Average Shares Outstanding (nos)(A+B)	125,226	125,000
Effect of Dilutive Securities Securities (nos):		
Add: Adjustment for warrants convertible into Equity Shares	-	-
Weighted Average number of equity shares for Diluted EPS	125,226	125,000
	Rs Per Share	Rs Per Share
Nominal Value per share	10.00	10.00
Earnings per share (Basic)	0.28	2.98
Earnings per share (Diluted)	0.28	2.98

NOTES (CONTD.)

24.12 As per the provisions of the new Companies act 2013, the company has applied the new rates of depreciation based upon the useful life of the assets specified in Part C of Schedule II of the Act. Due to change cited above, the depreciation provided during the year ended 31st March, 2015 is higher by Rs. 5,392,625/- as compared to provisions if made under earlier companies act

24.13 Depreciation of Rs. 184,134/- on accounts of assets whose useful life is already exhausted as on 01.04.2014 has been adjusted against retained earnings.

24.14 Figures have been rounded off to the nearest rupee. Previous year figures have been regrouped wherever necessary.

As per our report of even date annexed

for **Padmanabhan Ramani & Ramanujam**

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem. No. 022438

Chennai, 21st May, 2015

For and on behalf of the Board

A. P. S. Narag

Managing Director

Manoj Khattar

Director

DIRECTORS' REPORT

Dear Member,

Your Directors have pleasure in presenting their 9th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2015.

Financial Statements Summary

The financial performance of the Company for the financial year ended 31st March, 2015 is summarized below:

(Amount in Rs.)

Particulars	2014-15	2013-14
Total Income	33,157,388	20,52,651
Total Expenses	17,150,668	33,67,238
Tax Expense	3,109,900	-
Profit / (Loss) for the year after Tax	12,896,820	(13,14,587)

Performance Review

During the year under review Company achieved a turnover of Rs. 331.57 Lacs as against Rs. 20.52 Lacs in the previous year. The Net Profit after tax is Rs. 128.96 Lacs as compared Rs. (13.14)Lacs in the previous year.

State of Company's Affair

Your Company had requested APIIC & Government of Andhra Pradesh for change of SEZ status of the project to non-SEZ last year. The same is under active consideration of Andhra Pradesh Government and the Company is hopeful of positive results in the current year. The existing unit by Bhartiya International Limited, our holding company is fully operational. Bhartiya International Limited intends to increase the capacity once the request for conversion of Leather Park into Non-SEZ is approved by the appropriate authorities

Further the Company had filed application for setting up of 106 acre Mega Leather Cluster (MLC) under the new scheme announced by the DIPP, Ministry of Commerce & Industry. The application is under active consideration by DIPP and once approval of MLC is available, your Company will be able to attract good number of small and medium manufacturing unit as well, in addition to large players, into the leather park. The company has availed the service of IL&FS Cluster Development Initiative Limited for advising on setting up of Mega Leather Cluster and de –notification of the SEZ.

Dividend

Your directors do not recommend any dividend for the financial year ended 31stMarch, 2015.

Reserves

During the period under review Rs. 1,28,96,820/- (Rupees One Crore Twenty Eight Lacs Ninety Six Thousand Eight Hundred Twenty only) has been transferred to Reserves of the Company.

Capital Structure

The Authorised Share Capital of your Company stood at Rs. 20,00,00,000/- (Rupees Twenty Crore only) comprising of 2,00,00,000 (Two Crore) equity shares of Rs. 10/- (Rupees Ten only) each as on 31st March 2015.

The issued and paid-up share capital of your Company stood at Rs. 13,56,92,300/- (Rupees Thirteen Crore Fifty Six Lacs Ninety Two Thousand Three Hundred only) comprising of 1,35,69,230 (One Crore Thirty Five Lacs Sixty Nine Thousand Two Hundred Thirty) equity shares of Rs. 10/- (Rupees Ten only) each as on 31st March 2015.

Deposits

The Company did not accept any deposits or any remains unpaid or remains unclaimed or make any default in the repayment of the deposits or the payment of the interest thereon during the financial year ended 31st March, 2015.

Statutory Auditors

The statutory auditors of the Company, M/s. Sushil Poddar & Co., Chartered Accountants hold the office till the conclusion of the 11th Annual General Meeting of the Company and shall subject to the ratification of their appointment as statutory auditors in the every annual general meeting.

Auditors' Report

The Auditors' Report does not contain any qualifications. The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further comments of Directors.

Extract of Annual Return

The extract of the annual return as provided under section 92(3) in Form No. MGT – 9 is enclosed and part of the Board's report as Annexure-A.

Board of Directors and Committees of Board

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Manoj Khattar, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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

S. No.	Name of the Director/KMP	Date of the Appointment	Date of the Resignation	Date of the change in designation
1	Mr. Rahul Bojja (Nominee Director)	30.09.2013	22.05.2014	-
2	Mr. Sasi Madathil (Director)	01.06.2012	29.12.2014	-
3	Mr. C L Handa**(Independent Director)	01.09.2014	-	26.09.2014
4	Mr. Sandeep Seth**(Independent Director)	01.09.2014	-	26.09.2014
5	Mr. Manoj Khattar (Director cum CFO)	20.06.2008: Director 01.09.2014 :CFO	-	-
6	Mr. K V Satyanaryana (Nominee Director)	01.09.2014	-	-
7	Mr. Amrish Pal Sing Narag (Managing Director)	22.09.2011	-	02.01.2015

**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.

b) Number of Meetings of the Board of Directors

During the Financial Year 2014-15; 4 (Four) Nos. of Board Meetings were conducted on 22nd May, 2014, 1st September, 2014, 29th December, 2014 and 2nd January, 2015.

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

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 (Pursuant to clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

Particulars of Loans, Guarantees or Investments under Section 186

The details of Loan(s), Guarantee(s) and Investment(s) covered under the provision of Section 186 of the Companies Act, 2013 are given in the notes to the financial statement.

Particulars of Contracts or arrangements with Related Parties under Section 188(1)

All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No order(s) has been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the period.

Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that –

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

Details in respect of adequacy of internal financial controls 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. The risk management process is reviewed and evaluated by the Board of Directors.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

- | | | |
|--|---|-----|
| (i) the steps taken or impact on conservation of energy; | : | Nil |
| (ii) the steps taken by the company for utilizing alternate sources of energy; | : | Nil |
| (iii) the capital investment on energy conservation equipment's; | : | Nil |

(B) Technology absorption:

- | | | |
|--|---|-----|
| (i) the efforts made towards technology absorption; | | |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; | : | Nil |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | | |
| (a) the details of technology imported; | : | Nil |
| (b) the year of import; | : | Nil |
| (c) whether the technology been fully absorbed; | : | Nil |
| (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | : | Nil |
| (iv) the expenditure incurred on Research and Development. | : | Nil |

(C) Foreign exchange earnings and Outgo:

- | | | |
|--|---|-----|
| The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows. | : | Nil |
|--|---|-----|

Material Changes and Commitments

There are no material changes occurred in between the financial year ended on 31st March, 2015 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 Subsidiaries/Joint Ventures/Associates Companies of 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

Gurgaon, 30th April, 2015

A. P. S. Narag
Managing Director

Manoj Khattar
Director

**ANNEXURE-A
FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U74999DL2007PLC159827
- ii) Registration Date : 27/02/2007
- iii) Name of the Company : Bhartiya International SEZ Ltd.
- iv) Category/Sub-Category of Company : Public Limited Company
- v) Address of the Registered office and contact details : E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. N.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Sale under Long Term Lease	681	90.52

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. E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	L74899DL1987PLC026607	Holding Company	88.94	2(87)

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	
A. Promoter(s)									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	12,069,230	12,069,230	88.94	-	12,069,230	12,069,230	88.94	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	12,069,230	12,069,230	88.94	-	12,069,230	12,069,230	88.94	-

BHARTIYA INTERNATIONAL SEZ LTD.

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	
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	-	12,069,230	12,069,230	88.94	-	12,069,230	12,069,230	88.94	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others/(State Govt. Company)	-	1,500,000	1,500,000	11.06	-	1,500,000	1,500,000	11.06	-
Sub-total (B) (1)	-	1,500,000	1,500,000	11.06	-	1,500,000	1,500,000	11.06	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	1,500,000	1,500,000	11.06	-	1,500,000	1,500,000	11.06	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	13,569,230	13,569,230	100	-	13,569,230	13,569,230	100	-

(ii) Shareholding of Promoters

S. N.	Share holder's Name	Share holding 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	12,069,230	88.94	-	12,069,230	88.94	-	-
	Total	12,069,230	88.94	-	12,069,230	88.94	-	-

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

S. N.		Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of theyear	- NIL -			
	Datewise Increase/Decreasein 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) Share holding Pattern of top ten Share holders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. N.	For Each of the Top10 Share holders	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,500,000	11.06	1,500,000	11.06
	Datewise 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 duringthe year)	1,500,000	11.06	1,500,000	11.06

(v) Shareholding of Directors and Key Managerial Personnel:

S. N.	For Each of the Directors and KMP	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	- NIL -			
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):				
	At the End of the year				

V. INDEBTEDNESS

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

(Rs in Lacs)

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

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

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 • Fee for attending board committee meetings • Commission • Others, please specify	- NIL -				
	Total (1)					

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S. N.	Particulars of Remuneration	Name of Directors				Total Amount
		-	-	-	-	
2.	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	- NIL -				
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Over all 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			
		CEO	Company Secretary	CFO	Total
1.	Grosssalary (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	96,000	Nil	Nil
2.	Stock Option		-		
3.	Sweat Equity		-		
4.	Commission - as % of profit - others, specify...		-		
5.	Others, please specify		-		
	Total		96,000		

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2015.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Bhartiya International SEZ Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Bhartiya International SEZ Limited ("the Company"), which comprises the balance sheet as at 31st March, 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the annexure a statement on the matters specified in the paragraph 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 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) 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 Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 30th April, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statement for the year ended 31 March 2015, we report that ;

- i. (a) In our opinion, 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 according to a regular program which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No discrepancies with respect to book records were noticed on such verification.
- ii. (a) As explained to us, physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. No discrepancies with respect to book records were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- iv. In our opinion and according to the information and explanation given to us, there is adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. The company has not accepted any deposits from the public.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and the records of the company examined by us:
 - a. The company has been regular in depositing its undisputed statutory dues including Income Tax, Employees State Insurance and 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, 2015 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 Sales Tax/VAT, Excise Duty, Custom Duty, Service Tax, Wealth Tax and Investor Education and Protection Fund.
 - b. According to the information and explanations given to us, there are no dues in respect of Sale Tax/VAT, Income Tax, Wealth Tax, Service Tax, Excise Duty, Custom Duty and Cess, which have not been deposited on account of any dispute.
 - c. There were no amounts which were required to be transferred to the Investor education and Protection Fund by the Company
- viii. The company did not have any accumulated losses at the end of financial year and has not incurred cash losses during the financial year. However it has incurred cash loss of Rs. 844,251/- in the immediately preceding financial year.
- ix. According to the information and explanation given to us, the company has not taken any loan from banks or financial institutions and has not issued any debentures.
- x. Based on our examination of the records, we are of the opinion that the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. As per the records of the company, it has not taken any term loans and hence the reporting provision of this clause is not applicable.
- xii. Based upon the audit procedure performed and information and explanation given by the management we report that during the year no fraud on or by the company has been noticed or reported by the management.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 30th April, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		AS AT 31st March, 2015	AS AT 31st March, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	135,692,300	135,692,300
(b) Reserves and Surplus	3	15,231,808	2,389,672
2 Non-Current Liabilities			
(a) Long-Term Provisions	4	23,077	27,864
3 Current Liabilities			
(a) Short-Term Borrowings	5	-	12,527,024
(b) Trade Payable	6	558,332	219,812
(c) Other Current Liabilities	7	53,849	41,484
(d) Short-Term Provisions	8	3,110,775	7,063
TOTAL		154,670,141	150,905,219
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets	9		
(i) Tangible Assets		12,589,313	17,099,552
(b) Other Non-Current Assets	10	275,559	431,365
2 Current assets			
(a) Inventories	11	123,569,426	131,135,514
(b) Trade Receivable	12	1,321,810	-
(c) Cash and Cash Equivalents	13	12,717,198	659,281
(d) Short Term Loans and Advances	14	4,041,029	1,423,701
(e) Other Current Assets	15	155,806	155,806
TOTAL		154,670,141	150,905,219

Significant Accounting Policies 1 to 23

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for **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, 30th April, 2015

Niraj Jain
Company Secretary

A. P. S. Narag
Managing Director

Manoj Khattar
Director & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2015	Year Ended 31st March, 2014
Income:			
Revenue From Operations	16	33,141,668	2,052,651
Other income	17	15,720	-
Total Revenue		33,157,388	2,052,651
Expenses:			
Cost of Sales	18	7,911,836	-
Employee Benefits Expense	19	284,547	300,561
Depreciation and Amortization Expense	20	4,611,361	470,336
Other Expenses	21	4,342,924	2,596,341
Total Expenses		17,150,668	3,367,238
Profit/(Loss) before Tax		16,006,720	(1,314,587)
Tax Expense:			
Current Tax	22	3,109,900	-
Deferred Tax		-	-
Profit/(Loss) After Tax		12,896,820	(1,314,587)
Earnings Per Equity Share:			
(1) Basic		0.95	(0.10)
(2) Diluted		0.95	(0.10)

Significant Accounting Policies 1 to 23

The accompanying notes are on integral part of the financial statements

As per our report of even date attached

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 30th April, 2015

Niraj Jain
Company Secretary

A. P. S. Narag
Managing Director

Manoj Khattar
Director & CFO

For and on behalf of the Board

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	16,006,720	(1,314,587)
Adjusted for :		
Financial Expenses	1,109	1,291
Depreciation	4,455,555	314,530
Preliminary Expenses written off	155,806	155,806
	<u>4,612,470</u>	<u>471,627</u>
Operating profit before working capital changes	20,619,190	(842,960)
Adjustment for :		
Inventories	7,566,088	-
Short Term Loans & Advances	988,946	(590,001)
Trade Receivable	(1,321,810)	-
Long Term Payables	(4,787)	8,316
Short Term Payables	6,177	(890,915)
Trade Payables	338,520	110,930
	<u>7,573,134</u>	<u>(1,361,670)</u>
Cash generated from Operations	28,192,324	(2,204,630)
Taxes Paid	(3,606,274)	-
Financial Expenses (net)	(1,109)	(1,291)
Cash Flow before Extra-Ordinary Items	24,584,941	(2,205,921)
Extra Ordinary Items	-	-
	<u>24,584,941</u>	<u>(2,205,921)</u>
NET CASH FROM OPERATING ACTIVITIES	24,584,941	(2,205,921)
B. CASH FLOW FROM INVESTMENT ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Unsecured Loans	(12,527,024)	2,181,053
NET CASH USED IN FINANCING ACTIVITIES	(12,527,024)	2,181,053
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	12,057,917	(24,868)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	659,281	684,149
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	<u>12,717,198</u>	<u>659,281</u>

As per our report of even date attached

for **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, 30th April, 2015

Niraj Jain
Company Secretary

A. P. S. Narag
Managing Director

Manoj Khattar
Director & CFO

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015**

1 SIGNIFICANT ACCOUNTING POLICIES

a) Background :

The company was promoted by M/s Bhartiya International Limited. The company is a developer of an integrated Leather & Leather Products Sector Specific Special Economic Zone at Tada, Nellore District, Andhra Pradesh.

b) Basis of preparation of Financial Statements :

The financial statements are prepared on accrual basis under the historical cost convention in compliance in with the Accounting Standards referred to in Section 133 and in accordance with the requirements of the Companies Act, 2013.

c) Fixed Assets :

Fixed Assets are stated at cost of acquisition inclusive of duties,taxes and incidental expenses related to acquisition. Interest on borrowings and other related costs during the period of construction/acquisition are added to the cost of Fixed Assets.

d) Depreciation :

Depreciation is calculated on fixed assets on straight line method in accordance with the manner specified in Schedule II of the Companies Act, 2013

e) Inventories :

Inventories of land is valued at cost which comprises cost of Land, Materials, Services and Overheads directly related to development of land.

f) Revenue Recognition

i) Income from Long Term Lease of Land, Infrastructure Agreement:

The upfront premium received/receivable on Long Term lease of land, Lease of Long Term Infrastructure development use agreement, is recognised as income of the company for the year.

ii) Service Charges

Income from service charge is recognised on accrual basis

g) Foreign Currency Transactions

Earning and Expenditure in Foreign Currency are accounted for at the actual exchange rate prevailing on the date of transaction and monetary items denominated in foreign currency outstanding at the year end are translated at the year end rates. Gain/loss in conversion is charged to Profit & Loss Account.

h) Taxation

Provision for Tax for the year comprises current Income tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent periods.

i) Impairment of Assets

Where there is a indication that an asset is impaired, the recoverable amount,if any,is estimated and the impairment loss is recognised to the extent carrying amount exceeds recoverable amount.

j) Miscellaneous Expenses

Preliminary expenses are being written off in equal installment over a period of ten years.

k) Provisions Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard-29 (Provisions, Contingent Liabilities and Contingent Assets), issued by the institute of Chartered Accountants of India, provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company.

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
2.0 SHARE CAPITAL		
Authorised Share Capital		
a) 20,000,000 (Previous year 20,000,000) Equity Shares of Rs 10/- Each	200,000,000	200,000,000
	200,000,000	200,000,000
Issued, Subscribed & Paid up :		
a) 13,569,230 (Previous year 13,569,230) Equity Shares of 10/- Each Fully Paid up	135,692,300	135,692,300
	135,692,300	135,692,300

2.1 The details of Shareholders holding more than 5% shares.

Name of the share holders	As at	As at	As at	As at
	31st Mar, 2015 % of Holding	31st Mar, 2015 No. of Shares	31st Mar, 2014 % of Holding	31st Mar, 2014 No. of Shares
a) Equity Shares				
Bhartiya International Ltd.	88.95	12,069,230	88.95	12,069,230
Andhra Pradesh Industrial & Infrastructure Corporation Ltd.	11.05	1,500,000	11.05	1,500,000

2.2 The Reconciliation of the number of share outstanding is set out below:

PARTICULARS	As at	As at
	31st March, 2015 No. of Shares	31st March, 2014 No. of Shares
Numbers of Shares at the begning of the year	13,569,230	13,569,230
Add: Numbers of shares issued during the year	-	-
Equity Shares at the end of the year	13,569,230	13,569,230

2.3 Details of shares held by Holding, subsidiaries or associate of the holding company

Name of the share holders	As at	As at	As at	As at
	31st Mar, 2015 No. of Shares	31st Mar, 2015 % of Holding	31st Mar, 2014 No. of Shares	31st Mar, 2014 % of Holding
a) Equity Shares				
Bhartiya International Ltd.	12,069,230	88.95%	12,069,230	88.95%

2.4 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 share. In the event of Liquidation of the Company, the holder of equity share will be entitled to receive assets of the Company in proportion to the number of equity shares held by the shareholders.

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
3 RESERVES & SURPLUS		
(a) Surplus		
As Per last Balance Sheet	2,389,672	3,704,259
Less : Depreciation for earlier years	54,684	-
	<u>2,334,988</u>	<u>3,704,259</u>
Add:Profit/(Loss) for the year	12,896,820	(1,314,587)
TOTAL	<u>15,231,808</u>	<u>2,389,672</u>
4 LONG TERM PROVISIONS		
(a) Provision for Employee Benefits		
Provision for Gratuity	23,077	27,864
TOTAL	<u>23,077</u>	<u>27,864</u>
5 SHORT TERM BORROWINGS		
(a) Loans/Advances from Related Party (Refer note no 23.07)	-	12,527,024
TOTAL	<u>-</u>	<u>12,527,024</u>
6 TRADE PAYABLE		
(a) Trade Payable	558,332	219,812
TOTAL	<u>558,332</u>	<u>219,812</u>
7 OTHER CURRENT LIABILITIES		
(a) Salary & Benefits	17,000	22,718
(b) Expenses Payable	30,000	15,000
(c) Statutory Dues Payable	6,849	3,766
TOTAL	<u>53,849</u>	<u>41,484</u>
8 SHORT TERM PROVISIONS		
(a) Provision for Employee Benefits	875	7,063
(b) Provision for Income Tax	3,109,900	-
TOTAL	<u>3,110,775</u>	<u>7,063</u>

NOTES (CONTD.)
9 FIXED ASSETS
Amount in Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 st April, 2014	Additions/ Adjustment during the Year	Deduction/ Retirement during the Year	As at 31 st March, 2015	As at 1 st April, 2014	For the year	Deduction/ Adjustments during the year	As at 31 st March, 2015	As at 31 st March, 2014	As at 31 st March, 2015
Tangible Assets :										
Own Assets :										
Computers	157,180	-	-	157,180	102,496	-	54,684	157,180	54,684	-
Furniture	69,200	-	-	69,200	21,021	8,607	-	29,628	48,179	39,572
Office Equipments	32,228	-	-	32,228	5,798	17,674	-	23,472	26,430	8,756
Plant & Machinery- STP	3,012,078	-	-	3,012,078	69,408	216,460	-	285,868	2,942,670	2,726,210
Road	12,947,940	-	-	12,947,940	298,363	3,344,119	-	3,642,482	12,649,577	9,305,458
Building (Temporary)	1,410,515	-	-	1,410,515	32,503	868,695	-	901,198	1,378,012	509,317
Total	17,629,141	-	-	17,629,141	529,589	4,455,555	54,684	5,039,828	17,099,552	12,589,313
Previous Year	17,629,141	-	-	17,629,141	215,059	314,530	-	529,589	17,414,082	17,099,552

9.1 Revision of Depreciation rate during the year in compliance of Schedule II of the Companies Act, 2013 entailed higher depreciation charge for the year by Rs. 41,41,025/- vis a vis earlier practice and revising useful life of fixed assets entailed deduction of Rs. 54,684/-in retained earnings.

Amount in Rs.

PARTICULARS	As at 31 st March, 2015	As at 31 st March, 2014
10 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses	275,559	431,365
TOTAL	275,559	431,365
11 INVENTORIES		
(a) Land and Land Development Cost	123,569,426	131,135,514
TOTAL	123,569,426	131,135,514
12 TRADE RECEIVABLES		
(Unsecured Considered good)		
a) Outstanding over six months	-	-
b) Others	1,321,810	-
(Refer note no 23.07)		
TOTAL	1,321,810	-
13 CASH AND CASH EQUIVALENT		
(a) Balances with Banks in Current Accounts	12,632,248	506,182
(b) Cash in Hand	84,950	153,099
TOTAL	12,717,198	659,281
14 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
a) Advance Income Tax / TDS	3,861,029	254,755
b) Other Advances	180,000	1,168,946
TOTAL	4,041,029	1,423,701
15 OTHER CURRENT ASSETS		
a) Preliminary Expenditure (to be written off in next year)	155,806	155,806
TOTAL	155,806	155,806

BHARTIYA INTERNATIONAL SEZ LTD.

NOTES (CONTD.)

PARTICULARS	Year Ended 31st March, 2015	Amount in Rs. Year Ended 31st March, 2014
16 REVENUE FROM OPERATION		
(a) Sale under Long Term Lease	30,000,000	-
(b) Service Charges	3,141,668	2,052,651
TOTAL	33,141,668	2,052,651
17 OTHER INCOME		
(a) Interest on Income Tax Refund	15,720	-
TOTAL	15,720	-
18 COST OF SALES		
(a) Cost of Land Given on Long Term Lease	7,911,836	-
TOTAL	7,911,836	-
19 EMPLOYEE BENEFITS EXPENSES		
(a) Salary & Allowances	280,349	283,920
(b) Staff Welfare	4,198	16,641
Total	284,547	300,561
20 DEPRECIATION AND AMORTISATION EXPENSES		
(a) Depreciation	4,455,555	314,530
(b) Preliminary Expenses Written Off	155,806	155,806
Total	4,611,361	470,336
21 OTHER EXPENSES		
(a) Consultancy Charges	704,568	41,865
(b) Rates Taxes & Duties	43,070	88,485
(c) Auditors Remuneration	30,000	15,000
(d) Bank Charges	1,109	1,291
(e) Business Promotion	82,460	129,523
(f) Conveyance Expenses	46,053	29,642
(g) Travelling	228,484	257,656
(h) Postage & Courier	110	765
(i) Security Expenses	2,285,053	1,404,152
(j) General Expenses	65,402	29,463
(k) Service Charges to Authorities	856,615	598,499
Total	4,342,924	2,596,341
22 Current Tax		
(a) Current Income Tax	3,109,900	-
Total	3,109,900	-

NOTES (CONTD.)

23 NOTES TO ACCOUNTS

23.01 The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current period presentation.

23.02 Estimated value of contract remaining to be executed on capital Account and not provided for : Rs. NIL (Previous year NIL)

23.03 Earning Per Share (EPS)

The basic/diluted earnings per share calculated as per the Accounting Standard -20 issued by the Institute of Chartered Accountants of India is as below.

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
a) Income available to Equity Shareholders	12,896,820	(1,314,587)
b) Weighted Average Shares Outstanding during the year	13,569,230	13,569,230
c) Basic/Diluted earnings per share	0.95	(0.10)

23.04 Auditor's Remuneration

	Current Year Rs.	Previous Year Rs.
Audit Fees	30,000	15,000

23.05 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.

23.06 In the opinion of the management of the company, profits of the company earned as a developer SEZ qualifies for the deduction under section 80IAB of the Income Tax Act, 1961, however the Provisions of Section 115JB(MAT) of the Income Tax Act, 1961 applies on the Book Profits of the Company. Accordingly during the year provision of Income Tax has been made as per the provision of Section 115JB(MAT) of the Income Tax Act, 1961.

23.07 Related party disclosures

Related party disclosure as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below :

i) Holding Company

Bhartiya International Ltd.

ii) Associates :

Tada Mega Leather Cluster Private Ltd.

iii) Enterprises owned or significantly influenced by key management personnel or their relatives :

Itopia Management Services (India) Pvt. Ltd.

iv) Transactions during the year with related parties

	2014-2015	2013-2014
Sales under Long Term Lease		
Bhartiya International Ltd.	30,000,000	-
Service Charges received		
Bhartiya International Ltd.	3,141,668	2,052,651
Ticketing		
Itopia Management Services (India) Pvt. Ltd.	71,786	116,741

NOTES (CONTD.)**v) Balances Outstanding at the year end:**

	2014-2015	2013-2014
Short Term Advances		
Bhartiya International Ltd.	-	12,527,024
Trade Receivables		
Bhartiya International Ltd.	1,321,810	-
Loans/ Advances given		
Tada Mega Leather Cluster Pvt. Ltd.	-	624,000

23.08 In the opinion of the Directors, the Current Assets, Loans and Advances have the value at which they are stated in the balance sheet, if realised in the Ordinary course of business and provision for all known liabilities has been adequately made in the accounts

23.09 Debit and Credit balances of parties are subject to their confirmation.

23.10 Segment Reporting Disclosure as per accounting standard AS -17 are at present not applicable to the Company.

As per our report of even date attached

for **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, 30th April, 2015

Niraj Jain
Company Secretary

A. P. S. Narag
Managing Director

Manoj Khattar
Director & CFO

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2015 are as follows:

(Amount in Rs.)

Particulars	2014-15	2013-14
Income	-	-
Expenditure	25,486	31,216
Profit/ (loss) for the year	(25,486)	(31,216)

PERFORMANCE REVIEW

The Company has not carried out any business activity during the year under review.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March 2015.

RESERVES

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

SHARE CAPITAL

During the year, there were no changes 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

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. C.L. Handa, 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 2014-15, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the financial year 2014-15 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. C. L. Handa	Mr. A.K. Gadhok
26.05.2014	Present	Present	Present
24.07.2014	Present	Present	Present
24.12.2014	Present	Present	Present
31.03.2015	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 are given in the notes to Financial Statements.

RELATED PARTY TRANSACTIONS

There were no related party transactions for the financial year 2014-15.

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 March 31, 2015, 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 March 31, 2015 and of the losses of the company for the year ended on that date;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis; and
- (e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS AND AUDITORS REPORT

The Auditors of the Company, M/s. SushilPoddar & Co., Chartered Accountants (Registration No. 014969N) hold office upto 8th Annual General Meeting. Your directors have recommended their ratification in the ensuing Annual General Meeting.

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

COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2015-16.

PARTICULARS OF EMPLOYEES:

The Company did not have any Employee during the financial year 2014-15.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1)

All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Conservation of Energy

Not applicable

b. Technology Absorption

Not applicable

c. Foreign Exchange Earnings & Outgo

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

PUBLIC DEPOSIT

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2015 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

C.L. Handa
Director

Manoj Khattar
Director

New Delhi, 22nd May, 2015

**ANNEXURE-A
FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[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 Regd. Office and contact details	:	E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030
vi) Whether listed company	:	N.A.
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. N.	Name and Description of Main Products/Services	NIC Code of the Product/service	% to total turnover of the company
1	THE COMPANY IS YET TO START ITS BUSINESS ACTIVITIES		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya International Ltd. E-52, New Manglapuri, Mandi Road, Mehrauli, New Delhi-110030	L74899DL1987PLC026607	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	
A. Promoter (s)									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	50,000	50,000	100	-	50,000	50,000	100	-
e) Banks/Fiis	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	50,000	50,000	100		50,000	50,000	100	-

BHARTIYA FASHION RETAIL LTD.

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	
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FIIS	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (2) :-A	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	50,000	50,000	100		50,000	50,000	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs .1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,000	50,000	100	-	50,000	50,000	100	-

(ii) Shareholding of Promoters

S. N.	Share holder's Name	Share holding 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	50,000	100	-	50,000	100	-	-
	TOTAL	50,000	100	-	50,000	100	-	-

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

S. N.	For each of Promoters	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	- NIL -			
	Datewise 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.	For Each of the Top 10 Shareholders	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	- NIL -			
	Datewise 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) Shareholding of Directors and Key Managerial Personnel:

S. N.	Shareholding of each Directors and each key Management Personal	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	- NIL -			
	Datewise 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				
i) Principal Amount	-	-	-	NIL
ii) Interest due but not paid	-	-	-	NIL
iii) Interest accrued but not due	-	-	-	NIL
Total (i+ii+iii)	-	-	-	NIL
Change in Indebtedness during the financial year				
* Addition	-	-	-	NIL
* Reduction	-	-	-	NIL
Net Change	-	-	-	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	NIL
ii) Interest due but not paid	-	-	-	NIL
iii) Interest accrued but not due	-	-	-	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

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.	Grosssalary (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 undersection 17(3) Income-tax Act, 1961	- NIL -	
2.	StockOption		
3.	SweatEquity		
4.	Commission - as % of profit - others, specify...		
5.	Others,pleasespecify		
	Total(A)		
	CeilingaspertheAct		

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)		

BHARTIYA FASHION RETAIL LTD.

S. N.	Particulars of Remuneration	Name of Directors	Total Amount
2.	Other Non-Executive Directors <ul style="list-style-type: none"> ● Fee for attending board committee meetings ● Commission ● Others, please specify 	- NIL -	
	Total (2)		
	Overall Ceiling as per the Act		

Total managerial Remuneration is Rs. — /- (Rupees Forty One Lacs Twelve Thousand Nine Hundred Forty One)

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.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2015.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Bhartiya Fashion Retail Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Bhartiya Fashion Retail Limited ('the Company'), which comprises the balance sheet as at 31st March, 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) 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; and
 - 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 Registration No. 014969N

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 22nd May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2015, we report that:

- i. The company does not have any fixed assets. Accordingly provision of clause 3(i) is not applicable to the company.
- ii. The company does not have any Inventory. Accordingly provision of clause 3(ii) is not applicable to the company.
- iii. The company has not granted any loans, secured or unsecured to companies, firms, or the other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. The Company has not accepted any deposits from the public.
- 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 records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Cess. We are informed that the provision of Employees Provident Funds and Miscellaneous Provisions Act, 1956, Employees State Insurance Act, 1948 are not applicable to the company and that the operations of the company during the year, did not give rise to any liability for the Sales Tax, Excise Duty, Custom Duty, Service Tax, Wealth Tax & Value Added Tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the statutory dues referred to above were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) There are no dues in respect of the statutory dues referred to above, which have not been deposited on account of any dispute.
- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- viii. According to the records of the company, the accumulated losses of the Company at the end of the financial year are not more than fifty percent of its net worth. The company has incurred cash losses of Rs. 25,486/- during the financial year covered by our audit and Rs. 31,216/- in the immediately preceding financial year.
- ix. According to the information and explanation given to us, the company has not taken any loan from banks or financial institutions and has not issued any debentures.
- x. In our opinion and according to the information and explanations given to us, Company has not given any guarantee for loan taken by others from banks or financial institutions.
- xi. As per the records of the company, it has not taken any term loans and hence the reporting provision of this clause is not applicable.
- xii. Based upon the audit procedure performed and information and explanation given by the management we report that during the year no fraud on or by the company has been noticed or reported by the management.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

New Delhi, 22nd May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		AS AT 31st March, 2015	AS AT 31st March, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	500,000	500,000
(b) Reserves And Surplus	3	(163,901)	(138,415)
2 Current Liabilities			
(a) Other Current Liabilities	4	5,000	5,000
TOTAL		341,099	366,585
II. ASSETS			
1 Non-Current Assets			
(a) Other Non-Current Assets	5	38,190	50,920
2 Current Assets			
(a) Cash And Cash Equivalent	6	290,179	302,935
(b) Other Current Assets	7	12,730	12,730
TOTAL		341,099	366,585
Significant accounting policies	1-8	-	-

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 22nd May, 2015

For and on behalf of the Board

C.L. Handa
Director

Manoj Khattar
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2015	Year Ended 31st March, 2014
Income:			
Revenue From Operations		-	-
Other income		-	-
Total Revenue		<u>-</u>	<u>-</u>
Expenses:			
Other Expenses	8	25,486	31,216
Total Expenses		<u>25,486</u>	<u>31,216</u>
Profit / (Loss) before tax		<u>(25,486)</u>	<u>(31,216)</u>
Tax expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit / (Loss) after tax		<u>(25,486)</u>	<u>(31,216)</u>
Earnings Per Equity Share:			
(1) Basic/ Diluted		(0.51)	(0.62)
Significant accounting policies	1-8		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 22nd May, 2015

For and on behalf of the Board

C.L. Handa
Director

Manoj Khattar
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	(25,486)	(31,216)
Adjusted for :		
Financial Expenses	527	112
Amortisation Expenses	12,730	12,730
	<u>13,257</u>	<u>12,842</u>
Operating profit before working capital changes	(12,229)	(18,374)
Adjustment for Change In Working Capital	-	-
Cash generated from operations	(12,229)	(18,374)
Financial expenses	(527)	(112)
Cash flow before Extra-Ordinary Items	(12,756)	(18,486)
Extra Ordinary Items	-	-
NET CASH FROM OPERATING ACTIVITIES	<u>(12,756)</u>	<u>(18,486)</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(12,756)	(18,486)
Cash and Cash Equivalents - Opening Balance	<u>302,935</u>	<u>321,421</u>
Cash and Cash Equivalents - Closing Balance	<u>290,179</u>	<u>302,935</u>

As per our report of even date attached

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 22nd May, 2015

For and on behalf of the Board

C.L. Handa
Director

Manoj Khattar
Director

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015**

1 SIGNIFICANT ACCOUNTING POLICIES
a) Method of Accounting

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India to comply with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

b) Recognition of Income and Expenditure

Revenue/Incomes and Cost/expenditure are generally accounted on accrual, as they are earned or incurred.

c) Misc. Expenditure

Preliminary expenses are being written off in equal installments over a period of ten years.

d) Taxes on Income

Provision for tax for the year comprises current year income tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent periods.

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014

2.0 SHARE CAPITAL
Authorised Share Capital

a) 5,00,000 (Previous Year 500,000) Equity Shares of Rs.10/- each	5,00,000	5,00,000
	5,00,000	5,00,000

Issued, Subscribed & Paid up :

a) 50,000 (Previous Year 50,000) Equity Shares of Rs.10/- each, Fully Paid Up	500,000	500,000
	500,000	500,000

2.1 The details of Shareholders holding more than 5% shares

Name of the share holders	As at 31st March, 2015 No. of Shares	As at 31st March, 2015 % of Holding	As at 31st March, 2014 No. of Shares	As at 31st March, 2014 % of Holding
(a) Bharitya International Ltd.	50,000	100.00	50,000	100.00

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

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
Shares outstanding at the beginning of the year	50,000	50,000
Shares Issued during the year	-	-
Shares outstanding at the end of the year	50,000	50,000

2.3 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 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.

BHARTIYA FASHION RETAIL LTD.
NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
3 RESERVE AND SURPLUS		
(a) Surplus		
As Per last Balance Sheet	(138,415)	(107,199)
Add: Profit/(Loss) For the year	(25,486)	(31,216)
TOTAL	(163,901)	(138,415)
4 OTHER CURRENT LIABILITIES		
(a) Expenses Payable	5,000	5,000
TOTAL	5,000	5,000
5 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	38,190	50,920
TOTAL	38,190	50,920
6 CASH AND CASH EQUIVALENT		
(a) Balances with banks in Current Accounts	269,151	299,687
(b) Cash in hand	21,028	3,248
TOTAL	290,179	302,935
7 OTHER CURRENT ASSETS		
(a) Preliminary expenses (To be written off in next year)	12,730	12,730
TOTAL	12,730	12,730

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
8 OTHER EXPENSES		
(a) Audit Fees	5,000	5,000
(b) Bank Charges	527	112
(c) Preliminary Expenses	12,730	12,730
(d) Legal & Professional	3,371	11,736
(e) Rates & Taxes	2,658	1,638
(f) Printing & Stationery	1,200	-
TOTAL	25,486	31,216

NOTES (CONTD.)

9 NOTES TO ACCOUNTS

9.1 The Previous Period Figures have been regrouped/reclassified wherever necessary to conform to the current period presentation.

9.2 Contingent Liabilities :- Nil

9.3 In the opinion of the Directors, the Current Assets, Loans and Advances have the value at which they are stated in the Balance sheet, if realised in the ordinary course of business. Provision for all known liabilities has been adequately made in the accounts.

9.4 Earning per share computed in accordance with the mandatory requirements of Accounting Standards 20 issued by the Institute of Chartered Accountants of India is as under:

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
a) Net Profit/(loss) after tax available for equity shareholders	(25,486)	(31,216)
b) Weighted average number of Equity Shares of Rs. 10/- each	50,000	50,000
c) Basic/Diluted Earning per share Rs.(a/b)	(0.51)	(0.62)

9.5 The deferred tax assets/liability for the current year have not been recognised keeping in view the consideration of prudence in accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by ICAI. Company will reassess the unrecognised deferred tax asset in subsequent period having regard to the future developments.

9.6 No Provision for Income Tax / MAT as per the provisions of Income Tax Act, 1961 is required to be made in view of loss during the year.

9.7 Auditor's Remuneration

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Audit Fees	5,000	5,000

9.8 Debit and credit balances are subject to their confirmation.

As per our report of even date attached

for **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, 22nd May, 2015

C.L. Handa
Director

Manoj Khattar
Director

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report and the audited financial statements of the Company for the year ended 31st December, 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were that of exporters and importers of garment and other products.

FINANCIAL RESULTS

The result of the company's operations for the year ended 31st December, 2014 and the state of its affairs at that date are dealt with in the financial statements.

DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 31st December, 2014.

DIRECTORS

The following Directors held office during the year :-

Mr. Snehdeep Aggarwal	(resigned on 18/3/2015)
Mr. Nikhil Aggarwal	(resigned on 18/3/2015)
Mr. Stanley Savio Fernandes	(appointed on 18/3/2015 and resigned on 15/5/2015)
Ms. Wenjian Zhang	(appointed on 15/5/2015)

In accordance with the company's Articles of Association, all the present directors shall remain in office for the ensuing year.

DIRECTORS' INTEREST

Except for the disclosure in Note 13, no contract of significance to which the Company was a party and in which a director 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 debentures of the Company or any other body corporate.

NON-CURRENT ASSETS

Movements in non-current assets are shown in Note 7 to the financial statements.

SHARE CAPITAL

There was no change of share capital for the year ended 31st December, 2014.

AUDITORS

Messrs. Philip C.C. Hau & Co., Certified Public Accountants, are the Company's retiring auditors who, being eligible, offer themselves for re-appointment.

For and on behalf of the Board

Hong Kong, 18th May, 2015

Chairman

INDEPENDENT AUDITORS' REPORT

To
The Shareholders of
World Fashion Trade Ltd.
(incorporated in Republic of Mauritius with limited liability)

We have audited the financial statements of World Fashion Trade Ltd., which comprises the balance sheet as at 31st December, 2014, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's presentation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

FUNDAMENTAL UNCERTAINTY

We have considered the adequacy of disclosures made concerning the basis of preparation of the financial statements by the directors. At 31st December, 2014 the company has net current liabilities of HK\$210,544 and a deficit on shareholders' funds of HK\$7,921,789. All of the shareholders of the company have confirmed their intention to provide continuing financial support to the company so as to enable it to meet its liabilities as and when they fall due. Consequently, the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments to the assets and liabilities that would result from a failure to obtain such financial support. We consider that appropriate disclosures have been made and our opinion is not qualified in this respect.

Should the company be unable to continue trading, adjustments would have to be made to reduce the value of the assets of their recoverable amounts and to provide for any further liabilities which might arise, and to reclassify non-current assets as current assets.

OPINION

In our opinion the financial statements give a true and fair view, in all material respects, of the state of the company's affairs as at 31st December, 2014 and of its profits and cash flows for the year ended and have been properly prepared in accordance with the International Financial Reporting Standards.

Philip C.C. Hau & Co.
Certified Public Accountants
Hong Kong, 18th May, 2015

BALANCE SHEET AS AT 31ST DECEMBER, 2014

PARTICULARS	Notes	2014 HK\$	2013 HK\$
ASSETS			
Non-Current Assets			
Furniture and Fixtures and Motor Vehicle	2(b),7	<u>199,062</u>	<u>23,717</u>
Current Assets			
Inventories	2(c)	389,064	933,221
Utility and Rental Deposits		29,476	29,476
Debtors and Prepayments		19,912,553	2,328,067
Amount due from Related Company	9	440,856	-
Bills Receivable		1,547,656	1,250,381
Cash at Banks and in Hand		<u>1,222,169</u>	<u>5,336,373</u>
		<u>23,541,774</u>	<u>9,877,518</u>
Current Liabilities			
Bank Overdraft (secured)	16	2,504,877	2,218,853
Creditors and Accrued Charges		21,247,441	6,806,332
		<u>23,752,318</u>	<u>9,025,185</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>(210,544)</u>	<u>852,333</u>
		<u>(11,482)</u>	<u>876,050</u>
LONG TERM LIABILITIES			
Amount due to Holding Company	10	(2,216,981)	(5,733,119)
Amount due to Related Companies	11	(5,693,326)	(3,580,571)
		<u>(7,910,307)</u>	<u>(9,313,690)</u>
		<u>(7,921,789)</u>	<u>(8,437,640)</u>
CAPITAL AND RESERVES			
Share Capital	8	7,730	7,730
Accumulated Losses		(7,929,519)	(8,445,370)
		<u>(7,921,789)</u>	<u>(8,437,640)</u>

The notes of accounts form part of these financial statements.

Wenjian Zhang
Director

Stanley Savio Fernandes
Director

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2014

PARTICULARS	Notes	2014 HK\$	2013 HK\$
Turnover	3	38,970,230	80,126,181
Other Revenue		6,478,906	475,005
Change in Inventories of Finished Goods		(34,301,714)	(70,007,428)
Staff Costs		(2,192,923)	(1,827,787)
Depreciation Expenses		(102,154)	(33,496)
Other Operating Costs		(7,892,745)	(7,523,773)
Profit from Operations	4	959,600	1,208,702
Finance Costs	5	(443,749)	(945,049)
Profit before Taxation		515,851	263,653
Income Tax Expenses	6	-	-
Profit after Taxation		515,851	263,653
Accumulated Losses brought forward		(8,445,370)	(8,709,023)
Accumulated Losses carried forward		(7,929,519)	(8,445,370)

There were no recognized gains or losses other than the profit after tax for the year.

The notes of accounts form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2014**

PARTICULARS	Share Capital HK\$	(Accumulated Losses) HK\$	Total HK\$
Balance at 31st December, 2012	7,730	(8,709,023)	(8,701,293)
Net Profit for the year	-	263,653	263,653
Balance at 31st December, 2013	7,730	(8,445,370)	(8,437,640)
Net Profit for the year	-	515,851	515,851
Balance at 31st December, 2014	7,730	(7,929,519)	(7,921,789)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2014

PARTICULARS	2014 HK\$	2013 HK\$
Operating Activities		
Profit from Operations	515,851	263,653
Adjustment for:		
Bank Charges and Interest Paid	443,750	945,049
Gain on Disposal of Motor Vehicle	(74,999)	-
Depreciation	102,154	33,496
Operating cash flow before movements in Working Capital	986,755	1,242,198
Decrease / (Increase) in Inventories	544,157	(933,221)
(Increase) in Utility and Rental Deposits	-	(16,606)
(Increase) / Decrease in Debtors and Prepayments	(17,584,486)	2,225,943
(Increase) / Decrease in Bills Receivable	(297,275)	855,676
Increase / (Decrease) in Creditors and Accrued Charges	14,441,110	(144,192)
Cash generated from Operations	(1,909,738)	3,229,798
Profits Tax Paid	-	-
Net cash (used in) / from Operating Activities	(1,909,738)	3,229,798
Investing Activities		
Proceeds on Disposal of Motor Vehicle	75,000	-
Purchase of Motor Vehicle	(277,500)	-
Net Cash (used in) Investing Activities	(202,500)	-
Financing Activities		
Increase / (Decrease) in Bank Overdraft	286,023	(274,028)
(Increase) in Amount due from Related Company	(440,856)	-
(Decrease) / Increase in Amount due to Holding Company	(3,516,138)	24,890
Increase in Amount due from a Related Company	2,112,755	588,149
Bank Charges and Interest Paid	(443,750)	(945,049)
Net cash (used in) Financing Activities	(2,001,966)	(606,038)
Net (decrease) / increase in Cash and Cash Equivalents	(4,114,204)	2,623,760
Cash and Cash Equivalents at 1st January	5,336,373	2,712,613
Cash and Cash Equivalents at 31st December	1,222,169	5,336,373

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2014**

1. GENERAL INFORMATION

The Company is an exempted company incorporated in Republic of Mauritius with limited liability. The address of its registered office is Suite 605, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong. The principal activity is the exporters and importers of garment and other products. The financial statements are presented in Hong Kong Dollars (HK\$), which is the same as the functional currency of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). These financial statements have been prepared under historical cost convention, accrual basis of accounting and on the basis that the company is a going concern.

(a) Revenue

Revenue is recognized when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following basis:-

Sales of Goods and samples are recognized when the entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured; and

(b) Depreciation and Amortization

Depreciation is provided to charge the cost of depreciable assets to operations over their estimated useful lives on a straight line basis at the following annual rates: -

Furniture and Fixtures	20%
Motor Vehicles	30%

(c) Inventories

Inventories are stated at the lower of cost (using a first-in-first-out basis) and net realizable value. In arriving at net realizable value an allowance has been made for deterioration and obsolescence.

(d) Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in HK\$, which is the Company's functional and presentation currency in Hong Kong.

(ii) Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

(e) Taxation

Income tax expense represents current tax expense. The Income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not provided.

(f) Impairment of Assets

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the income statement.

NOTES (CONTD.)

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation) had no impairment losses been recognized for the asset in prior years.

(g) Related Parties

For the purposes of these financial statements, a party is considered to be related to the Company if:-

- (i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
- (ii) the company and the party are subject to common control;
- (iii) the party is an associate of the company or a joint venture in which the company is a venture;
- (iv) the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the Company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(h) Employee Benefits

The company contributes on a monthly basis to a defined contribution retirement benefit plan as required by the Mandatory Provident Fund Schemes Ordinance, the assets of which are held in separate trustee-administered funds. The plan is funded by payments from employees and by the company. Contributions to the plan are expensed as incurred.

PARTICULARS	2014 HK\$	2013 HK\$
3. TURNOVER		
Turnover represents the amounts received and receivable for goods sold to customers, less returns and allowances.		
Sales of goods		
- Unrelated party	37,440,489	78,432,399
- Related party	1,529,741	1,693,782
	<u>38,970,230</u>	<u>80,126,181</u>
4. PROFIT FROM OPERATIONS		
Profit from operations has been arrived after charging (crediting):-		
Depreciation and Amortization	102,154	33,496
Auditors' Remuneration	38,000	38 000
	<u>140,154</u>	<u>71,496</u>
5. FINANCE COSTS		
Bank Charges	258,605	757,483
Bank Interest Paid	185,144	187 566
	<u>443,749</u>	<u>945,049</u>

NOTES (CONTD.)

6. INCOME TAX EXPENSES

In the opinion of the directors, no provision for taxation has been made as the income neither arises in nor is derived from, Hong Kong or any of other jurisdictions in which it operates. Apart from this, all the contracts as regard to the purchases and sales of goods were concluded in overseas, therefore, there was no performance of services rendered in Hong Kong. No deferred tax has been provided in the financial statements as the effect of all timing differences is immaterial.

PARTICULARS	Furniture & Fixtures HK\$	Motor Vehicle HK\$	Total \$
7. NON-CURRENT ASSETS			
AT COST			
At 1/1/2014	748,706	174,900	923,606
Disposal	-	(174,900)	(174,900)
Additions	-	277,500	277,500
At 31/12/2014	<u>748,706</u>	<u>277,500</u>	<u>1,026,206</u>
AGGREGATE DEPRECIATION/AMORTIZATION			
At 1/1/2014	724,990	174,899	899,889
Written Back upon Disposal	-	(174,899)	(174,899)
Charge for the year	18,904	83,250	102,154
At 31/12/2014	<u>743,894</u>	<u>83,250</u>	<u>827,144</u>
NET BOOK VALUE			
At 31/12/2014	<u>4,812</u>	<u>194,250</u>	<u>199,062</u>
At 31/12/2013	<u>23,716</u>	<u>1</u>	<u>23,717</u>

PARTICULARS	2014 HK\$	2013 HK\$
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8. SHARE CAPITAL

Authorized, issued and fully paid: -

1,000 Ordinary shares of US\$1.00 each 7,730 7,730

9. AMOUNT DUE FROM RELATED COMPANY

Detailed of amounts due from related company disclosed are as follows:-

Design Industry Limited, Hong Kong

Balance at 1/1/2014	-	-
Advances	<u>2,390,856</u>	-
	<u>2,390,856</u>	-
Repayments	<u>(1,950,000)</u>	(-)
Balance at 31/12/2014	<u>440,856</u>	-

The amount is unsecured, interest-free and has no fixed term of repayment. This company is under common management and control.

NOTES (CONTD.)

PARTICULARS	2014 HK\$	2013 HK\$
10. AMOUNT DUE TO HOLDING COMPANY		
Detailed of amount due to holding company disclosed are as follows: -		
Bhartiya International Limited. India		
Balance at 1/1/2014	5,733,119	5,708,229
Advances	<u>24,359</u>	<u>24,890</u>
	5,757,478	5,733,119
Repayments	<u>(3,540,497)</u>	<u>(-)</u>
Balance at 31/12/2014	<u><u>2,216,981</u></u>	<u><u>5,733,119</u></u>
The amount is unsecured, interest-free and has no fixed term of repayment. This company is under common management and control.		
11. AMOUNT DUE TO RELATED COMPANIES		
Detailed of amounts due to related companies disclosed are as follows:-		
Ultima SA, Switzerland		
Balance at 1/1/2014	-	72,000
Advances	<u>1,170,000</u>	<u>-</u>
	1,170,000	72,000
Repayments	<u>-</u>	<u>(72,000)</u>
Balance at 31/12/2014	<u><u>1,170,000</u></u>	<u><u>-</u></u>
Bhartiya Global Marketing Limited, India		
Balance at 1/1/2014	1,361,430	1,029,111
Advances	<u>-</u>	<u>332,319</u>
	1,361,430	1,361,430
Repayments	<u>-</u>	<u>-</u>
Balance at 31/12/2014	<u><u>1,361,430</u></u>	<u><u>1,361,430</u></u>
Ultima Italia Sri, Italy		
Balance at 1/1/2014	2,219,141	1,891,312
Advances	<u>2,544,155</u>	<u>3,648,870</u>
	4,763,296	5,540,182
Repayments	<u>(1,601,400)</u>	<u>(3,321,041)</u>
Balance at 31/12/2014	<u><u>3,161,896</u></u>	<u><u>2,219,141</u></u>

PARTICULARS	Balance at 31/12/2014 HK\$	Maximum amount outstanding during the year HK\$	Balance at 31/12/2013 HK\$
Ultima SA, Switzerland	1,170,000	1,170,000	-
Bhartiya Global Marketing Limited, India	1,361,430	1,361,430	1,361,430
Ultima Italia Sri, Italy	<u>3,161,896</u>	4,763,296	<u>2,219,141</u>
	<u><u>5,693,326</u></u>		<u><u>3,580,571</u></u>

The amounts are unsecured, interest-free and have no fixed terms of repayment. These companies are under common management and control.

NOTES (CONTD.)

PARTICULARS	2014 HK\$	2013 HK\$
12. DIRECTORS' REMUNERATION		
Remuneration of the directors disclosed pursuant to section 161 of the Companies Ordinance is as follow:-		
Fees	-	-
Other Emoluments	-	-
	<u>-</u>	<u>-</u>

13. RELATED PARTY TRANSACTIONS

During the year, the Company entered into the following transactions with related parties: -

Related Party	Transaction	2014 HK\$	2013 HK\$
Bhartiya International Ltd., India	Purchases	<u>5,107,144</u>	56,818,399
	Sales	<u>1,529,741</u>	1,693,782
	Other Income	<u>3,540,497</u>	-
		<u>5,070,238</u>	<u>1,693,782</u>
Ultima Italia Sri, Italy	Marketing and Promotion Expenses	<u>2,544,155</u>	3,036,270
	Consultancy Fee	-	612,600
		<u>2,544,155</u>	<u>3,648,870</u>
Ultima SA, Switzerland	Marketing and Promotion Expenses	<u>1,170,000</u>	-
Design Industry Limited, Hong Kong	Service Charges Received	<u>2,340,000</u>	-

In the opinion of the Directors, the above transactions were carried out at market prices.

PARTICULARS	2014 HK\$	2013 HK\$
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14. OPERATING LEASE COMMITMENT

As at the balance sheet date, the company had annual commitment payable in the following period under operating lease in respect of premises as follows: -

Lease expiring		
- within one year	<u>236,000</u>	368,229
- in the second to fifth year inclusive	-	129,337
- over the fifth year	-	-
	<u>236,000</u>	<u>497,566</u>

NOTES (CONTD.)

15. FINANCIAL RISK MANAGEMENT

The Company is exposed to various kinds of risks in its operation. The Company's risk management objectives and policies mainly focus on minimizing the potential adverse effects of these risks on the Company by closely monitoring the individual exposure as follows:-

(a) Foreign Exchange Risk

The Company is exposed to foreign currency risks mainly through sales and purchases from outside customers and suppliers or related parties at commercial rates that are denominated mainly in HK Dollars (HK\$) or US Dollars (US\$). As US Dollar is pegged to Hong Kong Dollar, the Company does not expect any significant movements in USD/HKD exchange rate.

(b) Credit Risk

The Company has no significant concentrations of credit risk. Financial Assets which potentially expose the Company to concentration of credit risk comprise principally bank accounts, bills on collection and debtors and prepayments. The Company's bank accounts are placed with high quality financial institutions. It has policies in place to ensure that sales of goods are made to customers with an appropriate credit history. The Company performs periodic credit evaluations of its customers.

(c) Liquidity Risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer terms. The Company's directors and shareholders have confirmed their intention to provide funds for the company to meet its liabilities as and when they fall due.

(d) Cash Flow Interest Rate Risk

As the Company has no significant interest-bearing assets, it is not exposed to any significant interest rate risk. The Company's income and operating cash flows are substantially independent of changes in market interest rates.

(e) Fair Value Estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments, unless the effect of discounting will be immaterial. At the balance sheet date, the fair values of Company's financial assets and liabilities approximate their carrying amounts.

16. PLEDGE OF ASSETS

The Company had bank overdraft and other banking facilities bearing interests at commercial rates during the year. The entire credit facility was secured by Corporate Guarantee of M/s. Bhartiya International Ltd., India (the company's holding company) in favour of banker for banking facilities extended to the Company.

17. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and Judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, there are no estimates or assumptions used on these financial statements that the directors expect will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

INDEPENDENT AUDITOR'S REPORT

To
Board of Directors and Stockholders
BIL GROUP LLC
New York, NY

We have audited the accompanying balance sheets of BIL GROUP LLC as of 31st December, 2014 and 2013, and the related statements of income, retained earnings, and cash flows for the years then ended and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. As discussed in Note 1(h) to the financial statements, the Company is unable to generate any business operation which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in the Note 1(h). The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that mater.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BIL Group LLC as of 31st December, 2014, and the result of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

S. Grover & Company, LLC
Certified Public Accountants

EDISON, New Jersey
1st May, 2015

BALANCE SHEET AS OF DECEMBER 31, 2014 AND 2013

PARTICULARS	Schedule	2014 US\$	2013 US\$
ASSETS			
Current Assets:			
Cash & Cash equivalents		4,114	7,021
Total Current Assets		<u>4,114</u>	<u>7,021</u>
Fixed Assets:			
Property and Equipment (Net of accumulated depreciation)		-	-
Total Assets		<u>4,114</u>	<u>7,021</u>
Liabilities and Stockholder's Equity			
Current Liabilities:			
Accrued Expenses		2,800	2,450
Total Current Liabilities		<u>2,800</u>	<u>2,450</u>
Owners Equity:			
Member's Equity		1,314	4,571
Total Liabilities		<u>4,114</u>	<u>7,021</u>

**STATEMENT OF INCOME AND EXPENSES
FOR THE YEAR ENDED 31ST DECEMBER, 2014 AND 2013**

PARTICULARS	Schedule	2014 US\$	2013 US\$
SALES, NET OF DISCOUNTS		-	-
COST OF GOODS SOLD		-	-
GROSS PROFIT		<u>-</u>	<u>-</u>
OPERATING EXPENSES:			
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	A	(3,272)	(2,942)
OTHER INCOME		15	5
NET INCOME BEFORE TAXES		(3,257)	(2,937)
CITY & STATE INCOME TAXES		-	-
NET INCOME		<u>(3,257)</u>	<u>(2,937)</u>

The accompanying notes are an integral part of these financial statements

**STATEMENT OF MEMBER'S EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2014 AND 2013**

PARTICULARS	Schedule	2014 US\$	2013 US\$
Opening Balance at January 1		4,571	2,508
Capital Contribution		-	5,000
Net Income (Net of withdrawals)		(3,257)	(2,937)
Closing Balance at December 31		1,314	4,571

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER, 2014 AND 2013**

PARTICULARS	2014 US\$	2013 US\$
Cash Flows from Operating Activities		
Net Income	(3,257)	(2,937)
Adjustment to reconcile net Income to net cash Provided by in operating activities		
Changes in Operating Assets and Liabilities		
Increase/(Decrease) in Accrued Expenses	350	-
Total Adjustments	(2,907)	(2,937)
Net Cash provided by operating activities	(2,907)	(2,937)
Cash Flows from Investing Activities:	-	-
Cash Flow from Financing Activities:		
Capital Contribution	-	5,000
Net Cash provided by financing activities	-	5,000
Net Increase (Decrease) in Cash and Cash Equivalents	(2,907)	2,063
Cash and cash equivalents, at beginning of the year	7,021	4,958
Cash and Cash equivalents, at End of the year	4,114	7,021
Supplemental Disclosure for Cash flow Information		
Cash paid during the year for Income taxes	375	350

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014 AND 2013

Note 1 Summary of Significant Accounting Policies

BIL GROUP LLC is organized on March 21, 2003 under the laws of the state of New York. The summary of significant accounting policies of **BIL GROUP LLC** is presented to assist in understanding the Company's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. BIL Group LLC is a wholly owned subsidiary of Bhartiya International Ltd and is considered as a disregarded entity for tax filing purposes.

a) Business activity

The Company intends to operate as a wholesale importer and distributor of leather & textile outerwear. Due to economic downturn and fluctuation in currency valuation, the company was not been able to materialize its projections during the past several years.

b) Cash and Cash Equivalents

For the purpose of the statement of cash flows, the company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash flows.

c) Revenue Recognition

For the purposes of financial reporting, revenue is recognized at the time of shipment of goods. There has been no revenue earned in year 2014 and 2013.

d) Income Taxes

No provision for federal income taxes is made since the Company is a Limited Liability Company and a diversified company and the income or loss is passed through to the owner members. However the company is liable for the minimum state and city Franchise taxes.

e) Inventory

Inventory is to be valued on the basis of lower of cost or market using the first-in, first-out method. There is no ending inventory at December 31, 2014 and 2013. Due to lack of sales management has decided not to maintain any inventory in US.

f) Use of Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

g) Going Concern

The Company is unable to generate any business operation which raises substantial doubt about its ability to continue as a going concern.

Note 2 Accounts Receivable

NIL

The Company had no sales in years 2014 and 2013. The past accounts receivable had been realized. For 2015, refer note 1a.

Note 3 Property and Equipment

Prior to year 2014, the business had Property and Equipments worth US\$ 9,244 that was fully depreciated in 2011. During the year 2012, since the fixed assets were obsolete, they were abandoned.

NOTES (CONTD.)

Note 4 Related Party Transactions and Economic Dependency

The Company used to purchase a substantial portion of its merchandise from Bhartiya International Ltd. (“Bhartiya”) and its affiliates which is the sole member of this LLC. However, there were no purchases during the years 2014 and 2013 and all payables were paid off in the previous years.

Presently, the company is not engaged in any business activity and is solely dependent on the sole member to finance its expenses. Bhartiya International Ltd. has NIL contribution during 2014 & 5,000 during 2013.

This sole member has agreed to support the operations and expenses of this company in future also.

Note 5 Concentration of Risk

The company has no sales hence there is no concentration of risk.

**SCHEDULE OF SELLING, GENERAL AND ADMINISTRATIVE EXPENSES FOR
THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(SEE ACCOMPANYING INDEPENDENT AUDITORS REPORT)**

PARTICULARS	2014 US\$	2013 US\$
Bank & Credit card charges	97	442
Professional fees	2,800	2,100
Misc Taxes	375	350
Office Expenses	-	50
Total	3,272	2,942

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report and the audited financial statements of the Company for the period ended 31st March, 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were that of design& product development, marketing and distribution of garments.

FINANCIAL RESULT

The result of the Company's operations for the period ended 31st March, 2015 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, 2015.

DIRECTORS

Mr. Walter Willy Zwahlen held the office of directorship during the year.

Director
22nd May, 2015

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, 2014 to 31st March, 2015.

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

Neuchâtel, 22nd May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	31.03.2015 CHF	31.03.2014 CHF
ASSETS		
Short Term Assets		
Banks Accounts	2,380,183.69	2,853,004.32
Debtors Ultima Italia S.r.l.	545,248.08	469,704.90
Other Debtors	2,785,585.36	152,489.26
Stock of Goods	35,638.00	61,611.00
Transitional and other Debtors	2,208.48	1,708.84
Total Short Term Assets	5,748,863.61	3,538,518.32
Fixed Assets		
Tangibles Assets		
Furniture and Computer	6,000.00	5,410.10
Financial Assets		
Rent Guaranty	10,957.60	10,950.75
Loans to Subsidiaries	178,892.44	150,991.95
Investments	2,449,900.00	2,438,000.00
Total Fixed Assets	2,639,750.04	2,599,942.70
Total Fixed Assets	2,645,750.04	2,605,352.80
TOTAL ASSETS	8,394,613.65	6,143,871.12
Liabilities		
Current Liabilities		
Creditors	2,907,754.66	258,181.75
Bank Accounts	1,455,000.00	2,652,600.00
C/A Bhartiya International Ltd.	154,150.64	147,366.87
Transitional and other Liabilities	80,542.00	33,815.00
Total Current Liabilities	4,597,447.30	3,091,963.62
Total Liabilities	4,597,447.30	3,091,963.62
Equity		
Share Capital	1,000,000.00	1,000,000.00
General Reserve	278,000.00	170,000.00
Retained Earnings	1,773,907.50	1,622,254.03
Net Income of the Year	745,258.85	259,653.47
Total Equity	3,797,166.35	3,051,907.50
TOTAL LIABILITIES AND EQUITY	8,394,613.65	6,143,871.12

INCOME STATEMENT

PARTICULARS	2014-2015 CHF	2013-2014 CHF
Revenues		
Sales to Foreign Customers	16,671,012.99	11,690,494.10
Total Revenues	16,671,012.99	11,690,494.10
Merchandises Costs		
Costs of Goods	14,703,720.32	10,901,086.92
Variation of Stock	25,973.00	182,961.00
Total Merchandises Costs	14,729,693.32	11,084,047.92
Other Expenses		
Design and Consultancy	160,180.00	79,267.77
Administration, Rent and Directors	130,463.90	95,222.31
Audit and Lawyers	28,624.40	14,678.00
Marketing, Representation, Travel Expenses	60,195.08	150,237.85
Various Administration Overheads	1,468.85	1,603.45
Total other Expenses	380,932.23	341,009.38
Result before Interests, Taxes Provisions and Depreciation	1,560,387.44	265,436.80
Financial Incomes and Charges		
Interests and Bank Fees (nets)	212,016.90	186,814.04
Exchange Rate difference	554,855.17	(183,185.75)
Total Financial Incomes and Charges	766,872.07	3,628.29
Provisions and Depreciation		
Depreciation	1,154.92	-
Dissolution of Provisions (Charges previous Financial Year)	-	(21,680.46)
Result before Taxes	792,360.45	283,488.97
Taxes		
Federal Taxes	42,172.50	22,100.00
Canton and Commune Taxes	4,929.10	1,735.50
Total Taxes	47,101.60	23,835.50
Net Income of the Year	745,258.85	259,653.47

NOTES TO THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2015

PARTICULARS	31.03.2015	31.03.2014
	CHF	CHF
Information 1 :		
Essential Investments		
Ultima Italia S.r.l. (Share Capital EUR 2,000,000)	2,438,000.00	2,438,000.00
Interest of	100.00%	100.00%
Design Industry Ltd. (Share Capital HKD 100,000)	11,900.00	-
Interest of	100.00%	-
No other mention required by art. 663b CO		

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

PARTICULARS	31.03.2015	31.03.2014
	CHF	CHF
Profit available to the Annual General Meeting		
Retained earnings at the beginning of the year	1,773,907.50	2,622,254.03
Interim Dividends Distribution	-	(1,000,000.00)
	1,773,907.50	1,622,254.03
Net Income of the Year	745,258.85	259,653.47
	2,519,166.35	1,881,907.50
Proposal of Board of Directors		
Attribution to General Reserve	-	108,000.00
Carried forward	2,519,166.35	1,773,907.50
	2,519,166.35	1,881,907.50

AUDITOR'S REPORT

We have prepared the financial statements, which have been prepared as per the norms and accountability principles established in Italy.

The statement of accounts complies the information provided by you and also includes the adjustments and classifications as indicated by you, in accordance with Italian accountability standards and generally accepted accountability principles.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as 31st March, 2015 and of the results of its operation for the period ended on the date.

Dr. Enrico Cantoni

18th May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

(Expressed in Euro)

PARTICULARS	As at 31 st March, 2015	As at 31 st March, 2014
ASSETS		
Fixed Assets, net of depreciation	141,250	199,163
CURRENT ASSETS		
Inventories	468,453	426,783
Accounts receivables	2,811,863	2,480,632
Deposits	4,328	4,316
Cash at bank	28,028	65,510
TOTAL ASSETS	3,453,922	3,176,404
LIABILITIES		
Share Capital	2,000,000	2,000,000
Loan from holding.co	125,377	125,377
Profit/(-Loss) for the previous years	127,898	109,016
Profit/(-Loss) for the period	11,329	18,881
Bank overdraft/Limit	29,301	-
Loan from banks	76,142	-
CURRENT LIABILITIES		
Accounts payable and accrued exp.	870,274	723,078
Other creditors	213,601	200,052
TOTAL LIABILITIES	3,453,922	3,176,404

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015

(Expressed in Euro)

	2014-2015	2013-2014
INCOME		
Sales	2,111,443	2,161,064
TOTAL INCOME	2,111,443	2,161,064
COSTS AND EXPENSES		
Costs of goods sold	695,741	709,967
Selling, general and administrative	1,217,895	1,284,611
Depreciation	66,822	74,588
Financial charges	33,350	20,239
TOTAL COSTS	2,013,808	2,089,405
Profit/(-Loss) before taxes	97,635	71,659
Taxes	51,101	41,074
Taxes previous years	35,205	11,704
Profit/(-Loss) for the period	11,329	18,881

STATEMENT OF ASSETS & LIABILITIES

	31-03-2015	31-03-2014
Statement of Assets & Liabilities		
Credits (Receivables)		
A) Receivables from Shareholders for Share Capital		
Part called for	-	-
Part to be called for	-	-
Total receivables from Shareholders for Share Capital (A)	-	-
B) Fixed Assets		
I – Intangible Fixed Assets		
Gross Value	115,378	169,798
Amortization	-	-
Revaluation	-	-
Total Intangible Fixed Assets	115,378	169,798
II – Tangible Fixed Assets		
Gross Value	188,356	204,046
Amortization	162,484	174,681
Revaluation	-	-
Total Tangible Fixed Assets	25,872	29,365
III – Financial Assets		
Credits (Receivables)		
Receivable within the next Financial Year	3,975	4,316
Receivable not within the next Financial Year	353	-
Total Credits	4,328	4,316
Other Financial Fixed Assets	-	-
Total Financial Fixed Assets	4,328	4,316
Total Fixed Assets (B)	145,578	203,479
C) Current Assets		
I – Inventory		
Total Inventory	468,453	426,783
II – Credits (receivables)		
Receivable within the next Financial Year	2,764,464	2,439,607
Receivable not within the next Financial Year	28,137	28,137
Total Credits	2,792,601	2,467,744
III – Current Financial Assets		
Total Current Financial Assets	-	-
IV – Cash & Cash Equivalents		
Total Cash & Cash Equivalents	28,028	65,510
Total Current Assets (C)	3,289,082	2,960,037
D) Accruals and Prepayments		
Total Accruals and Prepayments (D)	19,262	12,888
Total Assets	3,453,922	3,176,404

	31-03-2015	31-03-2014
Liabilities		
A) Net equity		
I – Share Capital	2,000,000	2,000,000
II – Share Premium Reserve	-	-
III – Revaluation Reserve	-	-
IV – Legal Reserve	5,587	4,643
V – Statutory Reserve	-	-
VI – Treasury Share Reserve	-	-
VII – Other Reserves, separately indicated		
Extraordinary or Optional Reserve	-	-
Reserve for Share Buy-Back	-	-
Reserve in Exception to ex art. 2423 of Civil Code (CC)	-	-
Share Reserve of the controlling Company's Share	-	-
Reserve not Distributable by Revaluation of the Holdings	-	-
Contribution for Increase in Share Capital	-	-
Contribution for future Increase in the Share Capital	-	-
Contribution to the Share Capital Account	125,377	125,377
Contribution to cover the Losses	-	-
Reserve from reduction in the Share Capital	-	-
Reserve for Merger Process	-	-
Reserve for Profit from Currency Fluctuation	-	-
Various other Reserves	1	-
Total Other Reserves	125,378	125,377
VIII – Retained Earnings (Loss)	122,310	104,373
IX – Current Year Earnings (Loss)		
Current Year Earnings (Loss)	11,329	18,881
Partial cover for the Current Year Loss	-	-
Residual Profit (Loss)	11,329	18,881
Total Net Equity	2,264,604	2,253,274
B) Provisions		
Total Provisions	20,453	22,961
C) Employees' Termination Benefits Provision	183,951	171,915
D) Debits (Payables)		
Payable within the next Financial Year	976,410	723,078
Payable not within the next Financial Year	-	-
Total Debits	976,410	723,078
E) Accruals and Prepayments		
Total Accruals and Prepayments	8,504	5,176
Total Liabilities	3,453,922	3,176,404

STATEMENT OF ACCOUNT

	31-03-2015	31-03-2014
Statement of Account		
A) Value of Production:		
1) Revenue from Sales & Services	2,094,571	2,154,994
2), 3) Variation in the inventory of Goods under Production, Semi-Finished, Finished and orders under Production	-	-
2) Variation in the inventory of Goods under Production, Semi-Finished and Finished Goods	-	-
3) Variation of orders under Production	-	-
4) Capitalization of internal work	-	-
5) Other Revenues and Income		
Contribution of operating grants	-	-
Others	16,872	6,070
Total other Revenues and Income	16,872	6,070
Total Value of Production	2,111,443	2,161,064
B) Production Costs:		
6) For Raw Materials, Supplies, Consummables and Goods	737,411	722,079
7) For Services	518,174	535,465
8) For the use of Third Party Assets	79,808	59,793
9) Payroll:		
a) Wages and Salaries	450,796	508,589
b) Social Security	117,943	136,027
c), d), e) Termination Indemnities, Pensions and the like, other Costs	32,183	31,878
c) Termination Indemnities	32,183	31,878
d) Pensions and the like	-	-
e) Other Costs	-	-
Total Payroll Cost	600,922	676,494
10) Depreciation and Amortization:		
a), b), c) Amortization of Intangible and Fixed Assets, other write-down of Fixed Assets	66,822	74,588
a) Amortization of Intangible Assets	54,420	62,651
b) Depreciation of Fixed Assets	12,402	11,937
c) Other write-downs of Fixed Assets	-	-
d) Write-downs of Receivables, Cash and Cash Equivalents	-	-
Total Depreciation and Amortization	66,822	74,588
11) Changes in Inventories of Raw Materials, Supplies, Consummables and Goods	(41,670)	(12,112)
12) Provisions for Risks	-	-
13) Other Provisions	-	-
14) Other Operating Expenses	18,991	12,857
Total Production Cost	1,980,458	2,069,164
Difference between value and costs of production (A - B)	130,985	91,900

	31-03-2015	31-03-2014
C) Financial Income and Expenses:		
15) Income from Equity Investment in and derived		
From Subsidiary Companies	-	-
From Associate Companies	-	-
Others	-	-
Total Income from Equity Investments	-	-
16) Other Financial Incomes:		
a) Receivables on Fixed Assets from Subsidiary Companies	-	-
From Associate Companies	-	-
From Holding Companies	-	-
Others	-	-
Total Financial Income from receivables on Fixed Assets	-	-
b), c) From Investment Securities/Financial Assets available for Sale and marketable securities	-	-
b) From Investment Securities/Financial Assets available for Sale	-	-
c) Marketable Securities	-	-
d) Income different from the preceding ones		
From Subsidiary Companies	-	-
From Associate Companies	-	-
From Holding Company	-	-
Others	1,763	2,986
Total Income other than the preceding	1,763	2,986
Total of other Financial Incomes	1,763	2,986
17) Interests and other Financial Charges		
For Subsidiary Companies	-	-
For Associate Companies	-	-
For Holding Companies	-	-
Others	32,777	23,374
Total Interest and other Financial Charges	32,777	23,374
17-bis) Profit and Loss on Currency Exchange	(2,336)	149
Total Income and Financial Charges (15+16-17+-17-bis)	(33,350)	(20,239)
D) Adjustments to the Financial Assets:		
18) Revaluations:		
a) Of Investments	-	-
b) Of Financial Fixed Assets other than Equity Investments	-	-
c) Of Securities included in Current Assets other than Equity Investments	-	-
Total Revaluation	-	-
19) Write-downs:		
a) Of Investments	-	-
b) Of Financial Fixed Assets other than Equity Investments	-	-
c) Of Securities included in Current Assets other than Equity Investments	-	-
Total write-downs	-	-
Total impairment of Financial Assets (18 - 19)	-	-

	31-03-2015	31-03-2014
E) Extra Ordinary Income and Expenses:		
20) Income		
Income, with separate indication of Capital Gains on disposals Not Ascribable to n. 5	-	-
Others	55	-
Total Income	55	-
21) Charges		
Charges with a separate indication of Capital Losses on disposals and not ascribable to n 14	-	-
Taxes relating to prior years	35,260	11,704
Others	-	2
Total Charges	35,260	11,706
Total Extraordinary Matches (20 - 21)	(35,205)	(11,706)
Profit before Taxes (A-B+-C+-D+-E)	62,430	59,955
22) Current, Deferred and Advance Tax on Income,		
Current Taxes	51,101	41,074
Deferred Taxes	-	-
Advance Taxes	-	-
Income (charges) to follow the regime of fiscal consolidation/fiscal transparency	-	-
Total Taxes, Current, Deferred and Advance on Income for the year,	51,101	41,074
23) Profit (loss) for the year	11,329	18,881

EXPLANATORY NOTE – INITIAL PART

Introduction

The company's objectives are to design, plan, manufacture, distribute, represent and market all products related to the clothing and apparels industry in any part of the World. In Italy, it presently markets furs and leather garments.

The balance sheet for the financial year ending on 31/03/2015, of which this Explanatory Note forms an integral part in conformity with article 2423, c.1, Civil Code (C.C.), has been prepared on the basis of a functioning and running concern and corresponds to the properly maintained accounting entries.

It has been prepared with due consideration to the principle of transparency and with the objective of representing in a true and correct way the Balance sheet and financial statement of the company and the profit and loss for the accounting period.

This balance sheet is prepared in an abridged form in the absence of conditions requiring its preparation in the normal form as per art.2435-bis, last para.

The citing of the fiscal norms is with reference to the instructions carried in the TUIR (Consolidated Income Tax Act) DPR 917/1986 and successive modification and additions.

Due to rounding of amounts expressed in euro it might occur in certain cases containing detailed data, the sum of the detail might differ from the amount shown under the total value.

This Explanatory Note has been prepared within the constraints imposed by the taxonomy XBRL (eXtensible Business Reporting Language) currently in use.

General Principles for the preparation of the Balance sheet

In the preparation of the balance sheet the following general principles have been followed:

- The valuation of the entries has been done with prudence and with the prospect of continuing operations;
- The profits realized within the date of the financial year closing have only been reported;
- Incomes and charges corresponding to the financial year have been considered, independently of the date of their receipt or payment;
- Provision for risks and losses relating to the financial year have been provided for even when brought to the notice after the year closing.

The structure of the Balance Sheet and the Profit & Loss account is as follows:

- The Balance Sheet and the Profit & Loss account reflect compliance of the regulations as per artt.2423-ter, 2424, 2425e 2435-bis of the C.C.;
- For each head in the Balance Sheet and the Profit & Loss account the corresponding value of the entry for the previous financial year has been indicated;
- Posting of the entries in the Balance Sheet and the Profit & Loss account has been done following the principles under artt.2424-bis e 2425-bis of the C.C.;
- There were no heterogeneous elements grouped under a single head;
- The valuation criteria has not been modified compared to the one adopted in the previous financial years;
- The values of the entries in the Balance Sheet of the current year are perfectly comparable with those of the previous year Balance Sheet.

The content of this Explanatory Note has been prepared under provision of the art. 2435-bis c. 5 C.C. Therefore indications requested as per n. 10) of the art. 2426, from no. 2), 3), 7), 9), 10), 12), 13), 14), 15), 16), 17) of the art. 2427, from n. 1) of the art. 2427-bis are as such omitted and the indications requested as per n. 6) of the art. 2427 are referred to the total amount of the debts recorded in the Balance Sheet.

As per art. 2435-bis c. 6 C.C., information about which under art. 2427 c. 1 n. 22-bis is limited to the operations realized directly or indirectly with the majority shareholder/members and with the members of the administration and control organization.

As per art. 2435-bis c. 6 C.C., information about which under art. 2427 c. 1 n. 22-ter is limited to the nature and the purpose of agreements not disclosed in the Balance Sheet.

The company has availed moreover of the faculty to exonerate itself from compiling the Management report as provided for by the art. 2435-bis C.C. since the information requested as per no. 3 and 4 of the art.2428 have been reported in the explanatory note.

The explanatory note contains moreover all the complementary information considered necessary to furnish a true and correct representation of the economic, financial situation and the Balance Sheet, even if not required by specific regulations of law.

Valuation Criteria

The valuation criteria adopted are the ones provided specifically as per art 2426 and other norms of the C.C. For the valuation of specific cases not strictly regulated by the above mentioned norms, recourse has been taken to national accounting principles formulated by the National Council of the Accountants and Book keepers and by the Italian Accountancy Organization.

Conversion in Foreign Exchange

During the course of the financial year the operation in foreign currency have been converted at the exchange rate on the date of their transaction. In particular the non-monetary items were shown in the B.S at the exchange rate at the time of their acquisition that is at their cost of initial entry. Instead the monetary items, already accounted for during the financial year at exchange rate applicable on the date of the transaction, are entered at exchange rate at end of financial year, in conformity to article 2426. C.C. point 8-bis.

The economic effect of the variation in exchange rate are expressed under the head of the P&L account "C17-bis profit and loss on currency exchange" for total euro -2,336 as per following details:

Loss on Exchange	-2,340
Profit on Exchange	4
Total C 17-bis Profit and Loss on Exchange	-2,336

It is acknowledged that the valuations illustrated below have been determined in the perspective of going concern, during the course of the financial year, neither credits were given, nor were guarantees given, favouring the members of the Administrative body and the Sole Auditor.

EXPLANATORY NOTE - ASSETS

This section of the Explanatory Note provides, as per the instructions given in the taxonomy XBRL and with respect to the conditions of the article 2427 C.C., the comment on the entry representing the Assets, in the Balance sheet for financial year ending 31/03/2015.

INTANGIBLE ASSETS

Criteria of Valuation and Recording in the Balance Sheet

The intangible assets are recorded at the cost of acquisition or realisation, inclusive of directly attributed overheads. Their recording and the estimate of future utility, where required, have been agreed upon with the Sole Auditor.

These assets are placed in the Balance Sheet at B.I. under the Fixed Assets and total, net of funds, at euro 115,378.

The multi-year costs have been capitalized only under the condition that they might be "recovered" thanks to the future earning capacity of the company and within its limits. If in the years following the one in which capitalization has been done such a condition is not there, the asset stands devalued.

In the presence of multi-year charges not fully amortized, the company shall proceed with the distribution of profit only if there remain sufficient reserves to cover the amount of the costs not yet amortized.

Amortization

Amortization of the intangible assets has been done systematically and each year, in relation to the residual possibility of future economic utilization of each single asset or cost. The cost of these assets, in fact has been amortized on the basis of a "plan" which it is believed assures a correct division of the same over its economically useful life. The amortization plan will eventually be readjusted only when the residual useful economic life is found to be different from the one originally estimated. The amortization plan applied, "at constant rate" does not change from the one utilized in the preceding accounting periods.

Impairment Losses and Reversals

At each Balance Sheet date, the company evaluates if there exist an indicator that an intangible asset might have suffered a loss in value.

If such an indicator subsists, the company proceeds to estimate the recoverable value of the asset and carries out a devaluation in case such loss is lower than the corresponding net book value. If there exist an indication that the loss suffered by an asset might have been lasting in value, it could render it necessary to review its useful residual life, the criteria of amortization or the residual value and rectify it accordingly, notwithstanding the fact that the loss is effectively recorded.

The eventual devaluation due to lasting loss is reversed when there might be lesser of reason that had earlier justified it. The reversal of impairment loss is done within the limits of the value that the asset might have had wherein the correction of the value might not have taken place.

VARIATION IN INTANGIBLE ASSETS

B I – Intangible Assets

Balance as on 31/03/2015	115,378
Balance as on 31/03/2014	169,798
Variation	-54,420

It is informed that neither during the period under review nor in the preceding ones no revaluation of company owned assets has taken place.

Degree of and reason for the reduction in the values applicable to the intangible assets (art. 2427 c. 1 n. 3-bis C.C.)

It is informed that none of the intangible assets in the books has been subjected to write-down, since none of these convey a lasting loss in value. In fact it appears reasonable to foresee that the net accounting values recorded in the Balance Sheet at the close of the accounting period could be recovered by way of their use or by way of selling the goods or services to which they refer.

TANGIBLE FIXED ASSET

Criteria of Valuation and recording in the Balance Sheet

The tangible assets are recorded at their cost of acquisition or production inclusive of their directly imputable overhead costs, for a total of euro 25.872. The cost of production of the assets constructed in economy and the incremental cost of the depreciable asset includes all costs directly attributable to them; the value has been defined by adding the cost of material, direct labour and that part of the production cost directly imputable to the asset.

Process of Amortization of Tangible Fixed Asset

Amortization has been done systematically and during each financial year, in relation to the residual possibility of utilizing each single asset. For assets not acquired from third economies, the cost of production comprises of only costs directly imputable to the source.

The “incremental” costs have eventually been calculated on the cost of acquisition only in the presence of a real and “measurable” increase in productivity, of the useful life of the asset or of a tangible improvement in the quality of products or services obtained, or else, finally, of an improvement of safety in the use of the assets. Every other cost related to the asset in question has been, instead, integrally imputed to the Profit & loss account. The cost of the assets, with the exception of land, the area for factory building or constructed upon, as also the real estate used for civil residence, have been amortized in each financial statement on the basis of a plan that is technical-economic in nature, which it is believed ensures a correct division of the same in the financial statement during the useful economic life of the asset to which it refers.

The amortization criteria applied for the accounting year ending on 31/03/2015 does not differ from that utilized for the amortization in the preceding accounting statements. The amortization plan would eventually be readjusted only when it is ascertained that the residual useful economic life is different from the one originally estimated. In particular, besides the consideration on the physical duration of the asset, it has been kept and shall be kept account also of all the other factors that influence the duration of the economic utilization like, for example, technical obsolescence, intensity of use, the maintenance policy, etc.

The amortization coefficients have not been modified with respect to the previous accounting periods.

It is informed that amortization has been calculated also on the assets temporarily not utilized.

For the tangible assets acquired during the course of the financial year it has been considered opportune and adequate to reduce to half the coefficients of amortization.

Impairment Losses and Reversals

At each balance sheet date, the company evaluates if there exist an indicator that a tangible asset might have suffered a loss in value.

If such an indicator subsists, the company proceeds to estimate the recoverable value of the asset and carries out a devaluation in case such loss is lower than the corresponding net book value. If there exist an indication that the loss suffered by an asset might have been lasting in value, it could render it necessary to review its useful residual life, the criteria of amortization or the residual value and rectify it accordingly, notwithstanding the fact that the loss is effectively recorded.

The eventual devaluation due to lasting loss is reversed when there might be lesser of reason that had earlier justified it. The reversal of impairment loss is done within the limits of the value that the asset might have had wherein the correction of the value might not have taken place.

VARIATION IN TANGIBLE FIXED ASSETS

B II – Tangible Fixed Assets

Balance as on 31/03/2015	25,872
Balance as on 31/03/2014	29,365
Variation	-3,493

It is informed that neither during the period under review nor in the preceding ones no revaluation of company owned assets has taken place.

Degree of and reason for the reduction in the values applicable to the tangible fixed assets (art. 2427 c. 1 n. 3-bis C.C.)

It is informed that none of the tangible fixed assets recorded in the Balance Sheet has been subjected to write down, since none of these bear a lasting loss in value. In fact it is reasonable to foresee that the net accounting values entered in the Balance Sheet at the closing of the financial year could be recovered by way of using them or by way of selling the asset or service to which they refer.

OPERATIONS OF LEASE FINANCING

INFORMATION ON THE LEASE FINANCING OPERATIONS

In relation to the assets acquired on financial leasing, the company has recorded the operations with the c.d. "equity method", in line with both, the current accounting practice and the fiscal discipline; hence the leasing fees charged to the Profit & Loss account have been determined on the basis of the temporal competence of these in the accounts.

In the table that follows are indicated the information required under n. 22 c. 1 of the art. 2427 of the C.C.

VALUE TABLE EX ART. 2427 n. 22 C.C.	
Description of the Asset	Vehicle
Date of Contract	01-10-2012
Duration of Contract in Months	60
Present Value of the Installments outstanding as on 31/03/2015	12,689
Present Value Price of Final Redemption as on 31/03/2015	197
Cost carried to the Balance Sheet (costconced.+IVA indetr.)	25,529
Amortization Fund as on 31/03/2015	15,956
Net Value of the Asset as on 31/03/2015	9,573

VALUE TABLE EX ART. 2427 n. 22 C.C.	
Description of the Asset	Vehicle
Date of Contract	11-03-2014
Duration of Contract in Months	60
Present Value of the Installments outstanding as on 31/03/2015	43,752
Present Value Price of Final Redemption as on 31/03/2015	520
Cost Carried to the Balance Sheet (costconced.+IVA indetr.)	59,174
Amortization Fund as on 31/03/2015	7,397
Net Value of the Asset as on 31/03/2015	51,777

VALUE TABLE EX ART. 2427 n. 22 C.C.	
Description of the Asset	Vehicle
Date of Contract	01-09-2014
Duration of Contract in Months	48
Present Value of the Instalments outstanding as on 31/03/2015	16,821
Present Value Price of Final Redemption as on 31/03/2015	204
Cost Carried to the Balance Sheet (costconced.+IVA indetr.)	24,000
Amortization Fund as on 31/03/2015	2,400
Net Value of the Asset as on 31/03/2015	21,600

FINANCIAL ASSETS

B III – Financial Assets

In the Balance Sheet of the account closing on 31/03/2015, the financial assets have been recorded, in total, at the following values:

Balance as on 31/03/2015	4,328
Balance as on 31/03/2014	4,316
Variation	12

These are composed of security deposits.

CURRENT ASSET

Head C – Variation in the Current Asset

Current asset regroupes, under the head "C", the following items of the asset part of the balance sheet:

- Item I - Inventory;
- Item II - Receivables;
- Item III - Current Financial Assets;
- Item IV - Cash and Cash Equivalent.

The amount of Current Asset as on 31/03/2015 is equal to 3,289,082.

With respect to the past financial year, it has seen a variation, with an increase equal to 329.045.

Furnished here after, as per the format provided under taxonomy XBRL, the details (valuation criteria, variations etc.) relative to each of these items.

INVENTORY

Criteria for Valuation and Recording in the Balance Sheet

Stores Inventory

The inventory in store is formed of goods destined for sales or heading for their production in the normal course of company operations and are valued in the books at the lesser of the purchase or production and saleable value inferable from the market.

The valuation of the store inventory at the lesser between cost and value of realisation has been done with constancy in the application of valuation methods.

	Value at the start of financial year	Variation during the year	Value at the end of financial year
Raw Material, Supplies and Consumables	31,176	(3,450)	27,726
Goods under Production and Semi Finished	-	-	-
Orders under Production	-	-	-
Finished Products and Goods	395,607	45,120	440,727
Payments on Account	-	-	-
Total Inventory	426,783	41,670	468,453

CURRENT ASSETS: RECEIVABLES

Criteria of Valuation and recording in the Balance Sheet

The receivables indicated in the books represent valid right to demand amount of cash or cash equivalents from clients or other third parties. The receivable originating by way of revenues from operation of sale of goods or services have been shown based on the principle of competence since the production process of goods and services has been completed and ascertained:

- For the goods, the passage, substantial and non formal of the title of ownership;
- For the services, the provision of the service.

The receivables originating for reasons different from the exchange of goods and services have been indicated in the books only when these effectively represent obligation of the third parties towards the company.

As required by the art. 2424 of the civil code, the receivables entered in current assets have been subdivided, based on the due date, between receivables due within and after the next accounting period.

The classification of the receivables in the current assets is done according to the criteria of destination with respect to the ordinary activity of management. The commercial receivables are entered in the books at the presumable realisation value, which corresponds to the difference between the nominal value and the receivables write-down fund constituted during the course of the previous accounting years, sufficiently adequate for hypothetical insolvency and increased by the amount set aside during the year.

All the other receivables entered in the books are at nominal value, which coincides with the presumable realisation value.

VARIATIONS IN RECEIVABLES SHOWN UNDER CURRENT ASSET

Head CII – Variation in receivables

The total amount of Receivables is placed in the section “asset” of the Balance sheet under the head “C.II” for a total amount of euro 2,792.601. The following table provides detail of the variations that took place during the course of the financial year for the current balance sheet under the various typology of receivables that comprise the head C.II.

	Value at the start of financial year	Variation during the financial year	Value at the end of financial year
Receivables from clients shown under Current Assets	2,418,025	328,752	2,746,777
Receivables from Subsidiary Companies shown under Current Assets	-	-	-
Receivables from Associate Companies shown under Current Assets	-	-	-
Receivables from Holding Companies shown under Current Assets	-	-	-
Tax receivables shown under Current Assets	49,516	-3,692	45,824
Advance Tax Assets shown under Current Assets	-	-	-
Receivables from other shown under Current Assets	203	-203	-
Total receivables shown under Current Assets	2,467,744	324,857	2,792,601

There do not exist receivables under current assets that have a residual duration exceeding five years.

The "receivables from clients" constitute euro 2,106,536 as commercial receivables from group companies.

Details of receivables expiring after the year

Consists exclusively of tax receivables for tax reimbursement requested in the preceding years.

SUBDIVISION OF THE RECEIVABLES SHOWN UNDER CURRENT ASSETS BY GEOGRAPHICAL AREA

In relation to provision under the last part of n. 6 of the art. 2427 C.C. with reference to the indication of the subdivision by geographical area of receivables, with the aim of showing the "risk country", as distinctly shown, in the following table, the receivables under current assets referable to the geographical area in which the company operates

Geographical Area	Total receivables shown under Current Assets
Italy	637,181
EU	35,997
Extra EU	2,119,423
Total	2,792,601

The receivables in the Extra EU area constitute for euro 2,106,536 from commercial receivables from group companies.

Receivables shown under Current Assets relative to Operations with obligation of Retrocession at the end

Operations of buying and selling with the obligation of retrocession (art. 2427 n. 6-ter C. C.)

There do not exist at the closing of the financial year, operations that foresee the obligation of retrocession at the end for the acquirer.

Current Assets: Current Financial Assets

Variation in Current Financial Assets

On the date of closing of accounts, the company does not hold any type of current financial assets.

Current Assets: Cash and Cash Equivalents

Variation in Cash and Cash Equivalent

Criteria of Valuation and recording in the Balance Sheet

The cash and cash equivalent shown under the section "assets" of the Balance Sheet under the head "C.IV for euro 28,028 correspond to the deposits in the current accounts held with the banks and the liquidity in hand at the closing of the accounts for the financial year that has been valued at the nominal value.

The following table provides details of the variations that took place during the course of the financial year of the current balance sheet under various tipology of cash and cash equivalents that compose the head C.IV.

	Value at the start of the financial year	Variation during the financial year	Value at the end of the financial year
Bank and Postal Deposits	49,279	-23,338	25,941
Cheques	3,300	-3,300	-
Cash and other Cash Equivalent in hand	12,931	-10,843	2,088
Total Cash and Cash Equivalent	65,510	-37,482	28,028

Financial Charges Capitalized

During the course of the financial year no imputation was made of financial charges to values recorded as assets in the Balance Sheet.

EXPLANATORY NOTE – LIABILITY AND NET WORTH

This section of the Explanatory Note provides, as per the instructions given in the taxonomy XBRL and with respect to the conditions of the article 2427 C.C., the comment on the entry representing the Net worth and Liability, in the Balance Sheet for the financial year ending 31/03/2015.

NET WORTH

The national accounting principle OIC 28, after having defined the net worth as the difference between the value of assets and the liabilities in the Balance Sheet in a position to convey the company’s capacity to satisfy its creditors and the obligations “in a residual way” through its activity, stating precisely that:

- the reserves of profit are generally constituted from the net profit resulting from the balance sheet of the approved accounts, by way of explicit destination to the reserve or through simple deliberation of non distribution, in a way that the eventual residual profit is provisioned under the head AVIII “Profit (Loss) carried forward” in the liability section of Balance sheet.
- the capital reserve represent the share in the net worth which are derived, for example, from further contribution by members, from conversion of bonds into shares, from the monetary revaluations or from the members giving up credit.

VARIATION UNDER THE HEAD OF NET WORTH

Head A – Variation in the Net Worth

The net worth amounting to euro 2.264.604 shows a positive variation, increasing by euro 11.330.

Here below is shown the variation that took place in the consistency under the head of net worth, as required under the art. 2427 c.4 C.C. and also the composition of the head “Various Other reserve”.

	Value at the beginning of the financial year	Destination of previous accounting year results other destination	Result for present accounting year	Value at the end of the financial year
Share Capital	2,000,000	-		2,000,000
Legal Reserve	4,643	944		5,587
Other Reserves				
Contribution to the Capital Account	125,377	-		125,377
Various Other Reserve	-	-		1
Total Other Reserve	125,377	-		125,378
Profit (Loss) Retained	104,373	17,937		122,310
Profit (Loss) for the Financial Year	18,881	-18,881	11,329	11,329
Total Net Worth	2,253,274	-	11,329	2,264,604

DETAILS OF VARIOUS OTHER RESERVE

Description	Amount
Rounding to Unit of Euro	1
Total	1

AVAILABILITY AND UTILIZATION OF THE NET WORTH

The reserve of net worth can be utilized for different operation according to their limitations and nature. The notion of possibility to distribute of the reserve may not coincide with that of availability. The availability refers to the possibility of utilization of the reserve (for example for issue of bonus shares), the possibility to distribute refers instead to the possibility of offering to the members (for example under the form of dividend) amount that can be taken in whole or in part from that reserve. Hence, availability and possibility to distribute may or may not co-exist.

The origin, the possibility to utilize and to distribute, as also the past utilization in the preceding accounting years, relatively to each net worth account posting, are shown in the following table:

	Amount	Possibility of Utilization	Share Available
Share Capital	2,000,000		-
Legal Reserve	5,587	B	5,587
Other Reserve			
Contribution to the Capital Account	125,377	A B	125,377
Various Other Reserve	1		-
Total Other Reserve	125,378		125,377
Profit (Loss) retained	122,310	A B C	122,310
Total	2,253,275		253,274
Non Distributable Share			130,964
Residual Distributable Share			122,310

A = Available for Increase in Capital B = Available for Coverage of Loss C = Distributable to Member

Reserve for rounding of Euro

For the sole aim to allow for the defining of the Balance Sheet, as per accounts for the year ending 31/03/2015 there has been recorded a Rounding reserve equal to euro 1. Not being explicitly contemplated by the taxonomy XBRL relative to the Balance sheet, the said reserve has been inserted as sub-head under Various other reserve.

PROVISION FOR RISKS AND CHARGES

INFORMATION ON PROVISION FOR RISKS AND CHARGES

Provision for Risks and Charges

The "Provisions for risks and charges" are constituted exclusively by "Provisions to cover pension and similar obligations".

Provisions to cover Pension and similar obligations

This relates to provisions to cover charges of a defined nature and of certain existence. Its amount acknowledged at the end of the employment and in function of the duration of the employment itself and based on other conditions of retirement as provided by the underlying contract.

The provisions under consideration are based exclusively on the "supplementary client indemnity fund" relative to the agents who collaborate with the company.

	Risks and Charges Fund
Value at the start of the Accounting Period	22,961
Variation during the Period	
Provision made during the Accounting Period	1,378
Utilization during the Accounting Period	(3,886)
Value at the end of the Accounting Period	20,453

EMPLOYEE SEVERANCE INDEMNITY FUND (TFR)

INFORMATION ON EMPLOYEE SEVERANCE INDEMNITY

Employee Severance Indemnity

The provision for employee severance indemnity represent effective dues matured towards the employees in conformity with the law and the employment contract in force, as per the art. 2120 C.C. and is recorded in the accounts on the basis of economic competence.

As per the L. 27 December 2006, n. 296 (Finance Law 2007):

- The share of TFR matured till 31 December 2006 have remained in the company;
- The share of TFR matured from 01 January 2007, by the choice of the employee, have been used as form of complementary provident fund or have been kept in the company which is not obliged to transfer the TFR share to the Treasury Fund maintained by the NIPS (National Institute of Social Insurance)

As such, the liability for TFR corresponds to the total of single indemnities matured in favour of the employees at the date of closing of the accounts, net of the 'on account' payments made and is equal to what would have to be paid to the employee in the event of termination of employment on that date.

In the following table is provided the detail of the variations that happened in TFR during the course of the accounting year for the present balance sheet.

	Employee Severance Indemnity Fund (TFR)
Value at the beginning of the Financial Year	171,915
Variation during the Financial Period	
Provision made during the Accounting Period	28,947
Utilization during the Accounting Period	-16,659
Other Variations	-252
Total Variations	12,036
Value at the end of Financial Year	183,951

DEBTS

Criteria of Valuation and recording in the Balance Sheet

The debts shown in the section of liabilities in the Balance Sheet have been valued at their nominal values. In particular, the amount shown in the balance sheet for debts to banks convey the effective debts for capital, interests and overhead charges maturing on 31/03/2015; the debts to suppliers, always taken at their nominal value, have been recorded, where present, net of commercial discounting. All other debts recorded in the balance sheet have been taken at their nominal value.

There do not exist payables over medium and long term.

VARIATIONS AND EXPIRY OF DEBTS

The total amount of the debts is placed in the section "liabilities" of the balance sheet under the head "D" for a total amount of euro 976,410.

The table that follows provides details of the changes that took place during the course of the accounting period of the current balance sheet under various typology of the debts that compose the head D.

	Value at the start of the accounting period	Variation during the accounting period	Value at the end of the accounting period
Bonds	-	-	-
Convertible Bonds	-	-	-
Amounts due to Shareholder for Loans	-	-	-
Amounts due to Banks	273	105.170	105.443
Debts to other Lenders	-	-	-
Advance Payment	-	-	-
Debts to Suppliers	562.446	174.158	736.604
Bills of Exchange Payable	-	-	-
Due to Subsidiaries	-	-	-
Amount owed to Associate Companies	-	-	-
Payables to Parent Company	-	-	-
Tax Liabilities	31.742	-7.104	24.638
Payable to Pension and Social Security	13.600	-3.597	10.003
Other Debts	115.016	-15.294	99.722
Total Liabilities	723.078	253.332	976.410

In compliance of the regulations under art. 2427 c. 1 n. 6 C.C., it is noted that there do not exist debts of a residual duration superior to five years.

The debts to suppliers for euro 600,297 are constituted by commercial debts to the group companies.

SUB-DIVISION OF THE DEBTS BY GEOGRAPHICAL AREA

In the report as presented in the last part of n. 6 c. 1 of the art. 2427 C.C., with reference to the indicated subdivision by geographical area of the debts, it is informed that all the debts carried in the books are referable to subjects resident in Italy with the exception of the debts to the company of the group for euro 600,297 included in the debts to suppliers.

Loans Guaranteed by Mortgage on Company Assets

In the report as presented in the last part of c. 1 n. 6 of the art. 2427 C.C., it is informed that there do not exist loans guaranteed by mortgage on company assets.

Loans relative to Operation with compulsory relegation by Acquirer.

There do not exist, on the date of closing of account, operations that carry the obligation of compulsory relegation in the end by the acquirer.

Financing done by Members of the Company

Financing done by members of the company (Art. 2427 c. 1 n. 19-bis C.C.)The company has not collected any kind of financing from its members.

Explanatory Note to Profit & Loss Account

The Profit & Loss Account is based on the distinction between ordinary activity and extraordinary activity, where considering the first one, these are the typical company activities, composed of operations that are manifest continuously (including also the additional and financial activities), and the second one characterised by incomes and charges whose source is unrelated to the ordinary activity of the company.

This section of the Explanatory Note provides, as per the instructions given in the taxonomy XBRL and with respect to the conditions of the article 2427 C.C., explanation for the 'heads' which, in the accounts for the financial year ending 31/03/2015, compose the Profit & Loss Account.

VALUE OF PRODUCTION**Revenue from Sales and Services Provided**

The revenue from sale of good have been recorded at the moment of transfer of ownership, which is normally identified by delivery or despatch of the goods, considered the contractual supply clauses. The income from service provided are instead recorded only at the moment of their conclusion, with the issue of invoice.

The revenue and income have been recorded net of returns, discounts, rebates and bonuses, as well as taxes directly associated with sale of products and provision of services and total Euro 2,094,571.

The company has moreover, achieved "other sale and income" for Euro 16,872.

COST OF PRODUCTION

The costs and the charges of the Section B of the Profit & Loss Account, classified by nature, have been indicated net of returns, discounts, rebates, bonuses, while discounts of financial nature have been shown under the head C.16, constituting financial incomes.

The cost of raw material, supplies, consumables and goods also include the overhead cost of purchase (transport, insurance, loading and unloading etc.) in case the supplier includes these in the purchase price of the material and goods. Contrarily, these are recorded as cost for services (head B.7)

It is clarified that VAT not recoverable has been incorporated in the acquisition cost of the goods.

Ascribed to the head B.6, B.7 and B.8 are not only the costs of definite value, resulting from the invoices received from the suppliers, but also those of estimated value still not documented, for which appropriate ascertainment has been done.

In total, the cost of production relating to the accounting year ending on 31/03/2015, net of returns, discounts, rebates, come to euro 1,980,458.

FINANCIAL INCOME AND CHARGES

In the section C of the Profit & Loss Account are recorded all the entries positive and negative of the economic result of the accounts related to the financial activity of the company, characterised by the operations that generate income, charges, gains and loss on disposal, relative to securities, holding, bank account, receivables on fixed assets and financing of any kind, assets and liabilities, and profit and loss on currency exchange.

The income and charge of financial nature have been recorded on the basis of economic-temporal competence, moreover the interest and other financial charges are recorded under head C.17 of the Profit & Loss Account based on the maturity in the accounts net of accrued income.

TAXES ON INCOME FOR THE FINANCIAL YEAR, CURRENT, DEFERRED AND ADVANCE**CURRENT, DEFERRED AND ADVANCE TAXES****Direct Taxes**

The Taxes are based on the principle of competence: representing thus:

- the taxes paid or to be paid for the accounting year are determined as per the tax rate and the applicable rules;
- the amount of the deferred tax in relation to temporary differences noted or cancelled in the accounts.

Temporary differences and recording of the deferred tax assets and liabilities.

During the course of the accounting year situation which might have necessitated posting of advance and/or deferred taxes did not manifest.

NOTE TO THE ACCOUNTS AND OTHER INFORMATION**COMPENSATION TO STATUTORY AUDITOR OR AUDIT COMPANY**

Amount due for Statutory Audit, other services of Account Verification, Tax Consultancy and Various Services (art. 2427 c. 1 n. 16-bis C.C.)

To the sole Auditor an all-inclusive compensation of Euro 3,120 has been paid.

SHARES ISSUED BY THE COMPANY

Bonus Shares, Convertible Bonds, Securities or similar Securities issued by the Company (art. 2427 c. 1 n. 18 C.C.)

The company has not issued bonus shares, convertible bonds, securities or similar securities.

INFORMATION ON THE FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY

Number and Characteristics of other Financial Instruments issued by the Company (art. 2427 c. 1 n. 19 C.C.)

The company did not issue any kind of financial instrument.

OWN SHARES AND OF THE PARENT COMPANY

In agreement with the provisions of the artt. 2435-bis co. 7 and 2428 co. 3 nn. 3, 4, C.C., it is clarified that:

- the company does not hold its own shares, not even indirectly;
- the company does not hold, directly or indirectly, shares or holding in the parent company;
- during the course of the accounting period the company did not allow for the acquisition and alienation of its own shares and shares or holding in the parent company, not even through the medium of a fiduciary company or by means of a third party.

Besides furnishing the information required under art. 2427 C.C., also reported here below is further obligatory information as per the provisions of law, or complementary, for the purpose of providing a true and correct representation of the Balance sheet, finances and economic activity of the company.

Assets intended for a Specific Business (art. 2427 c. 1 n. 20 C.C.)

The company has not constituted assets intended for specific business.

Related Party Transactions (art. 2427 c. 1 n. 22-bis C.C.)

As provided by the applicable provisions, it is informed that during the course of the accounting year ended on 31/03/2015 no atypical or unusual transaction has taken place, which might for significance and/or relevance lead to doubts about safeguarding of the company's wealth and caring for the interests of the minority shareholders, neither with related parties nor with parties different from the related parties.

Nature and purpose of economic agreements not disclosed in the balance sheet (art. 2427 c. 1 n. 22-ter C.C.)

There do not exist agreements not disclosed in the balance sheet covered under the provision of n. 22-ter of the art.2427 C.C.

Eventual significant effects of the variation in the exchange rate noted after the closing of the accounts for the financial year (art. 2427 c. 1 n. 6-bis C.C.)

After the closing of the accounts for the financial year variation in the exchange rate of the kind to generate significant effect on the profitability/loss in foreign exchange have not been noted.

Important events happening after the closing of the accounts for the year (art. 2428 c. 3 n. 5 C.C.)

Following the closing of the accounts for the year there have not been important events of the kind to find mention in the present explanatory notes.

Information relative to the "fair value" of the derivative financial instruments (art. 2427-bis c. 1 n. 1 C.C.)

At the date of the closing of accounts there was no utilization found of the derivative financial instruments.

FINAL PART OF THE NOTE TO ACCOUNTS

Proposal for Allocation of Profit for the Year

On the basis of the aforesaid, it is proposed to allocate profit for the year, amounting to a total of Euro 11,329 as follows:

- 5%, equal to Euro 567, to the legal reserve;
- carry forward the residual profit for the year equal to Euro 10,762.

These financial accounts, comprising of the Balance Sheet, Statement of Accounts and Notes to accounts, represent in a true and correct manner the Balance Sheet and financial situation as also the financial results for the year and corresponds to the values of the accounting entries.

Nikhil Aggarwal
Director

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, 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were that of exporters and importers of garment and other products.

FINANCIAL RESULTS

The result of the company's operations for the year ended 31st March, 2015 and the state of its affairs at that date are dealt with in the financial statements.

DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 31st March, 2015.

DIRECTORS

The following Directors held office during the year:-

Anchor Assets Ltd.

Mr. Hanumanth Rao Bhounsle

In accordance with the Company's Articles of Association, all the present directors shall remain in office for the ensuing year.

DIRECTORS' INTEREST

Except for the disclosure in Note 10, no contract of significance to which the Company was a party and in which a director 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 debentures of the Company or any other body corporate.

SHARE CAPITAL

During the year, the following increase and allotment of shares were made: -

99,999 ordinary shares of HK\$1.00 each.

The reason for making the issue was to increase the capital base of the company.

AUDITORS'

Messrs. Philip C.C. Hau & Co., Certified Public Accountants, are the Company's retiring auditors who, being eligible, offer themselves for re-appointment.

For and on behalf of the Board

Hong Kong, 21st May, 2015

Chairman

INDEPENDENT AUDITORS' REPORT

To
The Shareholders of
Design Industry Ltd.
(Formerly known as Orissa Manganese & Minerals Ltd.)
(Incorporated in Hong Kong with Limited Liability)

We have audited the financial statements of Design Industry Ltd. which comprises the balance sheet as at 31st March, 2015, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affair as at 31st March, 2015 and of its profit and cash flow for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Philip C.C. Hau & Co.
Certified Public Accountants

Hong Kong, 21st May, 2015

DESIGN INDUSTRY LIMITED
(FORMERLY KNOWN AS ORISSA MANGANESE & MINERALS LTD.)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Notes	HK\$
Turnover	3	21,802,820
Other Revenue		18
Change in Inventories of Finished Goods		(18,313,519)
Other Operating Costs		(2,989,911)
Profit from Operations	4	499,408
Finance Costs	5	(85,349)
Profit before Taxation		414,059
Income Tax Expenses	6	-
Profit after Taxation		414,059
Retained Profits brought forward		-
Retained Profits carried forward		414,059

There were no recognized gains or losses other than the profit after tax for the year.

The notes of accounts form part of these financial statements.

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Notes	HK\$
ASSETS		
Current Assets		
Debtors and Prepayments		4,529,535
Cash at Banks and in Hand		806,116
		5,335,651
Current Liabilities		
Creditors and Accrued Charges		4,224,736
Amount due to Related Company	8	206,856
Amount due to Holding Company	9	390,000
		4,821,592
NET CURRENT ASSETS		514,059
CAPITAL AND RESERVES		
Share Capital	7	100,000
Retained Profits		414,059
		514,059

Approved by the board of directors on 21st May, 2015

Anchor Assets Ltd.
Director/Authorised Signatory

Hanumanth Rao Bhounsle
Director

The notes of accounts form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Share Capital HK\$	Retained Profits HK\$	Total HK\$
Balance b/f	-	-	-
Issue of Share Capital	100,000	-	100,000
Profit after Taxation for the year	-	414 059	414 059
Balance at 31st March, 2015	<u>100,000</u>	<u>414 059</u>	<u>514,059</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	HK\$
OPERATING ACTIVITIES	
Profit from Operations	414,059
Adjustments for:	
Bank Interest Received	(18)
Bank Charges and Interest Paid	85,349
Operating cash flow before movements in Working Capital	<u>499,390</u>
(Increase) in Debtors and Prepayments	(4,529,535)
Increase in Creditors and Accrued Charges	<u>4,224,736</u>
Cash generated from Operations	194,591
Profits Tax Paid	(-)
Net cash from Operating Activities	<u>194,591</u>
INVESTING ACTIVITIES	
Bank Interest Received	18
	<u>18</u>
FINANCING ACTIVITIES	
Proceeds on Issue of Ordinary Shares	100,000
Increase in Amount due to Related Company	206,856
Increase in Amount due to Holding Company	390,000
Bank Charges and Interest Paid	(85,349)
Net cash from Financing Activities	<u>611,507</u>
Net increase in Cash and Cash Equivalents	<u>806,116</u>
Cash and Cash Equivalents b/f	-
Cash and Cash Equivalents at 31st March	<u>806,116</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1. GENERAL INFORMATION

The Company is a private limited company incorporated in Hong Kong. The address of its registered office is Suite 605, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong. The principal activity is the exporters and importers of garment and other products.

The financial statements are presented in Hong Kong Dollars (HK\$), which is the same as the functional currency of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with the Hong Kong Financial Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs") (collectively "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These financial statements have been prepared under historical cost convention, accrual basis of accounting and on the basis that the company is a going concern.

(a) Revenue

Revenue is recognized when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following basis: -

- (i) Sales of Goods are recognized when the entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured;
- (ii) Bank Interest Received is recognized on a time-proportion basis using the effective interest method.

(b) Translation of Foreign Currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong Dollars, which is the Company's functional and presentation currency.

Foreign currency balances at the year ended are translated into Hong Kong dollars at approximately the market rates of exchange ruling at the balance sheet date. Foreign Currency transactions during the year are translated into Hong Kong dollars at the rates ruling at the transaction dates. Differences on foreign currency translation are dealt with in the income statement.

(c) Taxation

Income Tax expense represents the sum of the tax currently payable and deferred tax.

The Tax currently payable is based on taxable profit for tile year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

Deferred Tax is the tax expected to be payable or recoverable on 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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES (CONTD.)

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(d) Impairment of Assets

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the income statement. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation) had no impairment losses been recognized for the asset in prior years.

(e) 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 the 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 the party is a post-employment benefit plan for the benefit or employees or the Company, or of any entity that is a related party of the Company.

PARTICULARS	HK\$
3. TURNOVER	
Turnover represents the amounts received and receivable for goods sold to outside customers, less returns and allowances.	
Sales of Goods	21,802,820
4. PROFIT FROM OPERATIONS	
Profit from operations has been arrived after charging (crediting):-	
Auditors' Remuneration	15,000
and crediting:-	
Bank Interest Received	18
5. FINANCE COSTS	
Bank Charges	85,349
6. INCOME TAX EXPENSES	

In the opinion of the directors, no provision for taxation has been made as the income neither arises in nor is derived from, Hong Kong or any of other jurisdictions in which it operates. Apart from this, all the contracts as regard to the purchases and sales of goods were concluded in overseas, therefore, there was no performance of services rendered in Hong Kong. No deferred tax has been provided in the financial statements as the effect of all timing differences is immaterial.

DESIGN INDUSTRY LIMITED
(FORMERLY KNOWN AS ORISSA MANGANESE & MINERALS LTD.)

NOTES (CONTD.)

PARTICULARS	HK\$
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7. SHARE CAPITAL

Authorized, Issued and Fully Paid:-

100,000 Ordinary Shares of HK\$1.00 each	100,000
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8. AMOUNT DUE TO RELATED COMPANY

Detailed of amount due to related company disclosed pursuant to Section 161B of the Companies Ordinance are as follows: -

World Fashion Trade Ltd.

Balance b/f

Advances	2,390,856
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2,390,856

Repayments

(2,184,000)

Balance at 31/3/2015

206,856

**Maximum amount
outstanding
during the year
HK\$**

**Balance at
31/03/2015
HK\$**

World Fashion Trade Ltd.

Republic of Mauritius

2,390,856

206,856

The amount is unsecured, interest-free and has no fixed term of repayment. This company is under common management and control.

PARTICULARS	HK\$
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9. AMOUNT DUE TO HOLDING COMPANY

Detailed of amount due to holding company disclosed pursuant to Section 161B of the Companies Ordinance are as follows: -

Ultima SA. Switzerland

Balance b/f

Advances	390,000
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390,000

Repayments

Balance at 31/3/2015

390,000

The amount is unsecured, interest-free and has no fixed term of repayment. This company is under common management and control.

10. RELATED PARTY TRANSACTIONS

During the year, the Company entered into the following transactions with related party: -

Related Party	Transaction	HK\$
Bhartiya International Ltd., India	Purchases	13,306,069
Ultima SA, Switzerland	Marketing and Promotion Expenses	390,000
	Purchases	4,951,596
		5,341,596
World Fashion Trade Ltd.	Service Charges in PRC	
Republic of Mauritius	Production Management	2,340,000

In the opinion of the Directors, the above transactions were carried out at market prices.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Bhartiya International Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bhartiya International Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of its associate entities, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of five overseas subsidiaries and one local subsidiary, whose financial statements reflect total assets of Rs. 1,051,853,319/- as at 31st March, 2015/31st December, 2014, total revenues of Rs. 1,892,182,551/- and net cash flows amounting to Rs. 68,841,175/- for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of both the associates wherein the group's share of profit aggregate Rs. 44,163/-. These unaudited financial statements, as approved by the respective Boards of Directors of these companies, have been furnished to us by the management and our report insofar as it relates to the amounts included in respect of the associates is based solely on such approved unaudited financial statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company & subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the 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 of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group,
 - ii. The Holding Company and its Subsidiaries companies did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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 **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 25th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

As stated in Para 1 'Report on Other Legal and Regulatory Requirements' in our Auditors' report of even date, the following statement is based on the comments in the Auditors' reports on the standalone financial statements of the Holding Company and subsidiary companies incorporated in India.

- (i) (a) The Holding Company and its subsidiary companies have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Holding Company and its subsidiary companies have a regular program of physical verification of its fixed assets which in our opinion is reasonable having regard to the size of the respective company and the nature of their assets. No material discrepancies with respect to book records were noticed on such verification.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the respective management of the Holding Company and its subsidiary companies incorporated in India during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management as referred to above are reasonable and adequate in relation to the size of the respective company and the nature of its business.
- (c) The Holding Company and its subsidiary companies incorporated in India are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been properly dealt with in the books of accounts.
- (iii) The Holding Company has granted interest free unsecured loans to two overseas subsidiary companies. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3 (iii) (a) of the Order is not applicable to the company in respect of repayment of the principal amount. There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the overseas subsidiaries companies. The subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained by it under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations obtained by us the Holding Company and its subsidiary companies have an adequate internal control system commensurate with the respective size of each company and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services and there is no continuing failure to correct major weaknesses in internal control system in any of these companies.
- (v) The Holding Company and its subsidiary companies incorporated in India have not accepted any deposits in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The statutory auditors of one of the subsidiary company incorporated in India have broadly reviewed the books of account maintained by that company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-Section 1 of Section 148 of the Act wherever applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, the statutory auditors have not made a detailed examination of the records. For Holding company and other subsidiary companies, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013, for the products and services of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Holding Company and its subsidiary companies incorporated in India by their respective statutory auditors, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, and other material statutory dues, as applicable, have been generally regularly deposited during the year by each of these companies with the appropriate authorities.

According to the information and explanations given to the statutory auditors of the Holding Company and its subsidiary companies, no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

(b) Following are the amounts which are disputed and not paid by the Holding company

Nature of Demand	Amount in Rs	Period to which the Amount Relates	Forum where appeal has been filed
Income Tax (Tax & Interest)	11,639,722/- & 586,060/-	A.Y 2003-04 & A.Y 2004-05	High Court
Karnataka VAT	2,876,543/-	F.Y 2009-2010	Joint Commissioner of Commercial Taxes (Appeals)

(c) According to the information and explanations given to us and on the basis of the examination of the records of the Holding Company and its subsidiary companies, the amounts required to be transferred by the Holding Company to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time. The subsidiary companies incorporated in India did not have any dues on account of Investor Education and Protection Fund.

- (viii) One of the subsidiary company has incurred cash losses on a standalone basis in the current financial year and in the immediately preceding financial year and one of the other subsidiary company has incurred cash losses in the immediately preceding financial year (No cash losses were incurred on a standalone basis in the current financial year). The Holding Company and the remaining subsidiary companies do not have any accumulated losses at the end of the year on a standalone basis, and have not incurred cash losses on a standalone basis, during the year and in the immediately preceding financial year. On a consolidated basis, the Holding Company and its subsidiaries do not have any accumulated losses at the end of the year, and have not incurred cash losses during the year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us the Holding Company and its subsidiaries company incorporated in India has not defaulted in repayment of their respective dues to their banks/financial institutions.
- (x) According to the information and explanations given to the statutory auditors of the Holding Company, the terms and conditions on which the holding company has given guarantees for loan taken by wholly owned subsidiaries from bank/financial institution is not prejudicial to its interest. The terms and conditions on which subsidiary companies have given guarantees for the loans taken by holding company from bank is not prejudicial to its interest.
- (xi) According to the information and explanations given to the respective statutory auditors, the Holding Company and its one subsidiary company have taken term loans and applied for the purpose for which it was obtained.
- (xii) According to the information and explanations given to the statutory auditors of the Holding Company and its subsidiary companies, no instances of fraud on or by each company has been noticed or reported during the course of audit.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 25th May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		AS AT 31st March, 2015	AS AT 31st March, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	112,138,480	110,638,480
(b) Reserves and Surplus	3	1,627,696,084	1,451,826,701
2 Minority Interest		16,613,710	15,188,041
3 Money Received against Share Warrants	4	30,000,000	2,175,000
4 Non-Current Liabilities			
(a) Long-Term Borrowings	5	313,699,750	313,606,621
(b) Deferred Tax Liabilities	6	28,157,559	32,601,355
(c) Other Long-Term Liabilities	7	15,978,600	14,526,000
(d) Long-Term Provisions	8	13,966,170	11,625,642
5 Current Liabilities			
(a) Short-Term Borrowings	9	1,674,980,039	1,354,692,050
(b) Trade Payable	10	537,607,935	295,154,529
(c) Other Current Liabilities	11	269,704,824	127,078,812
(d) Short-Term Provisions	12	92,985,660	68,748,636
TOTAL		4,733,528,811	3,797,861,867
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets	13		
(i) Tangible Assets		666,812,584	648,042,304
(ii) Intangible Assets		4,644,893	5,252,877
(iii) Capital Work In Progress		50,718,597	31,995,649
(iii) Intangible Assets under Developments		9,453,800	3,528,300
(b) Non Current Investments	14	365,504,733	378,361,703
(c) Long Term Loans and Advances	15	22,713,931	25,388,877
(d) Other Non-Current Assets	16	731,749	809,485
(e) Goodwill on Consolidation		2,525,000	2,525,000
2 Current Assets			
(a) Current Investments	17	10,257,170	8,388,432
(b) Inventories	18	1,937,834,394	1,662,679,231
(c) Trade Receivables	19	914,690,944	288,050,149
(d) Cash & Cash Equivalents	20	355,589,116	424,902,581
(e) Short Term Loans and advances	21	391,812,164	317,715,543
(f) Other Current assets	22	239,736	221,736
TOTAL		4,733,528,811	3,797,861,867

Significant Accounting Policies 1 to 32

The accompanying notes are on integral part of the financial statements

As per our report of even date attached

SUSHIL PODDAR & CO.

For and on behalf of the Board

Chartered Accountants

Firm Registration No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

Ramesh Bhatia

Director

New Delhi, 25th May, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2015	Year Ended 31st March, 2014
Income:			
Revenue From Operations	23	5,581,276,840	4,144,095,188
Other income	24	33,380,230	35,149,064
Total Revenue		5,614,657,070	4,179,244,252
Expenses:			
Cost of Raw Material Consumed	25	2,154,937,040	1,102,348,920
Purchases of Stock In Trade		1,392,006,602	1,484,076,245
Changes in Inventories of Finished Goods	26	(81,087,576)	(40,376,863)
Employee Benefits Expenses	27	305,158,346	252,096,827
Finance Cost	28	171,533,607	156,732,250
Depreciation and Amortization Expense	29	63,023,625	39,546,248
Other Expenses	30	1,313,720,709	975,164,546
Total Expenses		5,319,292,354	3,969,588,173
Profit Before Tax		295,364,716	209,656,079
Tax Expense:	31		
Current Tax		86,149,232	54,792,057
Deferred Tax		(2,203,050)	9,904,029
Profit/(Loss) Before Minority Interest and share in Profit/(Loss) of Associates		211,418,534	144,959,993
Less : Minority Interest		1,425,669	(145,320)
Add : Share of Profit of Associate		44,163	77,696
Profit/(Loss) for the period		210,037,028	145,183,009
Earnings Per Equity Share:			
(1) Basic		18.83	13.12
(2) Diluted		18.50	13.06
Significant Accounting Policies & notes on 1 to 32			
The accompanying notes are on integral part of the financial statements			

As per our report of even date attached

SUSHIL PODDAR & CO.

For and on behalf of the Board

Chartered Accountants

Firm Registration No. 014969N

S.K. Poddar

Shilpa Budhia

Manoj Khattar

Snehdeep Aggarwal

Ramesh Bhatia

Partner

Company Secretary

Chief Financial Officer

Managing Director

Director

Mem. No. 094479

New Delhi, 25th May, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxes	295,364,716	209,656,079
Adjusted for :		
Depreciation/Amortisation	63,023,625	39,546,248
Financial Costs	185,548,349	149,951,284
Loss/(Profit) on sale of fixed assets (net)	1,200,431	(1,083,046)
Loss/(Profit) on sale of Investments (net)	(2,636,096)	(1,032,525)
Dividend from Current Investment	(109,770)	(401,145)
Rental Income	(22,499,225)	(21,256,475)
Provision for Employees Stock Option Benefits	(170,363)	170,363
Effect of Exchange rate change	(14,014,742)	6,780,967
Provision no longer required	(1,464,391)	(6,497,441)
	208,877,818	166,178,230
Operating profit before working capital change	504,242,534	375,834,309
Adjustment for :		
Inventories	(275,155,163)	(581,546,691)
Trade and Other Receivables	(626,640,796)	87,836,200
Loans and Advances	(66,711,857)	(105,738,251)
Trade and Other Payables	377,955,393	56,162,791
	(590,552,423)	(543,285,951)
Cash generated from operations	(86,309,889)	(167,451,642)
Income Tax Paid (net)	(70,483,940)	(46,385,239)
Effect of Exchange rate Change	14,014,742	(6,780,967)
Currency Fluctuation reserve on Consolidation	(30,756,067)	8,052,540
NET CASH FROM OPERATING ACTIVITIES	(173,535,154)	(212,565,308)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale/(Purchases) of Investment (Net)	15,132,885	27,250,006
Dividend from Current Investment	109,770	401,145
Rent Received	22,499,225	21,256,475
Sale of Fixed Assets	1,446,335	2,468,304
Purchase of fixed assets/Capital W.I.P.	(115,109,641)	(73,754,867)
Preliminary Expenses Incurred	(180,000)	-
NET CASH USED IN INVESTMENT ACTIVITIES	(76,101,426)	(22,378,937)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds from Long Term Borrowings	14,422,535	44,466,526
Net Proceeds from Short Term Borrowings	320,287,989	624,338,222
Share Capital Issue Proceeds (Net)	14,325,000	-
Share Warrant Issued	30,000,000	-
Dividend paid (including dividend tax)	(13,164,059)	(13,110,083)
Finance Cost Paid	(185,548,349)	(149,951,284)
NET CASH USED IN FINANCING ACTIVITIES	180,323,116	505,743,381
Net Increase/(Decrease) In Cash And Cash Equivalent (A+B+C)	(69,313,464)	270,799,136
Cash and Cash Equivalents-Opening Balance	424,902,581	154,103,445
Cash and Cash Equivalents- Closing Balance	355,589,116	424,902,581

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

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

Ramesh Bhatia

Director

New Delhi, 25th May, 2015

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.10 General Information :

The consolidated financial statements present the consolidated accounts of Bhartiya International Ltd. with its following subsidiaries & Associates:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership	
		Current Year	Previous Year
A) SUBSIDIARY			
Indian Subsidiaries			
Bhartiya Global Marketing Ltd.	India	100%	100%
J & J Leather Enterprises Ltd.	India	100%	100%
Bhartiya International Sez Ltd.	India	89%	89%
Bhartiya Fashion Retail Ltd.	India	100%	100%
Foreign Subsidiaries			
World Fashion Trade Ltd.	Mauritius	100%	100%
BIL Group LLC	USA	100%	100%
Ultima SA	Switzerland	100%	100%
Ultima Italia SRL	Italy	100%	100%
Design Industry Ltd.	Hongkong	100%	-
B) ASSOCIATES			
Bhartiya Urban Infrastructure & Land Development Co Pvt. Ltd.	India	29.60%	29.60%
TADA Mega Leather Cluster Pvt. Ltd.	India	50%	50%

1.20 SIGNIFICANT ACCOUNTING POLICIES

1.21 Basis of Preparation of Financial Statements :

- i) These consolidated financial statements have been prepared to comply in all material aspects with applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act and other accounting principles generally accepted in India.
- ii) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after elimination of intra-group balances and intra-group transactions in accordance with Accounting Standard 21-“Consolidated Financial Statements”
- iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as case may be.
- iv) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company’s shareholders
- v) Minority Interest in the share of Net Profit/(Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the Group.
- vi) Investments in associates are accounted for using the equity method of accounting as laid down under Accounting Standard (AS) 23, “Accounting for Investment in Associate in Consolidated Financial Statements”. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor’s share of the profit or loss of the investee after the acquisition date.
- vii) The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other relevants in similar circumstances. The accounting polices adopted in the preparation of financial statements are consistent with those of previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**1.22 Fixed Assets**

Fixed assets are stated at cost of acquisition inclusive of duties, non-refundable taxes, incidental expenses related to acquisition and reduced by subsidy/Grant. In respect of projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Interest on borrowing and other financial cost during the period of construction/acquisition, is added to the cost of Fixed Assets. Goodwill acquired in an acquisition of business are valued at the acquisition cost and amortised over their useful life.

1.23 Depreciation

In respect of fixed assets acquired during the year, depreciation is charged on a straight line basis so as to write off the cost of assets over the useful lives as prescribed in Schedule II of the Companies Act, 2013 and for the assets acquired prior to 1st April, 2014, the carrying amount as on 1st April, 2014 is depreciated over the remanding useful life. Cost of Leasehold land is amortised over the period of lease. Depreciation on assets at the overseas subsidiaries are as per the rates applicable based on estimated useful life of the asset. Depreciation on Fixed Assets of subsidiary Company J&J Leather Enterprises Limited has been calculated on Written Down Method as per the rates specified in Schedule II of the Companies Act, 2013.

1.24 Investment

All long term investments are stated at cost. Provision is made for any diminution in value considered permanent. Current Investments are carried at lower of cost or market price.

1.25 Inventories

Raw materials and consumables have been valued at cost after providing for obsolescence. Cost comprise of Cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Finished goods are valued at lower of cost or net realisable value. Cost is determined as per the absorption costing method.

Inventories of land is valued at cost which comprises cost of land, Materials, Services and Overheads directly related to development of land.

1.26 Foreign Exchange Transactions**Individual Companies**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Current Assets and Current Liabilities at the year end, outstanding in foreign currency, are converted at the year end rates.

All gains/losses on conversion are charged to profit and loss account.

For Consolidation

For the purpose of consolidation, the amounts appearing in foreign currencies in the Financial Statements of the foreign subsidiaries are translated into Indian Rupees at the following rates of exchange :

- a) Average rates for income and expenditure.
- b) Year end rates for assets and liabilities.

The foreign exchange gain/loss on account of income and expenditure consolidation is included in the profit and loss account and foreign exchange fluctuation gain/loss on account of consolidation of assets and liabilities of subsidiaries is transferred to "Currency Fluctuation Reserve Account".

1.27 Revenue Recognition**Sale of Goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods are passed on to the buyer which is generally on dispatch of goods to customers.

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

Export Incentive under the "Duty Entitlement Pass Book Scheme" and "Duty Draw back scheme" are accounted for in the Year of Export. Other export incentives are accounted for on actual receipt basis.

Dividend

Dividend income is recognised when the right to receive the dividend is established

1.28 Retirement Benefits

The employer's contribution to the employees provident fund is charged to the profit and loss account during the year. The gratuity liability is provided for on all eligible employees during the year on accrual basis. Provision is made for value of unutilised leave due to employees at the end of the year.

1.29 Taxation

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent periods.

1.30 Government Grants

Grants received from the Government which are in the nature of promoter's contribution, and are with reference to the total investment without any liability for repayment, are treated as capital reserve. Grant received against specific fixed assets are adjusted to the cost of assets. Revenue Grants are recognised in the profit and loss account in accordance with the relevant scheme.

1.31 Derivative Financial Instruments and Hedge Accounting

The Company has adopted principles of hedges accounting as set out in Accounting Standard (AS) 30, " Financial Instruments Recognition and Measurement", to the extent that the adoption does not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements of the Company Law and other regulatory requirements. The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduce the risk or cost to the Company. The Company does not use these contracts for trading or speculation purpose.

1.32 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires judgments, estimates and assumptions to be made that effect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/materialised.

1.33 Impairment of Assets

Where there is a indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognised to the extent carrying amount exceeds recoverable amount.

1.34 Provisions Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard -29 (Provisions, Contingent Liabilities and Contingent Assets), issued by the institute of Chartered Accountants of India, provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
2.0 SHARE CAPITAL		
Authorised Share Capital		
a) 20,000,000 (Previous Year 20,000,000) Equity Shares of Rs. 10/- each	200,000,000	200,000,000
b) 500,000 (Previous Year 500,000) Preference Shares of Rs. 100/- each	50,000,000	50,000,000
	250,000,000	250,000,000
Issued, Subscribed & Paid up :		
a) 1,12,13,848 (Previous Year 1,10,63,848) equity shares of Rs.10/- each fully paid Up.	112,138,480	110,638,480
	112,138,480	110,638,480

2.1 The details of Shareholders holding more than 5% shares

Name of the share holders	As at	As at	As at	As at
	31st March, 2015 No. of Shares	31st March, 2015 % of Holding	31st March, 2014 No. of Shares	31st March, 2014 % of Holding
(a) Snehdeep Aggarwal	1,143,362	10.24	1,143,362	10.33
(b) Bharitya Infotech Pvt. Ltd.	1,000,000	8.96	1,000,000	9.04
(c) Bhartiya Global Holdings Pvt. Ltd.	1,350,000	12.09	1,350,000	12.20
(d) Spirit Impex Pvt. Ltd.	1,200,000	10.75	1,200,000	10.85
(e) Bhartiya Finstock Pvt. Ltd.	681,926	6.11	615,536	5.56
(f) Morgan Stanlay Asia (Singapore) PTE	745,315	6.68	-	-

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

Particulars	As at 31st March, 2015 No. of Shares	As at 31st March, 2014 No. of Shares
Shares outstanding at the beginning of the year	11,063,848	11,063,848
Shares Issued during the year	150,000	-
Shares outstanding at the end of the year	11,213,848	11,063,848

2.3 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.

2.4 100,000 Equity shares of Rs. 10/- each at a premium of Rs. 77/- each issued to non-promoters on conversion of preferential Share Warrants.

2.5 The Company allotted 50,000 Equity shares of Rs. 10/- each at a premium of Rs. 146/- each in terms of the Employee Stock Option Scheme upon exercise of right of conversion of 50,000 options into equity shares by the employee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
3 RESERVES & SURPLUS		
i) Capital Reserves		
As Per last Balance Sheet	4,621,283	4,621,283
Add: Transferred from Profit and Loss A/c	-	-
	<u>4,621,283</u>	<u>4,621,283</u>
ii) Share Premium A/c		
As Per last Balance Sheet	376,165,000	376,165,000
Add: Additions during the year on fresh issue of shares	15,000,000	-
	<u>391,165,000</u>	<u>376,165,000</u>
iii) Currency Fluctuation Reserve		
As Per last Balance Sheet	33,706,547	25,654,007
Add: Addition during the year	(30,756,067)	8,052,540
	<u>2,950,480</u>	<u>33,706,547</u>
iv) Prferential Share Warrant Forfeited	8,500,000	8,500,000
v) General Reserves		
As Per last balance sheet	223,165,030	202,487,580
Add: Transferred from Profit and Loss A/c	26,964,380	20,677,450
	<u>250,129,410</u>	<u>223,165,030</u>
vi) Surplus in Statement of Profit & Loss		
As Per last Balance Sheet	805,498,478	693,937,067
Less: Adjustment relating to fixed assets (Refer Note No. 13.1)	4,627,495	-
Add: Profit for the Year	210,037,028	145,183,009
	<u>1,010,908,011</u>	<u>839,120,077</u>
Less : Appropriations		
- General Reserve	26,964,380	20,677,450
- Proposed Dividend	11,213,848	11,063,848
- Tax on Dividend	2,282,876	1,880,301
	<u>970,446,907</u>	<u>805,498,478</u>
Less : Dividend Paid on Fresh issue of Shares	100,000	-
Less : Dividend Tax on Fresh issue of Shares	16,995	-
	<u>970,329,912</u>	<u>805,498,478</u>
vii) Stock Option Outstanding	-	170,363
TOTAL	<u>1,627,696,084</u>	<u>1,451,826,701</u>

3.1 Foreign currency transactions are translated as per the accounting policy referred to in note no. 1.26. Foreign exchange gain/loss on account of income and expenditure in consolidation is included in the profit and loss, and foreign exchange fluctuation debit of Rs. 30,756,067/- (Previous year credit of Rs. 8,052,540/-) on account of consolidation of assets and liabilities of subsidiaries have been transferred to Currency Fluctuation Reserve account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
4 Money Received against Share Warrants		
a) Preferential Share Warrant :		
1,00,000 Preferential Share warrant paid up Rs. 21.75/- each. (Previous Year 1,00,000 warrants of Paid up Rs. 21.75/- each.)	2,175,000	2,175,000
Add : 5,00,000 Preferential Share Warrants issued paid up Rs. 60/- each (Previous Year - Nil)	30,000,000	-
	32,175,000	2,175,000
Less : 1,00,000 Preferential Share Warrants Converted into Equity Shares paid up Rs. 21.75/- (Previous Year - Nil)	2,175,000	-
	30,000,000	2,175,000
4.1 The Company has allotted 500,000 warrants to promoter company on 18th June, 2014 on preferential basis, convertible into equity shares of Rs. 10/- each fully paid up. The holders of warrants have a right to apply one equity share of Rs. 10/- each at a premium of Rs. 230/- with in a period of 18 months from the date of allotment. Against this the company has received Rs. 60/- per warrant.		
5 LONG TERM BORROWINGS		
Secured		
- Term Loans from Banks	309,995,660	309,671,412
- Vehicle Loans from Banks	3,704,090	3,935,209
TOTAL	313,699,750	313,606,621
5.1 Term Loan from Allahabad Bank, balance outstanding amounting to Rs. 418.95 lacs (March 31,2014 Rs. 768.03 lacs) is secured by first parri passu charge (with Axis Bank) on specific land, building and machinery of the project created out of the Term loan and personal guarantee of one of the Director. The loan is repayable in fifteen equal quarterly installments starting from April 2013. Last installment due in January 2017. Rate of interest 13.75 p.a. as at year end (Previous Year 13.70 % p.a.).		
5.2 Term Loans from IDBI Bank, balance outstanding amounting to Rs. 728.83 lacs (31st March, 2014 Rs. 750.00 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director. The loan is repayable in 180 monthly Installment starting from February, 2013. Last installment due in February, 2028. Rate of Interest 12.25% p.a. as at year end (Previous Year 12.25 % p.a.).		
5.3 Term Loans from IDBI Bank, balance outstanding amounting to Rs. 1,873.71 lacs (31st March, 2014 Rs. 1,935.69 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director. Repayable in 161 monthly Installment starting from June 14. Last installment due in Nov 2027. Rate of Interest 12.5% p.a. as at year end (Previous Year 12.25% p.a.)		
5.4 Term Loan from Axis Bank, balance outstanding amounting to Rs. 585 Lacs (31st March, 2014 Rs. Nil) is secured by exclusive charge over the fixed assets funded out of it. Exclusive charge by way of Equitable Mortgage over the immovable property situated at plot No 69, 3rd Road, 1st Phase, Jigani industrial Area, Part of Sy No 588 & 590 Jigani, Anekai Taluk, Bangalore, 562106 and personal guarantee of one of the Director The Loan is repayble in 15 Quarterly Installment starting from September, 2015. Last installment due in June, 2019. Rate of interest 12.25% p.a. as at year end (previous year - N/A)		
5.5 Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
6 DEFERRED TAX LIABILITY (NET)		
a) Deferred Tax Liabilities		
Related to Fixed Assets	36,865,306	40,808,599
Related to Provision for Gratuity/Bonus		
b) Deferred Tax Assets		
Related to Capital Losses	(2,449,221)	(2,981,938)
Related to Carried Forward Losses	(5,926,240)	(4,893,020)
Related to Provision for Gratuity/Bonus	(332,286)	(332,286)
TOTAL	28,157,559	32,601,355
7 OTHER LONG TERM LIABILITIES		
(a) Security Deposit from related parties (refer note no 32.7)	15,978,600	14,526,000
TOTAL	15,978,600	14,526,000
8 LONG TERM PROVISIONS		
(a) Provision for employees benefit Provision for Gratuity	13,966,170	11,625,642
TOTAL	13,966,170	11,625,642
9 SHORT TERM BORROWINGS		
Secured		
- Working Capital Loans From Banks	1,674,980,039	1,354,692,050
TOTAL	1,674,980,039	1,354,692,050
9.1 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.		
9.2 Foreign documentary bills discounted with Banks have been shown as a contingent liability. The same are secured against the export bills and the personal guarantee of Director.		
9.3 Working Capital facilities in overseas subsidiaries are secured against Corporate guarantee/SBLC of Bhartiya International Limited.		
10 TRADE PAYABLE		
(a) Payable	426,217,333	266,593,202
(b) Acceptance	111,390,602	28,561,327
TOTAL	537,607,935	295,154,529
11 OTHER CURRENT LIABILITIES		
(a) Current maturities of Long Term Borrowings	52,712,522	38,383,116
(b) Unclaimed Dividend	968,223	1,071,138
(c) Statutory Dues Payable	22,918,891	5,278,963
(d) Other current liabilities	193,105,188	82,345,595
TOTAL	269,704,824	127,078,812
12 SHORT TERM PROVISIONS		
(a) Provision for Employees benefits	6,620,853	3,311,514
(b) Provision for Income Tax	72,868,083	52,492,973
(c) Proposed Dividend	11,213,848	11,063,848
(d) Tax on Proposed Dividend	2,282,876	1,880,301
TOTAL	92,985,660	68,748,636

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

13 FIXED ASSETS

Amount in Rs.

PARTICULARS	Gross Block			Depreciation			Net Block		
	As at 1st April, 2014	Additions/ Adjustments during the year	Deduction/ Retirement during the year	As at 31st March, 2015	Retained Earnings for the year	For the year	Deduction/ adjustments during the year	As at 31st March, 2014	As at 31st March, 2015
Tangible Assets :									
Own Assets :									
Land	25,570,461	-	-	25,570,461	-	-	-	25,570,461	25,570,461
Lease Hold Land	30,000,000	30,000,000	-	60,000,000	-	624,136	-	28,902,439	58,278,303
Building	432,467,669	6,725,277	-	439,192,946	-	16,955,776	-	357,591,115	347,360,616
Machinery	247,015,970	36,681,454	-	283,697,424	110,923	21,668,765	-	159,822,863	174,724,629
Vehicles	45,441,634	5,378,666	6,412,757	44,407,543	78,332	4,759,406	4,824,000	19,727,420	18,679,591
Furniture	69,193,387	2,553,999	14,467,597	57,279,789	1,755,030	6,900,745	13,765,994	37,534,201	19,745,588
Office Equipments	31,965,246	2,208,527	7,636,681	26,537,092	3,597,369	4,351,219	7,280,275	23,210,668	17,114,201
Computers	11,306,377	3,759,962	2,700,630	12,365,709	1,047,106	4,042,032	2,700,630	6,668,371	5,339,195
Total (A)	892,960,744	87,307,885	31,217,665	949,050,964	244,918,440	59,302,079	28,570,899	648,042,304	666,812,584
Previous Year	858,507,074	39,860,183	5,406,513	892,960,744	-	37,569,385	4,021,255	647,136,764	648,042,304
Intangible Assets :									
Computer Software	5,017,282	3,153,301	223,216	7,947,367	279,475	2,558,929	223,216	3,518,532	3,833,429
Goodwill	25,640,943	-	-	25,640,943	-	922,881	-	1,734,345	811,464
Total (B)	30,658,225	3,153,301	223,216	33,588,310	279,475	3,481,810	223,216	5,252,877	4,644,893
Previous Year	30,304,645	353,580	-	30,658,225	-	1,755,127	-	6,654,424	5,252,877
Capital work in Progress									
Capital work in Progress	31,995,649	43,826,859	25,103,911	50,718,597	-	-	-	31,995,649	50,718,597
Total (C)	31,995,649	43,826,859	25,103,911	50,718,597	-	-	-	31,995,649	50,718,597
Previous Year	1,982,844	31,995,649	1,982,844	31,995,649	-	-	-	1,982,844	31,995,649
Intangible Assets under Development									
Intangible Assets under Development	3,528,300	5,925,500	-	9,453,800	-	-	-	3,528,300	9,453,800
Total (D)	3,528,300	5,925,500	-	9,453,800	-	-	-	3,528,300	9,453,800
Previous Year	-	3,528,300	-	3,528,300	-	-	-	-	3,528,300
Total (A+B+C+D)	959,142,918	140,213,545	56,544,792	1,042,811,671	270,323,788	62,783,889	28,794,115	688,819,130	731,629,874
Previous Year	890,794,563	75,737,712	7,389,357	959,142,918	235,020,531	39,324,512	4,021,255	655,774,032	688,819,130

13.1 Registration formalities in respect of properties for Rs.18,50,000/- (Previous Year 18,50,000/-) are pending.

13.2 During the Year ending 31st March, 2015 certain assets which were not in use having net book value of Rs. 10,58,009/- were retired.

13.3 In compliance with the provisions of Schedule II of the Companies Act, 2013, fixed assets which has completed their useful life as on 1st April 2014, the carrying value (net of residual value) amounting to Rs. 46,27,495/- (net of deferred tax of Rs. 22,40Lacs) has been recognized in the Retain Earning.

13.4 Had the Company continued with the previous method of depreciation, depreciation and amortization expenses for the year would have been lower by Rs. 2,03,29,151/-.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.			
	No. of Shares/Units	As at 31 st March, 2015	No. of Shares/Units	As at 31 st March, 2014
14 NON CURRENT INVESTMENTS				
Trade Investments (Unquoted at cost)				
(a) Capital in Firm "Bhartiya Prakash Leathers"		50,000		50,000
(b) Investment in Associate Company				
Equity Shares #	11,205,000	244,885,000	11,205,000	244,840,837
Preference Shares	4,796,865	119,960,000	4,796,865	119,960,000
		364,895,000		364,850,837
Non Trade Investments				
A) Investments in Mutual Funds (Quoted)				
1 DSPML India T.I.G.E.R Fund - Growth	-	-	118,509	5,000,000
2 DSPBR Top 100 Equity Fund - Growth	-	-	43,518	4,000,000
3 Kotak 50 Equity Scheme - Growth	-	-	21,795	2,004,366
4 Goldman Sachs Liquid Exchange Traded Scheme	602,45	603,233	-	-
		603,233		11,004,366
B) Investments in Debenture (Unquoted)				
1 Redeemable NCD of Citicorp Finance India	-	-	-	2,500,000
				2,500,000
C) Other Investments				
1 Indra Vikas Patra	-	6,500	-	6,500
		6,500		6,500
Gross Total		365,504,733		378,361,703
# Particulars of Investment in equity shares of Associate				
Name of Associate Company				
A) Bhartiya Urban Infrastructure & Land Development Co Pvt. Ltd.		29.60%		29.60%
Cost of acquisition		280,000,000		280,000,000
Share of post acquisition reserves & surplus		(35,115,920)		(35,185,956)
Carrying Value		244,884,080		244,814,044
B) TADA Mega Leather Cluster Pvt. Ltd.		0.50		0.50
Cost of acquisition		50,000		50,000
Share of post acquisition reserves & surplus		(49,080)		(23,207)
Carrying Value		920		26,793

BHARTIYA INTERNATIONAL LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
15 LONG TERM LOANS & ADVANCES		
(Unsecured & Considered Good)		
(a) Security and Other Deposits	8,764,845	6,856,657
(b) Other Advances	13,949,086	18,532,220
TOTAL	22,713,931	25,388,877
16 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	710,749	788,485
(b) Other Advances	21,000	21,000
TOTAL	731,749	809,485

PARTICULARS	Amount in Rs.			
	No. of Shares/Units	As at 31 st March, 2015	No. of Shares/Units	As at 31 st March, 2014
17 CURRENT INVESTMENTS				
i) In Equity Shares Quoted, fully paid up				
1 Bharat Forge Ltd.	620	633,651	-	-
2 Container Corp of India Ltd.	300	438,214	-	-
3 Cummins India Ltd.	665	601,413	-	-
4 Dabur India Ltd.	3,830	930,733	-	-
5 Godrej Consumer Product Ltd.	550	605,756	-	-
6 HDFC Ltd.	1,125	834,818	-	-
7 Hindalco Industries Ltd.	-	-	5,000	617,993
8 Hindustan Copper Ltd.	-	-	9,000	987,082
9 Hindustan Zinc Ltd.	-	-	5,000	605,148
10 Hero Motocop Ltd.	140	424,470	-	-
11 Indusind Bank Ltd.	710	621,166	-	-
12 Infosys Ltd.	290	625,293	-	-
13 ITC Ltd.	1,135	420,621	-	-
14 IL&FS Transport Network Ltd.	-	-	5000	572,920
15 Jaiprakash Associates Ltd.	-	-	10,000	535,727
16 Larsan & Toubro Ltd.	450	376,877	750	708,645
17 Lupin Ltd.	750	701,466	1,000	603,378
18 L&T Finance Holdings Ltd.	-	-	5,000	357,402
19 Max India Ltd.	-	-	2,500	597,680
20 Maruti Suzuki India Ltd.	170	606,458	-	-
21 Motherson Sumi Systems Ltd.	2,000	638,580	-	-
22 Page Industries Ltd.	40	414,436	-	-
23 Sun Pharmaceuticals Ltd.	475	421,648	-	-
24 Reliance Capital Ltd.	-	-	1,000	811,186
25 Reliance Industries Ltd.	-	-	800	767,038

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

		Amount in Rs.			
PARTICULARS	No. of Shares/Units	As at 31 st March, 2015	No. of Shares/Units	As at 31 st March, 2014	
26	Reliance Infrastructure Ltd.	-	350	350,903	
27	Tata Consultancy Services Ltd.	160	-	-	
28	Tata Steel Ltd.	-	4,100	2,114,372	
29	Tata Motors Ltd.	750	-	-	
	Total	10,033,821		9,629,474	
ii) In Equity Shares Unquoted, Fully Paid Up					
1	Sai Rayalaseem Paper Mills Ltd.	31,792	31,792	386,273	
	Total	386,273		386,273	
	Grand Total	10,420,094		10,015,747	
	Less:- Provision for diminution in the value of Investments	162,924		1,627,315	
	TOTAL CURRENT INVESTMENTS	10,257,170		8,388,432	
	Aggregate amount of quoted Investments	9,870,895		8,002,159	
	Market value of quoted Investments	12,399,828		8,733,248	
	Aggregate amount of unquoted Investments	386,273		386,273	

		Amount in Rs.	
PARTICULARS		As at 31 st March, 2015	As at 31 st March, 2014
18 INVENTORIES			
As Valued and Certified by the management			
(a)	Raw Materials	1,591,886,164	1,383,034,023
(b)	Finished Goods	222,378,804	141,291,228
(c)	Work In Progress	123,569,426	138,353,980
	TOTAL	1,937,834,394	1,662,679,231
19 TRADE RECEIVABLES			
(a)	Unsecured, considered good	914,690,944	288,050,149
	TOTAL	914,690,944	288,050,149
19.1 The Company has filed legal Suit for recovery of Rs. 6,162,337/- against one of its overseas customer. Management is confident of recovery of the same and hence has not made any provision for bad & doubtful debts against this.			
20 CASH AND CASH EQUIVALENT			
(a)	Balances with Banks		
	- In Current Accounts	256,583,449	298,992,102
	- In Fixed Deposits	93,438,161	119,767,452
(b)	Cash on Hand	5,567,506	6,143,027
	TOTAL	355,589,116	424,902,581

20.1 Balances with banks Includes Unclaimed Dividend of Rs. 968,223/- (Previous year Rs. 1,071,138/-)

20.2 Fixed Deposits of Rs. 53,375,585/- (previous year Rs. 118,422,933/-) are pledged with the banks for various limits and facilities granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
21 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
(a) Advance Tax/TDS	39,533,603	34,823,785
(b) Vat Receivable	67,317,129	43,362,021
(c) Prepaid Expenses	10,339,054	9,355,366
(d) Export Incentive Receivable	118,283,523	105,533,570
(e) Other Advances	156,338,855	124,640,801
TOTAL	391,812,164	317,715,543

The company has filed a writ petition before the Madras High Court for the recovery of drawback amounting to Rs. 3,363,721/- against the Chief Commissioner of Customs Chennai. The management is confident for the recovery of the said amount and hence has not made any provision for bad & doubtful debts against this.

22 OTHER CURRENT ASSETS		
(a) Preliminary Expenses (to be written off in next year)	239,736	221,736
TOTAL	239,736	221,736

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
23 REVENUE FROM OPERATION		
(a) Sales	5,252,237,111	3,921,062,716
(b) Export Incentive	329,039,729	223,032,472
TOTAL	5,581,276,840	4,144,095,188
24 OTHER INCOME		
(a) Dividend Income	109,770	401,145
(b) Profit on sale of Investments	2,636,096	1,032,525
(c) Rental Income	22,499,225	21,256,475
(d) Other Income	6,670,748	5,961,478
(e) Provision for Diminution in Value of Investments written back	1,464,391	6,497,441
TOTAL	33,380,230	35,149,064
25 RAW MATERIAL CONSUMPTION		
Opening Stock	1,383,034,023	848,892,661
Add : Purchases	2,363,789,181	1,636,490,282
	3,746,823,204	2,485,382,943
Less : Closing Stock	1,591,886,164	1,383,034,023
RAW MATERIAL CONSUMPTION	2,154,937,040	1,102,348,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
26 CHANGE IN INVENTORIES OF FINISHED GOODS		
(a) Opening Stock	141,291,228	100,914,365
(b) Closing Stock	222,378,804	141,291,228
Decrease/(Increase)	(81,087,576)	(40,376,863)
27 EMPLOYEE BENEFITS EXPENSES		
(a) Salary & Allowances	277,195,263	229,069,585
(b) Contribution to Provident & Other fund	13,984,697	10,385,805
(c) Staff Welfare Expenses	13,978,386	12,641,437
TOTAL	305,158,346	252,096,827
28 FINANCE COST		
(a) Interest & Other financial charges	185,548,349	149,951,283
(b) Loss/(Profit) on foreign currency transactions	(14,014,742)	6,780,967
TOTAL	171,533,607	156,732,250
29 DEPRECIATION AND AMORTISATION		
(a) Depreciation	62,783,889	39,324,512
(b) Preliminary Expenses W/off	239,736	221,736
TOTAL	63,023,625	39,546,248
30 OTHER EXPENSES		
(I) Manufacturing Expenses		
Job work/Fabrication charges	825,911,582	575,919,300
Freight & Cartage	18,502,290	19,349,021
Other Manufacturing Expenses	20,907,017	17,273,155
(II) Selling & Administrative Expenses		
Rent	18,320,123	13,421,199
Travelling	89,356,432	72,706,140
Power & Fuel	25,296,280	21,582,702
Insurance	6,354,318	5,046,692
Freight Outward	59,159,819	36,200,440
Commission, Brokerage & Discount	38,345,464	13,315,563
Repair & Maintenances	26,638,701	20,281,565
Miscellaneous Expenses	40,139,627	37,215,463
Communication Cost	11,686,956	8,315,277
Consultancy Charges	99,911,297	103,283,168
Rates, Taxes & Duties	6,698,678	15,590,223
Auditors Remuneration	3,016,310	1,940,381
Loss on Sale of Fixed Assets	1,200,431	(1,083,046)
Expenditure towards CSR Activities	959,745	-
Directors Meeting Fees	104,322	88,963
Packing Expenses	21,211,317	14,718,340
TOTAL	1,313,720,709	975,164,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
31 TAX EXPENSE		
I) Current Tax		
(a) Current Year Tax	81,078,595	54,889,756
(b) Earlier Year Tax	5,070,637	(97,699)
	86,149,232	54,792,057
II) Deferred Tax		
(a) Related To Fixed Assets	(1,702,547)	6,523,512
(b) Related To Capital Losses	532,717	1,305,900
(c) Related To Brought forward Losses	(1,033,220)	2,074,617
	(2,203,050)	9,904,029
32.1 CONTINGENT LIABILITIES AND COMMITMENTS		
1 Estimated value of contract remaining to be executed on capital Account and not provided for	7,899,425	9,879,947
2 Contingent liabilities not provided for		
i) Letter of Credit/Import Bills outstanding -	60,333,114	172,523,135
ii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
- Ultima S A	668,694,300	247,260,000
- WFT Ltd	21,959,000	29,085,000
iii) Bills discounted with banks -	21,052,626	23,219,179
iv) Other Guarantee given by bank -with corporation Bank	2,113,580	4,545,000
v) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries		
- Ultima Italia Srl	-	53,300,000
- Ultima SA	943,050,000	-
vi) Income Tax Demand under dispute	12,225,782	12,225,782
vii) Karnataka VAT Demand under dispute -	2,876,543	-
viii) Corporate Guranantee executed by the Subsidiary Company to bank against facilities granted by bank to parent company	345,000,000	345,000,000
xi) Forward Contracts outstanding		
In GBP	1.85 Million (Rs.1722.30 Lacs)	0.50 Million (Rs 530 Lacs)
In USD	9 Million (Rs. 5658 Lacs)	1.75 Million (Rs 1124.9 Lacs)
In EURO	0.45 Million (Rs 306.4 Lacs)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

32.2 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 in Rs.	As a % of Consolidated Profit	Amount in Rs.
Parent :				
Bhartiya International Ltd	91.56%	1,635,697,355	66.54%	140,675,320
SUBSIDIARY				
Indian Subsidiaries				
Bhartiya Global Marketing Ltd.	2.49%	44,418,360	(1.17%)	(2,474,758)
J & J Leather Enterprises Ltd.	2.41%	43,091,823	0.02%	34,458
Bhartiya International Sez Ltd.	8.45%	150,924,108	6.10%	12,896,820
Bhartiya Fashion Retail Ltd.	0.02%	336,099	(0.01%)	(25,486)
Foreign Subsidiaries				
World Fashion Trade Ltd.	(-3.00%)	(53,675,255)	1.97%	4,155,177
BIL Group LLC	0.005%	82,099	(0.10%)	(203,303)
Ultima SA	12.59%	224,898,687	24.62%	52,058,017
Ultima Italia SRL	8.05%	143,727,810	0.36%	763,749
Design Industry Ltd.	0.26%	4,719,189	1.58%	3,335,243
Sub Total		2,194,220,274		211,215,236
Inter-Company Elimination & Consolidation Adjustments	(-22.83%)	(407,772,000)	0.10%	203,298
Grand Total		1,786,448,274		211,418,534
Minority Interest in Subsidiaries		(16,613,710)		(1,425,669)
Share of Profit in Associates				44,163
		1,769,834,564		210,037,028

32.3 Earning Per Share (EPS)

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Income available to Equity Shareholders	210,037,028	145,183,009
No of Shares at the beginning of the Year (A)	11,063,848	11,063,848
Equity allotted during the year	150,000	-
Weighted Average Shares (B)	90,521	-
Weighted Average Shares Outstanding (nos) (A+B)	11,154,369	11,063,848
Add: adjustment for warrants convertible into Equity Shares	201,692	52,532
Weighted Average number of equity shares for Diluted EPS	11,356,061	11,116,380
Nominal Value per share	10	10
Earnings per share (Basic)	18.83	13.12
Earnings per share (Diluted)	18.50	13.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

32.4 Previous year figures has been regrouped/reclassified wherever necessary to conform to the Present Period Presentation.

32.5 In the opinion of the Directors, the Current Assets, Long Term Loans and Advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.

32.6 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 International Financial Reporting Standards. The differences in accounting policies of the Company and its subsidiaries/associates are not material and there are no material transactions from 1st January, 2015 to 31st March, 2015 in respect of subsidiaries having financial year ended 31st December, 2014.

32.7 Related party disclosures

Related party disclosure as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

a) Name of Related Parties & Nature of Relationship:

1 Associate Parties	Bhartiya Prakash Leather Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. Bhartiya City Developers Pvt. Ltd Tada Mega Leather Cluster Pvt. Ltd.
2 Key Management Personnel	Snehdeep Aggarwal Jaspal Sethi A.K. Gadhok Manoj Khattar Shilpa Budhia
3 Board of Directors	Ramesh Bhatia C.L. Handa A. Sahasranaman Shashank Sandeep Seth Nikhil Aggarwal Annapurna Dixit Walter W Zwahlen A. P. S. Narag V. K. Chopra
4 Relatives of Key Management Personnel	Kanwal Aggarwal Arjun Aggarwal
5 Enterprises owned or significantly influenced by key management personnel or their relatives	Itopia Management Services (India) Pvt. Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
b) Transactions during the year with related parties		
1 Sales		
Bhartiya City Developers Pvt. Ltd.	413,096	-
2 Ticketing		
Itopia Management Services (India) Pvt. Ltd.	16,695,525	12,862,334
3 Salaries		
Snehdeep Aggarwal	1,839,600	1,800,000
Jaspal Sethi	1,179,600	1,140,000
A.K. Gadhok	982,241	973,888
A. P. S. Narag	300,000	300,000
Nikhil Aggarwal	3,738,960	3,686,734
Walter W Zwahlen	5,965,646	5,118,127
Arjun Aggarwal	300,000	360,000
4 Sitting Fees		
C.L. Handa	28,108	20,298
Shashank	25,886	13,515
A. Sahasranaman	8,333	11,692
Ramesh Bhatia	2,777	2,778
Sandeep seth	30,885	23,382
Nikhil Aggarwal	-	5,528
Mr. V. K. Chopra	2,777	11,770
Annapurna Dixit	5,556	-
5 Leese Rent/Rent Paid		
Kanwal Aggarwal	480,000	480,000
6 Leese Rent Received		
Bhartiya City Developers Pvt. Ltd.	21,304,800	20,175,000
c) Balances Outstanding at the year end:		
1 Loans Given		
Tada Mega Leather Cluster Pvt. Ltd.	2,823,575	3,447,575
2 Trade Paybles		
Itopia Management Services (India) Pvt. Ltd.	1,269,774	742,707
Bhartiya Prakash Leather	75,755	75,755
3 Expenses/Others Paybles		
Bhartiya City Deveopers Pvt. Ltd.	87,509	-
Snehdeep Aggarwal	43,258	43,258
Kanwal Aggarwal	36,000	36,000
Arjun Aggarwal	-	25,000
4 Advances Paid		
Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.	-	2,050,340
5 Trade Receivable		
Bhartiya City Developers Pvt. Ltd.	413,096	-
7 Security Deposit (Received)		
Bhartiya City Developers Pvt. Ltd.	15,978,600	14,526,000
8 Capital A/c Partnership		
Bhartiya Prakash Leather	50,000	50,000
9 Current A/c Partnership		
Bhartiya Prakash Leather	616,529	619,029

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
32.8 SEGMENT INFORMATION
a) Business Segments

Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into more than one segment during the year.

b) Geographic Segments

Operation of the Company do not qualify, for reporting as geographic segments, as per the criteria set out under Accounting Standard 17 on segment reporting issued by the Institute of Chartered Accountants of India

Particulars	Rs. in Lacs				
	Leather Products	Textile/ Textile Product	Others	Unallocable	Total
a. Segment Revenue	44,127.92 (33,686.35)	11,384.85 (7,754.60)	300.00 -	- -	55,812.77 (41,440.95)
b. Segment Results	5,029.56 (3,800.46)	521.61 (400.55)	174.62 (-28.96)	- (351.49)	5,725.79 (4,523.54)
c. Less: Unallocable Expenses net of Income	- -	- -	- -	- -	916.66 (626.51)
d. Operating Profit	- -	- -	- -	- -	4,809.13 (3,897.03)
e. Less:- Interest	- -	- -	- -	- -	1,855.48 (1,809.42)
f. Profit before Taxes	- -	- -	- -	- -	2,953.65 (2,087.61)
g. Provision for taxation (Current Tax & Deferred Tax)	- -	- -	- -	- -	839.46 (638.01)
h. Profit after Taxes	- -	- -	- -	- -	2,114.19 (1,449.60)
i. Capital Employed	9,767.37 (8,132.57)	357.14 (536.29)	1,509.79 (1,206.92)	6,230.18 (5,922.50)	17,864.48 (15,798.28)

32.9 Debit and Credit balances of parties are subject to their confirmation.

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

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

Ramesh Bhatia

Director

New Delhi, 25th May, 2015

CONSOLIDATED FINANCIAL SUMMARY

PARTICULARS	Rs. in lacs										
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
Equity Share Capital	627.88	727.88	786.38	786.38	866.38	946.38	1,046.38	1,106.38	1,106.38	1,121.38	
Reserves & Surplus	6,086.99	7,557.50	8,778.76	8,915.05	9,584.10	10,597.23	12,007.26	13,113.65	14,518.27	16,276.96	
Net Worth	6,823.37	8,955.38	9,565.14	9,850.72	10,749.66	11,949.95	13,300.71	14,395.12	15,798.28	17,864.48	
Capital Employed	11,158.11	14,123.44	12,239.03	12,418.81	12,951.37	12,908.50	14,613.58	17,572.83	19,521.88	21,582.50	
Gross Fixed Assets	2,721.94	2,859.23	2,918.21	4,633.08	4,935.44	6,857.03	7,926.79	8,907.95	9,591.43	10,428.12	
Net Fixed Assets	1,834.71	1,791.85	1,674.52	3,191.73	3,246.21	4,906.96	5,729.65	6,557.74	6,888.19	7,316.30	
Export Sales including Export Incentives	12,917.12	15,167.78	16,312.22	18,201.11	20,635.10	19,523.02	25,067.32	30,306.03	41,440.95	55,812.77	
Other Income	164.36	217.02	333.03	(151.61)	(3.93)	246.16	231.92	315.73	351.49	333.80	
Total Income	13,081.48	15,384.80	16,645.25	18,049.50	20,631.17	19,769.18	25,299.24	30,621.76	41,792.44	56,146.57	
EBDIT	1,270.24	1,265.34	1,620.19	1,980.00	1,707.06	2,102.78	2,929.87	2,951.26	4,059.35	5,299.22	
Depreciation	173.94	195.85	189.87	204.16	251.54	281.25	288.70	323.63	395.46	630.24	
EBIT	1,096.30	1,069.49	1,430.31	1,775.83	1,455.52	1,821.53	2,641.17	2,627.63	3,663.88	4,668.98	
Profit before Tax	727.75	720.63	1,018.44	572.28	858.66	1,001.60	1,609.53	1,442.25	2,096.56	2,953.65	
Tax Expenses	254.47	241.60	238.39	291.43	357.53	337.68	453.79	433.40	646.96	839.46	
Profit before Minority Interest and share in Profit and Loss of Associates	473.29	479.03	780.05	280.85	501.13	663.92	1,155.74	1,008.85	1,449.60	2,114.19	
Minority Interest	-	-	-	(0.72)	(0.61)	(0.34)	8.72	(3.73)	(1.45)	14.26	
Share in Profit and Loss of Associates	-	82.93	141.50	59.13	42.40	26.38	1.82	1.29	0.78	0.44	
Net Profit	473.29	396.10	638.55	222.43	459.34	637.88	1,145.19	1,013.87	1,451.83	2,100.37	
Equity Dividend (%)	15.00	15.00	15.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
EPS (Basic) Rs.	8.01	5.81	8.12	2.83	5.82	7.36	11.39	9.35	13.12	18.83	
EPS(Diluted) Rs.	7.81	5.68	8.12	2.83	5.52	7.15	11.39	9.31	13.06	18.50	

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Pursuant to Proviso to Sub-Section 3 of Section 129 with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of Financial Statement of Subsidiaries/Associates Companies/Joint Ventures

PART-A: SUBSIDIARIES

Name of Subsidiary	Financial Year Ended	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding Share capital & Reserves & Surplus)	Investments	Turnover	Profit /Loss before Taxation	Provision for Taxation	Profit /Loss after Taxation	% of Share holding
Bhartiya Global Marketing Limited	31st March, 2015	Indian Rupee	49,990,200	(5,571,840)	49,390,142	4,971,782	32,317,500	6,823,558	(3,461,997)	(987,239)	(2,474,758)	100
J&J Leather Enterprises Ltd.	31st March, 2015	Indian Rupee	20,750,000	22,341,823	67,104,965	24,013,142	-	107,621,732	210,731	176,273	34,458	100
Bhartiya International SEZ Ltd.	31st March, 2015	Indian Rupee	135,692,300	15,231,808	154,670,141	3,746,033	-	33,141,668	16,006,720	3,109,900	12,896,820	88.95
Bhartiya Fashion Retail Ltd.	31st March, 2015	Indian Rupee	500,000	(163,901)	341,099	5,000	-	-	(25,486)	-	(25,486)	100
Ultima S.A	31st March, 2015	CHF (Swiss Franc)	33,785,508	191,113,179	521,346,694	296,448,007	137,965,160	1,093,618,743	55,095,364	3,037,347	52,058,017	100
Design Industry Ltd.	31st March, 2015	HK\$ (Hong Kong Dollar)	805,500	3,913,689	42,978,670	38,259,482	-	171,806,218	3,335,243	-	3,335,243	100
Ultima Italia SRL	31st March, 2015	Euro	137,159,660	6,568,150	229,332,276	85,604,466	-	159,876,948	6,926,197	6,162,448	763,749	100
World Fashion Trade Ltd.	31st Dec., 2014	HK\$ (Hong Kong Dollar)	44,780	(53,720,035)	191,158,049	244,833,305	-	306,761,131	4,155,177	-	4,155,177	100
BL Group LLC	31st Dec., 2014	US Dollars	69,450	12,649	257,043	174,944	-	-	(203,303)	-	(203,303)	100

	CHF	HK\$	Euro	US\$
Exchange rate for Balance Sheet items	64.485	8.055	67.415	62.480
Exchange rate for Profit and Loss	64.980	7.880	77.190	61.080

PART-B: ASSOCIATES AND JOINT VENTURES

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

NAME OF ASSOCIATES AND JOINT VENTURES	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	Networth 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 Prakash Leather	31st March, 2015	-	50,000	50.00%	Partner's Capital	Considered	-	(2,500)	-
Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.	31st March, 2015	11,200,000	280,000,000	29.60%	Voting Power	Not Applicable	757,128,808	70,036	-
Tada Mega Leather Cluster Pvt. Ltd.	31st March, 2015	5,000	50,000	50.00%	Voting Power	Not Applicable	1,840	(25,873)	-

BHARTIYA

Bhartiya International Limited

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