


ANNUAL

2015-2016


R E P O R T



Shouldn't businesses be more geared
towards making things that don't exist, but
the needs for which are deeply felt?

Love, light and laughter.

That's what people need. How can we add
love, light and laughter into the mix of
brick and mortar? How can we weave
them into the overcoats we design?



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FROM THE CHAIRMAN

Over the past 29 years since Bhartiya International was founded, I have continued to challenge myself and our team to get better in all we do to create better design, improved product and better execution for the global brands and retailers we supply. The power of design and product excites us and inspires us. Bhartiya continuously rises above the complexities that create uncertainty to drive creativity, revenue growth and profitability. In 2015-2016, we demonstrated this again by delivering a strong financial performance with record revenue of 625 crores, up 12% versus the prior year. While I appreciate the variety of geopolitical and macro factors we operated against last year, our diversified and balanced product categories and customer base allowed us to deliver consistent, improved financial performance. Momentum is a powerful thing, and in 2015-2016 we produced strong revenues and earnings growth.

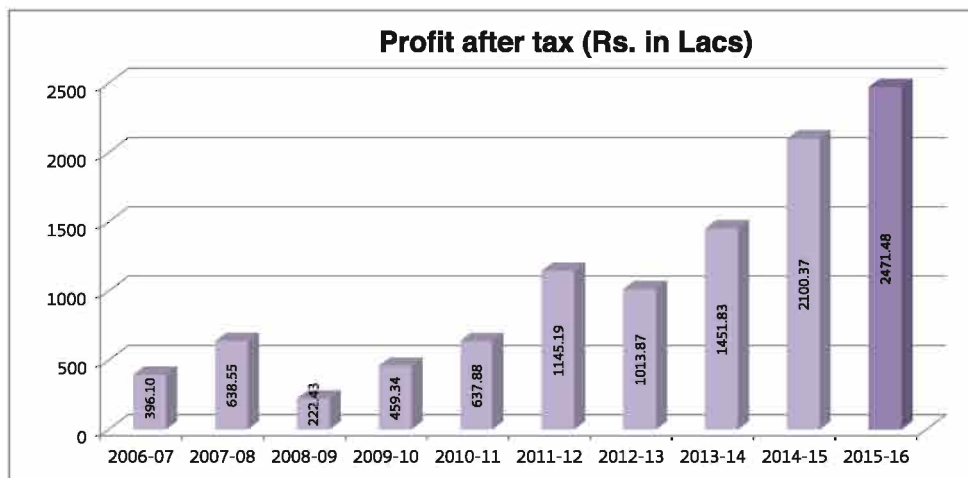
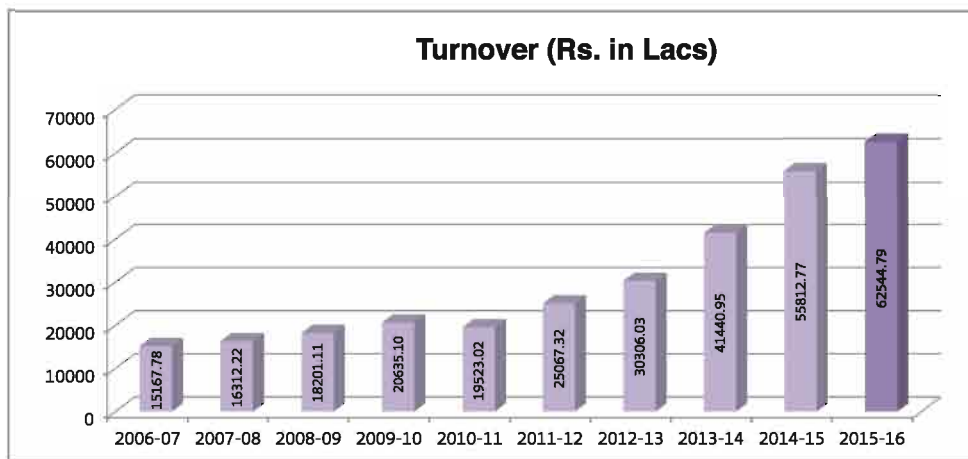
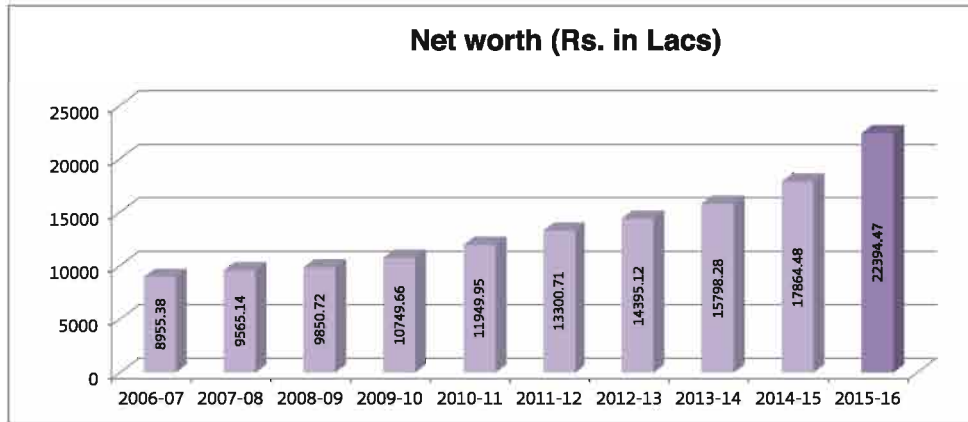
As a team, we are laser focused on our customer and the products they require. Superior design and product remains the key to our value proposition and success. We are honored by the faith and confidence our customers place in us, and welcome the responsibility to deliver the right product at the right time to support them. At Bhartiya no one determines our future but us. We are expanding our operating businesses with new product categories and a larger customer base with broadened geographic reach. I am energized by the future opportunities and possibilities as we:

- Increase production outside India to take advantage of unique Bangladesh and China factories' competencies to supply our customers and retailers with new, innovative products.
- Establish new businesses, like our non-leather textile outerwear group, which opens up a large global market to us, and is supported by a new, state-of-the-art Bangalore production facility.
- Build and grow business with major new retail and e-commerce customers in China and South America, who cater to expanding consumer markets. China, for example, will represent 25% of total global consumer spending in 5 years.
- Expand our International Division, whose Milan based operation is on track to produce record revenue, and earnings growth in 2016-2017, with a bright future ahead.

We also continue to look inward and focus on how to be more efficient, more cost effective as we build a larger business generating greater profits and better returns for our investors. This is our goal. As I look forward, Bhartiya International faces a world of possibility. New markets, New products, New business approaches. I believe that through hard work and smart, innovative thinking, all things are possible. Today, the Company, which we founded is strong and well positioned to convert market opportunities that will enable us to continue to deliver sustainable growth and improved financial performance. As your Chairman, and on behalf of our loyal team, I would like to sincerely thank you, our shareholders, for your investment and continued support for Bhartiya International.

Shehdeep Aggarwal

PERFORMANCE HIGHLIGHTS



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	Independent Director
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
DBS Bank Ltd.
Axis Bank
Allahabad Bank

DELHI

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

GURGAON

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

BANGALORE

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

CHENNAI

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

SWITZERLAND

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

ITALY

Ultima Italia Srl
Via Dei Tigli, 4,
26010 Casaleto Vaprio (Cr)
Italy

HONGKONG

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

Design Industry Ltd.

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

CHINA

World Fashion Trade Ltd.
Room 407, Tower 8, United Plaza,
No. 58 Qianjiang Road, Hangzhou, China

Design Industry China Ltd.

Room 407-1, Tower 8, United Plaza,
No. 58 Qianjiang Road, Hangzhou, China

The Bhartiya Group

“...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 THE SHAREHOLDER VALUE.”



MANAGEMENT DISCUSSION & ANALYSIS

LEATHER APPAREL

The Company's Bangalore based Garment business operates six production facilities, producing leather garments, primarily jackets, for leading global brands and retailers. Today, Bhartiya International is the largest India exporter of leather garments.

Operating as a vertically integrated business, from design to the final produced garment, the Garment team works closely with our Milan and Gurgaon based design teams, and our Chennai leather development group to create fashion right, compelling product. Bhartiya's customers have come to rely on our fashion direction and product input as we collaborate together to develop great product.

The management team continues to focus on improving efficiencies in a complex manufacturing environment. Today, product offerings are becoming broader with increased product introductions throughout the year. Two seasonal collection introductions has now become six to ten collection introductions annually. We believe management has mastered the complexities of design-development-production to operate our factories with world-class efficiencies. However, we also continue to strive to operate more efficiently and more cost effective in our plants.

The factories are clustered around the Bangalore garment HQ in southern India. Each factory has dedicated sales and product merchandising teams that produce for designated customers. This allows us greater focus, to better interpret the customer's "handwriting" in the products we make for them. This also creates an effective sales-service approach.

The list of leather garment customers includes leading global retailers and brands. We are proud to supply Ralph Lauren, Timberland, Tommy Hilfiger, Calvin Klein, John Varvatos, G Star Raw, Levi Strauss, All Saints, Jack and Jones, Whistles, Boden, Top Shop and others.

ACCESSORIES

The Company's Chennai based Accessories business operates 2 factories, in Vandalur and Tada, and produces leather, fabric and non-leather bags, accessories, belts and small leather

goods for top retailers and brands. We continue to experience significant revenue growth in our accessories business group.

While we continue to increase business with large retailers including Zara and Esprit, we are equally focused to grow the premium sector business with brands like Ralph Lauren, Tory Burch, Boden, Napapijri and a host of European brands including Chloe.

Operating a vertically integrated business utilizing Bhartiya's Chennai-based tanneries allows our accessories group to compress lead-times and remove supply chain friction points to execute and deliver to the tight timeline requirements of large retailers like Zara.

The Accessories team is fortifying its front-end organization and engineering staff to better market, develop, sample and commercialize broadened product ranges to our new and expanding customers. We are positioning the Accessories group for solid, continued, and sustained growth.

NON-LEATHER TEXTILE OUTERWEAR

Bhartiya's new non-leather Textile Outerwear business opens up a large global market to us. Managed by senior, experienced executives recruited from the outside, the business is established and moving forward at a good pace. With a focus on technical materials and better-designed and engineered products, we are targeting the higher, more premium end of the market.

Currently producing in our CK Palya factory, a new state-of-the art textile outerwear factory is slated to start operations in summer, 2016. Located in Bangalore, the new plant has already been compliant certified by several leading brands, setting the stage for a successful initial year of operations. We expect the customer portfolio to include large global customers including Levi Strauss.

TEXTILE

Our Gurgaon based Textile group focuses on providing sourcing solutions of India and Bangladesh produced casual clothing and scarves to retailers and brands including Mango, Okaidi, Stokomani, Daniel Hector, EMC, G Star Raw and others.

One stop shopping: the "secret sauce" for Textile group's success is talented, efficient design and sample making capabilities. Fresh, creative designs, quick sample turnaround time, all supported by a strong base of independent factories, which we manage. Our back office and logistics team oversee all production planning, QC and delivery-shipment documentation and paperwork. We make sourcing simple for our customers.

We are strengthening our Dhaka back office operations to support expanded Bangladesh business, which we anticipate from current customers.

INTERNATIONAL

Our Swiss subsidiary supported by the Milan based Ultima Italia business continues its business expansion, focused on providing great designed, value priced product to large customers. Utilizing a tight, committed network of contracted factories, we take advantage of Chinese production efficiencies to supply large quantities to Zara, River Island, G Star Raw, Celio and other major retailers.

We focus on discovering unique, new manmade materials; coupled with excellent design, sample making, product commercialization and production management capabilities. The China based operation is located in Hangzhou, China. While the sales and marketing efforts are directed and driven from Milan, the sourcing operations are managed by Bhartiya's China based organization.

OVERVIEW

Good people equal good results. We have expanded our businesses and operations to capitalize on future opportunities and possibilities in the markets we serve and the products we produce. All supported by a smart, energized, and talented Bhartiya team.

The geopolitical and global macro factors we face create marketplace challenges. However, Management believes we are properly positioned with a balanced business portfolio, broad product categories and diversified customer base to continue to deliver solid, sustainable revenue growth and earnings improvement.



OUR COMPANY

HUMAN RESOURCES

The year 2015-16 has been a year full of new initiatives for the organization and for its people. Bhartiya has strong belief in their people and their skill set. The organization has contributed to the well-being of its people by investing in their development and growth within the organization. In order to create and increase the wealth of the people of the organization, we introduced the scheme of granting company stocks to the people of Bhartiya.

While the development of people is of utmost importance, we also place prime importance in shaping our human resources for taking up challenges within and outside the organization, which leads to better output and increased efficiencies. We continue to nurture the budding talent and develop them for taking up responsible positions. Bhartiya believes in supporting the society and its people, and have helped the people of Tamil Nadu during the event of natural disaster.

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. Risk based internal audits as per audit charter 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 is 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 board of directors are informed about the risks or opportunities at Strategic, Operational and Compliance levels, across business units, functions and geographies 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.

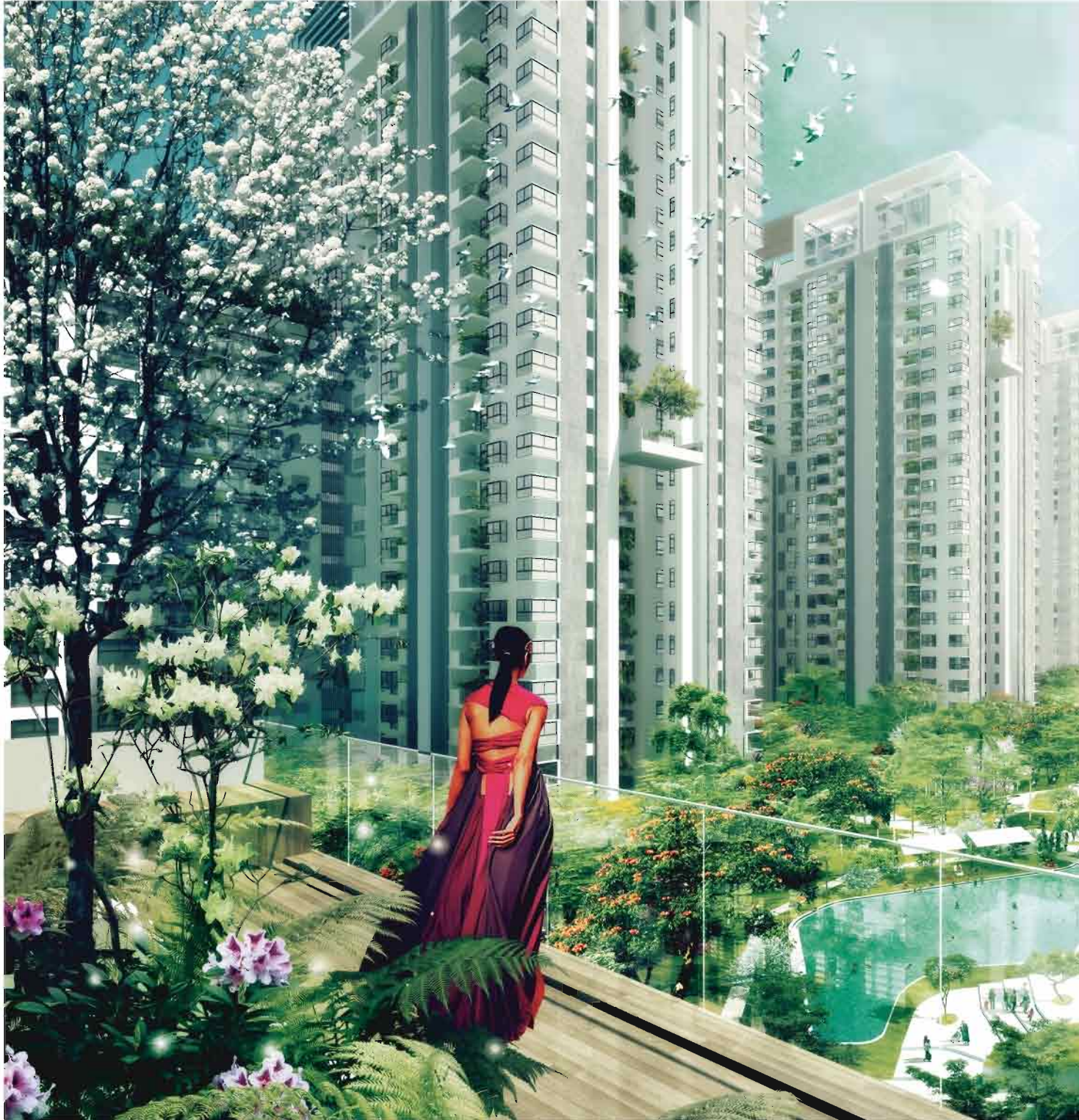
CAUTIONARY STATEMENT

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.

NIKOO HOMES II

Once upon a time, there was a home. Measured in BHKs and square units, homes were all bricks and no soul. Then Bhartiya City came along, making not just a home, but a city. And not just any city. A 125-acre city built by the smartest, for the smartest. At Bhartiya City, a two year old can walk unaided to playschool. And vertical gardens form fertile ground for fresh produce and friendships. Here, all conventions are questioned, analysed and turned on their heads. For further proof, just look up. You'll find a city within a city. A rooftop city. It has a Sky Park, a Sunrise Point, shops, cafés and even a private cinema for private screenings. Can't step out? Download an app and order anything with a touch and a swipe. True story. Once upon a time, there was a home. Now there's Nikoo Home. Welcome to Nikoo Homes II by Bhartiya City.

We launched the first phase of Nikoo II in October 2015 and sold more than 1000 homes in a span of six months. With IT companies, PFS Web, Sutherland Global Services already operational at BCIT and handover of Nikoo I planned shortly, Bhartiya City is definitely coming to life.





DIRECTORS' REPORT

Your Directors have pleasure in presenting the 29th Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2016.

FINANCIAL RESULTS

The consolidated and standalone financial results of the Company for the financial year ended 31st March, 2016 are as follows:

(Rs. in Lacs)

Sl.No.	Particulars	Consolidated		Standalone	
		2015-16	2014-15	2015-16	2014-15
1.	Net Sales /Income from Operations	62544.80	55812.77	44953.18	42394.78
2.	Other Income	378.91	333.80	261.68	265.09
3.	Total Expenditure	59730.78	53192.92	42924.31	40528.64
4.	Interest	1306.22	1452.82	1117.08	1174.36
5.	Gross Profit after Interest but before Depreciation & Tax Items	3797.90	3583.88	2703.37	2517.48
6.	Depreciation	604.98	630.24	412.82	386.25
7.	Profit before Tax	3192.92	2953.64	2290.55	2131.23
8.	Tax Expense	920.88	839.46	813.77	724.48
9.	Net Profit after Tax	2272.05	2114.19	1476.78	1406.76
10.	Share of Profit/ (Loss) of Associate	192.22	0.44	-	-
11.	Minority Interest	(7.21)	14.26	-	-
12.	Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates	2471.48	2100.37	1476.78	1406.76
13.	Paid up Equity Share Capital	1171.38	1121.38	1171.38	1121.38
14.	Reserves (Excluding Revaluation Reserves)	20014.16	16276.96	17597.15	14935.59
15.	Earning Per Share (Basic) Rs.	21.69	18.83	12.96	12.61
16.	Earning Per Share (Diluted) Rs.	21.48	18.50	12.84	12.39
17.	Dividend	12%	10%	12%	10%

PERFORMANCE REVIEW

On consolidated basis, during the year under review, the Company achieved a turnover of Rs. 62544.80 Lacs as against Rs. 55812.77 Lacs in the previous year showing an increase of 12.06%. The Net Profit after taxes, minority interest and share of profit/(loss) of associates also increased to Rs. 2471.48 lacs as compared to Rs. 2100.37 Lacs in the previous year showing an increase of 17.67%.

DIVIDEND

Your Directors have recommended a Dividend of Rs.1.20/- per paid-up equity share of Rs. 10/- each (i.e. @ 12%) for the Financial Year ended 31st March, 2016. 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 share capital of the Company:

Dates	Description	No. of shares	Total value of shares
1 st April, 2015	Share Capital at the beginning of the year	11213848	112138480
14 th December, 2015	Add: Equity Shares allotted pursuant to conversion of Warrants into Equity Shares	500000	5000000
31 st March, 2016	Share Capital at the end of the year	11713848	117138480

In addition to above, the Company had allotted 7,00,000 warrants to Non-Promoter Group on 2nd January, 2016 with right to subscribe to equal number of Equity shares upon conversion at face value of Rs. 10/- each and premium of Rs. 590/- each.

The Company had also allotted 1,64,650 Stock options to its employees during the FY 2015-16.

EMPLOYEES STOCK OPTION PLAN

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

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

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, 2016, are set out in Annexure A to this Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards viz. AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

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

DETAILS AND PERFORMANCE OF SUBSIDIARY COMPANIES

Bhartiya Global Marketing Limited

It is a global marketing company engaged in export of textile and leather garments. The total revenues of the Company was Rs. 2,78,71,206/- and the net loss was Rs. 12,82,514/- during the financial year 2015-16.

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. 11,89,93,700/- and the net profit was Rs. 93,162/- during the financial year 2015-16.

Bhartiya International SEZ Ltd.

The Company is incorporated to develop sector specific Special Economic Zone (SEZ) of Leather & Leather Products. It is a joint venture between Bhartiya International Ltd. and Andhra Pradesh Industrial Infrastructure Corporation. The total revenues of the Company was Rs. 37,43,076/- and the net loss was Rs. 65,28,814/- during the financial year 2015-16.

Bhartiya Fashion Retail Ltd.

The Company had registered a loss of Rs. 52,712/- for the financial year 2015-16.

Ultima S.A. Switzerland

The Company is engaged in marketing and selling of outwears including leather garments, accessories and textile products in Europe. The total revenues of the Company was CHF 2,08,28,340.25 and the net profit was CHF 11,06,778.34 during the financial year 2015-16.

World Fashion Trade Limited, Mauritius

This company is engaged in sourcing of outerwear (including leather, PU Garments, fashion accessories) and textile product from China, India and Bangladesh for marketing and selling in Europe and US markets. The total revenues of the Company was HK\$ 4,00,13,558.57 and the Company has registered a net profit of HK\$ 4,22,121.21 for the period ended 31st March 2016.

Ultima Italia SRL, Italy

This company markets all fashion products including fur and leather garments in Italian market. The total revenues of the Company was Euro 19,29,264 and the net profit was Euro 13,949 during the financial year 2015-16 .

Design Industry Limited, Hongkong

This company is engaged in sourcing of outerwear (including leather, PU Garments, fashion accessories) and textile product from China and India for marketing and selling in Europe. The total revenues of the Company was HK\$ 6,09,21,599.08 and the net profit was HK\$ 4,51,466.25 for the financial year 2015-16.

New Subsidiary/Associate Company incorporated /dissolved during the year

During the year under review, two new subsidiaries had been incorporated and one subsidiary had been liquidated

Bhartiya Urban Infrastructure Limited

The Company was incorporated on 6th August 2015. The Company had registered a loss of Rs. 21,886 for the financial year 2015-16.

Design Industry China Limited, China

During the year under review, your company had formed one company named Design Industry China Limited through its wholly owned subsidiary Ultima S.A. This company is engaged in marketing and selling of outerwear (including leather, PU Garments, fashion accessories) from China for marketing and selling in China. The total revenues of the Company was RMB Yuan 45,63,572.60 and the net profit was RMB Yuan 2,49,067.95 for the financial year 2015-16.

BIL Group LLC, USA

This company was liquidated during the year under review.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION & ANALYSIS

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

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

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

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

The Annual Listing fee for the Financial Year 2016- 2017 has already been paid to both the above Stock Exchanges.

CASH FLOW STATEMENT

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

During the year under review, there is no change in the Board of 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. Nikhil Aggarwal, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Appropriate Resolution seeking your approval for re-appointment of Mr. Nikhil Aggarwal as Director is also included in the Notice.

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

Mrs. Annapurna Dixit was appointed as Non-Executive Independent Director by the members of the Company in the Annual General Meeting (AGM) held on 21st September, 2015.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

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

BOARD EVALUATION

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

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

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2015-16, six Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2015-16 forms part of the Corporate Governance Report.

COMMITTEES

The Board of Directors has the following mandatory Committee

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

The details of the composition of Committees, terms of reference and numbers of Meetings held during the Financial Year 2015-16 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.

All related party transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a quarterly basis for transactions which are of repetitive nature. 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 31st March, 2016, 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, 2016 and of the profit of the company for the year ended on that date;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis; and
- (e) that the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDIT

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

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company for the financial year 2016-17.

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. 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, the Company is in the process of implementing an ERP specific to the fashion industry.

RISK MANAGEMENT

The board of directors are informed about the risks or opportunities at Strategic, Operational and Compliance levels, across business units, functions and geographies 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.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provision of Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2016 on the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo is given in the Annexure-E forming part of this report.

HUMAN RESOURCES

The year 2015–16 has been a year full of new initiatives for the organization and for its people. Bhartiya has strong belief in their people and their skill set. The organization has contributed to the well-being of its people by investing in their development and growth within the organization. In order to create and increase the wealth of the people of the organization, we introduced the scheme of granting company stocks to the people of Bhartiya.

While the development of people is of utmost importance, we also place prime importance in shaping our human resources for taking up challenges within and outside the organization, which leads to better output and increased efficiencies. We continue to nurture the budding talent and develop them for taking up responsible positions. Bhartiya believes in supporting the society and its people, and have helped the people of Tamil Nadu during the event of natural disaster.

PARTICULARS OF EMPLOYEES

5 persons employed throughout the year, were in receipt of remuneration of Rs. 60 lac per annum or more amounting to Rs. 4.46 crore and none of the employees employed for the part of the FY 2015-16 were in receipt of Rs. 5 lac per month or more.

During the financial year 2015–16, the Company had 299 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, 2016 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 29th 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 21st September 2015 (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 under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is not applicable to your Company for the financial year ending 31st March, 2016.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2016 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, 2016

Snehdeep Aggarwal
Managing Director
DIN. 00928080

Ramesh Bhatia
Director
DIN. 00052320

ANNEXURE-A ESOP DISCLOSURE

Statement Pursuant to Clause 12 of '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 23rd September, 2013, the Nomination and Remuneration Committee of the Directors have granted Stock Options to eligible employees during the financial year 2015-16. The details of the Stock Option granted are given below:

Sr. No.	Description	Remarks										
A	Options granted	164650										
B	Pricing formula	Discount to the market price on the date of issue of options										
C	Option vested	Nil										
D	Options exercised	Nil										
E	Total number of Ordinary Shares arising as a result of exercise of Options	Nil										
F	Options lapsed	Nil										
G	Variation of terms of Options	Not Applicable										
H	Money realized by exercise of Options	Nil										
I	Total number of Options in force	164650										
J	Details of Options granted to											
	i) Senior managerial personnel	54950										
	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.	Nil										
	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.	Nil										
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.'	12.84										
L	Where the company calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of options and the impact of the difference on profits and EPS of the Company	The Company has calculated the employee compensation cost using the intrinsic value of the stock options measured by a difference between the intrinsic value of the underline equity shares at the grant date and exercise price. Had the compensation cost be determined in a manner consistent with the fair valuation method, the employee compensation cost would have been higher by Rs. 50.33 lakhs & proforma profit after tax would have been lower by Rs. 50.33 lakhs. On a proforma basis the basic and diluted EPS would have been Rs. 12.52 and Rs. 12.40 per share.										
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.	Exercise Price – Rs. 50/- per Equity share Weighted Average Fair Value of Options is – Rs. 436.34/-										
N	A description of the method and significant assumption used during the year to estimate the fair values of Options	The Company has used the Black-Scholes model for computation of fair valuation. Significant assumptions used at the time of grant are as under: <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Dividend Yield</td> <td style="text-align: right;">0.21%</td> </tr> <tr> <td>Expected Life (No. of years)</td> <td style="text-align: right;">7</td> </tr> <tr> <td>Risk Free Interest Rate (%)</td> <td style="text-align: right;">8.16%</td> </tr> <tr> <td>Volatility (%)</td> <td style="text-align: right;">29.45%</td> </tr> <tr> <td>Weighted Average Contractual Life (No. of years)</td> <td style="text-align: right;">7</td> </tr> </table>	Dividend Yield	0.21%	Expected Life (No. of years)	7	Risk Free Interest Rate (%)	8.16%	Volatility (%)	29.45%	Weighted Average Contractual Life (No. of years)	7
Dividend Yield	0.21%											
Expected Life (No. of years)	7											
Risk Free Interest Rate (%)	8.16%											
Volatility (%)	29.45%											
Weighted Average Contractual Life (No. of years)	7											

ANNEXURE B**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31.03.2016**

[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 : E-52, New Manglapuri, Mandi Road,
and contact details (Mehrauli), New Delhi-110 030
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details : Mas Services Ltd.
of Registrar and Transfer Agent, if any Okhla Industrial Area, Phase-II, New Delhi-110 020
Phone No. 011-26387281-83

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. N.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Leather Products	1410 and 1512	88.91%
2	Textile Products	1410	11.09%

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	Bhartiya Urban Infrastructure Ltd. 56/7, Nallambakkam Village (Via Vandalur), Chennai- 600048	U70100TN2015PLC101707	Indian Subsidiary Company	100%	2(87)
6	World Fashion Trade Ltd., Mauritius Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	-	Overseas Subsidiary Company	100%	2(87)

S. N.	Name and Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
7	Ultima S.A., Switzerland Avenue J-J. Rousseau-7, CH-2001, Neuchatel, Switzerland	CH-645-40960339	Overseas Subsidiary Company	100%	2(87)
8	Ultima Italia SRL, Italy Branch : Via Dei Tigli, 4, 26010, Casaleto, Vaprio (CR), Italy	-	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	Design Industry China Ltd Room 407-1, Tower 8, United Plaza, No. 58 Qianjiang Road, Hangzhou, China	-	Overseas Subsidiary Company	100%	2(87)
11	Tada Mega Leather Cluster Pvt. Ltd. E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74140DL2013PTC249002	Associate Company	50%	2(6)
12	Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. 56/7, Nallambakkam Village (Via Vandalur), Chennai-600 048	U45201TN2006PTC103429	Associate Company	29.60%	2(6)
13	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	18.76	2102636	-	2102636	17.95	(0.81)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate.	3061926	-	3061926	27.30	3561926	-	3561926	30.41	3.11
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	5164562	-	5164562	46.06	5664562	-	5664562	48.36	2.30
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(2):-A									
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	5164562	-	5164562	46.06	5664562	-	5664562	48.36	2.30

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	1812	300	2112	0.02	4516	300	4816	0.04	0.02
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	750611	26600	777211	6.93	745609	26600	772209	6.59	(0.34)
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)	752423	29900	782323	6.98	750125	29900	780025	6.66	(0.32)
2. Non- Institutions									
a) Bodies Corporate.									
i) Indian	2953308	8600	2961908	26.41	3059093	8600	3067693	26.19	(0.22)
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	747628	130032	877660	7.83	762896	126539	889435	7.59	(0.24)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1015565	–	1015565	9.06	950802	–	950802	8.12	(0.94)
c) Others									
(1) Trusts	5	–	5	–	5	–	5	–	–
(2) Foreign National	50000	–	50000	0.45	20000	0	20000	0.17	(0.28)
(3) Non Resident Indian	32811	130000	162811	1.45	19348	130000	149348	1.27	(0.18)
(4) Clearing Members	7375	–	7375	0.07	7998	–	7998	0.07	0.00
(5) Hindu Undivided Family	68839	–	68839	0.60	61180	–	61180	0.52	(0.08)
(6) Director(s)	98600	24200	122800	1.09	98600	24200	122800	1.05	(0.04)
Sub-total(B)(2)	4974131	292832	5266963	46.96	4979922	289339	5269261	44.98	(1.98)
Total Public Shareholding (B)=(B)(1) + (B)(2)	5726554	322732	6049286	53.94	5730047	319239	6049286	51.64	(2.30)
C. Shares held by Custodian for GDRs & ADRs									
Grand Total(A+B+C)	10891116	322732	11213848	100.00	11394609	319239	11713848	100.00	0.00

(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	10.20	–	1143362	9.76	–	(0.44)
2	Ramesh Bhatia	340250	3.03	–	340250	2.90	–	(0.13)
3	Arjun Aggarwal	496150	4.42	–	496150	4.24	–	(0.18)
4	Parushini Aggarwal	7500	0.07	–	7500	0.06	–	(0.01)
5	Pawan Aggarwal	5000	0.04	–	5000	0.04	–	0.00
6	Kanwal Aggarwal	60374	0.54	–	60374	0.52	–	(0.02)
7	Snehdeep & Co. Huf	50000	0.45	–	50000	0.43	–	(0.02)
8	Bhartiya Global Holdings Pvt .Ltd	1350000	12.04	–	1850000	15.79	–	3.75
9	Bhartiya Finstock Pvt.Ltd	681926	6.08	–	681926	5.82	–	(0.26)
10	Bhartiya Infotech Pvt. Ltd	1000000	8.92	–	1000000	8.54	–	(0.38)
11	R.L. Bhatia Associates Pvt. Ltd	30000	0.27	–	30000	0.26	–	(0.01)
	TOTAL	5164562	46.06	–	5664562	48.36	–	2.30

(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 Global Holdings Pvt. Ltd				
	At the beginning of the year	1350000	12.04	1350000	12.04
	Allotment of Equity Shares pursuant to conversion of warrants (14th December, 2015)	–	–	500000	4.47
	At the End of the year	–	–	1850000	15.79

(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	10.70	1200000	10.24
2	Morgan Stanley Asia (Singapore) PTE	745315	6.65	745315	6.36
3	Appreal Holding Pvt. Ltd	387356	3.45	387356	3.31
4	Share Point Pvt. Ltd	285500	2.55	285500	2.44
5	Dwarkadhish Trading Pvt. Ltd	240000	2.14	240000	2.05
6	Superfine Carpets Pvt. Ltd	168300	1.50	168300	1.44
7	Arvinder Kaur	130000	1.16	130000	1.11
8	Vinod Infotech Private Limited	–	–	112108	0.96
9	Ishaan Metals Private Limited	110784	0.99	107728	0.92
10	Zealous Financial Services Private Limited	–	–	107000	0.91

- 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	10.20	1143362	9.76
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	1143362	9.76
2	Mr. A.K.Gadhok				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	Nil	Nil
3	Mr. Ramesh Bhatia				
	At the beginning of the year	340250	3.03	340250	2.90
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	340250	2.90

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. Annapurna Dixit				
	At the beginning of the year	4000	0.04	4000	0.03
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g.allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	4000	0.03
5	Ms. Jaspal Sethi				
	At the beginning of the year	98800	0.88	98800	0.84
	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	0.84
6	Mr. Nikhil Aggarwal				
	At the beginning of the year	20000	0.18	20000	0.17
	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	0.17
7	Mr. Shashank				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	Nil	Nil
8	Mr. A. Sahasranaman				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	Nil	Nil
9	Mr. C. L. Handa				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	Nil	Nil

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. Sandeep Seth				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	-	-	Nil	Nil
11	Mr. Manoj Khattar				
	At the beginning of the year	20050	0.18	20050	0.17
	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	-	-	20050	0.17
12	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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. N.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (in Rs.)
		Mr. 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	1800000	960888	1140000	3900888
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39600	-	32400	72000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	1839600	960888	1172400	3972888
	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.No	Particulars of Remuneration	Name of Directors							Total Amount (in Rs.)
		Mr. A. Sahasranaman	Mr. Shashank	Mr. Sandeep Seth	Mrs. Annapurna Dixit	Mr. C. L. Handa	Mr. Nikhil Aggarwal	Mr. Ramesh Bhatia	
	• Fee for attending board committee meetings	16668	23889	31111	11112	26111	-	8334	117225
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total	16668	23889	31111	11112	26111	-	8334	117225
	Overall Ceiling as per the Act	(Ceiling as per the Act @ 10% of profits calculated under Section 198 of the Companies Act, 2013)							

Total managerial remuneration is Rs. 40,90,113/(Rupees Forty Lacs Ninety Thousand One Hundred Thirteen only)

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

(Amount in Rs.)

S. N.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	771096	6660727	7431823
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32400	32400	64800
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option (in Nos.)	1200	10000	11200
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	803496	6693127	7496623

VI. INDEBTEDNESS

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

Amount in Rs.

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	1,91,93,48,984	-	-	1,91,93,48,984
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	18,33,531	-	-	18,33,531
Total (i+ii+iii)	1,92,11,82,515	-	-	1,92,11,82,515
Change in Indebtedness during the financial year				
Addition	33,80,28,207	-	-	33,80,28,207
Reduction	5,26,28,425	-	-	5,26,28,425
Net Change	39,06,56,632	-	-	39,06,56,632
Indebtedness at the end of the financial year				
i. Principal Amount	2,20,47,48,766	-	-	2,20,47,48,766
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	91,82,721	-	-	91,82,721
Total (i+ii+iii)	2,21,39,31,487	-	-	2,21,39,31,487

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2016.

ANNEXURE C

FORM MR-3

SECRETARIAL AUDIT REPORT

**[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

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, 2015 and ended 31st March, 2016, 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, 2016, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - 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 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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 BSE Limited and the National Stock Exchange of India Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 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. though the Notice for the first five special resolution was issued in February 2015:

1. Amendment of the Main Objects Clause of the Memorandum of Association of Company;
2. Amendment of Incidental or Ancillary Objects Clause of the Memorandum of Association;
3. Deletion of the Other Objects Clause of the Memorandum of Association of Company;
4. Amendment of the Liability Clause of the Memorandum of Association;
5. Adoption of New Set of Articles of Association of the Company in pursuance to the provisions of Companies Act, 2013.
6. Approval to issue and allot 7,00,000 no(s) of Warrants to Non-Promoter Group on a preferential basis
7. Shifting of registered office of the Company from the Union Territory of Delhi to the State of Tamil Nadu

New Delhi, 25th May, 2016

K. Ravichandran
ACS 12838
CP 3207

ANNEXURE D

CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (a) 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.		<p>The CSR Policy, duly approved by the Board of Directors has been uploaded on the Company website www.bhartiyafashion.com. The policy contains the exhaustive list of programmes that can be undertaken by the Company during any period of time.</p> <p>The company had mainly catered to health care and sanitation needs, rural development projects, environment sustainability, promoting education, animal welfare which aims to enhance the quality of life of local communities.</p> <p>During the financial year 2015-16, as a part of CSR initiative, the company had also extended support to the people staying in nearby villages of our factory in Chennai to reconstruct/rebuild their dwellings and belongings which was heavily damaged/destroyed due to severe flood in and around Chennai. It was finalized to help the people in Chennai as a relief measure by providing them financial aid to reconstruct/rebuild their houses to make their houses habitable.</p>					
2.	The Composition of the CSR Committee		<p>Mr. Snehdeep Aggarwal – Chairman Mr. Ramesh Bhatia – Member Mr. Sandeep Seth – Member</p>					
3.	Average net profit of the Company for last three financial years		Rs. 15.84 crore					
4.	Prescribed CSR Expenditure (2% of the above mentioned amount)		Rs. 31.68 lakhs					
5.	Details of CSR spent during the financial year							
	(a)	Total amount to be spent for the financial year;		Rs. 31.68 lakhs				
	(b)	Balance brought forward from previous year		Rs. 15.49 lakhs				
	(c)	Total amount spent		Rs. 47.64 lakhs				
	(d)	Amount unspent, if any;		(-) Rs. 0.47 lakhs. There was an over spend of Rs. 0.47 lakhs				
	(e)	Manner in which the amount spent during the financial year is detailed below.						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency*
	1	Plantation of trees and conservation of forests	Environmental sustainability	Thiruvalluvar Nagar, Chennai	Rs. 89,375/-	Direct - Rs. 89,375/-	Rs. 89,375/-	Rs. 89,375/-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Projects 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
2	Construction of village roads	Rural Development Projects	Nallambakkam Village nearby Lord Amman Temple, Chennai	Rs. 22,35,316/-	Direct - Rs. 22,35,316/-	Rs. 22,30,645/-	Rs. 22,30,645/-
3	Painting of walls and supply of electrical fittings	Promoting education	Nallambakkam School, Chennai	Rs. 1,73,306/-	Direct - Rs. 1,73,306/-	Rs. 1,73,306/-	Rs. 1,73,306/-
4	Installation of new RO plants and repair of existing ones	Safe Drinking water	Rathnamangalam School and Nallambakkam School, Chennai	Rs. 1,04,911/-	Direct - Rs. 1,04,911/-	Rs. 1,04,911/-	Rs. 1,04,911/-
5	Development of Drainage systems and maintenance of toilets	Promoting health care including preventive health care and sanitation	Rathnamangalam School and Thiruvalluvar Nagar, Chennai	Rs. 3,14,874/-	Direct - Rs. 3,14,874/-	Rs. 3,14,874/-	Rs. 3,14,874/-
6	Reconstruction and dwelling of houses destructed due to floods in Chennai	Rural Development projects (Flood relief measure)	Chennai	Rs. 11,86,216/-	Direct - Rs. 11,86,216/-	Rs. 11,86,216/-	Rs. 11,86,216/-
7.	Scholarships to students	Promoting Education	Bangalore	Rs. 6,60,000/-	Direct - Rs. 6,60,000/-	Rs. 6,60,000/-	Rs. 6,60,000/-
	TOTAL			Rs. 47,63,998/-	Rs. 47,63,998/-	Rs. 47,63,998/-	Rs. 47,63,998/-

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.

Not applicable

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, 2016

Chairman of CSR Committee

ANNEXURE E

ANNEXURE TO DIRECTORS' REPORT

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

a. Conservation of Energy

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

b. Technology Absorption

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

c. Foreign Exchange Earnings & Outgo

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

For and on behalf of the Board

New Delhi, 25th May, 2016

Snehdeep Aggarwal
Managing Director
DIN. 00928080

Ramesh Bhatia
Director
DIN. 00052320

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2016, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In rapidly changing business and technological environment, Bhartiya International 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.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 and other applicable clauses of SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

The detailed Corporate Governance Report of BIL is as follows:

BOARD OF DIRECTORS

a. Composition of the Board

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

The Board of the Company consists of ten Directors and seven out of them are Non-Executive Directors. There are five Independent Directors on the Board who are professionals with high credentials and actively contribute in the deliberations of the Board, covering all strategic policy matters and strategic decisions.

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

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

* Ms. Annapurna Dixit was appointed and regularised as Non-Executive Independent Director on 21st September, 2015 in the 28th Annual General Meeting of the Company.

Notes:-

1. The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Section 8 Companies and Private Limited Companies.
2. Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all Public Limited Companies (excluding Bhartiya International Limited) have been considered. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.
3. The Independent Directors also meet the criteria as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013.
4. Details of Director(s) retiring or being re-appointed are given in the notice to Annual General Meeting. The brief profile of the Board Members is given on the website of 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 Act and Regulation 16(1)(b) of the SEBI Listing Regulations. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 is disclosed on the website of Bhartiya Group www.bhartiyafashion.com. The same is issued to Independent Directors on their appointment.

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 2015-16 the Board met six times. The meetings were held on 25th May, 2015, 6th August, 2015, 9th November, 2015, 14th December, 2015, 2nd January, 2016 and 10th February, 2016. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI Listing Regulations.

The attendance of Directors at the Board meetings held during the financial year ended 31st March, 2016 and at the previous Annual General Meeting (AGM) was as under:

Name of Director	No. of Board Meetings attended*	Attendance at last AGM
Mr. Snehideep Aggarwal	6	Absent
Mr. A. K. Gadhok	3	Absent
Ms. Jaspal Sethi	6	Absent
Mr. Ramesh Bhatia	3	Present
Mr. C. L. Handa	5	Present
Mr. Sandeep Seth	6	Present
Mr. Shashank	5	Absent
Mr. A. Sahasranaman	6	Absent
Mr. Nikhil Aggarwal	6	Absent
Ms. Annapurna Dixit	4	Absent

*Includes Meeting attended through Tele/Video Conference

Information Supplied to the Board:

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

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.

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

Post Meeting Mechanism

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

Board Support

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

Familiarization Programme for Independent Directors

At the time of appointing an Independent Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, SEBI Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

Conflict of Interests

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

Insider Trading Code

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"). The PIT Regulations has come into effect from 15th May, 2015 and replaced the earlier Regulations.

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

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

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

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

Code of Conduct

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

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

The Company recognizes that sexual harassment violates fundamental rights of gender equality, right to life and liberty and right to work with human dignity as guaranteed by the Constitution of India. To meet this objective, measures have been taken to eliminate and to take necessary penal action for any act of sexual harassment, which includes unwelcome sexually determined behaviour. The Company has taken initiatives to create wide awareness amongst the employees about the policy for prevention of sexual harassment 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 Regulation 22 of the SEBI Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanization provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

COMMITTEES OF THE BOARD

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

The Board has currently the following Committees:

(A) AUDIT COMMITTEE

(i) Composition

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

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

(ii) Meetings and Attendance during the Financial Year 2015–2016

The Members of the Audit Committee met four times during the Financial Year 2015–16. The Company is in full compliance with the provisions of Regulation 18 of the SEBI Listing Regulations on gaps between any two Audit Committee meetings. The Committee met on 22nd May, 2015, 5th August, 2015, 7th November, 2015 and 8th February, 2016. 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	22.05.2015	05.08.2015	07.11.2015	08.02.2016
Mr. Sandeep Seth	P	P	P	P
Mr. Shashank	A	P	P	P
Mr. C.L. Handa	P	A	P	P

(iii) Terms of Reference

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

(iv) 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.

(v) The role of Audit Committee includes

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

- g. Reviewing and monitoring the auditors independence and performance and effectiveness of audit process
- h. Approval or any subsequent modification of transactions of the Company with related parties
- i. Scrutiny of inter–corporate loans and investments
- j. Valuation of undertakings or assets of the Company, wherever it is necessary
- k. Evaluation of internal financial controls and risk management systems
- l. Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
- n. Discussion with internal auditors, any significant findings and follow–up thereon
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board
- p. Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- q. To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non–payment of declared dividends) and creditors
- r. To review the functioning of the Whistle Blower mechanism
- s. Approval of appointment of the CFO (i.e. the whole–time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate
- t. Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- u. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- v. Reviewing the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of internal auditors / chief internal auditor
- w. statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

(B) NOMINATION AND REMUNERATION COMMITTEE

(i) Composition

The Committee comprises of three Non–Executive Independent Directors in pursuant to Regulation 19 of the SEBI Listing Regulations. Mr. Sandeep Seth is the Chairman of the Committee. Other members of the Nomination and Remuneration Committee are Mr. Shashank and Mr. C. L. Handa. Ms. Shilpa Budhia, Company Secretary acts as Secretary of the Nomination and Remuneration Committee. The Composition of Remuneration and Nomination Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.

(ii) Meetings and Attendance during the financial year 2015–2016

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

Director	16.09.2015	31.12.2015
Mr. Sandeep Seth	P	P
Mr. C.L.Handa	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 1,64,650 stock options to its employees during the financial year 2015–16. The details of vesting and exercise 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 2015–2016 is as under:

Name of the Director	Salary (Rs.)*
Mr. Snehdeep Aggarwal	18,39,600
Ms. Jaspal Sethi	11,72,400
Mr. A. K. Gadhok	9,60,888

*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 2015–2016 is as under: –

Name of the Director	Board Meeting Fees (Rs.)	Committee Meeting Fees (Rs.)	Total (Rs.)
Mr. C. L. Handa	13890	12221	26111
Mr. Ramesh Bhatia	8334	–	8334
Mr. A. Sahasranaman	16668	–	16668
Mr. Shashank	13890	9999	23889
Mr. Sandeep Seth	16668	14443	31111
Mr. Nikhil Aggarwal	–	–	–
Ms. Annapurna Dixit	11112	–	11112

SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON–EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2016

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

(i) Composition

The Stakeholders Relationship Committee comprises of three Non-Executive Directors and all are Independent Directors in pursuant to Regulation 20 of the SEBI Listing Regulations. Mr. Sandeep Seth is the Chairman of the Stakeholders Relationship Committee. Other members of the Stakeholders Relationship Committee are Mr. Shashank and Mr. C. L. Handa.

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

(ii) Meetings and attendance during the Financial Year 2015-2016

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	30.04.2015	20.05.2015	30.07.2015	05.11.2015	31.12.2015	03.03.2016	31.03.2016
Mr. Sandeep Seth	P	P	P	P	P	P	P
Mr. C. L. Handa	P	P	A	P	P	P	P
Mr. Shashank	A	A	P	P	P	P	P

(iii) Terms of Reference

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

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

Total number of complaints/communications received during the financial year were 27 (Twenty Seven) 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 31st March, 2016.

(D) CORPORATE SOCIAL RESPONSIBILITY 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. The Composition of CSR Committee is pursuant to the provisions of Section 135 of the Companies Act, 2013.

(ii) Meetings and Attendance during the financial year 2015-2016

Three Meetings of the Committee were held during the year.

Director	21.09.2015	04.01.2016	31.03.2016
Mr. Snehdeep Aggarwal	A	P	P
Mr. Ramesh Bhatia	P	P	A
Mr. Sandeep Seth	P	P	P

(iii) Terms of reference

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

- a. 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
- b. To recommend the amount of expenditure to be incurred on the CSR activities
- c. To monitor the implementation of the framework of the CSR Policy
- d. To disseminate factually correct information to investors, institutions and the public at large
- e. 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.

(E) 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 2015–2016

Eleven Meetings of the Committee were held during the year on 20th April, 2015, 30th April, 2015, 10th August, 2015, 25th August, 2015, 15th October, 2015, 31st December, 2015, 1st February, 2016, 20th February, 2016, 29th February, 2016, 3rd March, 2016 and 21st March, 2016. All the members were present in all the meetings of the Committee.

(iii) Terms of Reference

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

(F) MANAGEMENT COMMITTEE**(i) Composition**

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

(ii) Meetings and Attendance during the financial year 2015–2016

Eight Meetings of the Committee were held during the year on 29th April, 2015, 26th May, 2015, 8th July, 2015, 4th September, 2015, 19th November, 2015, 12th January, 2016, 15th January, 2016 and 17th February, 2016. 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

(G) 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 2015–2016

No Meetings of the Committee were held during the year.

(iii) Terms of Reference

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

(H) RISK MANAGEMENT COMMITTEE

As per Regulation 21 of SEBI Listing Regulations, the provision with respect to the constitution of the Risk Management Committee is applicable only if the Company is in the top 100 listed companies determined on the basis of Market capitalization at the end of the each financial year and since the Company does not fall under the required criteria, the Risk Management Committee had been disbanded.

MEETING OF INDEPENDENT DIRECTORS

As per Regulation 25(3) and 25(4) of the SEBI Listing Regulations and Companies Act, 2013, during the year under review, the Independent Directors met on 30th March 2016, 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.

SUBSIDIARY COMPANY

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

MDA is attached separately in this Annual Report.

I. GENERAL BODY MEETINGS

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

Annual General Meeting (AGM)	Date	Time of EGM	Location	No. of Special Resolutions passed
28th AGM	21st September, 2015	11.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi–110003	–
27th AGM	8th September, 2014	11.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi–110003	2
26th AGM	23rd September, 2013	10.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi–110003	3

All resolutions moved at the Annual General Meeting held on 23rd September, 2013 was passed by show of hands.

All resolutions moved at the Annual General Meeting held on 8th September, 2014 and 21st September, 2015 were passed through Poll (electronically and physical ballot).

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 2015-16	No Meeting held			
Year 2014-15	5th June, 2014	10.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	1
Year 2013-14	No Meeting held			

The resolution moved at EGM held on 5th June 2014 for issue of 5 lakh warrants to Promoter group on preferential basis was 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, duly passed Five Special Resolutions on 6th April, 2015 for the following items:

- Amendment of the Main Objects Clause of the Memorandum of Association of Company,
- Amendment of Incidental or Ancillary Objects Clause of the Memorandum of Association,
- Deletion of the Other Objects Clause of the Memorandum of Association of Company,
- Amendment of the Liability Clause of the Memorandum of Association and
- Adoption of New Set of Articles of Association of the Company in pursuance to the provisions of Companies Act, 2013.

The Company as per the Postal Ballot notice dated 9th November, 2015 duly passed two Special Resolutions on 26th December, 2015 for the following items:

- Approval to issue and allot 7,00,000 no(s) of Warrants to Non-Promoter Group on a preferential basis
- Shifting of the Registered Office of the Company from Union Territory of Delhi to the State of Tamil Nadu.

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%	-

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
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%
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

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. – 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%	–
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
Special Resolution No. – 6 : Preferential Issue of 7,00,000 warrants to Non–Promoter Group							
Mode of Voting (Postal ballot paper)							
Promoter and Promoter Group	1350000	1350000	100%	1350000	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	1503433	1503433	100%	1503333	100	100%	–
Total (A)	2853433	2853433	100%	2853433	100	100%	–

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
Mode of Voting (E-Voting)							
Promoter and Promoter Group	2893162	2893162	100%	2893162	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	1210	1210	100%	416	794	34%	66%
Total (B)	2894372	2894372	100%	2893578	794	0.03%	99.97%
RESULT (A+B)	5747805	5747805	100%	5746911	894	99.97%	0.03%
Special Resolution No. – 7: Shifting of registered office of the Company from the Union Territory of Delhi to the state of Tamil Nadu							
Mode of Voting (Postal ballot paper)							
Promoter and Promoter Group	1350000	1350000	100%	1350000	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	1503433	1503433	100%	1503333	100	100%	–
Total (A)	2853433	2853433	100%	2853433	100	100%	–
Mode of Voting (E-Voting)							
Promoter and Promoter Group	2893162	2893162	100%	2893162	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	1210	1210	100%	416	794	34%	66%
Total (B)	2894372	2894372	100%	2893578	794	0.03%	99.97%
RESULT (A+B)	5747805	5747805	100%	5746911	894	99.97%	0.03%

PROCEDURE FOR POSTAL BALLOT

In compliance with Regulation 44 of the SEBI Listing Regulations and sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The company engages the services of NSDL for the purpose of providing 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 Regulation 27 of the SEBI Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of section 188 of the Companies Act, 2013. There were no materially significant 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 Regulation 23(1) of the SEBI Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company (www.bhartiyafashion.com)

- (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 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 is exposed to the risk of price fluctuation of raw materials and manages these risks proactively through inventory management and proactive vendor development practices.
- (viii) The Company has complied with all mandatory requirements of Corporate Governance as specified under Regulation 27 of the SEBI Listing Regulations.

MEANS OF COMMUNICATION

- (i) The Unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulations, with the Stock Exchanges.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local language (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.

- (v) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.
- (vi) Investors' presentation etc. are sent to stock exchanges and uploaded on the Company's website. Half yearly communication on the operational and financial performance of the Company is sent to the shareholders.
- (vii) A separate dedicated section under "Investors Relation", on the Company's website gives information on, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors /public.

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

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

SEBI COMPLAINT REDRESS SYSTEM (SCORES)

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

GENERAL SHAREHOLDER INFORMATION

1. **AGM: Date, Time and Venue** : **Day and Date** : Thursday, 29th September, 2016
Time: 02:00 p.m.
Venue: The Company is in the process of shifting its registered office to Chennai and expects a favourable order from the Regional Director in a short time span. Hence the Annual General Meeting of the Company will be convened in Chennai. The exact venue details will be communicated to the shareholders through AGM notice.
2. **Financial Calendar for 2016–2017**
Financial year – April to March
 - Results for Quarter ending 30th June, 2016 : by 14th of August, 2016
 - Results for Quarter ending 30th Sep., 2016 : by 14th of November, 2016
 - Results for Quarter ending 31st Dec., 2016 : by 14th of February, 2017
 - Year ending 31st March, 2017 : by the 30th of May, 2017
3. **Book Closure** : Friday the 23rd September, 2016
to Thursday the 29th September, 2016 (both days inclusive)
4. **Dividend Payment Date** : On or before 28th October, 2016
if declared at Annual General Meeting on 29th September, 2016

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 2016–2017 has been duly paid to both the Stock Exchanges.

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

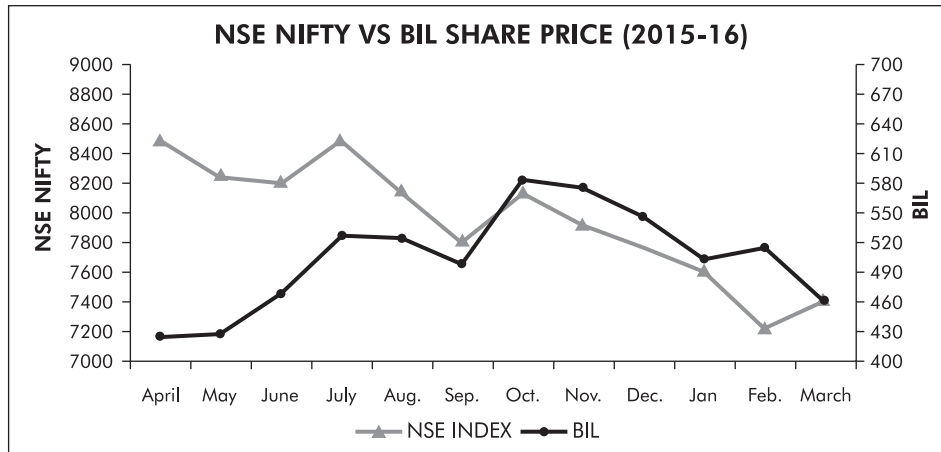
Demat ISIN Number with NSDL for Warrants – **INE828A13029**

Annual Custody Issuer fee for the financial year 2016–17 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-15	445.70	401.00	423.35	Apr-15	8844.80	8144.75	8494.78
May-15	472.75	380.00	426.38	May-15	8489.55	7997.15	8243.35
Jun-15	509.45	426.15	467.80	Jun-15	8467.15	7940.30	8203.73
Jul-15	558.00	496.50	527.25	Jul-15	8654.75	8315.40	8485.08
Aug-15	597.90	450.00	523.95	Aug-15	8621.55	7667.25	8144.40
Sep-15	543.00	452.25	497.63	Sep-15	8055.00	7539.50	7797.25
Oct-15	638.95	527.10	583.03	Oct-15	8336.30	7930.65	8133.48
Nov-15	612.80	536.95	574.88	Nov-15	8116.10	7714.15	7915.13
Dec-15	585.00	506.15	545.58	Dec-15	7979.30	7551.05	7765.18
Jan-16	564.90	438.95	501.93	Jan-16	7972.55	7241.50	7607.03
Feb-16	567.65	459.00	513.33	Feb-16	7600.45	6825.8	7213.13
Mar-16	494.90	424.50	459.70	Mar-16	7777.60	7035.10	7406.35

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 Regulation 40(9) of the SEBI Listing Regulations and files a copy of the said certificate with Stock Exchanges. As at 31st March, 2016 there was no Equity Share pending for Transfer, also there was no Demat Request pending as on 31st March, 2016.

9. Distribution of Shareholding as on 31st March, 2016

No. of Shares	SHAREHOLDERS		SHAREHOLDING	
	Number	% to total	Number	% to total
Upto-250	4879	88.18	269781	2.30
251-500	238	4.30	94179	0.80
501-1000	146	2.64	113458	0.97
1001-2000	84	1.52	133582	1.14
2001-3000	37	0.67	91680	0.78
3001-4000	26	0.47	93025	0.79
4001-5000	18	0.33	84536	0.72
5001-10000	36	0.65	280716	2.40
10001 & above	69	1.25	10552891	90.10
Total	5533	100.00	11713848	100.00

10. Shareholding Pattern as on 31st March, 2016

Category	No. of Share held	% of Paid up Capital
Promoters Holding	1483612	12.67
Persons acting in concert	4180950	35.69
Mutual Funds	3000	0.03
Banks/Trusts	4821	0.04
NRIs/OCBs/Foreign National/FII	941557	8.04
Indian Corporate Bodies	3067693	26.19
Indian Public	1901417	16.23
Directors	122800	1.05
Clearing Members	7998	0.07
Total	11713848	100

11. Top Ten Shareholders as on 31st March 2016

S. N.	Particulars	No. of shares	% of total shares of the company
1	Spirit Impex Pvt. Ltd	1200000	10.24
2	Morgan Stanley Asia (Singapore) PTE	745315	6.36
3	Appreal Holding Pvt. Ltd	387356	3.31
4	Share Point Pvt. Ltd	285500	2.44
5	Dwarkadhish Trading Pvt. Ltd	240000	2.05
6	Superfine Carpets Pvt. Ltd	168300	1.44
7	Arvinder Kaur	130000	1.11
8	Vinod Infotech Private Limited	112108	0.96
9	Ishaan Metals Private Limited	107728	0.92
10	Zealous Financial Services Private Limited	107000	0.91

- 12. Dematerialization of shares and liquidity** : As on 31st March, 2016, 97.27% 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 31.03.2016, 7,00,000 warrants were outstanding. These warrants were allotted to the Non-Promoter Group on Preferential basis. During FY 2015-16, the Company had converted 5 lakh outstanding warrants to Equity shares resulting in the increased paid-up Equity capital to Rs. 11,71,38,480/-
The Company had also granted 1,64,650 Stock Options to its employees.

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, 26803201, 26803202, 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, 26803201, 26803202, 46002100

Fax No.: 011 – 26803485

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.

Demat Suspense Account/ Unclaimed Suspense Account

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

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

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

CODE OF CONDUCT DECLARATION

Declaration

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As provided under Regulation 26 (3) of the SEBI Listing Regulations, all Board Members and Senior Management Personnel have affirmed compliance with Bhartiya International Limited Code of Business Conduct and Ethics for the year ended 31st March, 2016.

Snehdeep Aggarwal

Managing Director

For and on behalf of the Board

Sd/-

Snehdeep Aggarwal

Managing Director

DIN. 00928080

Sd/-

Ramesh Bhatia

Director

DIN. 00052320

New Delhi, 25th May, 2016

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, 2016 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, 2016 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, 2016

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The members
Bhartiya International Limited.

We have examined the compliance of Conditions of Corporate Governance by Bhartiya International Ltd. ("the Company") for the financial year ended on 31st March, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

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

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

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

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

S. K. Poddar
Partner
Mem. No. 094479
New Delhi, 25th May, 2016

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors of
Bhartiya International Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bhartiya International Limited ('the Holding Company') and its subsidiaries and associate (collectively referred to as 'the Company' or 'the Group'), comprising the consolidated balance sheet as at 31 March, 2016 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 the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies Act, 2013 (hereinafter referred to as 'the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March, 2016 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. 1,031,161,630/- as at 31st March, 2016 total revenues of Rs 2,617,574,847/- and net cash in flows amounting to Rs. 17,568,492/- 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.19,221,828/-. 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 sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that :
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the 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, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii) 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, 2016

ANNEXURE-A TO THE AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016 we have audited the internal financial controls over financial reporting of Bhartiya International Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

S. K. Poddar
Partner
Mem. No. 094479
New Delhi, 25th May, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	117,138,480	112,138,480
(b) Reserves and Surplus	3	2,001,416,281	1,627,696,084
2 Minority Interest		15,891,987	16,613,710
3 Share Application Money/Share Warrants			
Pending Allotment	4	105,000,000	30,000,000
4 Non-Current Liabilities			
(a) Long-Term Borrowings	5	342,354,629	313,699,750
(b) Deferred Tax Liabilities		33,921,328	28,157,559
(c) Other Long-Term Liabilities	6	15,978,600	15,978,600
(d) Long-Term Provisions	7	15,123,280	13,966,170
5 Current Liabilities			
(a) Short-Term Borrowings	8	1,829,398,011	1,674,980,039
(b) Trade Payable	9	698,784,255	537,607,935
(c) Other Current Liabilities	10	145,745,882	269,704,824
(d) Short-Term Provisions	11	123,474,804	92,985,660
TOTAL		5,444,227,537	4,733,528,811
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		743,008,958	666,812,584
(ii) Intangible Assets		6,601,104	4,644,893
(iii) Capital Work In Progress		78,492,129	50,718,597
(iv) Intangible Assets under Developments		13,180,000	9,453,800
(b) Non Current Investments	13	384,124,145	365,504,733
(c) Long Term Loans and Advances	14	27,812,118	22,713,931
(d) Other Non-Current Assets	15	645,124	731,749
(e) Goodwill on Consolidation		2,525,000	2,525,000
2 Current Assets			
(a) Current Investments	16	386,273	10,257,170
(b) Inventories	17	2,531,707,831	1,937,834,394
(c) Trade Receivables	18	892,966,392	914,690,944
(d) Cash & Cash Equivalents	19	334,231,128	355,589,116
(e) Short Term Loans and advances	20	428,308,738	391,812,164
(f) Other Current assets	21	238,597	239,736
TOTAL		5,444,227,537	4,733,528,811
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
DIN. 00928080

Ramesh Bhatia
Director
DIN. 00052320

New Delhi, 25th May, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note No.	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Amount in Rs.			
Income:			
Revenue From Operations	22	6,254,479,225	5,581,276,840
Other income	23	37,890,961	33,380,230
Total Revenue		6,292,370,186	5,614,657,070
Expenses:			
Cost of Raw Material Consumed	24	2,101,595,188	2,154,937,040
Purchases of Stock In Trade		1,853,015,035	1,392,006,602
Changes in Inventories of Finished Goods	25	(145,802,165)	(81,087,576)
Employee Benefits Expenses	26	362,471,058	305,158,346
Finance Cost	27	162,942,892	131,267,140
Depreciation and Amortization Expense	28	60,497,851	63,023,625
Other Expenses	29	1,578,357,706	1,353,987,177
Total Expenses		5,973,077,565	5,319,292,354
Profit Before Tax		319,292,621	295,364,716
Tax Expense:			
Current Tax		89,281,521	86,149,232
Deferred Tax		2,806,551	(2,203,050)
Profit/(Loss) Before Minority Interest and share in Profit/(Loss) of Associates		227,204,549	211,418,534
Less : Minority Interest		(721,723)	1,425,669
Add : Share of Profit of Associate		19,221,828	44,163
Profit/(Loss) for the period		247,148,100	210,037,028
Earnings Per Equity Share:			
(1) Basic		21.69	18.83
(2) Diluted		21.48	18.50

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.**
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Firm Registration No. 014969N

For and on behalf of the Board

S.K.Poddar
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Managing Director
DIN. 00928080

Ramesh Bhatia
Director
DIN. 00052320

New Delhi, 25th May, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in Rs.

PARTICULARS	Year Ended 31st March, 2016	Year Ended 31st March, 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	319,292,621	295,364,716
Adjustment for :		
Finance Cost	130,622,481	145,281,881
Effect of exchange rate change	32,320,411	(14,014,742)
Depreciation and amortisation expense	60,497,851	63,023,625
Loss/(Profit) on sale of fixed assets (net)	2,917	1,200,431
Loss/(Profit) on sale of investments (net)	(1,080,920)	(2,636,096)
Rental Income	(22,717,365)	(22,499,225)
Dividend income	(146,065)	(109,770)
Provision for Employee Stock Option Benefits	20,396,540	(170,363)
Provision no longer required	-	(1,464,391)
Operating profit/(loss) before working capital changes	539,188,471	463,976,066
Movements in working capital:		
Increase/ (decrease) in trade payables	161,176,320	242,453,406
Increase/ (decrease) in other liabilities	(123,503,711)	129,852,112
Increase/ (decrease) in provisions	6,379,506	5,649,867
Decrease/ (increase) in inventories	(593,873,437)	(275,155,163)
Decrease/ (increase) trade receivables	21,724,553	(626,640,796)
Decrease/ (increase) in long term loans and advances	(5,098,187)	2,674,946
Decrease/ (increase) in Short term loans and advances	2,069,401	(69,386,803)
Cash (used in) / generated from operations	8,062,915	(126,576,365)
Income tax paid (Net)	(103,045,018)	(70,483,940)
Effect of exchange rate change	(32,320,411)	14,014,742
Currency fluctuation reserve on consolidation	8,093,771	(30,756,067)
Net cash (used in)/ generated from operating activities – (A)	(119,208,742)	(213,801,630)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(138,600,392)	(90,461,186)
Capital WIP & capital advances	(31,499,732)	(24,648,448)
Proceeds from sale of fixed assets	203,661	1,446,335
Sale/(Purchase) of investments(net)	11,554,232	15,132,885
Dividend income on current investments	146,065	109,770
Rental Income	22,717,365	22,499,225
Net cash from/ (used in) investing activities – (B)	(135,478,801)	(75,921,419)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	28,350,762	14,422,535
Proceeds from short-term borrowings (net)	154,417,972	320,287,989
Money Received against Share Warrant	75,000,000	30,000,000
Share Capital including securities premium	120,000,000	14,325,000
Preliminary Expenses Incurred	(168,860)	(180,000)
Interest and processing fees paid (net)	(130,622,481)	(145,281,881)
Dividend paid (including dividend tax)	(13,647,838)	(13,164,059)
Net cash from/ (used in) financing activities – (C)	233,329,555	220,409,584
Net increase / (decrease) in cash and cash equivalents – (A+B+C)	(21,357,988)	(69,313,465)
Cash and cash equivalents as at beginning of the year	355,589,116	424,902,581
Cash and cash equivalents as at the end of the year	334,231,128	355,589,116
Components of cash and cash equivalents:		
Cash on hand	4,351,469	5,567,506
Balances with scheduled banks:		
In current accounts	238,345,979	256,583,449
In deposits	91,533,680	93,438,161
Cash and cash equivalents in cash flow statement (refer note 19)	334,231,128	355,589,116

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
DIN. 00928080

Ramesh Bhatia
Director
DIN. 00052320

New Delhi, 25th May, 2016

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%
Bhartiya Urban Infrastructure Ltd	India	100%	–
Foreign Subsidiaries			
World Fashion Trade Ltd.	Mauritius	100%	100%
BIL Group LLC	USA	—	100%
Ultima SA	Switzerland	100%	100%
Ultima Italia SRL	Italy	100%	100%
Design Industry Ltd.	Hongkong	100%	100%
Design Industry China Ltd.	China	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%

1.11 On 13th January, 2016, BIL Group LLC , a wholly owned subsidiary, has been voluntarily liquidated.

1.12 On 21st May ,2015, the Company through its wholly owned subsidiary Ulitma SA, incorporated wholly owned subsidiary Design Industry China Ltd in China.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

- 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.

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 April 1, 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, 2016	As at 31st March, 2015
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) 1,17,13,848 (Previous Year 1,12,13,848) equity shares of Rs.10/- each fully paid Up.	117,138,480	112,138,480
	117,138,480	112,138,480

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, 2016 No. of Shares	31st March, 2016 % of Holding	31st March, 2015 No. of Shares	31st March, 2015 % of Holding
(a) Snehdeep Aggarwal	1,143,362	9.76	1,143,362	10.24
(b) Bharitya Infotech Pvt. Ltd.	1,000,000	8.54	1,000,000	8.96
(c) Bhartiya Global Holdings Pvt. Ltd.	1,850,000	15.79	1,350,000	12.09
(d) Spirit Impex Pvt Ltd.	1,200,000	10.24	1,200,000	10.75
(e) Bhartiya Finstock Pvt. Ltd.	681,926	5.82	681,926	6.11
(f) Morgan Stanlay Asia (Singapore) PTE	745,315	6.36	745,315	6.68

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

PARTICULARS	As at	As at
	31st March, 2016 No. of Shares	31st March, 2015 No. of Shares
Shares outstanding at the beginning of the year	11,213,848	11,063,848
Shares Issued during the year	500,000	150,000
Shares outstanding at the end of the year	11,713,848	11,213,848

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 5,00,000 equity shares of Rs.10/- each at a premium of Rs. 230/- each issued to promoters on conversion of preferential Share Warrants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
3 RESERVES & SURPLUS		
i) Capital Reserves		
As Per last Balance Sheet	<u>4,621,283</u>	<u>4,621,283</u>
	4,621,283	4,621,283
ii) Share Premium Reserve		
As Per last Balance Sheet	391,165,000	376,165,000
Add: Additions during the year on fresh issue of shares	115,000,000	15,000,000
	<u>506,165,000</u>	<u>391,165,000</u>
iii) Currency Fluctuation Reserve		
As Per last balance sheet	2,950,480	33,706,547
Add: Addition during the year	8,093,770	(30,756,067)
	<u>11,044,250</u>	<u>2,950,480</u>
iv) Preferential Share Warrant Forfeited	8,500,000	8,500,000
v) General Reserves		
As Per last balance sheet	250,129,410	223,165,030
Add: Transferred from profit and loss Account	20,000,000	26,964,380
	<u>270,129,410</u>	<u>250,129,410</u>
vi) Surplus in Statement of Profit & loss		
As Per last balance sheet	970,329,912	805,498,478
Less: Adjustment relating to fixed assets	–	4,627,495
Add: Profit for the year	247,148,100	210,037,028
	<u>1,217,478,012</u>	<u>1,010,908,011</u>
Less : Appropriations		
– General Reserve	20,000,000	26,964,380
– Proposed Dividend	14,056,618	11,213,848
– Tax on Dividend	2,861,596	2,282,876
	<u>1,180,559,798</u>	<u>970,446,907</u>
Less : Dividend Paid on Fresh issue of Shares	–	100,000
Less : Dividend Tax on Fresh issue of Shares	–	16,995
	<u>1,180,559,798</u>	<u>970,329,912</u>
vii) Stock Option Outstanding	20,396,540	–
TOTAL	<u>2,001,416,281</u>	<u>1,627,696,084</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 credit of Rs. 80,93,771/- (Previous year debit of Rs. 3,07,56,067/-) 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, 2016	As at 31st March, 2015
4 MONEY RECEIVED AGAINST SHARE WARRANTS		
a) Preferential Share Warrant :		
5,00,000 Preferential Share Warrant paid up Rs. 60/- each. (Previous Year 1,00,000 warrants of Paid up Rs. 21.75/- each.)	30,000,000	2,175,000
Add: 7,00,000 Preferential Share Warrants Issued Paid up Rs. 150/- each (Previous Year – 5,00,000 Preferential Share Warrants issued paid up Rs 60/- each)	105,000,000	30,000,000
	135,000,000	32,175,000
Less : 5,00,000 Preferential Share Warrants Converted into Equity Shares paid up Rs. 60/- (Previous Year – 1,00,000 Preferential Share Warrants Converted into Equity Shares paid up Rs. 21.75/-)	30,000,000	2,175,000
TOTAL	105,000,000	30,000,000

- 4.1** The Company has allotted 700,000 warrants to non-promoter company on 2nd January, 2016 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. 590/- with in a period of 18 months from the date of allotment. Against this the company has received Rs. 150/- per warrant.

5 LONG TERM BORROWINGS
Secured

– Term Loans from Banks	340,375,249	309,995,660
– Vehicle Loans from Banks	1,979,380	3,704,090
TOTAL	342,354,629	313,699,750

- 5.1** Term Loan from Allahabad Bank, balance outstanding amounting to Rs.139.61 lacs (31st March, 2015 Rs. 418.95 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 Jan 17. Rate of interest 13.20% p.a. as at year end (Previous Year 13.75 % p.a.)
- 5.2** Term Loans from IDBI Bank, balance outstanding amounting to Rs 701.05 lacs (31st March, 2015 Rs. 728.83 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 Feb 2013. Last installment due in Feb 2028. Rate of Interest 11.00 % p.a. as at year end (Previous Year 12.25 % p.a.)
- 5.3** Term Loans from IDBI Bank, balance outstanding amounting to Rs 1799.93 lacs (31st March, 2015 Rs. 1873.71 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 11.00 % p.a. as at year end (Previous Year 12.50% p.a.)
- 5.4** Term Loan from Axis Bank, balance outstanding amounting to Rs. 545.69 Lacs (31st March, 2015 Rs. 585 lacs) is secured by exclusive charge over the fixed assets funded out of it. Exclusive charge by way of Equitable Mortgage over the immovable property situated at plot No 69, 3rd Road, 1st Phase, Jigani industrial Area, Part of Sy No 588 & 590 Jigani, Anekai Taluk, Bangalore, 562106 and personal guarantee of one of the Director
The Loan is repayble in 15 Quarterly Installment starting from September, 2015. Last installment due in June, 2019. Rate of interest 10.65 % p.a. as at year end (previous year – 12.25% p.a.)
- 5.5** Term Loans from HDFC Bank, balance outstanding amounting to Rs 728.00 lacs (31st March, 2015 Rs. Nil) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.
The Loan is repayble in 18 Quarterly Installment starting from December, 2016. Last installment due in March, 2021. Rate of interest 10.70 % p.a. as at year end (previous year – N/A)
- 5.6** 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, 2016	As at 31st March, 2015
6 OTHER LONG TERM LIABILITIES		
(a) Security Deposit from related parties (refer note no 30.09)	15,978,600	15,978,600
TOTAL	15,978,600	15,978,600
7 LONG TERM PROVISIONS		
(a) Provision for employees benefit Provision for Gratuity	15,123,280	13,966,170
TOTAL	15,123,280	13,966,170
8 SHORT TERM BORROWINGS		
Secured		
– Working Capital Loans From Banks	1,829,398,011	1,674,980,039
TOTAL	1,829,398,011	1,674,980,039
8.1 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 guarantees of Directors.		
8.2 Foreign documentary bills discounted with banks have been shown as a contingent liability. The same are secured against the export bills and the personal guarantees of Directors.		
8.3 Working Capital facilities in overseas subsidiaries are secured against Corporate Guarantee / SBLC of Bhartiya International Limited .		
9 TRADE PAYABLE		
(a) Payable	432,335,275	426,217,333
(b) Acceptance	266,448,980	111,390,602
TOTAL	698,784,255	537,607,935
10 OTHER CURRENT LIABILITIES		
(a) Current maturities of Long Term Borrowings	52,408,405	52,712,522
(b) Unclaimed Dividend	817,109	968,223
(c) Statutory Dues Payable	21,466,542	22,918,891
(d) Other Current Liabilities	71,053,826	193,105,188
TOTAL	145,745,882	269,704,824
11 SHORT TERM PROVISIONS		
(a) Provision for Employees Benefits	8,886,030	6,620,853
(b) Provision for Income Tax	97,670,560	72,868,083
(c) Proposed Dividend	14,056,618	11,213,848
(d) Tax on Proposed Dividend	2,861,596	2,282,876
TOTAL	123,474,804	92,985,660

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTD.)

12 FIXED ASSETS

Amount in Rs.

PARTICULARS	Gross Block			Depreciation			Balance As at 31st March, 2016	
	Balance As at 1st April, 2015	Additions/ Adjustments during the year	Deduction/ Retirement during the year	Balance As at 31st March, 2016	Retained Earning For the year	For the year		Deduction/ adjustments during the year
Tangible Assets :								
Own Assets :								
land	25,570,461	-	-	25,570,461	-	-	-	25,570,461
Lease Hold Land	60,000,000	-	-	60,000,000	-	1,263,542	-	57,014,761
Building	439,192,946	84,184,229	-	523,377,175	91,832,330	17,137,054	-	414,407,791
Machinery	283,697,424	32,339,773	-	316,037,197	108,972,795	20,094,175	-	186,970,227
Vehicles	44,407,543	1,072,161	1,930,229	43,549,475	25,727,952	4,706,315	1,733,688	14,848,896
Furniture	57,279,789	3,354,446	10,037	60,624,198	37,534,201	5,348,766	-	17,741,231
Office Equipments	26,537,092	6,830,004	-	33,367,096	9,422,891	4,253,195	-	19,691,010
Computers	12,365,709	5,679,717	-	18,045,426	7,026,514	4,254,331	-	6,764,581
Total (A)	949,050,964	133,460,330	1,940,266	1,080,571,028	282,238,380	57,057,378	1,733,688	743,008,958
Intangible Assets :								
Computer Software	7,947,367	5,140,062	-	13,087,429	4,113,938	3,171,895	-	5,801,596
Goodwill	25,640,943	-	-	25,640,943	24,829,479	11,956	-	799,508
Total (B)	33,588,310	5,140,062	-	38,728,372	28,943,417	3,183,851	-	6,601,104
Capital work in Progress								
Capital work in Progress	50,718,597	132,974,343	105,200,811	78,492,129	-	-	-	78,492,129
Total (C)	50,718,597	132,974,343	105,200,811	78,492,129	-	-	-	78,492,129
Intangible Assets Under Development								
Intangible Assets Under Development	9,453,800	3,726,200	-	13,180,000	-	-	-	13,180,000
Total (D)	9,453,800	3,726,200	-	13,180,000	-	-	-	13,180,000
Total (A+B+C+D)	1,042,811,671	275,300,935	107,141,077	1,210,971,529	311,181,797	60,241,229	1,733,688	841,282,191

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTD.)
FIXED ASSETS (CONTD.)

(Amount in Rs.)

PARTICULARS	Gross Block			Depreciation			Balance As at 31st March, 2015	
	Balance As at 1st April, 2014	Additions/ Adjustments during the year	Deduction/ Retirement during the year	Balance As at 31st March, 2015	Retained Earning For the year	For the year		Deduction/ adjustments during the year
Tangible Assets :								
Own Assets :								
Land	25,570,461	-	-	25,570,461	-	-	-	25,570,461
Lease Hold Land	30,000,000	30,000,000	-	60,000,000	-	624,136	-	58,278,303
Building	432,467,669	6,725,277	-	439,192,946	-	16,955,776	-	347,360,616
Machinery	247,015,970	36,681,454	-	283,697,424	-	21,668,765	-	174,724,629
Vehicles	45,441,634	5,378,666	6,412,757	44,407,543	78,332	4,759,406	4,824,000	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
Office Equipments	31,965,646	2,208,527	7,636,681	26,537,092	3,597,369	4,351,219	7,280,275	19,745,588
Computers	11,306,377	3,759,962	2,700,630	12,365,709	1,047,106	4,042,032	2,700,630	17,114,201
Total (A)	892,960,744	87,307,885	31,217,665	949,050,964	6,588,760	59,302,079	28,570,899	282,238,380
Intangible Assets :								
Computer Software	5,017,282	3,153,301	223,216	7,947,367	279,475	2,558,929	223,216	3,833,429
Goodwill	25,640,943	-	-	25,640,943	-	922,881	-	811,464
Total (B)	30,658,225	3,153,301	223,216	33,588,310	279,475	3,481,810	223,216	4,644,893
Capital work in Progress								
Capital work in Progress	31,995,649	43,826,859	25,103,911	50,718,597	-	-	-	50,718,597
Total (C)	31,995,649	43,826,859	25,103,911	50,718,597	-	-	-	50,718,597
Intangible Assets Under Development								
Intangible Assets Under Development	3,528,300	5,925,500	-	9,453,800	-	-	-	9,453,800
Total (D)	3,528,300	5,925,500	-	9,453,800	-	-	-	9,453,800
Total (A+B+C+D)	959,142,918	140,213,545	56,544,792	1,042,811,671	6,868,235	62,783,889	28,794,115	311,181,797

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.			
	No. of Shares/Units	As at 31st March, 2016	No. of Shares/Units	As at 31st March, 2015
13 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	264,106,828	11,205,000	244,885,000
Preference Shares	4,796,865	119,960,000	4,796,865	119,960,000
(c) Other Investment				
Indra Vikas Patra	-	6,500	-	6,500
	-	384,123,328		364,901,500
Non Trade Investments				
(a) Investments in Mutual Funds (Quoted)				
1. Goldman Sachs Liquid Exchange Trade Scheme	0.82	817	60,245	603,233
		817		603,233
Gross Total		384,124,145		365,504,733
#Particulars of Investment in Associate Company				
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		(15,872,829)		(35,115,920)
Carrying Value		264,127,171		244,884,080
B) TADA Mega Leather Cluster Pvt. Ltd.		50%		50%
Cost of Acquisition		50,000		50,000
Share of post acquisition Reserves & Surplus		(70,343)		(49,080)
Carrying Value		(20,343)		920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
14 LONG TERM LOANS & ADVANCES		
(Unsecured & Considered Good)		
(a) Security and Other Deposits	10,075,619	8,764,845
(b) Other Advances	17,736,498	13,949,086
TOTAL	27,812,118	22,713,931
15 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	624,124	710,749
(b) Other Advances	21,000	21,000
TOTAL	645,124	731,749

PARTICULARS	NO OF SHARES/UNITS	As at 31st March, 2016	NO OF SHARES/UNITS	As at 31st March, 2015
16 CURRENT INVESTMENTS				
i) In Equity Shares Quoted, fully paid up				
1 BHARAT FORGE LIMITED	-	-	620	633,651
2 CONTAINER CORP OF INDIA LIMITED	-	-	300	438,214
3 CUMMINS INDIA LIMITED	-	-	665	601,413
4 DABUR INDIA LIMITED	-	-	3,830	930,733
5 GODREJ CONSUMER PRODUCT LIMITED	-	-	550	605,756
6 HDFC LIMITED	-	-	1,125	834,818
7 HERO MOTOCOP LIMITED	-	-	140	424,470
8 INDUSIND BANK LIMITED	-	-	710	621,166
9 INFOSYS LIMITED	-	-	290	625,293
10 ITC LIMITED	-	-	1,135	420,621
11 LARSAN & TOUBRO LIMITED	-	-	450	376,877
12 LUPIN LIMITED	-	-	750	701,466
13 MARUTI SUZUKI INDIA LIMITED	-	-	170	606,458
14 MOTHERSON SUMI SYSTEMS LIMITED	-	-	2,000	638,580
15 PAGE INDUSTRIES LIMITED	-	-	40	414,436
16 SUN PHARMACEUTICALS LIMITED	-	-	475	421,648
17 TATA CONSULTANCY SERVICES LIMITED	-	-	160	419,346
18 TATA MOTORS LIMITED	-	-	750	318,875
TOTAL		-		10,033,821

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

PARTICULARS	NO OF SHARES/UNITS	As at 31 st March, 2016	NO OF SHARES/UNITS	As at 31 st March, 2015
ii) In Equity Shares Unquoted, fully paid up				
1 SAI RAYALASEEMA PAPER MILLS LTD	31,792	386,273	31,792	386,273
Total		<u>386,273</u>		<u>386,273</u>
Grand Total		<u>386,273</u>		<u>10,420,094</u>
Less:- Provision for diminution in the value of Investments		-		162,924
TOTAL CURRENT INVESTMENTS		<u>386,273</u>		<u>10,257,170</u>
Aggregate amount of quoted Investments		-		9,870,895
Market value of quoted Investments		-		12,399,828
Aggregate amount of unquoted Investments		386,273		386,273
17 INVENTORIES				
As Valued and Certified by the management				
(a) Raw Materials		2,037,915,276		1,591,886,164
(b) Finished Goods		368,180,969		222,378,804
(c) Work In Progress		125,611,586		123,569,426
TOTAL		<u>2,531,707,831</u>		<u>1,937,834,394</u>
18 TRADE RECEIVABLES				
(a) Unsecured, considered good		892,966,392		914,690,944
TOTAL		<u>892,966,392</u>		<u>914,690,944</u>
18.1 The Company has filed legal Suit for recovery of Rs. 61,62,337/- against one of its overseas customer. Management is confident of recovery of the same and hence has not made any provision for bad & doubtful debts against this.				
19 CASH AND CASH EQUIVALENT				
(a) Balances with Banks				
- In Current Accounts		238,345,979		256,583,449
- In Fixed Deposits		91,533,680		93,438,161
(b) Cash on Hand		4,351,469		5,567,506
TOTAL		<u>334,231,128</u>		<u>355,589,116</u>

19.1 Balances with banks Includes Unclaimed Dividend of Rs. 8,17,109/-(Previous year Rs. 9,68,223/-)

19.2 Fixed Deposits of Rs. 9,15,33,680/- (previous year Rs 5,33,75,585/-) 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, 2016	As at 31st March, 2015
20 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
(a) Advance Tax / TDS	78,099,577	39,533,603
(b) Vat Receivable	99,433,310	67,317,129
(c) Prepaid Expenses	16,558,097	10,339,054
(d) Export Incentive Receivable	51,332,576	118,283,523
(e) Other Advances	182,885,178	156,338,855
TOTAL	428,308,738	391,812,164
20.1 The company's claim of draw back amounting to Rs. 33.63 lacs has been disputed by the Commissioner of Customs (Exports) with the Joint Secretary (RA), Ministry of Finance, Department of Revenue, Government of India, New Delhi, against the favorable order in Appeal by the Commissioner of Customs (Appeals). The management is confident for the recovery of the said amount and hence has not made any provision for bad & doubtful debts against this.		
21 OTHER CURRENT ASSETS		
(a) Preliminary Expenses (to be written off in next year)	238,597	239,736
TOTAL	238,597	239,736
PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
22 REVENUE FROM OPERATION		
(a) Sales	5,895,449,973	5,252,237,111
(b) Export Incentive	359,029,252	329,039,729
TOTAL	6,254,479,225	5,581,276,840
23 OTHER INCOME		
(a) Dividend Income	146,065	109,770
(b) Profit on Sale of Investments	1,080,920	2,636,096
(c) Rental Income	22,717,365	22,499,225
(d) Other Income	13,946,611	6,670,748
(e) Provision for Dimunition in Value of Investments written back	–	1,464,391
TOTAL	37,890,961	33,380,230
24 RAW MATERIAL CONSUMPTION		
Opening Stock	1,591,886,164	1,383,034,023
Add : Purchases	2,547,624,300	2,363,789,181
	4,139,510,464	3,746,823,204
Less : Closing Stock	2,037,915,276	1,591,886,164
RAW MATERIAL CONSUMPTION	2,101,595,188	2,154,937,040

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
25 CHANGE IN INVENTORIES OF FINISHED GOODS		
(a) Opening Stock	222,378,804	141,291,228
(b) Closing Stock	368,180,969	222,378,804
Decrease/(Increase)	(145,802,165)	(81,087,576)
26 EMPLOYEE BENEFITS EXPENSES		
(a) Salary & Allowances	309,159,048	277,195,263
(b) Contribution to Provident & Other fund	19,165,400	13,984,697
(c) Staff Welfare Expenses	13,750,070	13,978,386
(d) Expenses on Employee Stock Option Scheme	20,396,540	–
TOTAL	362,471,058	305,158,346
27 FINANCE COST		
(a) Interest & Other financial charges	130,622,481	145,281,881
(b) Loss/ (Profit) on foreign currency transactions	32,320,411	(14,014,742)
TOTAL	162,942,892	131,267,139
28 DEPRECIATION AND AMORTISATION		
(a) Depreciation	60,241,229	62,783,889
(b) Preliminary Expenses W/off	256,622	239,736
TOTAL	60,497,851	63,023,625
29 OTHER EXPENSES		
(I) Manufacturing Expenses		
Job work/ Fabrication Charges	944,629,625	825,911,582
Freight & Cartage	8,348,310	18,502,290
Other Manufacturing Expenses	16,053,696	20,907,017
(II) Selling & Administrative Expenses		
Rent	22,339,941	18,320,123
Travelling	114,615,608	89,356,432
Power & Fuel	27,969,016	25,296,280
Insurance	5,285,936	6,354,318
Freight Outward	57,753,479	59,159,819
Commission, Brokerage & Discount	48,960,227	38,345,464
Repair & Maintenances	25,182,058	26,638,701
Miscellaneous Expenses	55,527,880	40,139,627
Communication Cost	12,865,217	11,686,956
Consultancy Charges	135,868,014	99,911,297
Rates, Taxes & Duties	7,126,015	6,698,678
Auditors Remuneration	3,637,508	3,016,310
Bank Charges	61,022,200	40,266,468
Loss on sale of Fixed Assets	2,917	1,200,431
Expenditure towards CSR activites	4,763,998	959,745
Directors Meeting Fees	117,225	104,322
Packing Expenses	26,288,836	21,211,317
TOTAL	1,578,357,706	1,353,987,177

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
30.1 CONTINGENT LIABILITIES		
i) Letter of Credit / Import Bills outstanding	68,673,014	60,333,114
ii) Stand by Letter of credit issued by company bankers in favour of the bankers of its subsidiaries		
– Ultima S. A.	714,985,700	668,694,300
– World Fashion Trade Ltd	23,191,000	21,959,000
iii) Bills discounted with banks –	8,181,771	21,052,626
iv) Other Guarantee given by bank –with corporation Bank	4,418,580	2,113,580
v) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima SA, Ultima Italia Srl & World Fashion Trade Ltd.	392,201,000	943,050,000
vi) Income Tax Demand under dispute	12,225,782	12,225,782
vii) KVAT Demand under dispute	5,659,787	2,876,543
viii) TNVAT Demand under dispute	52,531,621	–
ix) Corporate Guranantee executed by the Subsidiary Company to bank against facilities granted by bank to parent company	345,000,000	345,000,000

30.2 CAPITAL AND OTHER COMMITMENTS

Estimated value of contract remaining to be executed on capital Account and not provided for	5,390,255	7,899,425
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30.3 DERIVATIVE FINANCIAL INSTRUMENTS

i) Forward Contracts outstanding		
IN GBP	2.75 Millions (Rs. 2617.45 Lacs)	1.85 Million (Rs. 1722.30 Lacs)
IN USD	12.25 Millions (Rs. 8116.85 Lacs)	9 Million (Rs. 5658 Lacs)
IN EURO	0.30 Millions (Rs. 226.37Lacs)	0.45 Million (Rs 306.4 Lacs)

30.4 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	87.87%	1,981,853,346	65.00%	147,677,665
Subsidiary				
Indian Subsidiaries				
Bhartiya Global Marketing Ltd	1.91%	43,135,846	-0.56%	(1,282,514)
J&J Leather Enterprises Ltd	1.91%	43,184,987	0.04%	93,164
Bhartiya International Sez Ltd	6.40%	144,395,294	-2.87%	(6,528,814)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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.
Bhartiya Fashion Retail Ltd	0.01%	283,387	-0.02%	(52,712)
Bhartiya Urban Infrastructure Ltd.	0.02%	478,114	-0.01%	(21,886)
Foreign Subsidiaries				
World Fashion Trade Ltd.	-2.64%	(59,483,217)	1.59%	3,604,915
Design Industry China Ltd.	0.207%	4,665,461	1.13%	2,557,923
Ultima S.A	13.59%	306,568,416	33.56%	76,249,502
Ultima Italia S.r.l	6.96%	156,886,738	0.46%	1,051,786
Design Industry Limited	0.38%	8,551,414	1.70%	3,855,520
Sub Total		<u>2,630,519,786</u>		<u>227,204,549</u>
Inter-Company Elimination & Consolidation Adjustments	-16.63%	(375,129,866)	-	-
Grand Total		<u>2,255,389,920</u>		<u>227,204,549</u>
Minority Interest in Subsidiaries		(15,891,987)		721,723
Share of Profit in Associates		(15,943,172)		19,221,828
		<u>2,223,554,761</u>		<u>247,148,100</u>

30.5 Earning Per Share (EPS)

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Income available to Equity Shareholders	247,148,100	210,037,028
No of Shares at the beginning of the year (A)	11,213,848	11,063,848
Equity allotted during the year	500,000	150,000
Weighted Average Shares (B)	180,038	90,521
Weighted Average Shares Outstanding (nos)(A+B)	11,393,886	11,154,369
Add: adjustment for warrants convertible into Equity Shares	110,616	201,692
Weighted Average number of equity shares for Diluted EPS	11,504,502	11,356,061
Nominal Value per share	10	10
Earnings per share (Basic)	21.69	18.83
Earnings per share(Diluted)	21.48	18.50

30.6 Previous year figures has been regrouped/reclassified wherever necessary to conform to the Present Period Presentation.

30.7 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.

30.8 The financial statements of foreign subsidiaries 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 are not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**30.9 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 Associated 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 Madan Mohan Sandeep Seth Nikhil Aggarwal Annapurna Dixit Walter Willi Zwahlen A.P.S. Narag
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.

b) Transactions during the year with related parties	Amount in Rs.	
	2015-16	2014-15
1 Sales		
Bhartiya City Developers Pvt. Ltd	–	413,096
2 Ticketing		
Itopia Management Services (India) Pvt. Ltd.	21,300,389	16,695,525
3 Salaries		
Snehdeep Aggarwal	1,839,600	1,839,600
Jaspal Sethi	1,172,400	1,179,600
A.K.Gadhok	960,888	982,241
A P S Narag	300,000	300,000
Nikhil Aggarwal	4,344,821	3,738,960

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	Amount in Rs.	
	2015-16	2014-15
Walter Willi Zwahlen	1,245,050	5,965,646
Arjun Aggarwal	300,000	300,000
4 Lease Rent / Rent Paid		
Kanwal Aggarwal	480,000	480,000
5 Lease Rent Received		
Bhartiya City Developers Pvt Ltd	21,304,800	21,304,800
6 Balances Written back		
Bhartya Prakash Leather	75,755	–
c) Balances Outstanding at the year end:		
1 Loans/Advances Given		
Tada Mega Leather Cluster Pvt Ltd	2,823,575	2,823,575
2 Trade Paybles		
Itopia Management Services (India) Pvt. Ltd.	1,406,285	1,269,774
Bhartiya Prakash Leather	–	75,755
3 Expenses / Others Paybles		
Bhartiya City Deveopers Pvt. Ltd.	–	87,509
Snehdeep Aggarwal	–	43,258
Kanwal Aggarwal	36,000	36,000
APS Narag	25,000	25,000
4 Trade Receivable		
Bhartiya City Developers Pvt. Ltd.	–	413,096
5 Security Deposit (Received)		
Bhartiya City Developers Pvt. Ltd.	15,978,600	15,978,600
6 Capital A/c Partnership		
Bhartiya Prakash Leather	50,000	50,000
7 Current A/c Partnership		
Bhartiya Prakash Leather	(68,214)	616,529

30.10 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 CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Rs. In Lacs				
	Leather Products	Textile/ Textile Product	Others	Unallocable	Total
a. Segment Revenue	47,805.31 (44,127.92)	14,739.48 (11,384.85)	– (300.00)	– –	62,544.79 (55,812.77)
b. Segment Results	5,469.61 (5,029.56)	730.83 (521.61)	(55.19) (174.62)	– –	6,145.25 (5,725.79)
c. Less: Unallocable expenses net of Income	– –	– –	– –	– –	1,646.10 (916.66)
d. Operating Profit	– –	– –	– –	– –	4,499.15 (4,809.13)
e. Less:– Interest	– –	– –	– –	– –	1,306.22 (1,855.48)
f. Profit before Taxes	– –	– –	– –	– –	3,192.93 (2,953.65)
g. Less:– Provision for taxation (Current Tax & Deferred Tax)	– –	– –	– –	– –	920.88 (839.46)
h. Profit after Taxes	–	–	–	–	2,272.05 (2,114.19)
i. Capital Employed	13,263.46 (9,767.37)	1,027.26 (357.14)	1,443.95 (1,509.79)	6,500.87 (6,064.04)	22,235.54 (17,698.34)

30.11 Debit and Credit balances of parties 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

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

DIN. 00928080

Ramesh Bhatia

Director

DIN. 00052320

New Delhi, 25th May, 2016

CONSOLIDATED FINANCIAL SUMMARY

PARTICULARS	Rs. in lacs										
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
Equity Share Capital	727.88	786.38	786.38	866.38	946.38	1046.38	1106.38	1106.38	1121.38	1171.38	
Reserves & Surplus	7557.50	8778.76	8915.05	9584.10	10597.23	12007.26	13113.65	14518.27	16276.96	20014.16	
Net Worth	8955.38	9565.14	9850.72	10749.66	11949.95	13300.71	14395.12	15798.28	17864.48	22394.47	
Capital Employed	14123.44	12239.03	12418.81	12951.37	12908.50	14613.58	17572.83	19521.88	21582.50	26468.25	
Gross Fixed Assets	2859.23	2918.21	4633.08	4935.44	6857.03	7926.79	8907.95	9591.43	10428.12	12109.72	
Net Fixed Assets	1791.85	1674.52	3191.73	3246.21	4906.96	5729.65	6557.74	6888.19	7316.30	8412.82	
Export Sales including Export Incentives	15167.78	16312.22	18201.11	20635.10	19523.02	25067.32	30306.03	41440.95	55812.77	62544.79	
Other Income	217.02	333.03	-151.61	-3.93	246.16	231.92	315.73	351.49	333.80	378.91	
Total Income	15384.80	16645.25	18049.50	20631.17	19769.18	25299.24	30621.76	41792.44	56146.57	62923.70	
EBDIT	1265.34	1620.19	1980.00	1707.06	2102.78	2929.87	2951.26	4059.35	4896.56	5427.33	
Depreciation	195.85	189.87	204.16	251.54	281.25	288.70	323.63	395.46	630.24	604.98	
EBIT	1069.49	1430.31	1775.83	1455.52	1821.53	2641.17	2627.63	3663.88	4266.32	4822.36	
Profit before Tax	720.63	1018.44	572.28	858.66	1001.60	1609.53	1442.25	2096.56	2953.65	3192.93	
Tax Expenses	241.60	238.39	291.43	357.53	337.68	453.79	433.40	646.96	839.46	920.88	
Profit before Minority Interest and share in Profit and Loss of Associates	479.03	780.05	280.85	501.13	663.92	1155.74	1008.85	1449.60	2114.19	2272.05	
Minority Interest	0.00	0.00	-0.72	-0.61	-0.34	8.72	-3.73	-1.45	14.26	-7.22	
Share in Profit and Loss of Associates	82.93	141.50	59.13	42.40	26.38	1.82	1.29	0.78	0.44	192.22	
Net Profit	396.10	638.55	222.43	459.34	637.88	1145.19	1013.87	1451.83	2100.37	2471.48	
Equity Dividend (%)	15.00	15.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	12.00	
EPS (Basic) Rs.	5.81	8.12	2.83	5.82	7.36	11.39	9.35	13.12	18.83	21.69	
EPS(Diluted) Rs.	5.68	8.12	2.83	5.52	7.15	11.39	9.31	13.06	18.50	21.48	

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To,
The Members of
Bhartiya International Limited

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 31 March 2016, 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 and presentation 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. 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, 2016 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The balance sheet, the statement of profit and loss 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its 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's Registration No. 014969N

S.K. PODDAR
Partner
M.NO. 094479
New Delhi, 25th May, 2016

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2016, we report that:

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 13 on fixed assets to the financial statements, are held in the name of the Company, except for a building acquired in earlier year having a carrying value of 18.50 Lacs as at 31st March, 2016.
- ii. The physical verification of inventory excluding stocks with third parties and in transit has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has granted unsecured loans/advances to two companies covered in the register maintained under Section 189 of the Act. There are no firms /LLPs/ other parties covered in the register maintained under Section 189 of the Act.
 - (a) In respect of the aforesaid loans/advances the terms and conditions under which such loans/advances were granted are not prejudicial to the Company's interest.
 - (b) In respect of the aforesaid loans/advances 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) In respect of the aforesaid loans /advances there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, duty of excise, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- (b) Following are the amounts which are disputed and not paid by the Company:

Nature of Demand	Amount in Rs	Period to which the Amount Relates.	Forum where appeal has been filed
Income Tax(Tax& Interest)	1,16,39,722/- & 5,86,060/-	A.Y 2003-04 & A.Y 2004-05	High Court
Karnataka VAT	56,59,787/-	F.Y 2009-2010	Joint Commissioner of Commercial Taxes (Appeals)
TNVAT	5,25,21,621/-	F.Y 2010-11, 2011-12, 2013-13 & 2013-14	Appellate Deputy Commissioner(CT)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, moneys raised by way term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has complied with the provisions of Section 42 of the Companies Act, 2013 in respect of the allotment of shares/warrants and moneys raised by way of allotment of shares/warrants have been applied for the purposes for which they were obtained.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

S. K. Poddar
Partner
Mem. No. 094479
New Delhi, 25th May, 2016

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Bhartiya International Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Sushil Poddar & Co.**

Chartered Accountants

Firm Registration No. 014969N

S. K. Poddar

Partner

Mem. No. 094479

New Delhi, 25th May, 2016

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs.	
		AS AT 31st March, 2016	AS AT 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	117,138,480	112,138,480
(b) Reserves and Surplus	3	1,759,714,866	1,493,558,875
(c) Money Received against Share Warrant	4	105,000,000	30,000,000
2 Non-Current Liabilities			
(a) Long-Term Borrowings	5	342,232,419	313,229,647
(b) Deferred Tax Liabilities	6	36,602,583	32,571,517
(c) Other Long-Term Liabilities	7	15,978,600	15,978,600
(d) Long-Term Provisions	8	12,578,271	11,212,708
3 Current Liabilities			
(a) Short-Term Borrowings	9	1,810,107,942	1,553,869,143
(b) Trade Payable	10	401,911,652	289,952,186
(c) Other Current Liabilities	11	230,071,418	247,945,028
(d) Short-Term Provisions	12	121,608,665	86,556,874
TOTAL		4,952,944,896	4,187,013,058
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	13		
(i) Tangible Assets		684,679,609	593,375,581
(ii) Intangible Assets		5,777,741	3,782,281
(iii) Capital Work In Progress		78,492,129	50,718,597
(iv) Intangible Assets Under Development		13,180,000	9,453,800
(b) Non Current Investments	14	605,346,910	605,518,776
(c) Long Term Loans And Advances	15	60,182,711	55,923,928
(d) Other Non-Current Assets	16	160,800	201,000
2 Current Assets			
(a) Current Investments	17	386,273	10,257,167
(b) Inventories	18	2,364,760,842	1,776,740,129
(c) Trade Receivables	19	568,054,921	515,736,025
(d) Cash & Cash Equivalents	20	133,785,646	165,121,930
(e) Short Term Loans and advances	21	438,097,114	400,143,644
(f) Other Current assets	22	40,200	40,200
TOTAL		4,952,944,896	4,187,013,058
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
DIN. 00928080

Ramesh Bhatia
Director
DIN. 00052320

New Delhi, 25th May, 2016

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2016	Year Ended 31st March, 2015
Income:			
Revenue From Operations	23	4,495,317,701	4,239,478,289
Other income	24	26,168,432	26,508,680
Total Revenue		4,521,486,133	4,265,986,969
Expenses:			
Cost of Raw Material Consumed	25	2,096,357,215	2,143,320,591
Purchases of Stock In Trade		490,066,754	420,838,792
Changes in Inventories of Finished Goods	26	(141,890,638)	(83,498,793)
Employee Benefits Expenses	27	277,057,969	213,421,842
Finance Cost	28	165,316,207	85,222,797
Depreciation and Amortization Expense	29	41,281,667	38,624,537
Other Expenses	30	1,364,242,228	1,234,934,430
Total Expenses		4,292,431,402	4,052,864,196
Profit before Tax and Exceptional Items		229,054,731	213,122,773
Less Exceptional Items:		-	-
Profit before taxes		229,054,731	213,122,773
Tax Expense:	31		
Current Tax		77,346,000	71,670,637
Deferred Tax		4,031,066	776,816
Profit for the year		147,677,665	140,675,320
Earnings Per Equity Share:			
(1) Basic		12.96	12.61
(2) Diluted		12.84	12.39

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
DIN. 00928080

Ramesh Bhatia
Director
DIN. 00052320

New Delhi, 25th May, 2016

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	229,054,731	213,122,773
Adjustment for :		
Finance Cost	124,460,470	138,547,771
Effect of exchange rate change	40,855,737	(53,324,974)
Depreciation and amortisation expense	41,281,667	38,624,537
Loss/(Profit) on sale of fixed assets (net)	2,917	1,791,423
Loss/(Profit) on sale of investments (net)	(1,243,844)	(2,638,596)
Rental Income	(22,717,365)	(22,499,225)
Dividend income	(146,065)	(109,770)
Provision for Employee Stock Option Benefits	20,396,540	(170,363)
Share of loss of subsidiary	-	203,302
Provision no longer required	-	(1,464,391)
Operating profit/(loss) before working capital changes	431,944,788	312,082,487
Movements in working capital:		
Increase/ (decrease) in trade payables	111,959,466	82,988,456
Increase/ (decrease) in other liabilities	(17,880,704)	21,532,856
Increase/ (decrease) in provisions	3,413,840	4,549,247
Decrease/ (increase) in inventories	(588,020,713)	(292,341,633)
Decrease/ (increase) trade receivables	(52,318,896)	(331,343,460)
Decrease/ (increase) in long term loans and advances	(1,404,522)	(506,955)
Decrease/ (increase) in Short term loans and advances	13,475,165	(66,443,936)
Cash (used in) / generated from operations	(98,831,576)	(269,482,938)
Income tax paid (Net)	(90,223,957)	(55,386,857)
Effect of exchange rate change	(40,855,737)	53,324,974
Net cash (used in)/ generated from operating activities – (A)	(229,911,270)	(271,544,821)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(134,737,501)	(83,844,733)
Capital WIP & Capital Advances	(40,468,386)	(27,539,261)
Proceeds from sale of fixed assets	193,624	838,025
Proceeds from sale of current investments(net)	11,286,604	(9,864,615)
Loan & advances to subsidiaries	(2,854,261)	51,943,953
Dividend income on current investments	146,065	109,770
Rental Income	22,717,365	22,499,225
Net cash from/ (used in) investing activities – (B)	(143,716,490)	(45,857,636)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	29,160,984	14,863,420
Proceeds from short-term borrowings (net)	256,238,799	396,040,313
Money Received against Share Warrant	75,000,000	27,825,000
Share Capital including securities premium	120,000,000	16,500,000
Interest and processing fees paid (net)	(124,460,470)	(138,547,771)
Dividend paid (including dividend tax)	(13,647,838)	(13,164,059)
Net cash from/ (used in) financing activities – (C)	342,291,475	303,516,903
Net increase / (decrease) in cash and cash equivalents – (A+B+C)	(31,336,284)	(13,885,554)
Cash and cash equivalents as at beginning of the year	165,121,930	179,007,484
Cash and cash equivalents as at the end of the year	133,785,646	165,121,930
Components of cash and cash equivalents:		
Cash on hand	3,443,882	4,198,888
Balances with scheduled banks:		
In current accounts	38,808,084	67,484,881
In deposits	91,533,680	93,438,161
Cash and cash equivalents in cash flow statement (refer note 20)	133,785,646	165,121,930

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
DIN. 00928080

Ramesh Bhatia
Director
DIN. 00052320

New Delhi, 25th May, 2016

STANDALONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

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 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.

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) 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.

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.

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

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 theses 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, 2016	As at 31st March, 2015
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) 1,17,13,848 (Previous Year 1,12,13,848) equity shares of Rs.10/- each fully paid Up.	117,138,480	112,138,480
	117,138,480	112,138,480

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, 2016 No. of Shares	31st March, 2016 % of Holding	31st March, 2015 No. of Shares	31st March, 2015 % of Holding
(a) Snehdeep Aggarwal	1,143,362	9.76	1,143,362	10.24
(b) Bhartiya Infotech Pvt. Ltd.	1,000,000	8.54	1,000,000	8.96
(c) Bhartiya Global Holdings Pvt. Ltd.	1,850,000	15.79	1,350,000	12.09
(d) Spirit Impex Pvt Ltd.	1,200,000	10.24	1,200,000	10.75
(e) Bhartiya Finstock Pvt. Ltd.	681,926	5.82	681,926	6.11
(f) Morgan Stanley Asia (Singapore) PTE	745,315	6.36	745,315	6.68

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

Particulars	As at	As at
	31st March, 2016 No. of Shares	31st March, 2015 No. of Shares
Shares outstanding at the beginning of the year	11,213,848	11,063,848
Shares Issued during the year	500,000	150,000
Shares outstanding at the end of the year	11,713,848	11,213,848

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 5,00,000 Equity shares of Rs. 10/- each at a premium of Rs 230/- each issued to promoters on conversion of preferential Share Warrants.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
3 RESERVES & SURPLUS		
i) Share Premium Account		
As Per last Balance Sheet	391,165,000	376,165,000
Add: On issue of Shares	115,000,000	15,000,000
	<u>506,165,000</u>	<u>391,165,000</u>
ii) Preferential Share Warrant Forfeited	8,500,000	8,500,000
iii) General Reserves		
As Per last Balance Sheet	239,851,233	219,851,233
Add: Transferred from Profit and Loss Account	20,000,000	20,000,000
	<u>259,851,233</u>	<u>239,851,233</u>
iv) Surplus in Statement of Profit & Loss		
As Per last Balance Sheet	854,042,642	751,217,077
Less Adjustment relating to Fixed Assets	–	4,236,036
Add: Profit for the Year	147,677,665	140,675,320
	<u>1,001,720,307</u>	<u>887,656,361</u>
Less : Appropriations		
– General Reserve	20,000,000	20,000,000
– Proposed Dividend	14,056,618	11,213,848
– Tax on Dividend	2,861,596	2,282,876
	<u>964,802,093</u>	<u>854,159,637</u>
Less : Dividend Paid on Fresh issue of Shares	–	100,000
Less : Dividend Tax on Fresh issue of Shares	–	16,995
	<u>964,802,093</u>	<u>854,042,642</u>
V) Stock Option Outstanding	20,396,540	–
TOTAL	<u>1,759,714,866</u>	<u>1,493,558,875</u>

3.1 Note on ESOP

The Company instituted an Employees Stock Option Plan ('ESOP 2013') pursuant to the Compensation Committee and Shareholders' resolution dated September 23, 2013. As per ESOP 2013, the Company granted 164650 options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. Under ESOP 2013, a total of 164650 options have been granted. The options under this grant would vest to the employees equally as 33.3% of the total grant every year at the end of first, second and third year from the date of the grant respectively, with an exercise period of five years from the date of respective vesting.

The vesting conditions include completion of one, two and three years of service. These options are exercisable at a price of Rs. 50/- each which would be a discount to the market price of Company's shares on the date of grant. Options under the plan are granted to be vested over a period of three years and are settled by equity shares being allotted to the beneficiary, upon exercise. The Company uses the intrinsic value method for determination of the employee stock compensation expense, the impact on the reported net profit and earnings per share under the fair value approach is as given below:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	2015-2016
Net Profit after Taxes(Rs. In lakhs)	1476.78 lakhs
Add: Employee Stock compensation under Intrinsic Value (Rs. in Lakhs)	203.96 lakhs
Less: Employee Stock compensation under Fair Value (Rs. in Lakhs)	254.29 lakhs
Proforma Profit (Rs.)	1426.45 lakhs
EPS-Basic-As Reported (Rs.)	12.96
As per Proforma Profit (Rs.)	12.52
EPS-Diluted-As Reported (Rs.)	12.84
As per Proforma Profit (Rs.)	12.40

The following information relates to the Employee Stock Option as on 31st March, 2016

Particulars	No. of options	Weighted average Exercise Price	Weighted average Contractual life of options as on date of Grant
Outstanding at the beginning of the year	-	-	-
Add: Options Granted During the Year	164650	50	7
Less: Lapsed / forfeited / cancelled during the year	-	-	-
Outstanding at the end of the year	164650	50	7
Exercisable at the end of the year	-	-	-
Exercised during the year	-	-	-

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model as follows

Particulars	Vesting Details
Weighted Average Exercise Price	50
Historical Volatility	29.45%
Life of the options granted (vesting and exercise period) in years	7
Expected dividends per share	1
Average risk-free interest rate	8.16%
Expected dividend yield	0.21%

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
4 MONEY RECEIVED AGAINST SHARE WARRANTS		
a) Preferential Share Warrant :		
5,00,000 Preferential Share warrant paid up Rs. 60/- each. (Previous Year 1,00,000 warrants of Paid up Rs. 21.75/- each.)	30,000,000	2,175,000
Add: 7,00,000 Preferential Share Warrants Issued Paid up Rs. 150/- each (Previous Year – 5,00,000 Preferential Share Warrants issued paid up Rs 60/- each)	105,000,000	30,000,000
	135,000,000	32,175,000
Less : 5,00,000 Preferential Share Warrants Converted into Equity Shares paid up Rs. 60/- (Previous Year – 1,00,000 Preferential Share Warrants Converted into Equity Shares paid up Rs. 21.75/-	30,000,000	2,175,000
	105,000,000	30,000,000

- 4.1** The Company has allotted 700,000 warrants to non-promoter company on 2nd January, 2016 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. 590/- with in a period of 18 months from the date of allotment. Against this the company has received Rs. 150/- per warrant.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
5 LONG TERM BORROWINGS		
Secured		
– Term Loans from Banks	340,375,249	309,995,660
– Vehicle Loans from Banks	1,857,170	3,233,987
TOTAL	342,232,419	313,229,647
5.1 Term Loan from Allahabad Bank, balance outstanding amounting to Rs.139.61 lacs (31st March, 2015 Rs. 418.95 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 17. Rate of interest 13.20% p.a. as at year end (Previous Year 13.75 % p.a.)		
5.2 Term Loans from IDBI Bank, balance outstanding amounting to Rs 701.05 lacs (31st March, 2015 Rs. 728.83 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 11.00 % p.a. as at year end (Previous Year 12.25 % p.a.)		
5.3 Term Loans from IDBI Bank, balance outstanding amounting to Rs 1799.93 lacs (31st March, 2015 Rs. 1873.71 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 11.00 % p.a. as at year end (Previous Year 12.50% p.a.)		
5.4 Term Loan from Axis Bank, balance outstanding amounting to Rs. 545.69 Lacs (31st March, 2015 Rs, 585 Lacs) is secured by exclusive charge over the fixed assets funded out of it. Exclusive charge by way of Equitable Mortgage over the immovable property situated at plot No 69, 3rd Road, 1st Phase, Jigani industrial Area, Part of Sy No 588 & 590 Jigani, Anekai Taluk, Bangalore, 562106 and personal guarantee of one of the Director. The Loan is repayble in 15 Quarterly Installment starting from September, 2015. Last installment due in June, 2019. Rate of interest 10.65 % p.a. as at year end (previous year – 12.25% p.a.)		
5.5 Term Loans from HDFC Bank, balance outstanding amounting to Rs 728.00 lacs (31st March, 2015 Rs. Nil) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director. The Loan is repayble in 18 Quarterly Installment starting from December, 2016. Last installment due in March, 2021. Rate of interest 10.70 % p.a. as at year end (previous year – N.A)		
5.6 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 Lossess	(4,432,270)	(4,637,414)
b) Deferred tax Liabilites Related to Fixed Assets	41,034,853	37,208,931
TOTAL	36,602,583	32,571,517
7 OTHER LONG TERM LIABILITIES		
(a) Security Deposit from related parties (refer note no 32.14)	15,978,600	15,978,600
TOTAL	15,978,600	15,978,600
8 LONG TERM PROVISIONS		
(a) Provision for Employees benefit	12,578,271	11,212,708
TOTAL	12,578,271	11,212,708

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
9 SHORT TERM BORROWINGS		
Secured		
– Working Capital Loans From Banks	1,810,107,942	1,553,869,143
TOTAL	1,810,107,942	1,553,869,143
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	125,578,400	175,894,245
(b) Payable to related parties (refer note no 32.14)	9,884,272	2,667,339
(c) Acceptance	266,448,980	111,390,602
TOTAL	401,911,652	289,952,186
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	52,408,405	52,250,193
(b) Unclaimed Dividend	817,109	968,223
(c) Due to Employees	29,203,513	21,289,708
(d) Temporary Book Overdraft	49,909	–
(e) Expenses Payable	106,859,712	149,411,565
(f) Statutory Dues Payable	6,657,370	10,198,609
(g) Other Payables	15,947,812	9,012,999
(h) Interest Accrued but not due	9,182,721	3,792,486
(i) Capital Payables	8,944,867	1,021,245
TOTAL	230,071,418	247,945,028
12 SHORT TERM PROVISIONS		
(a) Provision for Employees Benefits	8,387,591	6,339,314
(b) Provision for Income Tax	96,302,860	66,720,836
(c) Proposed Dividend	14,056,618	11,213,848
(d) Tax on Proposed Dividend	2,861,596	2,282,876
TOTAL	121,608,665	86,556,874

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

13 FIXED ASSETS

Amount in Rs.

PARTICULARS	Gross Block			Depreciation			Balance as at 31 st March, 2016
	Balance as at 1 st April, 2015	Additions/ Adjustments during the year	Deduction/ Retirement during the year	Balance as at 31 st March, 2016	Adjustment to Retained Earnings	Deduction/ adjustments during the year	
Tangible Assets :							
Own Assets :							
land	22,324,670	-	-	22,324,670	-	-	22,324,670
Lease hold land	60,000,000	-	-	60,000,000	-	1,263,542	57,014,761
Building	368,025,619	83,968,119	-	451,993,738	-	9,759,224	386,646,339
Machinery	198,041,351	30,047,098	-	228,088,449	-	13,066,560	164,980,606
Vehicles	30,390,993	1,072,161	1,714,119	29,749,035	-	2,845,242	12,543,734
Furniture	24,594,351	2,832,573	-	27,426,924	-	3,132,346	15,796,270
Office Equipments	23,609,232	6,253,497	-	29,862,729	-	3,919,242	18,853,518
Computers	10,700,767	5,423,991	-	16,124,758	-	4,110,709	6,519,717
Total (A)	737,686,983	129,597,439	1,714,119	865,570,303	-	38,096,865	684,679,615
Intangible Assets :							
Computer Software	7,311,776	5,140,062	-	12,451,838	-	3,144,602	5,777,741
Total (B)	7,311,776	5,140,062	-	12,451,838	-	3,144,602	5,777,741
Capital work in Progress							
Capital work in Progress	50,718,597	132,974,343	105,200,811	78,492,129	-	-	78,492,129
Total (C)	50,718,597	132,974,343	105,200,811	78,492,129	-	-	78,492,129
Intangible Assets under Development							
Intangible Assets under Development	9,453,800	3,726,200	-	13,180,000	-	-	13,180,000
Total (D)	9,453,800	3,726,200	-	13,180,000	-	-	13,180,000
Total (A+B+C+D)	805,171,156	271,438,044	106,914,930	969,694,270	-	41,241,467	782,129,485

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)
FIXED ASSETS (Contd...)

Amount in Rs.

PARTICULARS	Gross Block			Depreciation			Balance as at 31 st March, 2015	
	Balance as at 1 st April, 2014	Additions/ Adjustments during the year	Deduction/ Retirement during the year	Balance as at 31 st March, 2015	Adjustment to Retained Earnings	For the year		Deduction/ adjustments during the year
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	-	58,278,303
Building	361,669,030	6,356,589	-	368,025,619	46,623,731	8,964,444	-	312,437,444
Machinery	163,955,238	34,086,113	-	198,041,351	37,167,856	12,762,504	-	148,000,068
Vehicles	33,613,097	2,844,283	6,066,387	30,390,993	17,620,480	2,752,106	4,494,948	14,513,355
Furniture	37,279,075	1,782,873	14,467,597	24,594,351	17,468,506	3,047,079	13,765,994	8,498,308
Office Equipments	29,324,601	1,921,312	7,636,681	23,609,232	6,961,297	4,034,353	7,280,275	16,519,263
Computers	9,701,135	3,700,262	2,700,630	10,700,767	3,242,199	3,962,901	2,700,630	5,494,332
Total (A)	687,866,846	80,691,432	30,871,295	737,686,983	130,181,630	36,147,523	28,241,847	144,311,402
Intangible Assets :								
Computer Software	4,381,691	3,153,301	223,216	7,311,776	1,131,467	2,436,814	223,216	3,782,281
Total (B)	4,381,691	3,153,301	223,216	7,311,776	1,131,467	2,436,814	223,216	3,782,281
Capital work in Progress								
Capital work in Progress	31,995,649	43,826,859	25,103,911	50,718,597	-	-	-	50,718,597
Total (C)	31,995,649	43,826,859	25,103,911	50,718,597	-	-	-	50,718,597
Intangible Assets under Development								
Intangible Assets under Development	3,528,300	5,925,500	-	9,453,800	-	-	-	9,453,800
Total (D)	3,528,300	5,925,500	-	9,453,800	-	-	-	9,453,800
Total (A+B+C+D)	727,772,486	133,597,092	56,198,422	805,171,156	131,313,097	38,584,337	28,465,063	147,840,897

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.			
	No. of Shares/Units	As at 31 st March, 2016	No. of Shares/Units	As at 31 st March, 2015
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	4,999,020	49,990,200
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 Fashion Retail Ltd.	50,000	500,000	50,000	500,000
4 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban Infrastructure Ltd.	50,000	500,000	–	–
5 Equity Shares in Ultima S.A. Switzerland (having par value of SFR 1,000)	1,000	33,785,508	1,000	33,785,508
6 Equity Shares in World Fashion Trade Ltd. (having par value of \$ 1)	1,000	44,780	1,000	44,780
7 Member's Contribution in B I L Group LLC	–	–	–	69,914,747
Total Investments in Subsidiary Companies		205,512,788		274,927,535
ii) In Equity Shares of Associate 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 Leather Cluster Pvt. Ltd.	5,000	50,000	5,000	50,000
iii) In Preference Shares of Associate 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
iv) Government Securities & Others Unquoted				
1 Indra Vikas Patra	–	6,500	–	6,500
Total Investments in Government Securities & Others		6,500		6,500
TOTAL TRADE INVESTMENTS (A)		605,529,288		674,944,035

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.			
	No. of Shares/Units	As at 31 st March, 2016	No. of Shares/Units	As at 31 st March, 2015
B) Other Investments				
i) Investments in Mutual Funds (Quoted)				
1 Goldman Sach Liquid Exchange	0.817	817	602.45	603,233
Total investments in Mutual Funds		817		603,233
TOTAL OTHER INVESTMENTS (B)		817		603,233
TOTAL NON CURRENT INVESTMENTS (A+B)		605,530,105		675,547,268
Less:- Provision for diminution in the value of Investments		183,195		70,028,492
TOTAL NON CURRENT INVESTMENTS		605,346,910		605,518,776
Aggregate amount of quoted Investments		817		603,233
Market value of quoted Investments		817		602,000
Aggregate amount of unquoted Investments		605,346,093		604,915,543
14.1 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 .				
14.2 Investment in the wholly owned subsidiaries Ultima S.A, Switzerland, Bhartiya Global Marketing Ltd., Bhartiya Fashion Retail Ltd and Bhartiya Urban Infrastructure Limited include 1 equity share of the nominal value of SFR 1000 (Rs.33,785/ -) and 6 equity shares (Rs. 60/-) respectively held in the name of Directors/nominees in fiduciary capacity for the company.				
14.3 BIL Group LLC, Wholly owned subsidiary of the Company, in USA, has been dissolved on 13th January, 2016.				
15 LONG TERM LOANS & ADVANCES				
(Unsecured & Considered Good)				
(a) Security and Other Deposits		3,409,247		2,545,349
(b) Other Advances		7,028,112		6,487,488
(c) Loans / Advances to related parties (refer note no 32.14)		49,745,352		46,891,091
TOTAL		60,182,711		55,923,928
16 OTHER NON CURRENT ASSETS				
(a) Preliminary Expenses (to the extent not written off)		160,800		201,000
TOTAL		160,800		201,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.			
	No. of Shares/Units	As at 31 st March, 2016	No. of Shares/Units	As at 31 st March, 2015
17 CURRENT INVESTMENTS				
i) In Equity Shares Quoted, Fully Paid up				
1 BHARAT FORGE LIMITED	–	–	620	633,651
2 CONTAINER CORP OF INDIA LIMITED	–	–	300	438,214
3 CUMMINS INDIA LIMITED	–	–	665	601,413
4 DABUR INDIA LIMITED	–	–	3,830	930,733
5 GODREJ CONSUMER PRODUCT LIMITED	–	–	550	605,756
6 HDFC LIMITED	–	–	1,125	834,818
7 HERO MOTOCOP LIMITED	–	–	140	424,470
8 INDUSIND BANK LIMITED	–	–	710	621,166
9 INFOSYS LIMITED	–	–	290	625,293
10 ITC LIMITED	–	–	1,135	420,621
11 LARSAN & TOUBRO LTD	–	–	450	376,877
12 LUPIN LIMITED	–	–	750	701,466
13 MARUTI SUZUKI INDIA LIMITED	–	–	170	606,458
14 MOTHERSON SUMI SYSTEMS LIMITED	–	–	2,000	638,580
15 PAGE INDUSTRIES LIMITED	–	–	40	414,436
16 SUN PHARMACEUTICALS LIMITED	–	–	475	421,648
17 TATA CONSULTANCY SERVICES LIMITED	–	–	160	419,346
18 TATA MOTORS LIMITED	–	–	750	318,871
Total				10,033,818
ii) In Equity Shares Unquoted, fully paid up				
1 SAI RAYALASEEMA PAPER MILLS LTD	31,792	386,273	31,792	386,273
Total		386,273		386,273
Grand Total		386,273		10,420,091
Less:– Provision for diminution in the value of Investments		–		162,924
TOTAL CURRENT INVESTMENTS		386,273		10,257,167
Aggregate amount of quoted Investments		–		9,870,894
Market value of quoted Investments		–		12,399,828
Aggregate amount of unquoted Investments		386,273		386,273

PARTICULARS	Amount in Rs.	
	As at 31 st March, 2016	As at 31 st March, 2015
18 INVENTORIES		
(a) Raw Materials (including material in Transit)	1,902,118,917	1,465,005,462
(b) Stock-in-Progress	103,591,817	105,026,762
(c) Finished Goods	327,088,089	185,197,451
(d) Consumable Store	31,962,019	21,510,454
TOTAL	2,364,760,842	1,776,740,129

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
19 TRADE RECEIVABLES		
(Unsecured, considered good)		
(a) Outstanding over six months	26,312,380	18,236,426
(b) Others	541,742,541	497,499,599
TOTAL	568,054,921	515,736,025
19.1 The Company has filed legal Suit for recovery of Rs. 61,62,337/- against one of its overseas customer. Management is confident of recovery of the same and hence has not made any provision for bad & doubtful debts against this.		
20 CASH AND CASH EQUIVALENT		
(a) Balances with Banks		
– In Current Accounts	38,808,084	67,484,881
– In Fixed Deposits	91,533,680	93,438,161
(b) Cash on Hand	3,443,882	4,198,888
TOTAL	133,785,646	165,121,930
20.1 Balances with banks Includes Unclaimed Dividend of Rs. 8,17,109/- (Previous year Rs. 9,68,223/-)		
20.2 Fixed deposits of Rs. 9,15,33,680/- (previous year Rs 5,33,75,585/-) 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 32.14)	22,585,277	23,848,462
(b) Advances with Suppliers	126,018,309	124,061,919
(c) Advance Income Tax	77,928,289	35,468,308
(d) Vat Receivable	99,433,310	65,654,096
(e) Prepaid Expenses	13,996,147	7,030,895
(f) Security & Other Deposits	14,454,915	3,739,512
(g) Advance to Staff	9,004,521	8,551,233
(h) Advance for Capital Goods	22,414,825	13,446,171
(i) Export Incentive Receivable	51,332,576	118,283,523
(j) Other Advances	928,945	59,525
TOTAL	438,097,114	400,143,644
21.1 The company's claim of drawback amounting to Rs. 33.63 lacs has been disputed by the Commissioner of Customs (Exports) with the Joint Secretary (RA), Ministry of Finance, Department of Revenue, Government of India New Delhi, against the favorable order in Appeal by the Commissioner of Customs (Appeals). The management is confident for the recovery of the said amount and hence has not made any provision for bad & doubtful debts against this.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
22 OTHER CURRENT ASSETS		
(a) Preliminary Expenses (to be written off in next year)	40,200	40,200
TOTAL	40,200	40,200
PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
23 REVENUE FROM OPERATION		
(a) Sales	4,163,775,391	3,935,965,611
Less Excise Duty	27,486,942	25,527,051
Net Sales	4,136,288,449	3,910,438,560
(b) Export Incentives	359,029,252	329,039,729
TOTAL	4,495,317,701	4,239,478,289
24 OTHER INCOME		
(a) Dividend from current investments	146,065	109,770
(b) Net gain on sale of current Investments	1,243,844	2,638,596
(c) Provision for diminution in Value of Investments written back	–	1,464,391
(d) Rental Income	22,717,365	22,499,225
(e) Profit/(Loss) of Subsidiary	–	(203,302)
(f) Other Income	2,061,158	–
TOTAL	26,168,432	26,508,680
25 RAW MATERIAL CONSUMPTION		
Opening Stock	1,591,542,678	1,382,699,838
Add : Purchases	2,542,487,290	2,352,163,431
	4,134,029,968	3,734,863,269
Less : Closing Stock	2,037,672,753	1,591,542,678
RAW MATERIAL CONSUMPTION	2,096,357,215	2,143,320,591
26 CHANGE IN INVENTORIES OF FINISHED GOODS		
(a) Opening Stock	185,197,451	101,698,658
(b) Closing Stock	327,088,089	185,197,451
Decrease/(Increase)	(141,890,638)	(83,498,793)
27 EMPLOYEE BENEFITS EXPENSES		
(a) Salary & Allowances	230,392,013	191,193,390
(b) Contribution to Provident & Other Fund	17,670,969	13,731,519
(c) Staff Welfare Expenses	8,598,447	8,496,933
(d) Expenses on Employee Stock Option Scheme	20,396,540	–
TOTAL	277,057,969	213,421,842

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
28 FINANCE COST		
(a) Interest Expense– Net	111,708,439	117,436,142
(b) Borrowing Cost	12,752,031	21,111,629
(c) Loss/(Profit) on foreign currency transactions	40,855,737	(53,324,974)
TOTAL	165,316,207	85,222,797
29 DEPRECIATION AND AMORTISATION		
(a) Depreciation	41,241,467	38,584,337
(b) Preliminary Expenses	40,200	40,200
TOTAL	41,281,667	38,624,537
30 OTHER EXPENSES		
(I) Manufacturing Expenses		
(a) Fabrication Expenses	885,678,849	777,222,780
(b) Other Manufacturing Expenses	12,329,483	17,177,493
(c) Freight & Cartage	8,134,798	15,286,716
(II) Selling & Administrative Expenses		
(a) Legal And Professional Charges	30,257,979	33,317,418
(b) Power & Fuel	14,369,401	12,379,095
(c) Bank Charges	33,018,015	25,890,707
(d) Repair & Maintainence		
– Building	2,258,728	2,570,450
– Plant & Machinery	3,917,379	2,969,303
– Others	10,993,452	10,727,046
(e) Communication	10,207,371	9,262,460
(f) Rates Taxes & Duties	2,995,995	3,284,675
(g) Insurance	3,824,920	4,499,973
(h) Rent	7,769,624	5,993,871
(i) Travelling & Conveyence	97,550,931	75,147,980
(j) Freight on Exports	52,097,445	52,313,403
(k) Commission, Brokerage & Discount	122,654,723	136,531,466
(l) Loss on Sale /Discard of Fixed Assets	2,917	1,791,423
(m) Misc. Expenses	35,010,159	26,292,787
(n) Expenditure towards CSR activites	4,763,998	959,745
(o) Directors Meeting Fees	117,225	104,322
(p) Packing Expenses	26,288,836	21,211,317
TOTAL	1,364,242,228	1,234,934,430

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
31 TAX EXPENSE		
I) Current Tax		
(a) Current Year Income Tax	72,000,000	66,600,000
(b) Earlier Year Income Tax	5,346,000	5,070,637
TOTAL	77,346,000	71,670,637
II) Deferred Tax		
(a) Related To Capital Assets	3,825,922	244,099
(b) Related To Brought forward Capital Losses	205,144	532,717
TOTAL	4,031,066	776,816

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

32.02 CONTINGENT LIABILITIES

	As at 31st March, 2016	As at 31st March, 2015
i) Letter of Credit / Import Bills outstanding	68,673,014	60,333,114
ii) Standby Letter of credit issued by company bankers in favour of the bankers of its subsidiaries		
– Ultima S.A	714,985,700	668,694,300
– World Fashion Trade Ltd.	23,191,000	21,959,000
iii) Bills discounted with banks	8,181,771	21,052,626
iv) Other Guarantee given by bank –with Corporation Bank	4,418,580	2,113,580
v) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima S.A, Ultima Italia S.r.l & World Fashion Trade Ltd.	392,201,000	943,050,000
vi) Income Tax Demand under dispute	12,225,782	12,225,782
vii) Karnataka VAT Demand under dispute	5,659,787	2,876,543
viii) TNVAT demand under dispute	52,531,621	–

32.03 CAPITAL AND OTHER COMMITMENTS

Estimated value of contract remaining to be executed on capital Account and not provided for	5,390,255	7,899,425
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
32.04 DERIVATIVE FINANCIAL INSTRUMENTS		
i) Forward Contracts outstanding		
In GBP	2.75 Millions (Rs. 2617.45 Lacs)	1.85 Million (Rs.1722.30 Lacs)
IN USD	12.25 Millions (Rs. 8116.85 Lacs)	9 Million (Rs. 5658 Lacs)
IN EURO	0.30 Millions (Rs. 226.37Lacs)	0.45 Million (Rs 306.4 Lacs)
		Amount in Rs.
PARTICULARS	Year Ended 31st March, 2016	Year Ended 31st March, 2015
32.05 VALUE OF IMPORTS ON CIF BASIS		
Raw Material	1,070,277,450	1,100,203,099
Purchase under Merchandise Trade	247,926,428	354,169,903
Capital Goods	55,252,880	9,132,530
32.06 EXPENDITURE IN FOREIGN CURRENCY (on payment basis)		
Agent Commission/Claim on Sales	153,503,988	82,647,588
Foreign Travelling	11,998,563	13,821,904
Others	3,659,618	1,706,959
Interest on Import Bills	1,814,494	1,027,318
32.07 EARNING IN FOREIGN CURRENCY		
FOB Value of Sales	3,362,841,270	3,167,317,654
Export Under Merchandising Trade	277,504,803	416,747,912
Insurance Claims	2,084,940	–
32.08 PAYMENT TO AUDITOR		
Audit Fees	650,000	550,000
Certification	236,000	282,500
Tax Audit	100,000	75,000
Reimbursement of Expenses	80,000	60,000
32.09 Earning Per Share (EPS)		
Income available to Equity Shareholders	147,677,665	140,675,320
No of Shares at the beginning of the Year (A)	11,213,848	11,063,848
Equity allotted during the year	500,000	150,000
Weighted Average Shares (B)	180,038	90,521
Weighted Average Shares Outstanding (nos)(A+B)	11,393,886	11,154,369
Effect of Dilutive Securities Securities (nos):		
Add: Adjustment for warrants convertible into Equity Shares	110,616	201,692
Weighted Average number of equity shares for Diluted EPS	11,504,502	11,356,061
	Rs. Per Share	Rs. Per Share
Nominal Value per share	10.00	10.00
Earnings per share (Basic)	12.96	12.61
Earnings per share(Diluted)	12.84	12.39

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015

32.10 AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

a) Year to which the dividend relates	2014-15	2013-14
b) Number of non-resident shareholders to whom remittances were made	42	42
c) No of shares on which remittances were made	961,418	244,080
d) Amount remitted in Rs.	961,418	244,080

32.11 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	44	918,484,023	39	828,021,310
Imported	56	1,177,873,192	61	1,315,299,281
	100	2,096,357,215	100	2,143,320,591

32.12 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, 2016	Year Ended 31st March, 2015
i) Gross amount required to be spent by the company during the year	3,167,933	2,508,351
ii) Amount spent during the year	4,763,998	959,000

32.13 Details of Loans Given, Investments Made and Gurantee Given under section 186(4) of the Companies Act, 2013

	As at 31st March, 2016	Maximum Balance during the year
(1) Loans /Advances Given		
<i>Subsidiary Company :</i>		
a) World Fashion Trade Ltd, Mauritius	46,921,777 (44,067,517)	46,921,777 (44,697,861)
b) J & J Leather Enterprises Ltd	15,000,000 (15,000,000)	15,000,000 (15,000,000)
<i>Assoicate 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 issued by company bankers against facilities granted by that bank

<i>Subsidiary Company :</i>		
a) World Fashion Trade Ltd, Mauritius	23,191,000 (21,959,000)	23,191,000 (29,085,000)
b) Ultima S.A , Switzerland	714,985,700 (668,694,300)	714,985,700 (668,694,300)

(3) Corporate Guarantee given by company to a bank for facility granted by that bank to its Subsidiaries.

<i>Subsidiary Company :</i>		
Ultima S.A , Ultima Italia SRL & World Fashion Trade Ltd.	392,201,000 (943,050,000)	943,050,000 (943,050,000)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**32.14 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) Subsidiary Companies :****Domestic**

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

Overseas

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

ii) Associate Parties :

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

	2015-2016	2014-2015
1 Sales		
World Fashion Trade Ltd.	9,413,703	39,395,135
Ultima S.A	30,849,724	103,706,813
Ultima Italia S.r.l	-	4,160,508
Design Industry Ltd.	247,338,584	104,022,829
Bhartiya Global Marketing Ltd.	-	1,034,031
Bhartiya City Developers Pvt. Ltd.	-	413,096

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

	2015-2016	2014-2015
2 Purchase / Job Work		
World Fashion Trade Ltd	555,448	14,501,525
Ultima Italia S.r.l.	112,153	44,630
J & J Leather Enterprises Ltd	118,461,336	107,616,458
Ultima S.A.	51,960,115	–
3 Ticketing		
Itopia Management Services (India) Pvt. Ltd	21,235,103	16,623,739
4 Salaries		
Snehdeep Aggarwal	1,839,600	1,839,600
Jaspal Sethi	1,172,400	1,179,600
A.K. Gadhok	960,888	982,241
Arjun Aggarwal	300,000	300,000
5 Lease Rent / Rent Paid		
Bhartiya Global Marketing Ltd.	100,000	100,000
J & J Leather Enterprises Ltd.	1,200,000	139,500
Kanwal Aggarwal	480,000	480,000
6 Commission Expenses		
Ultima Italia S.r.l.	60,704,339	72,790,171
World Fashion Trade Ltd.	16,024,604	37,447,453
7 Lease Rent Received		
Bhartiya City Developers Pvt Ltd.	21,304,800	21,304,800
8 Service Charges Paid		
Bhartiya International Sez Ltd.	3,743,076	3,141,668
9 Purchase of Land Under Lease		
Bhartiya International Sez Ltd.	–	30,000,000
10 Balances Written back		
Bhartiya Prakash Leather	75,755	–
vii) Balances Outstanding at the year end:		
1 Loan/Advances Given		
World Fashion Trade Ltd.	46,921,777	44,067,517
Tada Mega Leather Cluster Pvt. Ltd.	2,823,575	2,823,575
2 Trade Payables		
Bhartiya International SEZ Ltd	2,344,384	1,321,810
J & J Leather Enterprises Ltd	6,133,603	–
Itopia Management Services (India) Pvt. Ltd.	1,406,285	1,269,774
Bhartiya Prakash Leather	–	75,755

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

	2015-2016	2014-2015
3 Expenses/Others Payables		
Ultima Italia SRL	103,775,470	106,659,415
World Fashion Trade Ltd.	28,011,361	34,470,516
Bhartiya City Developers Pvt. Ltd.	-	87,509
Snehdeep Aggarwal	-	43,258
Kanwal Aggarwal	36,000	36,000
4 Advance Paid		
J & J Leather Enterprises Ltd	15,000,000	15,000,000
Ultima S.A.	7,585,277	8,620,237
BIL Group LLC	-	228,225
5 Trade Receivable		
World Fashion Trade Ltd.	-	5,231,853
Design Industry Ltd.	54,484,529	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	15,978,600
8 Standby Letter of Credit Issued by Company Bankers		
World Fashion Trade Ltd.	23,191,000	21,959,000
Ultima S.A.	714,985,700	668,694,300
9 Corporate Guarantee given by Company		
Ultima Italia SRL and Ultima S.A.	392,201,000	943,050,000

32.15 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	39,965.58 (39,782.50)	4,987.59 (2,612.28)	– (–)	– (–)	44,953.17 (42,394.78)
b. Segment Results	5,012.61 (5,003.83)	299.71 (181.83)	– (–)	261.68 (265.09)	5,574.00 (5,450.75)
c. Less: Unallocable Expenses net of Income	– –	– –	– –	2,038.79 (1,934.03)	2,038.79 (1,934.03)
d. Operating Profit	– –	– –	– –	– –	3,535.21 (3,516.72)
e. Less:– Interest	– –	– –	– –	1,244.67 (1,385.48)	1,244.67 (1,385.48)
f. Profit before Tax	– –	– –	– –	– –	2,290.54 (2,131.24)
g. Less:– Provision for Taxation	– –	– –	– –	813.77 (724.48)	813.77 (724.48)
h. Profit after Tax	– –	– –	– –	– –	1,476.77 (1,406.76)
i. Capital Employed	11,908.94 (8,932.56)	43.12 (114.59)	– –	7,866.47 (7,309.82)	19,818.53 (16,356.97)

32.16 Previous year expenses debited to profit & loss account Rs. 12,58,537/– (Previous Year Rs. 27,36,195/–)

32.17 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
DIN. 00928080

Ramesh Bhatia
Director
DIN. 00052320

New Delhi, 25th May, 2016

AOC-1

Pursuant to Proviso to Sub-Section 3 of Section 129 with Rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of Financial Statement of Subsidiaries/Associates Companies/Joint Ventures

PART-A: SUBSIDIARIES

Name of Subsidiary	Financial Year Ended	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding Share capital & Reserves & Surplus)	Investments	Turnover	Profit /Loss before Taxation	Provision for Taxation	Profit /Loss after Taxation	% of Share holding
Bhartiya Global Marketing Ltd.	31st March, 2016	Indian Rupee	49,990,200	(6,854,354)	59,318,065	16,182,219	32,317,500	27,871,206	(1,300,062)	(17,548)	(1,282,514)	100.00
J&J Leather Enterprises Ltd.	31st March, 2016	India Rupee	20,750,000	22,434,987	63,423,544	20,238,557	-	118,993,700	413,372	320,210	93,162	100.00
Bhartiya International SEZ Ltd.	31st March, 2016	Indian Rupee	135,692,300	8,702,994	144,698,527	303,233	-	3,743,076	(6,398,723)	130,091	(6,528,814)	88.95
Bhartiya Urban Infrastructure Ltd.	31st March, 2016	Indian Rupee	500,000	(21,886)	491,972	13,858	-	-	(21,886)	-	(21,886)	100.00
Bhartiya Fashion Retail Ltd.	31st March, 2016	Indian Rupee	500,000	(216,613)	293,387	10,000	-	-	(52,712)	-	(52,712)	100.00
Ultima S.A	31st March, 2016	CHF(Swiss Franc)	33,795,508	272,782,908	552,710,363	246,141,947	140,057,773	1,402,364,490	83,761,451	7,511,949	76,249,502	100.00
Design Industry Ltd.	31st March, 2016	HK\$(Hong Kong Dollar)	805,500	7,745,914	79,970,009	71,418,596	-	513,925,162	3,855,520	-	3,855,520	100.00
Design Industry China Ltd.,	31st March, 2016	RMB/Yuan	2,092,613	2,572,848	12,101,029	7,435,569	-	46,960,815	3,189,050	631,127	2,557,923	100.00
Ultima Italia SRL	31st March, 2016	EURO	137,159,660	19,727,078	233,650,577	76,763,839	-	140,342,425	3,186,963	2,135,177	1,051,786	100.00
World Fashion Trade Ltd.	31st March, 2016	HK\$(Hong Kong Dollar)	44,780	(59,527,997)	90,677,975	150,161,192	-	337,520,978	3,604,915	-	3,604,915	100.00

	CHF	HK\$	Euro	RMB Yuan
Exchange rate for Balance Sheet items (except shares capital figures which are stated at invested value)	68.89	8.54	75.40	10.27
Exchange rate for Profit and Loss	67.30	8.44	72.05	10.29

*Bill Group LLC, USA has been liquidated during the year under review.

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 in Rs.	
		No.	Amount of Investment in Associate/Joint venture	Extent of Holding				Considered in Consolidation	Not Considered in Consolidation
Bhartiya Prakash Leather	31st March, 2016	-	50000	50.00%	Partner's capital	considered	-	(684,743.00)	-
Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.	31st March, 2015	11200000	280000000	29.60%	Voting Power	Not Applicable	7,573,955,555*	19,243,091.00	-
Tada Mega Leather Cluster Pvt. Ltd.	31st March, 2016	5000	50000	50.00%	Voting Power	Not Applicable	(40,685.00)	(21,263)	-

*Audited Figures ending 31st March, 2015

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, 2016.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2016 are as follows:

PARTICULARS	2015-16	2014-15
Net Sales/Income from Operations	278.71	68.24
Other Income	2.18	16.04
Total Expenses	293.90	118.89
Tax Expense	(0.18)	(9.87)
Profit/(Loss) for the year after Tax	(12.83)	(24.75)

(Rs. in Lacs)

PERFORMANCE REVIEW

During the year under review, your Company achieved a turnover of Rs. 278.71 lacs as against Rs. 68.24 lacs in the previous year. The Net Loss after tax was reported at (Rs. 12.83) 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, 2016.

RESERVES

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

SHARE CAPITAL

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

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The 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. Ramesh Bhatia (DIN: 00052320), 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 2015-16, five Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2015-16 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Ramesh Bhatia	Mr. Manoj Khattar	Ms. Jaspal Sethi
22.05.2015	Present	Present	Present
30.09.2015	Present	Present	Present
31.12.2015	Absent	Present	Present
01.02.2016	Present	Present	Present
25.02.2016	Absent	Present	Present

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

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.

Related party transactions, if any, 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, 2016, 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, 2016 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. 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 2016-17.

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to the Company.

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

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

RISK MANAGEMENT

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

ENVIRONMENT AND SAFETY

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

HUMAN RESOURCES

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

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

PARTICULARS OF EMPLOYEES:

During the financial year 2015-16, the Company had 14 Employees.

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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, 2016 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, 21st May, 2016

Manoj Khattar
Director
DIN. 00694981

Ramesh Bhatia
Director
DIN. 00052320

ANNEXURE–A FORM NO. MGT–9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[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 Share–holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt.(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	4999020	4999020	100	–	4999020	4999020	100	–
e) Banks / Fiis	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub–total (A) (1)		4999020	4999020	100		4999020	4999020	100	100

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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)	-	4999020	4999020	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)	-	4999020	4999020	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	4,999,020	100	–	4,999,020	100.00	–	–
	TOTAL	4,999,020	100	–	4,999,020	100.00	–	–

(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 International Ltd.				
	At the beginning of the year	4,999,020	100	4,999,020	100
	Allotment of Equity Shares	–	–	–	–
	At the End of the year	4,999,020	100	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				NIL
ii) Interest due but not paid				–
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				NIL
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

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

S. N.	Particulars of Remuneration	Total Amount (Rs)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	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 (Rs.)
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	Nil
	Total (1)	

S. N.	Particulars of Remuneration	Total Amount (Rs.)
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

S. N.	Particulars of Remuneration	Total Amount (Rs.)
1.	Gross Salary <ul style="list-style-type: none"> (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 <ul style="list-style-type: none"> – 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, 2016.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Bhartiya Global Marketing Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Bhartiya Global Marketing Limited ('the Company'), which comprise the balance sheet as at 31 March, 2016, 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. 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 31 March, 2016 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The balance sheet, the Statement of Profit and Loss 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.K. PODDAR
Partner
Mem. No. 094479
New Delhi, 21st May, 2016

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the Management during the year which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 9 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year. No discrepancies with respect to book records were noticed on such verification.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73,74,75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013, for the company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, duty of excise, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
(b) According to the information and explanations given to us, there are no dues in respect of 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.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

S.K. PODDAR
Partner
Mem. No. 094479
New Delhi, 21st May, 2016

ANNEXURE-B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Bhartiya Global Marketing Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.K. PODDAR
Partner
Mem. No. 094479
New Delhi, 21st May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs.	
		As At 31st March, 2016	As At 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	49,990,200	49,990,200
(b) Reserves And Surplus	3	(6,854,354)	(5,571,840)
2 Non-Current Liabilities			
(a) Other Long-Term Liabilities	4	500,000	500,000
(b) Long-Term Provisions	5	382,558	435,276
3 Current Liabilities			
(a) Trade Payable	6	14,883,731	3,283,515
(b) Other Current Liabilities	7	283,823	472,327
(c) Short-Term Provisions	8	132,107	280,664
TOTAL		59,318,065	49,390,142
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible Assets	9	866,016	909,379
(b) Non Current Investments	10	32,317,500	32,317,500
(c) Deferred Tax Assets (Net)	11	1,309,387	1,132,362
(d) Other Non-Current Assets	12	186,000	217,000
2 Current assets			
(a) Inventories	13	168,567	168,567
(b) Trade Receivables	14	21,236,877	7,359,882
(c) Cash & Cash Equivalents	15	1,421,876	4,780,357
(d) Short Term Loans and advances	16	1,780,842	2,474,095
(e) Other Current assets	17	31,000	31,000
TOTAL		59,318,065	49,390,142
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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 21st May, 2016

For and on behalf of the Board

Manoj Khattar
Director
DIN. 00694981

Ramesh Bhatia
Director
DIN. 00052320

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2016	Year Ended 31st March, 2015
Income:			
Revenue From Operations	18	27,871,206	6,823,558
Other Income	19	217,939	1,603,714
Total Revenue		28,089,145	8,427,272
Expenses:			
Purchases of Stock In Trade		24,737,109	6,071,034
Change in Inventory of Stock In Trade	20	–	–
Employee Benefits Expenses	21	3,688,294	3,650,915
Depreciation And Amortization Expense	22	74,363	61,570
Other Expenses	23	889,441	2,105,750
Total Expenses		29,389,207	11,889,269
Profit/ (Loss) Before Tax		(1,300,062)	(3,461,997)
Tax Expense:			
Current Tax	24	159,477	–
Deferred Tax		(177,025)	(987,239)
Profit/ (Loss) for the year		(1,282,514)	(2,474,758)
Earnings Per Equity Share:			
(1) Basic		(0.26)	(0.98)
(2) Diluted		(0.26)	(0.98)

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 21st May, 2016

For and on behalf of the Board

Manoj Khattar
Director
DIN. 00694981

Ramesh Bhatia
Director
DIN. 00052320

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Year Ended 31st March, 2016	Amount in Rs. Year Ended 31st March, 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(1,300,062)	(3,461,997)
Adjustment for :		
Effect of exchange rate change	(202,681)	(909,596)
Depreciation and amortisation expense	74,363	61,570
Rental Income	(100,000)	(100,000)
Share of loss from firm	684,742	2,500
Profit on sale of fixed assets	-	(2,682)
Operating profit/(loss) before working capital changes	<u>(843,638)</u>	<u>(4,410,205)</u>
Movements in working capital:		
Increase/ (decrease) in trade payables	11,600,216	(5,481,847)
Increase/ (decrease) in other liabilities	(188,504)	(154,621)
Increase/ (decrease) in provisions	(201,275)	366,659
Decrease/ (increase) trade receivables	(13,876,995)	6,824,169
Decrease/ (increase) in Short term loans and advances	593,776	(71,446)
Cash (used in) / generated from operations	<u>(2,916,420)</u>	<u>(2,927,291)</u>
Income tax paid (Net)	(60,000)	(1,380,363)
Effect of exchange rate change	202,681	909,596
Net cash (used in)/ generated from operating activities – (A)	<u>(2,773,739)</u>	<u>(3,398,058)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Share of loss from firm	(684,742)	(2,500)
Rental Income	100,000	100,000
Sale of fixed assets	-	20,000
Purchase of fixed assets	-	(299,120)
Purchase of Investments	-	(17,242,500)
Repayment of loan from Subsidiary	-	53,750,000
Preliminary Expenses incurred	-	(180,000)
Net cash from/ (used in) investing activities – (B)	<u>(584,742)</u>	<u>36,145,880</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	-	(53,750,000)
Repayment of Short-term borrowings	-	(2,629,413)
Share Capital Issues receipts	-	25,000,000
Net cash from/ (used in) financing activities – (C)	<u>-</u>	<u>(31,379,413)</u>
Net increase / (decrease) in cash and cash equivalents – (A+B+C)	<u>(3,358,481)</u>	<u>1,368,409</u>
Cash and cash equivalents as at beginning of the year	<u>4,780,357</u>	<u>3,411,948</u>
Cash and cash equivalents as at the end of the year	<u>1,421,876</u>	<u>4,780,357</u>
Components of cash and cash equivalents:		
Cash on hand	80,523	413,806
Balances with scheduled banks:		
In current accounts	<u>1,341,353</u>	<u>4,366,551</u>
Cash and cash equivalents in cash flow statement (refer note 15)	<u>1,421,876</u>	<u>4,780,357</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, 21st May, 2016

For and on behalf of the Board

Manoj Khattar
Director
DIN. 00694981

Ramesh Bhatia
Director
DIN. 00052320

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

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. Revenue from service charge is recognised on accrual basis.

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 .

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.

NOTES (CONTD.)**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, 2016	As at 31st March, 2015
2.0 SHARE CAPITAL		
Authorised Share Capital		
a) 50,00,000 (Previous Year 50,00,000) Equity Shares of Rs.10/- each	50,000,000	50,000,000
	50,000,000	50,000,000
Issued, Subscribed & Paid up :		
a) 49,99,020 (Previous Year 49,99,020) Equity Shares of Rs.10/- each, Fully Paid Up	49,990,200	49,990,200
	49,990,200	49,990,200

2.1 The details of Shareholders holding more than 5% shares

Name of the share holders	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Bharitya International Ltd.	4,999,020	100.00	4,999,020	100.00

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

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
Shares outstanding at the beginning of the year	4,999,020	2,499,020
Shares Issued during the year	-	2,500,000
Shares outstanding at the end of the year	4,999,020	4,999,020

2.3 Details of shares held by holding, subsidiaries or associates of holding company

Name of the share holders	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Equity Shares				
Bharitya International Ltd.	4,999,020	100.00	4,999,020	100.00

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 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, 2016	As at 31st March, 2015
3 RESERVES & SURPLUS		
(a) Surplus/(Deficit) in statement of Profit & Loss		
As Per last Balance Sheet	(5,571,840)	(2,944,441)
Add: Profit/(Loss) for the year	(1,282,514)	(2,474,758)
Less: Adjustment relating to fixed assets	–	(152,641)
TOTAL	(6,854,354)	(5,571,840)
4 OTHER LONG TERM LIABILITIES		
(a) Security Deposit	500,000	500,000
(refer note no 25.7)		
TOTAL	500,000	500,000
5 LONG TERM PROVISIONS		
(a) Provision for employees benefits	382,558	435,276
TOTAL	382,558	435,276
6 TRADE PAYABLE		
(a) Trade Payable	14,883,731	3,283,515
TOTAL	14,883,731	3,283,515
6.1 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.		
7 OTHER CURRENT LIABILITIES		
(a) Salary & Allowances	149,229	223,799
(b) Statutory Dues	23,110	39,518
(c) Expenses Payable	43,270	209,010
(d) Other Payable	68,214	–
(refer note no 25.7)		
TOTAL	283,823	472,327
8 SHORT TERM PROVISIONS		
(a) Provision for Employees benefits	132,107	280,664
TOTAL	132,107	280,664

NOTES (CONTD.)**9 FIXED ASSETS**

DESCRIPTION	Gross Block				Depreciation					Net Block
	Balance As at 1st April, 2015	Additions/ Adjustments during the year	Deduction/ Retirement during the year	Balance As at 31st March, 2016	As at 1st April, 2015	Adjustment to Retained Earnings	For the year	Deduction/ adjustments during the year	As at 31st March, 2016	Balance As at 31st March, 2016
Tangible Assets										
Own Assets										
Land	492,800	-	-	492,800	-	-	-	-	-	492,800
Computers	412,986	-	-	412,986	392,336	-	-	-	392,336	20,650
Vehicles	573,468	-	-	573,468	291,200	-	35,589	-	326,789	246,679
Furniture	1,612,525	-	-	1,612,525	1,531,899	-	-	-	1,531,899	80,626
Office Equipments	324,264	-	-	324,264	291,229	-	7,774	-	299,003	25,261
Total	3,416,043	-	-	3,416,043	2,506,664	-	43,363	-	2,550,027	866,016

DESCRIPTION	Gross Block				Depreciation					Net Block
	Balance As at 1st April, 2014	Additions/ Adjustments during the year	Deduction/ Retirement during the year	Balance As at 31st March, 2015	At at 1st April, 2014	Adjustment to Retained Earnings	For the year	Deduction/ adjustments during the year	As at 31st March, 2015	Balance As at 31st March, 2015
Tangible Assets										
Own Assets										
Land	492,800	-	-	492,800	-	-	-	-	-	492,800
Computers	412,986	-	-	412,986	391,842	494	-	-	392,336	20,650
Vehicles	620,718	299,120	346,370	573,468	507,826	81,856	30,570	329,052	291,200	282,268
Furniture	1,612,525	-	-	1,612,525	1,525,108	6,791	-	-	1,531,899	80,626
Office Equipments	324,264	-	-	324,264	159,471	131,758	-	-	291,229	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	909,379

Amount in Rs.

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
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10 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 2,07,500 shares) of Rs.100/- each, fully paid	32,267,500	32,267,500
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(b) Investment in Partnership Firm

Capital in Firm – Bhartiya Prakash Leather (refer note no 25.3)	50,000	50,000
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TOTAL	32,317,500	32,317,500
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11 DEFERRED TAX ASSETS (NET)

a) Deferred tax Assets

Related to Carried Forward Losses	1,132,362	1,044,400
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b) Deferred Tax Liabilities

Related to Fixed Assets	177,025	87,962
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TOTAL	1,309,387	1,132,362
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NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
12 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	165,000	196,000
(b) Security Deposit	21,000	21,000
TOTAL	186,000	217,000
13 INVENTORIES		
(a) Finished Goods	168,567	168,567
TOTAL	168,567	168,567
14 TRADE RECEIVABLES		
(Unsecured, considered good)		
(a) Over Six Months	7,355,475	6,795,085
(b) Other	13,881,402	564,797
TOTAL	21,236,877	7,359,882
15 CASH AND CASH EQUIVALENT		
(a) Balances with Banks		
– In Current Accounts	1,341,353	4,366,551
(b) Cash on Hand	80,523	413,806
TOTAL	1,421,876	4,780,357
16 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
(a) Loans & Advances to Related Parties (refer note no 25.7)	–	616,529
(b) Advance Tax / TDS	96,426	195,903
(c) Advance to Staff	176,602	175,404
(d) Prepaid Expenses	67,890	46,335
(e) Others	5,400	5,400
(f) Mat Credit Entitlement	1,434,524	1,434,524
TOTAL	1,780,842	2,474,095
17 OTHER CURRENT ASSETS		
(a) Preliminary Expenses (to be written off in next year)	31,000	31,000
TOTAL	31,000	31,000

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
18 REVENUE FROM OPERATION		
(a) Sales	27,871,206	6,823,558
TOTAL	27,871,206	6,823,558
19 OTHER INCOME		
(a) Share of Profit from Firm	(684,742)	(2,500)
(b) Service Charges	600,000	–
(c) Lease Rent Received	100,000	100,000
(d) Other Income	–	593,936
(e) Net gain on foreign currency transaction	202,681	909,596
(f) Net Gain on Sale of Assets	–	2,682
TOTAL	217,939	1,603,714
20 CHANGE IN INVENTORY OF STOCK IN TRADE		
Finished Goods		
(a) Opening Stock	168,567	168,567
(b) Closing Stock	168,567	168,567
DECREASE IN STOCK	–	–
21 EMPLOYEE BENEFITS EXPENSES		
(a) Salary & Allowances	3,524,298	3,290,453
(b) Contribution to Provident & Other Funds	158,018	360,462
(c) Staff Welfare Expenses	5,978	–
TOTAL	3,688,294	3,650,915
22 DEPRECIATION AND AMORTISATION		
(a) Depreciation	43,363	30,570
(b) Preliminary Expenses W/off	31,000	31,000
TOTAL	74,363	61,570
23 OTHER EXPENSES		
(a) Professional Charges	77,440	882,435
(b) Electricity Expenses	77,590	72,980
(c) Auditors Remuneration	40,000	25,000
(d) Bank Charges	3,834	16,285
(e) Discounts/ Rebate	336,809	239,213
(f) Rates Taxes & Duties	43,154	11,159
(g) Insurance	36,118	26,285
(h) Printing & Stationery	–	14,525
(i) Sampling Expenses	196,525	668,149
(j) General Expenses	77,971	144,101
(k) Fees & Subscription	–	5,618
TOTAL	889,441	2,105,750

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
24 TAX EXPENSES		
I) Income Tax		
(a) Current Year	-	-
(b) Earlier Years	159,477	-
	<u>159,477</u>	<u>-</u>
II) Deferred Tax		
(a) Related To Capital Assets	20,475	21,570
(b) Related To Business Losses	(197,500)	(1,008,809)
TOTAL	<u>(177,025)</u>	<u>(987,239)</u>

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

25.2 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. 4,92,800 (Previous Year Rs. 4,92,800) is pledged with the bank for various limits and facilities granted by bank to its holding company.

25.3 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 31.3.2016 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 Limited	60%

25.4 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.

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

PARTICULARS	As at 31st March, 2016	Maximum Balance during the year
(1) Loans/Advances Given		
<i>Associate Company:</i>		
a) Bhartiya Prakash Leather	(68,214)	616,529
	<u>616,529</u>	<u>616,529</u>
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 holding co.		
Bhartiya International Limited	345,000,000	345,000,000
	<u>(345,000,000)</u>	<u>(345,000,000)</u>

NOTES (CONTD.)**25.7 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:**i) Holding Company:*****Domestic***

Bhartiya International Limited

ii) Subsidiary Companies :***Domestic***

J&J Leather Enterprises Ltd.

iii) Associate Parties :

Bhartiya Prakash Leather

World Fashion Trade Ltd

Ultima Italia S.r.l.

iv) Key Management Personnel:***Directors***

Manoj Khattar

Jaspal Sethi

Ramesh Bhatia

PARTICULARS	2015-2016	2014-2015
v) Transactions during the year with related parties		
1 Purchase / Job Work		
Bhartiya International Limited	–	1,034,031
2 Lease Rent Received		
Bhartiya International Limited	100,000	100,000
3 Consultancy Received		
J & J Leather Enterprises Ltd	600,000	–
vi) Balances Outstanding at the year end:		
1 Advances Paid		
Bhartiya Prakash Leather	–	616,529
2 Trade Receivable		
World Fashion Trade Ltd.	6,744,555	6,334,252
J & J Leather Enterprises Ltd	540,000	–
3 Trade Payable		
Ultima Italia SRL	3,016,800	2,718,400
4 Other Payable		
Bhartiya Prakash Leather	68,214	–
5 Security Deposit Received		
Bhartiya International Limited	500,000	500,000

NOTES (CONTD.)

25.8 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	(1,282,514)	(2,474,758)
No of Shares at the beginning of the Year (A)	4,999,020	2,499,020
Equity allotted during the year	–	2,500,000
Weighted Average Shares (B)	–	34,247
Weighted Average Shares Outstanding (nos)(A+B)	4,999,020	2,533,267
Weighted Average number of equity shares for Diluted EPS	4,999,020	2,533,267
	Rs Per Share	Rs Per Share
Nominal Value per share	10.00	10.00
Earnings per share (Basic)	(0.26)	(0.98)
Earnings per share(Diluted)	(0.26)	(0.98)

25.9 Auditor's Remuneration

PARTICULARS	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Audit Fees	40,000	25,000
Tax & Consultancy	10,000	30,000

25.10 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.

25.11 Earning In Foreign Currency

Exports under Merchandising Trade Rs. 27,871,206/- (Previous Year–Rs.68,23,558/-)

25.12 Expenditure In Foreign Currency

Purchase Under Merchandising Trade Rs, 24,737,109/- (Previous Year Rs. 60,66,423/-)

Rebate & discounts Rs. 96,789/- (Previous Year Rs. 239,213/-)

25.13 Debit and credit balances of parties are subjects to their confirmations.

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, 21st May, 2016

For and on behalf of the Board

Manoj Khattar
Director
DIN. 00694981

Ramesh Bhatia
Director
DIN. 00052320

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	31 March, 2016	Indian Rupee	20,750,000.00	22,434,987.00	63,429,544.00	20,238,557.00	-	118,993,700.00	413,372.00	320,210.00	93,162.00	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 in Rs.		
		No.	Amount of Investment in Associate/Joint venture				Extent of Holding	Considered in Consolidation	Not Considered in Consolidation
Bhartiya Prakash Leather	31 March, 2016	-	50,000	50.00%	Partner's Capital	Considered	-	(634,743.00)	-

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, 2016.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2016 are as follows:

		(Rs. in Lacs)	
Sl. No.	Particulars	2015-16	2014-2015
1.	Net Sales /Income from Operations	1189.94	1076.22
2.	Other Income	14.16	3.37
3.	Total Expenses	1199.96	1077.48
4.	Tax Expense	3.20	1.76
5.	Profit / (Loss) for the year after Tax	0.93	0.34

PERFORMANCE REVIEW AND STATE OF COMPANY'S AFFAIRS

During the year under review Company achieved a turnover of Rs. 1189.94 lacs as against Rs. 1076.22 lacs in the previous year. The net profit has slightly increased and was reported at Rs. 0.93 lakh during the year 2015–2016.

DIVIDEND

Yours directors do not recommend any dividend for the financial year ended 31st March, 2016.

RESERVES

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

SHARE CAPITAL

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

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any subsidiary or Associate Company.

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

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

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2015–16, Eight Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2015–16 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Amrishpal Singh Narag	Mr. Manoj Khattar	Mr. C. L. Handa
21.05.2015	Present	Present	Absent
30.06.2015	Present	Present	Absent
08.07.2015	Present	Present	Absent
30.10.2015	Present	Present	Present
14.11.2015	Present	Present	Absent
26.11.2015	Present	Present	Absent
21.12.2015	Present	Present	Absent
01.02.2016	Present	Present	Present
26.02.2016	Present	Present	Absent

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, 2016, 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, 2016 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 Annual General Meeting held on 2nd September, 2014 to hold office upto the conclusion of the fourth consecutive Annual General Meeting. Your directors have recommended their ratification in the ensuing Annual General Meeting.

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

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to the Company.

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

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

RISK MANAGEMENT

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

ENVIRONMENT AND SAFETY

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

HUMAN RESOURCES

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

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

PARTICULARS OF EMPLOYEES:

During the financial year 2015-16, the Company had 34 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 2016 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, 2016 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, 18th May, 2016

A. P. S. Narag
Managing Director
DIN. 02735647

Manoj Khattar
Director
DIN. 00694981

ANNEXURE-A FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[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.	-	207,500	207,500	100	-	207,500	207,500	100	-
e) Banks/Fiis	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)		207,500	207,500	100		207,500	207,500	100	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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)	-	207,500	207,500	100		207,500	207,500	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)	-	207,500	207,500	100		207,500	207,500	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 Global Marketing Limited	207,500	100	–	207,500	100	–	–
	TOTAL	207,500	100	–	207,500	100	–	–

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

S. N.	Particulars	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
No Change					

(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	NIL			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	At the End of the year				

(v) Shareholding of Directors and Key Managerial Personnel:

S. N.	Shareholding of each Directors and each key Management Personnel	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	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	470,103		–	470,103
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	470,103	–	–	470,103
Change in Indebtedness during the financial year				
* Addition	–	–	–	–
* Reduction	347,893	–	–	347,893
Net Change	347,893	–	–	347,893
Indebtedness at the end of the financial year				
i) Principal Amount	122,210	–	–	122,210
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	122,210	–	–	122,210

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

S. N.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs.)
		Mr. Amrishpal Singh	
1.	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	300,000	300,000
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission – as % of profit – others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	300,000	300,000
	Ceiling as per the Act	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)	

B. Remuneration to other Directors:

S. N.	Particulars of Remuneration	Name of Directors	Total Amount (Rs.)
1.	Independent Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify	– NIL –	
	Total (1)		

S. N.	Particulars of Remuneration	Name of Directors	Total Amount (Rs.)
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, 2016.

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 Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 there under.

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, 2016;
- 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, 2016 ("the Order") issued by the Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls , refer to our separate report in Annexure " A"
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **Padmanabhan Ramani & Ramanujam**

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem. No. 022438

Chennai, 18th May, 2016

ANNEXURE-A TO AUDITORS' REPORT

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

1. a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified by the management according to a regular program which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No discrepancies with respect to book records were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. The company does not have any inventory and as such requirement of the clause are not applicable to the company.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the covered by section 2(76) of the Companies Act, 2013.
4. The company has not entered into any transactions in respect of any loans to director, investments, guarantees and security and hence sections 185 and 186 of the Companies Act 2013 are not applicable.
5. The company has not accepted any deposit from the public within the provisions of Section 73 to 76 of The Companies Act ,2013.
6. In our opinion and according to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act.
7. a) The company is regular in depositing undisputed statutory dues wherever applicable including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales-tax, Wealth Tax, Service tax Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- b) There are no disputed sales tax/income tax/custom tax/wealth tax/service tax/excise duty/cess.
8. In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
9. There were no moneys raised by way of initial public offer (IPO) or further public offer (including debt instruments). Further in our opinion and according to information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
10. According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
11. Managerial remuneration has be paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies act 2013.
12. The Company is not a Nidhi company and hence the requirements related to compliance with the Net Owned funds to Deposits Ratio are not applicable.
13. All the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of Section 192 are not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve bank of India act, 1934.

for **Padmanabhan Ramani & Ramanujam**

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem. No. 022438

Chennai, 18th May, 2016

ANNEXURE-B TO AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **J & J LEATHER ENTERPRISES LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

A company's internal financial control over financial reporting includes those policies and procedures that :-

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Padmanabhan Ramani & Ramanujam**

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem. No. 022438

Chennai, 18th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs.	
		AS AT 31st March, 2016	AS AT 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	20,750,000	20,750,000
(b) Reserves and Surplus	3	22,434,987	22,341,823
2 Non-current Liabilities			
(a) Long-Term Borrowings	4	122,210	470,103
(b) Deferred Tax Liabilities (Net)	5	–	–
(c) Long-Term Provisions	6	2,520,863	2,295,109
3 Current Liabilities			
(a) Trade Payables		13,182,554	18,758,181
(b) Other Current Liabilities	7	3,045,230	2,489,749
(c) Short-Term Provisions	8	1,367,700	–
TOTAL		63,423,544	67,104,965
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	46,131,720	53,722,286
(ii) Intangible Assets		23,856	51,148
(b) Long-Term Loans and Advances	10	13,056,990	10,150,908
(c) Deferred Tax Assets (Net)	5	1,371,868	324,378
2 Current assets			
(a) Inventories	11	242,523	343,486
(b) Trade Receivables	12	16,719	9,936
(c) Cash and Cash Equivalents	13	932,909	708,872
(d) Short Term Loan & Advances	14	742,454	1,308,421
(e) Other Current Assets	15	904,505	485,530
TOTAL		63,423,544	67,104,965
Significant Accounting Policies	1		

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, 18th May, 2016

For and on behalf of the Board

A. P. S. Narag
Managing Director
DIN.02735647

Manoj Khattar
Director
DIN.00694981

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2016	Year Ended 31st March, 2015
I. Revenue from Operations	16	118,993,700	107,621,732
II. Other Income	17	1,415,878	336,931
III. Total Revenue (I + II)		120,409,578	107,958,663
IV. Expenses:			
Cost of Materials Consumed	18	5,237,973	4,397,983
Manufacturing Expenses	19	75,070,847	65,859,807
Employee Benefits Expense	20	14,169,898	10,895,814
Finance Costs	21	85,541	135,659
Depreciation and amortization Expense	22	10,770,976	13,661,253
Other Expenses	23	14,660,971	12,797,416
Total Expenses		119,996,206	107,747,932
V. Profit before exceptional and extraordinary items and tax (III-IV)		413,372	210,731
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		413,372	210,731
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		413,372	210,731
X. Tax expense:			
(1) Current tax	24	1,367,700	2,168,900
(2) Deferred tax		(1,047,490)	(1,992,627)
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		93,162	34,458
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)		93,162	34,458
XVI. Earnings per equity share:			
(1) Basic		0.45	0.28
(2) Diluted		0.45	0.28

Significant Accounting Policies 1

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, 18th May, 2016

For and on behalf of the Board

A. P. S. Narag
Managing Director
DIN.02735647

Manoj Khattar
Director
DIN.00694981

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	413,372	210,731
Adjustment for :		
Finance Cost	85,541	135,659
Depreciation and amortisation expense	10,770,976	13,661,253
Loss on sale of fixed assets	–	(130,000)
Rental Income	(1,200,000)	(139,500)
Operating profit/(loss) before working capital changes	10,069,890	13,738,143
Movements in working capital:		
Increase/ (decrease) in trade payables	(5,575,627)	14,490,846
Increase/ (decrease) in other liabilities	555,484	843,447
Decrease/ (increase) in inventories	100,963	(9,301)
Decrease/ (increase) in other assets	(6,783)	13,845,847
Decrease/ (increase) in loans and advances	(251,498)	(1,289,895)
Increase/ (decrease) in provisions	225,754	588,936
Cash (used in) / generated from operations	5,118,182	42,208,023
Income tax paid (Net)	(2,507,592)	(2,459,312)
Net cash (used in)/ generated from operating activities – (A)	2,610,590	39,748,711
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,153,119)	(3,338,114)
Proceeds from sale of fixed assets	–	130,000
Rent Receipt	1,200,000	139,500
Loan and advances to Subsidiaries	–	–
Net cash from/ (used in) investing activities – (B)	(1,953,119)	(3,068,614)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	(347,893)	(54,212,328)
Share Capital including securities premium	–	17,242,500
Interest and processing fees paid (net)	(85,541)	(135,659)
Net cash from/ (used in) financing activities – (C)	(433,434)	(37,105,487)
Net increase / (decrease) in cash and cash equivalents – (A+B+C)	224,037	(425,390)
Cash and cash equivalents as at beginning of the year	708,872	1,134,262
Cash and cash equivalents as at the end of the year	932,909	708,872
Components of cash and cash equivalents:	224,037	(425,390)
Cash on hand	307,216	388,766
Balances with scheduled banks:		
In current accounts	625,693	320,106
In deposits	–	–
Cash and cash equivalents in cash flow statement	932,909	708,872

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, 18th May, 2016

A. P. S. Narag
Managing Director
DIN.02735647

Manoj Khattar
Director
DIN.00694981

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

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 realisable 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 depreciation or carry forward losses, deferred tax assets are recognized only to the extent there is reasonable certainty of realization 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, 2016		As at 31st March, 2015	
	Number	Amount	Number	Amount
2 Disclosure as to Share Capital				
2.1 Authorised				
Equity Shares of Rs.100/- each.	300,000	30,000,000	300,000	30,000,000
TOTAL		30,000,000		30,000,000
2.2 Issued, Subscribed & Paid up				
Equity Shares of Rs.100/- each.	207,500	20,750,000	207,500	20,750,000
TOTAL		20,750,000		20,750,000
2.3 The reconciliation of the number of share outstanding and the amount of share capital as at 31st March, 2016 and 31st March, 2015 is set out below:				
Equity Shares of Rs.100/- each.				
Number of Shares at the beginning of the year	207,500	20,750,000	125,000	12,500,000
Shares Issued During the year	–	–	82,500	8,250,000
Closing Balance	207,500	20,750,000	207,500	20,750,000

2.4 Shareholders having equity capital 5% or more as at 31st March, 2016 and 31st March, 2015 is set out below:

Name of Share Holders	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding
Bhartiya Global Marketing Ltd.	207,500	100	207,500	100

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

Name of Share Holders	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding
Bhartiya Global Marketing Ltd.	207,500	100	207,500	100

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
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	8,992,500	–
Addition during the year	–	8,992,500
	<u>8,992,500</u>	<u>8,992,500</u>
c) Surplus		
As Per last Balance Sheet	8,728,042	8,877,716
Add: Profit for the year	93,162	34,458
Less: Depreciation	–	184,134
	<u>8,821,204</u>	<u>8,728,040</u>
Total	<u>22,434,987</u>	<u>22,341,823</u>
4 LONG TERM BORROWINGS		
1) Secured Vehicle Loans from Others	122,210	470,103
(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.)		
Total	<u>122,210</u>	<u>470,103</u>
5 DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilites		
Related to Bonus / Grautity	(108,737)	(192,445)
Deferred Tax Liabilites		
Related to Fixed Assets	(1,263,131)	(131,933)
Total	<u>(1,371,868)</u>	<u>(324,378)</u>
6 LONG TERM PROVISIONS		
(a) Provision for Employee Benefits		
Provision for Gratuity	2,155,523	2,142,254
Provision for Leave Encashment	365,340	152,855
Total	<u>2,520,863</u>	<u>2,295,109</u>

NOTES (CONTD.)

Amount in Rs.

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
7 OTHER CURRENT LIABILITIES		
a) Current maturities of Long Term Debt	347,893	462,329
b) Accrued Salaries and benefits		
Salary & Benefits	817,380	675,340
Bonus & Incentive	367,230	245,515
c) Other Current Liabilities		
Expenses Payable	1,187,986	833,738
TDS Payable	301,580	230,337
Sales Tax Payable	1,950	7,445
Service Tax Payable	20,180	–
Professional Tax Payable	1,031	35,045
Total	3,045,230	2,489,749
8 SHORT TERM PROVISIONS		
Provision for Income Tax	1,367,700	–
Total	1,367,700	–
9 FIXED ASSETS		

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Original Cost	Additions During the Year	Sale During the Year	As at 31.03.2016	As at 31.03.2015	Retained Earning	For the Year	Sale Adjustment	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land	2,752,991	–	–	2,752,991	–	–	–	–	–	2,752,991	2,752,991
Building	52,927,243	–	–	52,927,243	30,738,837	–	2,731,481	–	33,470,319	19,456,924	22,188,405
Roads	869,552	–	–	869,552	675,766	–	125,586	–	801,353	68,199	193,786
Machinery	85,656,074	2,292,675	–	87,948,749	58,931,415	–	7,027,615	–	65,959,029	21,989,719	26,724,659
Vehicles	2,504,895	–	–	2,504,895	1,395,106	–	407,839	–	1,802,945	701,950	1,109,789
Furniture & Fixtures	401,575	136,787	–	538,362	314,487	–	38,294	–	352,780	185,582	87,088
Office Equipments	2,178,156	576,507	–	2,754,663	1,625,017	–	321,121	–	1,946,138	808,525	553,139
Computers	1,094,776	147,150	–	1,241,926	982,348	–	91,748	–	1,074,096	167,830	112,428
Software	635,592	–	–	635,592	584,444	–	27,293	–	611,736	23,856	51,148
Total	149,020,853	3,153,119	–	152,173,972	95,247,420	–	10,770,976	–	106,018,396	46,155,576	53,773,433

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Original Cost	Additions During the Year	Sale During the Year	As at 31.03.2015	As at 31.03.2014	Retained Earning	For the Year	Sale Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
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	22,188,405	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	145,682,739	3,338,114	–	149,020,853	81,402,034	184,134	13,661,253	–	95,247,420	53,773,433	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, 2016	As at 31st March, 2015
10 LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Security Deposits	5,911,375	5,512,885
Advance Income Tax	7,145,615	4,638,023
Total	13,056,990	10,150,908
11 INVENTORIES		
a. Raw Materials (Valued at Cost or Net reliable Value, whichever is lower)	-	-
b. Stores and spares (Valued at Cost or Net reliable Value, whichever is lower)	-	-
c. Consumable Stores	242,523	343,486
Total	242,523	343,486
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	9,483	3,532
Unsecured, considered doubtful	-	-
	9,483	3,532
Less: Provision for doubtful debts	-	-
	9,483	3,532
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	7,236	6,404
Unsecured, considered doubtful	-	-
	7,236	6,404
Less: Provision for doubtful debts	-	-
	7,236	6,404
Total	16,719	9,936
13 CASH AND CASH EQUIVALENT		
a) Balances with banks		
In Current Accounts	625,693	320,106
b) Cash on hand	307,216	388,766
Total	932,909	708,872

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
14 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
a) Advances With Suppliers	390,454	960,421
b) Advances With Staff	352,000	348,000
Total	742,454	1,308,421
15 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
a) Prepayments	735,215	316,310
b) Deposits–Others	151,590	142,620
c) Others	17,700	26,600
Total	904,505	485,530
		Amount in Rs.
PARTICULARS	Year Ended 31st March, 2016	Year Ended 31st March, 2015
16 REVENUE FROM OPERATION		
a) Sales	–	–
b) Job Work Charges	118,993,700	107,621,732
Total	118,993,700	107,621,732
17 OTHER INCOME		
a) Interest Received	67,431	67,431
b) Rent Income	1,200,000	139,500
c) Other Misc Income	148,447	130,000
Total	1,415,878	336,931
18 COST OF MATERIAL CONSUMED		
Opening Stock of Raw Materials	343,486	334,185
a) Add : Purchases	–	–
b) Consumables	5,137,010	4,407,284
c) Less : Closing Stock	242,523	343,486
Total	5,237,973	4,397,983
19 MANUFACTURING EXPENSES		
a) Job work Expenses	50,414,441	43,855,396
b) Electricity Expenses	10,343,865	8,003,073
c) Machinery Maintenance	6,346,643	5,122,863
d) Rent	2,727,675	2,558,436
e) Effluent Treatment Expenses	2,286,120	2,046,120
f) Testing Charges	–	3,595
g) Generator Running & Maintenance	2,952,103	4,270,324
Total	75,070,847	65,859,807

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
20 EMPLOYEE BENEFITS EXPENSES		
a) Salary & Allowances	12,231,857	8,016,231
b) Staff welfare expenses	1,499,197	1,490,908
c) Gratuity & Leave Encashment	438,844	1,388,675
Total	14,169,898	10,895,814
21 FINANCE COSTS		
a) Interest Paid	85,541	135,659
Total	85,541	135,659
22 DEPRECIATION AND AMORTIZATION		
a) Depreciation	10,770,976	13,661,253
Total	10,770,976	13,661,253
23 OTHER EXPENSES		
Printing & Stationery	293,984	207,628
Traveling & Conveyance	1,855,648	1,470,069
Legal & Professional	1,083,211	1,563,681
Building Maintenance	725,501	661,579
Repair & Maintenance	2,304,679	2,301,433
Rent–Others	263,600	162,300
Rate & Taxes	962,601	635,634
Freight Outward	3,117,316	2,888,267
Miscellaneous Expenses	215,834	116,756
Communication Expenses	211,704	226,837
Auditors Remuneration – As Auditors	78,400	67,416
Insurance	163,962	141,424
Fees & Subscription	124,542	109,520
Security Expenses	3,243,354	2,225,961
Bank Charges	16,635	18,911
Total	14,660,971	12,797,416
24 TAX EXPENSES		
I) Current Tax		
(a) Current Tax	1,367,700	2,168,900
II) Deferred Tax		
(a) Related to Capital Assets	(1,131,198)	(1,968,216)
(b) Related to Brought forward Capital Losses	83,708	(24,411)
Total	320,210	176,273

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016 (Rs. In Lacs)	As at 31st March, 2015 (Rs. In Lacs)

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.

3,450

3,450

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.

PARTICULARS	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

-

-

24.5 CIF Value of Imports (Capital Goods and Maintenance)

3.61

4.51

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

Particulars	Current year		Previous year	
	(Rs. In Lacs)	%	(Rs. In Lacs)	%
Indigenous	52.38	100.00	43.98	100.00
Imported	-	-	-	-
	52.38	100.00	43.98	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 -**

Summary Transactions during the year :	Holding Company	Key Management Personnel	Relatives of Key Management Personnel's
a) Rent (Recd)	1,200,000 (139,500)	- -	- -
b) Job Work	118,461,336 (107,580,663)	- -	- -
c) Salaries	- -	300,000 (300,000)	- -
d) Management fees	600,000 -	- -	- -
(b) Balances Outstanding at the year end:			
Sundry Debtors	6,133,603 (13,782,436)	- -	- -
Sundry Creditors	15,540,000 (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	52.38	100	43.98
		52.38		43.98

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	93,162	34,458
No of Shares at the beginning of the Year (A)	207,500	125,000
Equity allotted during the year	-	82,500
Weighted Average Shares (B)	-	226
Weighted Average Shares Outstanding (nos)(A+B)	207,500	125,226
Effect of Dilutive Securities Securities (nos):		
Add: Adjustment for warrants convertible into Equity Shares	-	-
Weighted Average number of equity shares for Diluted EPS	207,500	125,226
	Rs Per Share	Rs Per Share
Nominal Value per share	10.00	10.00
Earnings per share (Basic)	0.45	0.28
Earnings per share(Diluted)	0.45	0.28

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 31.03.2015 is higher by Rs 53,92,625/- as compared to provisions if made under earlier companies act
- 24.13** Depreciation of nil (Previous Year –Rs. 184,134/-) on accounts of assets whose useful life is already exhausted 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, 18th May, 2016

For and on behalf of the Board

A. P. S. Narag

Managing Director

DIN.02735647

Manoj Khattar

Director

DIN.00694981

DIRECTORS' REPORT

Dear Member,

Your Directors have pleasure in presenting their 10th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2016.

Financial Statements Summary

The financial performance of the Company for the financial year ended 31st March, 2016 is summarized below:

(Amount in Rs.)

Particulars	2015-16	2014-15
Total Income	38,10,530	3,31,57,388
Total Expenses	1,02,09,253	1,71,50,668
Tax Expense	1,30,091	31,09,900
Profit / (Loss) for the year after Tax	(65,28,814)	1,28,96,820

Operations Review

Due to tax disadvantages and non-availability of duty drawback incentives, your Company had passed the resolution to change the status of our industrial park from SEZ to non-SEZ. This de-notification request was forwarded by Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) with the Govt. of Andhra Pradesh for its concurrence in year 2014. Since then your Company is awaiting the de-notification approvals. The Company is hopeful for positive results in view of the dynamic state Govt.

The performance of the unit operated by Bhartiya International Ltd. in our industrial park has been satisfactory. It is expected that after de-notification from SEZ they will go for much larger expansion.

Further the Company will actively pursue both national & International Companies to set up manufacturing facilities in our industrial park.

Dividend

Your directors do not recommend any dividend for the financial year ended 31st March, 2016.

Reserves

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

Capital Structure

The Authorised Share Capital of your Company stood at Rs. 20,00,00,000/- (Rupees Twenty Crore only) comprising of 2,00,00,000 (Two Crore) equity shares of Rs. 10/- (Rupees Ten Only) each as on 31st March, 2016.

The issued, subscribed and paid-up share capital of your Company stood at Rs. 13,56,92,300/- (Rupees Thirteen Crore Fifty Six Lacs Ninety Two Thousand Three Hundred only) comprising of 1,35,69,230 (One Crore Thirty Five Lacs Sixty Nine Thousand Two Hundred Thirty) equity shares of Rs. 10/- (Rupees Ten only) each as on 31st March, 2016.

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, 2016.

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 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.

The Board of Directors appointed Mr. B. Sreedhar as an Additional Director of the Company on 28th September, 2015 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom a notice has been received from a member in writing, under section 160 of the Companies Act, 2013 along with requisite deposit proposing his candidature for the office of director is eligible for re-appointment as Nominee Director of the Company.

All independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

Further the composition of Board of Directors, Committees and change in Board / Committees during the period is detailed hereunder:

a) Changes in Directors and Key Managerial Personnel

The details about the changes in the directors or key managerial personnel

S. No.	Name of the Director/KMP	Date of the Appointment	Date of the Resignation	Date of the change in designation
1	Mr. Venkata Satyanarayana Kone (Nominee Director)	01.09.2014	01.09.2015	–
2	Mr. Bandatmakur Sreedhar (Nominee Director)	28.09.2015	–	–
3	Mr. Niraj Jain (Company Secretary)	10.05.2010	01.11.2015	–
4	Mr. Gaurav Singhal (Company Secretary)	02.11.2015	–	–

b) Number of Meetings of the Board of Directors

During the Financial Year 2015–16; 4 (Four) Nos. of Board Meetings were conducted on 30th April, 2015, 26th August, 2015, 17th December, 2015 and 21st March, 2016.

c) Audit Committee

The composition of an Audit Committee constituted by the Board of Directors is as under:

S.N.	Name of the Member	Designation
1	Mr. Manoj Khattar	Non-Executive Director
2	Mr. C. L. Handa	Independent Director
3	Mr. Sandeep Seth	Independent Director

d) Nomination and Remuneration Committee

The composition of Nomination and Remuneration Committee constituted by the Board of Directors is as under:

S.N.	Name of the Member	Designation
1	Mr. Manoj Khattar	Non-Executive Director
2	Mr. C. L. Handa	Independent Director
3	Mr. Sandeep Seth	Independent Director

- e) The performance of the Board of Directors as a whole was reviewed by independent directors of the Company at their meeting held on 30th March, 2016 during the period under review. Further the Independent Directors also assessed the quality, quantity and timelines of flow of information between the Company and Management of the Company.

Particulars of Employees

During the year no employee whether employed for the whole year or part of the year, was drawing remuneration exceeding the limits (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 Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

Particulars of contracts or arrangements with related parties under section 188(1)

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

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

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

Directors' Responsibility Statement

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

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

Details in respect of adequacy of internal financial controls 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

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

b. Technology Absorption

- (i) the efforts made towards technology absorption;
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
- (iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)–
 - a) the details of technology imported;
 - b) the year of import;
 - c) whether the technology been fully absorbed;
 - d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development.

As per the nature of the activities of the Company, the above is not applicable to the Company.

c. Foreign Exchange Earnings & Outgo

During the year under review; there was no foreign exchange earning & outgo.

Material changes and commitments, if any, affecting the financial position of the company occurred between at the end of the financial year dated 31st March, 2016 and the date of the report

There are no material changes occurred in between the financial year ended on 31st March, 2016 and date of the report of the company which affects the financial position of the company.

Subsidiaries / Joint Ventures / Associate Companies during the year

During the period under review there was no Subsidiary / Joint Venture / Associate Company to the Company.

Acknowledgements

The Directors place on record their appreciation for the continued support and co-operation rendered by the Banks, Government Authorities, Suppliers and the consumers and the shareholders of the Company. The Directors also convey their thanks to the employees at all levels for the growth of the Company.

For and on behalf of the Board

Gurgaon, 23rd May, 2016

A. P. S. Narag
Managing Director
DIN: 2735647

Manoj Khattar
Director
DIN: 00694981

ANNEXURE-A FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. N.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Building maintenance charges	4520	98.23

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	88.95	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	88.95	-	12,069,230	12,069,230	88.95	-
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	12,069,230	12,069,230	88.95	-	12,069,230	12,069,230	88.95	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in 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	88.95	-	12,069,230	12,069,230	88.95	-
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	11.05	-	1,500,000	1,500,000	11.05	-
Sub-total (B) (1)	-	1,500,000	1,500,000	11.05	-	1,500,000	1,500,000	11.05	-
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	11.05	-	1,500,000	1,500,000	11.05	-
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	88.95	–	12,069,230	88.95	–	–
	Total	12,069,230	88.95	–	12,069,230	88.95	–	–

(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 the year				
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.	– NIL –			
	At the End of the year				

(iv) 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	11.05	1,500,000	11.05
	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 during the year)	1,500,000	11.05	1,500,000	11.05

(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				
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	– NIL –			
	At the End of the year				

V. INDEBTEDNESS

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

(Rs in Lacs)

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

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

S. N.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (Rs.)
		-	-	-	-	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	- 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 (Rs.)
		-	-	-	-	
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	- NIL -				
	Total (1)					

S. N.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		-	-	-	-	
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	*Mr. Niraj Jain Company Secretary	*Mr. Gaurav Singhal Company Secretary	CFO	Total
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961		56,000	60,000		116,000
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961		-	-		-
	(c) Profits in lieu of salary under Act, 1961	Nil	-	-	Nil	-
2.	Stock Option		-	-		-
3.	Sweat Equity		-	-		-
4.	Commission					
	- as % of profit		-	-		-
	- others, specify...		-	-		-
5.	Others, please specify		-	-		-
	Total		56,000	60,000		1,16,000

*Mr. Niraj Jain, Company Secretary held office upto 1st November, 2015 and Mr. Gaurav Singhal, appointed as Company Secretary w.e.f. 2nd November, 2015.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2016.

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 comprise the balance sheet as at 31st March, 2016, 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. 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, 2016 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the Statement of Profit and Loss 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.K. PODDAR
Partner
Mem. No. 094479
New Delhi, 23rd May, 2016

ANNEXURE-A TO THE AUDITORS' REPORT

The annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2016, we report that:

- i.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) As explained to us, all the fixed assets have been physically verified by the management at reasonable interval during the year and no discrepancies were noticed on such verification.
 - (c) The company does not hold any immovable property other than stock in trade. Accordingly provision of clause 3 (i) (c) of the Order is not applicable to the company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year. No discrepancies with respect to book records were noticed on such verification.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73,74,75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013, for the company.
- vii. According to the information and explanations given to us and the records of the company examined by us:
 - a. The company has been regular in depositing its undisputed statutory dues including Income Tax, Employees State Insurance and 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, 2016 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.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 23rd May, 2016

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Bhartiya International SEZ Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.K. PODDAR
Partner
Mem. No. 094479
New Delhi, 23rd May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs.	
		AS AT 31st March, 2016	AS AT 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	135,692,300	135,692,300
(b) Reserves and Surplus	3	8,702,994	15,231,808
2 Non-Current Liabilities			
(a) Long-Term Provisions	4	6,928	23,077
3 Current Liabilities			
(a) Trade Payable	5	223,949	558,332
(b) Other Current Liabilities	6	71,364	53,849
(c) Short-Term Provisions	7	992	3,110,775
TOTAL		144,698,527	154,670,141
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible Assets	8	8,054,863	12,589,313
(b) Other Non-Current Assets	9	137,778	275,559
2 Current Assets			
(a) Inventories	10	125,611,586	123,569,426
(b) Trade Receivable	11	4,790,024	1,321,810
(c) Cash and Cash Equivalents	12	5,734,801	12,717,198
(d) Short Term Loans and Advances	13	231,694	4,041,029
(e) Other Current Assets	14	137,781	155,806
TOTAL		144,698,527	154,670,141
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

Gaurav Singhal
Company Secretary
Mem. No. F6308

A. P. S. Narag
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

New Delhi, 23rd May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2016	Year Ended 31st March, 2015
Income:			
Revenue From Operations	15	3,743,076	33,141,668
Other income	16	67,454	15,720
Total Revenue		3,810,530	33,157,388
Expenses:			
Cost of Sales	17	–	7,911,836
Employee Benefits Expense	18	348,955	284,547
Depreciation and Amortization Expense	19	4,690,256	4,611,361
Other Expenses	20	5,170,042	4,342,924
Total Expenses		10,209,253	17,150,668
Profit/(Loss) before Tax		(6,398,723)	16,006,720
Tax Expense:			
Current Tax	21	130,091	3,109,900
Deferred Tax		–	–
Profit/(Loss) After Tax		(6,528,814)	12,896,820
Earnings Per Equity Share:			
(1) Basic		(0.48)	0.95
(2) Diluted		(0.48)	0.95
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board

S.K. Poddar
Partner
Mem. No. 094479

Gaurav Singhal
Company Secretary
Mem. No. F6308

A. P. S. Narag
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

New Delhi, 23rd May, 2016

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(6,398,723)	16,006,720
Adjustment for :		
Depreciation and amortisation expense	4,690,256	4,611,361
Operating Profit/(Loss) before Working Capital Changes	(1,708,467)	20,618,081
Movements in working capital:		
Decrease/ (increase) in inventories	(2,042,160)	7,566,088
Decrease/ (increase) in trade receivable	(3,468,214)	(1,321,810)
Decrease/ (increase) in loans and advances	23,168	988,946
Increase/ (decrease) in trade payables	(334,383)	338,520
Increase/ (decrease) in other payables	17,515	12,365
Increase/ (decrease) in short term provisions	117	(6,188)
Increase/ (decrease) in long term provisions	(16,149)	(4,787)
Cash (used in) / generated from operations	(7,528,573)	28,191,215
Income tax paid (Net)	546,176	(3,606,274)
Net cash (used in)/ generated from operating activities – (A)	(6,982,397)	24,584,941
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash from/ (used in) investing activities – (B)	–	–
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings (net)	–	(12,527,024)
Net cash from/ (used in) financing activities – (C)	–	(12,527,024)
Net increase / (decrease) in cash and cash equivalents – (A+B+C)	(6,982,397)	12,057,917
Cash and cash equivalents as at beginning of the year	12,717,198	659,281
Cash and cash equivalents as at the end of the year	5,734,801	12,717,198
Components of cash and cash equivalents:		
Cash on hand	164,064	84,950
Balances with banks	5,570,737	12,632,248
Cash and cash equivalents in cash flow statement (refer note 17)	5,734,801	12,717,198

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

Gaurav Singhal

Company Secretary

Mem. No. F6308

A. P. S. Narag

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

New Delhi, 23rd May, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

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, 2016	As at 31st March, 2015
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, 2016 % of Shares	31st Mar, 2016 No. of Holding	31st Mar, 2015 % of Shares	31st Mar, 2015 No. of Holding
a) Equity Shares				
Bhartiya International Ltd.	12,069,230	88.95	12,069,230	88.95
Andhra Pradesh Industrial & Infrastructure Corporation Ltd.	1,500,000	11.05	1,500,000	11.05

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

PARTICULARS	As at	As at
	31st March, 2016 No. of Shares	31st March, 2015 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, 2016 No. of Shares	31st Mar, 2016 % of Holding	31st Mar, 2015 No. of Shares	31st Mar, 2015 % 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, 2016	As at 31st March, 2015
3 RESERVES & SURPLUS		
(a) Surplus in statement of profit & loss		
As Per last Balance Sheet	15,231,808	2,389,672
Less :Adjustment relating to fixed assets	–	54,684
	<u>15,231,808</u>	<u>2,334,988</u>
Add:Profit/(Loss) for the year	(6,528,814)	12,896,820
TOTAL	<u>8,702,994</u>	<u>15,231,808</u>
4 LONG TERM PROVISIONS		
(a) Provision for Employee Benefits		
Provision for Gratuity	6,928	23,077
TOTAL	<u>6,928</u>	<u>23,077</u>
5 TRADE PAYABLE		
(a) Trade Payable	223,949	558,332
TOTAL	<u>223,949</u>	<u>558,332</u>
6 OTHER CURRENT LIABILITIES		
(a) Salary & benefits	35,923	17,000
(b) Expenses Payable	27,787	30,000
(c) Statutory Dues Payable	7,654	6,849
TOTAL	<u>71,364</u>	<u>53,849</u>
7 SHORT TERM PROVISIONS		
(a) Provision for Employee Benefits	992	875
(b) Provision for Income Tax	–	3,109,900
TOTAL	<u>992</u>	<u>3,110,775</u>

NOTES (CONTD.)**8 FIXED ASSETS****Amount in Rs.**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 st April, 2015	Additions/ Adjustment during the Year	Deduction/ Retirement during the Year	As at 31 st March, 2016	As at 1 st April, 2015	For the year	Deduction/ Adjustments during the year	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016
Tangible Assets :										
Own Assets :										
Computers	157,180	-	-	157,180	157,180	-	-	157,180	-	-
Furniture	69,200	-	-	69,200	29,628	8,630	-	38,258	39,572	30,942
Office Equipments	32,228	-	-	32,228	23,472	5,058	-	28,530	8,756	3,698
STP	3,012,078	-	-	3,012,078	285,868	997,536	-	1,283,404	2,726,210	1,728,674
ROAD	12,947,940	-	-	12,947,940	3,642,482	3,353,281	-	6,995,763	9,305,458	5,952,177
Building Temproy	1,410,515	-	-	1,410,515	901,198	169,945	-	1,071,143	509,317	339,373
Total	17,629,141	-	-	17,629,141	5,039,828	4,534,450	-	9,574,278	12,589,313	8,054,863
Previous Year	17,629,141	-	-	17,629,141	529,589	4,455,555	54,684	5,039,828	17,099,552	12,589,313

Amount in Rs.

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
9 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	137,778	275,559
TOTAL	137,778	275,559
10 INVENTORIES		
(a) Land and Land Development Cost	125,611,586	123,569,426
TOTAL	125,611,586	123,569,426
11 TRADE RECEIVABLES (Unsecured Considered good)		
a) Outstanding over six months	-	-
b) Others (Refer note no 22.07)	4,790,024	1,321,810
TOTAL	4,790,024	1,321,810
12 CASH AND CASH EQUIVALENT		
(a) Balances with Banks In Current Accounts	5,570,737	12,632,248
(b) Cash on Hand	164,064	84,950
TOTAL	5,734,801	12,717,198
13 SHORT TERM LOANS & ADVANCES (Unsecured, considered good)		
a) Advance Income Tax / TDS	74,862	3,861,029
b) Other Advances	156,832	180,000
TOTAL	231,694	4,041,029
14 OTHER CURRENT ASSETS		
a) Preliminary Expenditure (to be written off in next year)	137,781	155,806
TOTAL	137,781	155,806

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
15 REVENUE FROM OPERATION		
(a) Sale under Long Term Lease	–	30,000,000
(b) Service Charges	3,743,076	3,141,668
TOTAL	3,743,076	33,141,668
16 OTHER INCOME		
(a) Interest on Income Tax Refund	33,970	15,720
(b) Interest on Securites Deposites	33,484	–
TOTAL	67,454	15,720
17 COST OF SALES		
(a) Cost of Land Given on Long Term Lease	–	7,911,836
TOTAL	–	7,911,836
18 EMPLOYEE BENEFITS EXPENSES		
(a) Salary & Allowances	325,813	280,349
(b) Staff Welfare	23,142	4,198
TOTAL	348,955	284,547
19 DEPRECIATION AND AMORTISATION EXPENSES		
(a) Depreciation	4,534,450	4,455,555
(b) Preliminary Expenses Written Off	155,806	155,806
TOTAL	4,690,256	4,611,361
20 OTHER EXPENSES		
(a) Consultancy Charges	601,935	704,568
(b) Rates Taxes & Duties	167,611	43,070
(c) Auditors Remuneration	30,000	30,000
(d) Bank Charges	1,486	1,109
(e) Business Promotion	69,943	82,460
(f) Conveyance Expenses	38,625	46,053
(g) Travelling	226,754	228,484
(h) Postage & Courier	1,275	110
(i) Security Expenses	2,694,176	2,285,053
(i) General Expenses	187,168	65,402
(k) Fees & Subscription	2,169	–
(l) Service Charges to Authorities	1,048,900	856,615
(m) Fine & Penalties	100,000	–
TOTAL	5,170,042	4,342,924

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
21 TAX EXPENSE		
1) Income Tax		
(a) Current Year Tax	–	3,109,900
(b) Earlier Year Tax	130,091	–
TOTAL	130,091	3,109,900

22 NOTES TO ACCOUNTS

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

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

22.03 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, 2016	Year Ended 31st March, 2015
a) Income available to equity shareholders	(6,528,814)	12,896,820
b) Weighted Average Shares Outstanding during the year	13,569,230	13,569,230
c) Basic/Diluted earnings per share	(0.48)	0.95

22.04 Auditor's Remuneration

	Current Year Rs.	Previous Year Rs.
Audit Fees	30,000	30,000
Tax Audit	12,500	–
Certificaton	3,000	–

22.05 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.

22.06 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.

22.07 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 Limited

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

Itopia Management Services (India) Pvt. Ltd.

NOTES (CONTD.)**iii) Transactions during the year with Related Parties:**

	2015-2016	2014-2015
Sales under long Term Lease		
Bhartiya International Limited	–	30,000,000
Service Charges Received		
Bhartiya International Limited	3,743,076	3,141,668
Ticketing		
Itopia Management Services (India) Pvt. Ltd.	65,286	71,786

iv) Balances Outstanding at the year end:

Trade Receivable		
Bhartiya International Limited	4,790,024	1,321,810

22.08 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.

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

22.10 Segment Reporting Disclosure as per Accounting Standard AS –17 are at present not applicable to the Company.

22.11 Previous year expenses debited to profit and loss account Rs.179,550/–

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

Gaurav Singhal
Company Secretary
Mem. No. F6308

A. P. S. Narag
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

New Delhi, 23rd May, 2016

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, 2016.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2016 are as follows:

(Amount in Rs.)

Particulars	2015-16	2014-15
Income	–	–
Expenditure	52,712	25,486
Profit/ (loss) for the year	(52,712)	(25,486)

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, 2016.

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. Manoj Khattar (DIN: 00694981), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2015–16, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the financial year 2015–16 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. C. L. Handa	Mr. A.K. Gadhok
22.05.2015	Present	Present	Present
30.09.2015	Present	Present	Present
31.12.2015	Present	Present	Present
31.03.2016	Present	Present	Present

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

There were no related party transactions for the financial year 2015–16.

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, 2016, 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, 2016 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. Sushil Poddar & 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 2016–17.

COMPANY SOCIAL RESPONSIBILITY

The same is not applicable to the Company.

PARTICULARS OF EMPLOYEES:

The Company did not have any Employee during the financial year 2015–16.

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, 2016 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, 21st May, 2016

C.L. Handa
Director
DIN. 00928283

Manoj Khattar
Director
DIN. 00694981

ANNEXURE–A**FORM NO. MGT–9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31.03.2016**

[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	–

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) 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)	-	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)		

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, 2016.

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 comprise the balance sheet as at 31st March, 2016, 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. 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, 2016 and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 21st May, 2016

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2016, we report that:

- i. The company does not have any fixed assets. Accordingly provisions of paragraph 3(i) of the Order is not applicable to the company.
- ii. The company does not have any Inventory. Accordingly provisions of paragraph 3(ii) of the Order is not applicable to the company.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. The company has not given any loans or guarantees/made any investments within the meaning of Section 185 & 186 of the Companies Act, 2013

- v. The Company has not accepted any deposits from the public within the meaning of Section 73,74,75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013, for the company.
- vii. According to the information and explanations given to us and the records of the company examined by us:
 - a. According to the records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Cess. We are informed that the provision of Employees Provident Funds and Miscellaneous Provisions Act, 1956, Employees State Insurance Act, 1948 are not applicable to the company and that the operations of the company during the year, did not give rise to any liability for the Sales Tax, Excise Duty, Custom Duty, Service Tax, & Value Added Tax.
 - b. According to the information and explanations given to us, there are no dues in respect of Sale Tax/VAT, Income Tax, Service Tax, Excise Duty, Custom Duty and Cess, which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to information and explanations given to and based on our examination of the records of the company, the Company has not entered into transaction with related parties.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

New Delhi, 21st May, 2016

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Bhartiya Fashion Retail Ltd** ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 21st May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs.	
		AS AT 31st March, 2016	AS AT 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	500,000	500,000
(b) Reserves And Surplus	3	(216,613)	(163,901)
2 Current Liabilities			
(a) Other Current Liabilities	4	10,000	5,000
TOTAL		293,387	341,099
II. ASSETS			
1 Non-Current Assets			
(a) Other Non-Current Assets	5	25,460	38,190
2 Current Assets			
(a) Cash And Cash Equivalents	6	255,197	290,179
(b) Other Current Assets	7	12,730	12,730
TOTAL		293,387	341,099
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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 21st May, 2016

For and on behalf of the Board

C.L. Handa
Director
DIN. 00928283

Manoj Khattar
Director
DIN. 00694981

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2016	Year Ended 31st March, 2015
Income:			
Revenue From Operations		-	-
Other income		-	-
Total Revenue		<u>-</u>	<u>-</u>
Expenses:			
Other Expenses	8	52,712	25,486
Total Expenses		<u>52,712</u>	<u>25,486</u>
Profit / (Loss) Before Tax		(52,712)	(25,486)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit / (Loss) After Tax		<u>(52,712)</u>	<u>(25,486)</u>
Earnings Per Equity Share:			
(1) Basic/ Diluted		(1.05)	(0.51)
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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 21st May, 2016

For and on behalf of the Board

C.L. Handa
Director
DIN. 00928283

Manoj Khattar
Director
DIN. 00694981

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Year Ended 31st March, 2016	Amount in Rs. Year Ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	(52,712)	(25,486)
Adjusted for :		
Depreciation and amortisation expense	12,730	12,730
Operating profit before working capital changes	(39,982)	(12,756)
Movements in working capital:		
Increase/ (decrease) in other liabilities	5,000	-
Cash generated from operations	(34,982)	(12,756)
Income tax paid (Net)	-	-
Net cash (used in)/ generated from operating activities	(34,982)	(12,756)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(34,982)	(12,756)
Cash and Cash Equivalents – Opening Balance	290,179	302,935
Cash and Cash Equivalents – Closing Balance	255,197	290,179

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, 21st May, 2016

For and on behalf of the Board

C.L. Handa
Director
DIN. 00928283

Manoj Khattar
Director
DIN. 00694981

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

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, 2016	As at 31st March, 2015

2.0 SHARE CAPITAL

Authorised Share Capital

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

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		As at	
	31st March, 2016	31st March, 2016	31st March, 2015	31st March, 2015
	No. of Shares	% of Holding	No. of Shares	% 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, 2016	As at 31st March, 2015
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.

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
3 RESERVE AND SURPLUS		
(a) Surplus in statement of profit & Loss		
As Per last Balance Sheet	(163,901)	(138,415)
Add: Profit/(Loss) for the year	(52,712)	(25,486)
TOTAL	(216,613)	(163,901)
4 OTHER CURRENT LIABILITIES		
(a) Expenses Payable	10,000	5,000
TOTAL	10,000	5,000
5 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	25,460	38,190
TOTAL	25,460	38,190
6 CASH AND CASH EQUIVALENT		
(a) Balances with banks in Current Accounts	234,169	269,151
(b) Cash on hand	21,028	21,028
TOTAL	255,197	290,179
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, 2016	Year Ended 31st March, 2015
8 OTHER EXPENSES		
(a) Audit Fees	10,000	5,000
(b) Bank Charges	229	527
(c) Preliminary Expenses	12,730	12,730
(d) Legal & Professional	24,223	3,371
(e) Rates & Taxes	5,530	2,658
(f) Printing & Stationery	–	1,200
TOTAL	52,712	25,486

NOTES (CONTD.)**9 NOTES TO ACCOUNTS**

9.1 The Previous period figures have been regrouped/reclassified wherever necessary to confirm 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 No 20 issued by the Institute of Chartered Accountants of India is as under:

PARTICULARS	Year Ended 31st March, 2016	Year Ended 31st March, 2015
a) Net Profit/(loss) after tax available for equity shareholders	(52,712)	(25,486)
b) Weighted average number of Equity Shares of Rs. 10/- each	50,000	50,000
c) Basic/Diluted Earning per share Rs.(a/b)	(1.05)	(0.51)

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, 2016	Year Ended 31st March, 2015
Audit Fees	10,000	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, 21st May, 2016

C.L. Handa
Director
DIN. 00928283

Manoj Khattar
Director
DIN. 00694981

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, 2016.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2016 are as follows:

(Amount in Rs.)

Particulars	2015-16
Income	-
Expenditure	21,886
Profit/ (loss) for the year	(21,886)

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, 2016.

RESERVES

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

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any subsidiary or Associates 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**.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2015-16, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2015-16 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. Sandeep Seth	Mr. Ashok Kumar Gadhok
07.08.2015	Present	Present	Present
07.09.2015	Present	Present	Present
19.10.2015	Present	Present	Present
31.03.2016	Present	Present	Present

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your company.

DIRECTORS

There are no changes in the Directorships of the Company during the year.

SHARE CAPITAL

There are no changes in the capital structure of the Company during the period under review.

PARTICULAR OF EMPLOYEES

There were no employees on the payroll of the Company during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

There were no related party transactions for the financial year 2015–16.

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, 2016, 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, 2016 and of the loss of the company for the year ended on that date;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis; and
- (e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS AND AUDITORS REPORT

The Board has proposed to appoint M/s. Sushil Poddar & Co., Chartered Accountants (Registration No. 014969N) have been appointed as the Statutory Auditors to hold office from 1st Annual General Meeting upto 6th Annual General Meeting. Your directors have recommended their appointment 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 2016–17.

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

Not applicable

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, 2016 and date of the report of the Company which affects the financial position of the Company.

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

New Delhi, 21st May, 2016

A. K. Gadhok
Director
DIN. 01254410

Manoj Khattar
Director
DIN. 00694981

ANNEXURE-A
FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U70100TN2015PLC101707
- ii) Registration Date : 06/08/2015
- iii) Name of the Company : Bhartiya Urban Infrastructure Ltd.
- iv) Category Sub-Category of Company : Public Limited Company
- v) Address of the Regd. Office and contact details : 56/7, Nallanbakkam Village,
Via-Vandalur, Chennai-600048
- 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 Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter (s)									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	50,000	50,000	100	-	50,000	50,000	100	-
e) Banks/Fiis	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	50,000	50,000	100		50,000	50,000	100	-

Category 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) 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)	-	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	There is no Changes			
	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)		

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.	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.	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, 2016.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Bhartiya Urban Infrastructure Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Bhartiya Urban Infrastructure Ltd. ('the Company'), which comprise the balance sheet as at 31st March, 2016, 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. 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, 2016 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the Statement of Profit and Loss 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 21st May, 2016

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2016 we report that:

- i. The company does not have any fixed assets. Accordingly provisions of paragraph 3(i) of the Order is not applicable to the company.
- ii. The company does not have any Inventory. Accordingly provisions of paragraph 3(ii) of the Order is not applicable to the company.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. The company has not given any loans or guarantees/made any investments within the meaning of Section 185 & 186 of the Companies Act, 2013

- v. The Company has not accepted any deposits from the public within the meaning of Section 73,74,75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the company.
- vii. According to the information and explanations given to us and the records of the company examined by us:
 - a. According to the records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Cess. We are informed that the provision of Employees Provident Funds and Miscellaneous Provisions Act, 1956, Employees State Insurance Act, 1948 are not applicable to the company and that the operations of the company during the year, did not give rise to any liability for the Sales Tax, Excise Duty, Custom Duty, Service Tax, & Value Added Tax.
 - b. According to the information and explanations given to us, there are no dues in respect of Sale Tax/VAT, Income Tax, Service Tax, Excise Duty, Custom Duty and Cess, which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to information and explanations given to us and based on our examination of the records of the company, the Company has not entered into transaction with related parties.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

New Delhi, 21st May, 2016

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Bhartiya Urban Infrastructure Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

New Delhi, 21st May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs.
		AS AT 31st March, 2016
I. EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	2	500,000
(b) Reserves And Surplus	3	(21,886)
2 Current Liabilities		
(a) Other Current Liabilities	4	13,858
TOTAL		491,972
II. ASSETS		
1 Non-Current Assets		
(a) Other Non-Current Assets	5	135,086
2 Current Assets		
(a) Cash And Cash Equivalents	6	340,000
(b) Other Current Assets	7	16,886
TOTAL		491,972
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, 21st May, 2016

A.K. Gadhok
Director
DIN.01254410

Manoj Khattar
Director
00694981

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

PARTICULARS	Note No.	Amount in Rs. Period Ended 31st March, 2016
Income:		
Revenue From Operations		-
Other income		-
Total Revenue		-
Expenses:		
Depreciation and Amortization Expenses	8	16,886
Other Expenses	9	5,000
Total Expenses		21,886
Profit / (Loss) Before Tax		(21,886)
Tax expense:		
Current Tax		-
Deferred Tax		-
Profit / (Loss) After Tax		(21,886)
Earnings Per Equity Share:		
(1) Basic/ Diluted		(0.44)
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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 21st May, 2016

For and on behalf of the Board

A.K. Gadhok
Director
DIN.01254410

Manoj Khattar
Director
00694981

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016

PARTICULARS	Amount in Rs. Period Ended 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before tax and extra ordinary items	(21,886)
Adjusted for :	
Depreciation and amortisation expense	16,886
Operating profit/(loss) before working capital changes	(5,000)
Movements in Working Capital:	
Increase/ (decrease) in other Liabilities	5,000
Cash Generated from Operations	–
Income Tax Paid (Net)	–
Net Cash (used in)/ Generated from Operating Activities – (A)	–
B. CASH FLOW FROM INVESTMENT ACTIVITIES	
Other Payable	8,858
Preliminary Expenses Incurred	(168,858)
Net Cash from/ (used in) Investing Activities – (B)	(160,000)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Share Capital	500,000
Net Cash from/ (used in) Financing Activities – (C)	500,000
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	340,000
Cash and Cash Equivalents – Opening Balance	–
Cash and Cash Equivalents – Closing Balance	340,000

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, 21st May, 2016

A.K. Gadhok
Director
DIN.01254410

Manoj Khattar
Director
00694981

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2016

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.

e) 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, 2016
-------------	--

2.0 SHARE CAPITAL

Authorised Share Capital

a) 5,00,000 Equity Shares of Rs.10/- each	5,000,000
	5,000,000

Issued, Subscribed & Paid up :

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

2.1 The details of Shareholders holding more than 5% shares

Name of the Share Holders	As at 31st March, 2016 No. of Shares	As at 31st March, 2016 % of Holding
(a) Bhartiya International Ltd.	50,000	100.00

NOTES (CONTD.)

PARTICULARS	Amount in Rs. As at 31st March, 2016
2.2 Reconciliation of the number of shares outstanding is set out below:	
Shares outstanding at the beginning of the year	–
Shares Issued during the year	50,000
Shares outstanding at the end of the year	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.	
3 RESERVE AND SURPLUS	
(a) Surplus in statement of Profit & Loss Profit/(Loss) for the year	(21,886)
TOTAL	(21,886)
4 OTHER CURRENT LIABILITIES	
(a) Expenses Payable	5,000
(b) Others Payable	8,858
TOTAL	13,858
5 OTHER NON CURRENT ASSETS	
(a) Preliminary expenses (to the extent not written off)	135,086
TOTAL	135,086
6 CASH AND CASH EQUIVALENT	
(a) Balances with banks In Current Accounts	340,000
(b) Cash on hand	–
TOTAL	340,000
7 OTHER CURRENT ASSETS	
(a) Preliminary Expenses (to the extent written off in next year)	16,886
TOTAL	16,886
	Amount in Rs.
PARTICULARS	Period Ended 31st March, 2016
8 DEPRECIATION AND AMORTIZATION	
(b) Preliminary Expenses	16,886
TOTAL	16,886
9 OTHER EXPENSES	
(a) Audit Fees	5,000
TOTAL	5,000

NOTES (CONTD.)

- 9.1** The financial statements have been prepared for the period from 6th August, 2015 (the date of incorporation of the company) to 31st March, 2016. These being the first accounts of the company, no prior period comparatives are available.
- 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 No 20 issued by the Institute of Chartered Accountants of India is as under:

PARTICULARS	Period Ended 31st March, 2016
a) Net Profit/(loss) after tax available for equity shareholders	(21,886)
b) Weighted average number of Equity Shares of Rs. 10/- each	50,000
c) Basic/Diluted Earning per share Rs.(a/b)	(0.44)

- 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**

	Period Ended 31st March, 2016
Audit Fees	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, 21st May, 2016

A.K. Gadhok
Director
DIN.01254410

Manoj Khattar
Director
00694981

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report and the audited financial statement of the Company for the period ended 31st March, 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were that of exporters and importers of garment, bags and other products.

THE STATE OF COMPANY AFFAIRS AND APPROPRIATIONS

The result of the company's operations for the period ended 31st march, 2016 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 period ended 31st March, 2016.

DIRECTORS

The following Directors held office during the period:

Ms. Wenjian Zhang

In accordance with the Company's Articles of Association, all the present directors shall remain in office for the ensuing year.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Except for the disclosure in Note 16, no contract of significance to which the Company, its subsidiary or holding companies was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the period was the Company, its subsidiary or holding companies 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.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period.

PROPERTY, PLANT AND EQUIPMENT

Movement in Property, Plant and Equipment are shown in Note 10 to the financial statements.

SHARE CAPITAL

There was no change of share capital for the period ended 31st March, 2016.

AUDITORS

Messrs. Phillip 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, 20th May, 2016

Chairperson

INDEPENDENT AUDITORS' REPORT

To
The Shareholders of
World Fashion Trade Ltd.
(incorporated in Republic of Mauritius with limited liability)

We have audited the accompanying financial statements of World Fashion Trade Limited (the "Company"), which comprise the statement of financial position as at 31st March, 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory information.

Directors, Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with international Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the presentation of financial statements that 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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance (Cap. 622), 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 International Standards on Auditing. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 statement present fairly, in all material respects, the financial position of the Company as at 31st March, 2016 and of its financial performance and cash flows for the period then ended in accordance with international Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance .

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 2 to this set of financial statements which indicates that the company had incurred a profit of HK\$422,121 during the period ended 31st March, 2016 and , as of that date, the Company had net liabilities of HK\$7,499,668 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.

Philip C.C. Hau & Co.,
Certified Public Accountants
Hong Kong, 20th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Notes	31/3/2016 HK\$	31/12/2014 HK\$
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	10	<u>90,187</u>	<u>199,062</u>
Current Assets			
Inventories	13	389,064	389,064
Utility and Rental Deposits		34,666	29,476
Debtors and Prepayments		6,884,649	19,912,553
Bills Receivable		1,000,458	1,547,656
Cash at Banks and in Hand		2,202,033	1,222,169
		<u>10,510,871</u>	<u>23,100,918</u>
Current Liabilities			
Bank Overdraft (secured)	18	2,258,499	2,504,877
Creditors and Accrued Charges		7,871,141	21,247,441
		<u>10,129,640</u>	<u>23,752,318</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>381,230</u>	<u>(651,400)</u>
		<u>471,417</u>	<u>(452,338)</u>
LONG TERM LIABILITIES			
Amount due to Holding Company	14	(2,136,791)	(2,216,981)
Amount due to Related Companies	12	(5,834,295)	(5,252,470)
		<u>(7,971,085)</u>	<u>(7,469,451)</u>
NET (LIABILITIES)		<u>(7,499,668)</u>	<u>(7,921,789)</u>
CAPITAL AND RESERVES			
Share Capital	11	7,730	7,730
Accumulated (Losses)		(7,507,398)	(7,929,519)
		<u>(7,499,668)</u>	<u>(7,921,789)</u>

The accompanying accountancy Policies and Explanatory Notes form an integral part of , and should be read in conjunction with, these financial statements.

Approved by the Board of Directors on 20th May, 2016

Wenjian Zhang
Director

STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM 1ST JANUARY, 2015 TO 31ST MARCH, 2016

PARTICULARS	Notes	31/3/2016 HK\$	31/12/2014 HK\$
Revenue	6	40,013,558	38,970,230
Other Revenue	6	6,735,284	6,478,906
Change in Inventories of Finished Goods		(34,531,789)	(34,301,714)
Staff Costs		(2,930,560)	(2,192,923)
Depreciation Expenses		(108,874)	(102,154)
Other Operating Costs		(8,194,017)	(7,892,745)
Profit from Operations		<u>983,601</u>	<u>959,600</u>
Finance Costs	8	(561,480)	(443,749)
Profit before Taxation	7	<u>422,121</u>	<u>515,851</u>
Income Tax Expenses	9	(-)	(-)
Profit after Taxation		<u>422,121</u>	<u>515,851</u>
Accumulated Losses brought forward		<u>(7,929,519)</u>	<u>(8,445,370)</u>
Accumulated Losses carried forward		<u>(7,507,398)</u>	<u>(7,929,519)</u>

The accompanying accounting policies and explanatory notes, form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1ST JANUARY, 2015 TO 31ST MARCH, 2016

PARTICULARS	Share Capital HK\$	(Accumulated Losses) HK\$	Total HK\$
Balance at 31st December, 2013	7,730	(8,445,370)	(8,437,640)
Profit after Taxation for the year	<u>-</u>	<u>515,851</u>	<u>515,851</u>
Balance at 31st December, 2014	7,730	(7,929,519)	(7,921,789)
Profit after Taxation for the year	<u>-</u>	<u>422,121</u>	<u>422,121</u>
Balance at 31st March, 2016	<u>7,730</u>	<u>(7,507,398)</u>	<u>(7,499,668)</u>

**STATEMENT OF CASH FLOWS FOR THE PERIOD
FROM 1ST JANUARY, 2015 TO 31ST MARCH, 2016**

PARTICULARS	31/3/2016 HK\$	31/12/2014 HK\$
Cash Flows From Operating Activities		
Profit from Operations	422,121	515,851
Adjustment for:		
Bank Charges and Interest Paid	561,480	443,750
Gain on Disposal of Motor Vehicle	–	(74,999)
Depreciation	108,875	102,154
Operating cash flow before movements in Working Capital	1,092,476	986,756
Decrease / in Inventories	–	544,157
(Increase) in Utility and Rental Deposits	(5,190)	–
Decrease/ (Increase) in Debtors and Prepayments	13,027,904	(17,584,486)
Decrease/ (Increase) in Bills Receivable	547,197	(297,275)
Decrease/ (Increase) in Creditors and Accrued Charges	(13,376,300)	14,441,110
Cash generated from/ (used in) Operations	1,286,087	(1,909,738)
Profits Tax Paid	(–)	(–)
Net cash from (used in) / Operating Activities	1,286,087	(1,909,738)
Cash Flows from Investing Activities		
Proceeds on Disposal of Motor Vehicle	–	75,000
Purchase of Motor Vehicle	–	(277,500)
Net Cash (used in) Investing Activities	–	(202,500)
Cash Flows from Financing Activities		
(Decrease)/ Increase in Bank Overdraft	(246,377)	286,023
(Decrease) in Amount due to Holding Company	(80,191)	(3,516,138)
Increase in Amount due from Related Companies	581,825	1,671,899
Bank Charges and Interest Paid	(561,480)	(443,750)
Net cash (used in) Financing Activities	(306,223)	(2,001,966)
Net increase/(decrease) in Cash and Cash Equivalents	(979,863)	(4,114,204)
Cash and Cash Equivalents at beginning of the year	1,222,169	5,336,373
Cash and Cash Equivalents at end of the period	2,202,032	1,222,169
Analysis of the Balances of Cash and Cash Equivalents		
Cash at Banks and in Hand	2,202,032	1,222,169

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST JANUARY, 2015 TO 31ST MARCH, 2016

1. GENERAL INFORMATION

The Company is an exempted company incorporated in Republic of Mauritius with limited liability. Its immediate parent and ultimate holding company of the Company is Bhartiya International Limited, India. The address of its registered office is Suite 605, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong.

The principal activity of the Company is exporters and importers of garments, bags 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 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRS") and the disclosure requirement of the Hong Kong Companies Ordinance. The financial statements have been prepared under accrual basis of accounting and on the measurement base adopted is the historical cost convention.

The financial statements have also been prepared on a going concern basis, notwithstanding that the Company had incurred a profit of HK\$ 42,212,121 during the period ended 31st March, 2016 and, as of that date, the Company had net liabilities of HK\$ 7,499,668. In the opinion of the directors, the Company will have sufficient resources to satisfy its future working capital and other financing requirements, after taking into consideration an undertaking made by directors and shareholders to provide continuing financial support to the Company so as to enable the Company to continue in business as a going concern and to meet its liabilities and obligations as when they fall due.

The preparation of the financial statement in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of Property, Plant and Equipment is allocated on systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:-

Furniture and Fixture	20%
Motor Vehicle	30%

3.2 Financial Instruments

(a) Recognition and de-recognition of Financial Instruments

Financial Assets and financial liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets are derecognized when the contractual rights to receive cash flows from the assets expire; the company transfers substantially all the risks and rewards of ownership of the assets; or the Company neither transfers nor retains substantially all the risks and rewards of ownership of the assets. On de-recognition of a financial assets, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in the statement of comprehensive income.

NOTES (CONTD.)

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the profit or loss.

(b) Impairment of Financial Assets

The Company recognizes charges for impaired receivables promptly where there is objective evidence that impairment of a receivable has occurred. Impairment allowances are assessed individually for significant receivables.

If, in a subsequent period, the amount of an impairment decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment charge is reversed by reducing the receivable impairment allowance account, The amount of any reversal is recognized in the profit or loss.

(c) Impairment of Non- Financial Assets

The carrying values of assets are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired . Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognized in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognized revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount , a subsequent increase in the recoverable amount of an assets is treated as a reversal of the previous impairment loss and is recognized to the extent of the carrying amount of the asset that would have been determine (net of amortization and depreciation) had no impairment loss been recognized. The reversal is recognized in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.3 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.

3.4 Cash and Cash Equivalents

Cash and cash equivalent include cash in hand , deposits held at call with banks.

3.5 Foreign Crrncy Translation**(a) Functional and Presentation Currency**

Items included in the financial statement are measured using the Hong Kong dollars, the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Hong Kong dollars, which is also the Company's functional and presentation currency.

(b) Transaction and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the financial period are translated at the rates ruling as of the date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognized in profit or loss.

3.6 Revenue Recognition

Revenue is measured at fair value of the consideration received and receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:-

NOTES (CONTD.)

- (a) Sales of Goods is recognized when the goods are delivered and the risks and rewards of ownership have passed to the customer;
- (b) Commission Received is recognized when the right to receive is established;
- (c) Service Charges Received is recognized when the right to receive is established; and
- (d) Bank Interest received if any, is recognized on a time proportion basis taking into account the principal outstanding and the interest applicable.

3.7 Income Tax

Income Tax represents the sum of the current tax and deferred tax.

Current Tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have enacted or substantively enacted at the end of the reporting period.

Deferred Tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements.

Deferred Tax liabilities are recognized for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in the transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred Tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred Tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred Tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over the business combination costs.

3.8 Related Parties

A party is related to an entity if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person;-
 - (i) Has control or joint control over the reporting entity;
 - (ii) Has significant influence over the reporting entity; or
 - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:-
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint venture of the same third party.

NOTES (CONTD.)

- (iv) One entity is a joint venture of a third party and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring are also related to the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3.9 Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Company are accounted for as finance leases. At the inception of a finance lease, the cost of the leased assets is capitalized at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to statement of profit or loss and other comprehensive income. Capital leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

3.10 Employee Benefits

The company contributes on a monthly basis to a defined contribution 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.

4. FINANCIAL INSTRUMENTS**(i) Financial Instruments by Category****Financial Assets**

The Company's financial assets including cash and bank balance are categorized as loans and receivables.

Financial Liabilities

The Company's financial liabilities including accrued expenses are categorized as financial liabilities at amortized cost.

(ii) Financial Risk Management

Exposure to credit, liquidity and cash flow interest rate risks arises in the normal course of the business. These risks are limited by the company's financial management policies and practices as described below:-

(a) Credit Risk

The company has no significant concentrations of credit risk.

The Company's principal financial assets are bank balances. The credit risk on liquid funds is limited because the counterparty is authorized financial institutions with good reputation.

(b) 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 shorter and longer terms, The Company's immediate holding company has confirmed its intention to provide funds for the Company to meet its liabilities as and when they fall due.

(c) Cash Flow Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate fluctuation is limited to interest receivable on its short term deposits and saving accounts as at the end of reporting period, The directors do not consider that fluctuation in the prevailing levels of market interest rates will have any significant impact in the interest income.

NOTES (CONTD.)*(d) Fair Value Estimation*

At the end of the reporting period, the fair values of the company's financial assets and liabilities approximate their carrying amounts.

No sensitivity analysis or other qualitative or quantitative disclosure relating to each type of risk arising from financial instruments is presented as the directors considers there is no material finance risk exposure to the Company.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated by the Directors and management and are based in historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets liabilities, income and expenses are as follows;-

Impairment of Non-Financial Assets

When the recoverable amount of an assets is determined based on the estimate of the value-in-use of the cash - generating unit to which the assets is allocated, the Company is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flow.

PARTICULARS	31/3/2016 HK\$	31/12/2014 HK\$
6. REVENUE AND OTHER REVENUE		
The amounts of each category of revenue and other income recognized during the period are as follows:		
Revenue		
Sales of Goods		
– Unrelated Parties	39,646,736	37,440,489
– Related Parties	366,822	1,529,741
	<u>40,013,558</u>	<u>38,970,230</u>
Other Revenue		
Commission Received	2,996,782	3,540,498
Service Charges Received	3,660,042	2,833,941
Other Income	78,460	104,468
	<u>6,735,284</u>	<u>6,478,907</u>
7. PROFIT BEFORE TAXATION		
Profit before Taxation is arrived at after charging:		
Auditor's Remuneration	44,000	38,000
Depreciation and Amortization	108,874	102,154
	<u>152,874</u>	<u>140,154</u>
8. FINANCE COSTS		
Bank Charges	324,094	258,606
Bank Interest Paid	237,386	185,144
	<u>561,480</u>	<u>443,750</u>

NOTES (CONTD.)**9. 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 HK\$
10. NON-CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT			
AT COST			
At 1/1/2015	748,706	277,500	1,026,206
Additions	–	–	–
At 31/03/2016	<u>748,706</u>	<u>277,500</u>	<u>1,026,206</u>
AGGREGATE DEPRECIATION/AMORTIZATION			
At 1/1/2015	743,894	835,250	827,145
Charge for the year	4,812	104,062	108,874
At 31/03/2016	<u>748,706</u>	<u>187,312</u>	<u>936,019</u>
NET BOOK VALUE			
At 31/03/2016	–	90,187	90,187
At 31/12/2014	<u>4,812</u>	<u>194,250</u>	<u>199,062</u>

PARTICULARS	31/3/2016 HK\$	31/12/2014 HK\$
11. SHARE CAPITAL		
Authorized, Issued and Fully Paid: -		
1,000 Ordinary Shares of US\$1.00 each	<u>7,730</u>	<u>7,730</u>
12. AMOUNT DUE TO RELATED COMPANIES		
Detailed of amounts due from related companies disclosed are shown as follows:-		
Balance at 1/1/2015	5,252,469	3,580,571
Advances	3,974,825	5,664,155
	<u>9,227,294</u>	<u>9,244,726</u>
Repayments	(3,393,000)	(3,992,256)
Balance at 31/3/2016	<u>5,834,294</u>	<u>5,252,470</u>

NOTES (CONTD.)

PARTICULARS	Balance at 31/3/2016 HK\$	Maximum amount outstanding during the year HK\$	Balance at 31/12/2014 HK\$
Ultima SA, Switzerland	1,170,000	3,510,000	1,170,000
Bhartiya Global Marketing Limited, India	1,361,430	1,361,430	1,361,430
Ultima Italia S.r.l, Italy	4,266,320	4,266,320	3,161,896
Design Industry Ltd., Hong Kong	89,544	89,544	(440,856)
	<u>5,834,294</u>		<u>5,252,470</u>

The outstanding amounts from business activities are unsecured, interest-free and have no fixed term of repayment. These companies are under common management and control.

13. INVENTORIES

Inventories comprise entirely of stock in trade.

PARTICULARS	31/3/2016 HK\$	31/12/2014 HK\$
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14. AMOUNT DUE TO HOLDING COMPANY

Detailed of amount due to holding company disclosed are as follows: -

Bhartiya International Limited. India

Balance at 1/1/2015	2,216,981	5,733,119
Advances	2,916,591	24,359
	<u>5,133,572</u>	<u>5,757,478</u>
Repayments	<u>(2,996,782)</u>	<u>(3,540,497)</u>
Balance at 31/3/2016	<u>2,136,790</u>	<u>2,216,981</u>

The total amount includes Loan Account from financing the Company and Business Account from business activities is unsecured, interest-free and has no fixed term of repayment.

PARTICULARS	Balance at 31/3/2016 HK\$	Maximum amount outstanding during the year HK\$	Balance at 31/12/2014 HK\$
Bhartiya International Limited, India			
– Loan Account	5,476,897	5,476,897	5,476,898
– Business Account	(3,340,107)	(4,327,581)	(3,259,917)
	<u>2,136,790</u>		<u>2,216,981</u>

NOTES (CONTD.)

PARTICULARS	31/3/2016	31/12/2014
	HK\$	HK\$
15. OPERATING LEASE COMMITMENT		
As at the balance sheet date, the company had annual commitment payable in the following year under operating lease in respect of premises as follows: -		
Lease expiring		
- within one year	416,225	236,000
- in the second to fifth year inclusive	-	-
- over the fifth year	-	-
	<u>416,225</u>	<u>236,000</u>

16. RELATED PARTY TRANSACTIONS

During the period, the Company entered into the following transactions with related parties: -

Related Party	Transaction	31/3/2016	31/12/2014
		HK\$	HK\$
Bhartiya International Ltd., India	Purchases	1,707,918	5,107,144
	Sales	366,822	1,529,741
	Commission Received	2,996,782	3,540,497
		<u>3,363,604</u>	<u>5,070,238</u>
Ultima Italia S.r.l, Italy	Marketing and Promotion Expenses	1,104,425	2,544,155
Ultima SA, Switzerland	Purchases	5,151,689	-
	Marketing and Promotion Expenses	2,340,000	1,170,000
	Service Charges Received	3,393,000	-
		<u>10,884,689</u>	<u>1,170,000</u>
Design Industry Limited, Hong Kong	Service Charges Received	-	2,340,000

In the opinion of the Directors, the above transactions were carried out at market prices.

PARTICULARS	31/3/2016	31/12/2014
	HK\$	HK\$
17. DIRECTORS' REMUNERATION		
Directors Remuneration of the directors disclosed pursuant to section 383(1) of the Companies Ordinance is as follow:-		
Fees	-	-
Other Emoluments	-	-
	<u>-</u>	<u>-</u>

NOTES (CONTD.)**18. PLEDGE OF ASSETS**

The Company had bank overdraft and other banking facilities bearing interests at commercial rates during the period. At the end of the reporting period, the credit facilities was secured by standby letter of credit from ING Vysya Bank, India (presently taken over by Kotak Mahindra Bank) for USD350,000. The entire credit facility was secured by a Corporate guarantee of M/s Bhartiya International Limited, India (the company's holding company) in favour of banker for banking facilities extended to the company.

19. CAPITAL MANAGEMENT

The primary objective of the Company when managing capital is to safeguard the Company's ability to continue as a going concern, and a healthy capital ratio to support the business and to enhance shareholder value. As the Company is part of a group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the holding company's capital management objectives.

The capital defines "capital" as including all components of equity.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the holding company. The Company is not subject to externally imposed capital requirements.

20. IMMEDIATE PARENT AND ULTIMATE HOLDING COMPANY

At 31st March, 2016, the Directors consider the immediate parent and ultimate holding company of the Company is Bhartiya International Limited which is incorporated in India. The ultimate holding company produces consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") in New Delhi, India available for public use.

21. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to current year's presentation.

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, 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year 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, 2016 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, 2016.

DIRECTORS

Mr. Walter Willi Zwahlen held the office of directorship during the year.

Director

23rd May, 2016

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, 2015 to 31st March, 2016.

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, 23rd May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	31.03.2016 CHF	31.03.2015 CHF
ASSETS		
Short Term Assets		
Banks Accounts	1,752,755.00	2,380,183.69
Debtors Ultima Italia S.r.l.	492,246.85	545,248.08
Other Debtors	3,471,633.23	2,785,585.36
Stock of Goods	14,386.00	35,638.00
Transitional and other Debtors	1,829.61	2,208.48
Total Short Term Assets	5,732,850.69	5,748,863.61
Fixed Assets		
Tangibles Assets		
Furniture and Computer	4,000.00	6,000.00
Financial Assets		
Rent Guaranty	10,958.59	10,957.60
Loans to Subsidiaries	249,481.45	178,892.44
Investments	2,479,970.00	2,449,900.00
Total Fixed Assets	2,740,410.40	2,639,750.04
Total Fixed Assets	2,744,410.40	2,645,750.04
TOTAL ASSETS	8,477,261.09	8,394,613.65
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Creditors	3,353,134.05	2,907,754.66
Bank Accounts	–	1,455,000.00
C/A Bhartiya International Ltd.	109,493.45	154,150.64
Transitional and other Liabilities	110,688.90	80,542.00
Total Current Liabilities	3,573,316.40	4,597,447.30
Total Liabilities	3,573,316.40	4,597,447.30
Equity		
Share Capital	1,000,000.00	1,000,000.00
General Reserve	278,000.00	278,000.00
Retained Earnings	2,519,166.35	1,773,907.50
Net Income of the Year	1,106,778.34	745,258.85
Total Equity	4,903,944.69	3,797,166.35
TOTAL LIABILITIES AND EQUITY	8,477,261.09	8,394,613.65

INCOME STATEMENT

PARTICULARS	2015-2016 CHF	2014-2015 CHF
Revenues		
Sales to Foreign Customers	20,828,340.25	16,671,012.99
Total Revenues	20,828,340.25	16,671,012.99
Merchandises Costs		
Costs of Goods	18,961,086.62	14,703,720.32
Variation of Stock	21,252.00	25,973.00
Total Merchandises Costs	18,982,338.62	14,729,693.32
Other Expenses		
Design and Consultancy	151,996.00	160,180.00
Administration, Rent and Directors	158,038.32	130,463.90
Audit and Lawyers	29,465.81	28,624.40
Marketing, Representation, Travel Expenses	131,986.30	60,195.08
Various Administration Overheads	941.38	1,468.85
Total other Expenses	472,457.81	380,932.23
Result before Interests, Taxes Provisions and Depreciation	1,373,543.82	1,560,387.44
Financial Incomes and Charges		
Interests and Bank Fees (nets)	352,088.06	212,016.90
Exchange Rate Difference	(196,360.18)	554,855.17
Total Financial Incomes and Charges	155,727.88	766,872.07
Provisions and Depreciation		
Depreciation	2,000.00	1,154.92
Result Before Taxes	1,215,815.94	792,360.45
Taxes		
Federal Taxes	94,350.00	42,172.50
Canton and Commune Taxes	14,687.60	4,929.10
Total Taxes	109,037.60	47,101.60
Net Income of the Year	1,106,778.34	745,258.85

NOTES TO THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2016

PARTICULARS	31.03.2016 CHF	31.03.2015 CHF
Information 1 :		
Essential Investments		
Ultima Italia S.r.l. (Share Capital EUR 2,000,000)	2,438,000.00 100.00%	2,438,000.00 100.00%
Interest of		
Design Industry Ltd. (Share Capital HKD 100,000)	11,900.00 100.00%	11,900.00 100.00%
Interest of		
Design Industry China Ltd. (Share Capital CNY 200,000)	30,070.00 100.00%	- -
Interest of		
No other mention required by art. 663b CO		

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

PARTICULARS	31.03.2016 CHF	31.03.2015 CHF
Profit available to the Annual General Meeting		
Retained earnings at the beginning of the year	2,519,166.35	1,773,907.50
	2,519,166.35	1,773,907.50
Net Income of the Year	1,106,778.34	745,258.85
	3,625,944.69	2,519,166.35
Proposal of Board of Directors		
Attribution to General Reserve	-	-
Carried forward	3,625,944.69	2,519,166.35
	3,625,944.69	2,519,166.35

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, 2016 and of the results of its operation for the period ended on the date.

Dr. Enrico Cantoni

18th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

(Expressed in Euro)

PARTICULARS	As at 31 st March, 2016	As at 31 st March, 2015
ASSETS		
Fixed Assets, net of depreciation	99,816	141,250
CURRENT ASSETS		
Inventories	485,546	468,453
Accounts receivables	2,493,785	2,811,863
Deposits	4,331	4,328
Cash at bank	89,338	28,028
TOTAL ASSETS	3,172,816	3,453,922
LIABILITIES		
Share Capital	2,000,000	2,000,000
Loan from holding.co	125,377	125,377
Profit/(-Loss) for the previous years	139,227	127,898
Profit/(-Loss) for the period	13,949	11,329
Bank Overdraft/Limit	-	29,301
Loan from banks	-	76,142
CURRENT LIABILITIES		
Accounts payable and accrued exp.	690,002	870,274
Other Creditors	204,261	213,601
TOTAL LIABILITIES	3,172,816	3,453,922

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

(Expressed in Euro)

	2015-2016	2014-2015
INCOME		
Sales	1,929,264	2,111,443
TOTAL INCOME	1,929,264	2,111,443
COSTS AND EXPENSES		
Costs of goods sold	540,666	695,741
Selling, general and administrative	1,266,856	1,217,895
Depreciation	47,847	66,822
Financial charges	31,628	33,350
TOTAL COSTS	1,886,997	2,013,808
Profit/(-Loss) before taxes	42,267	97,635
Taxes	28,318	51,101
Taxes previous years	-	35,205
Profit/(-Loss) for the period	13,949	11,329

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, 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were that of exporters and importers of garment, bags and other products.

THE STATE OF COMPANY'S AFFAIRS AND APPROPRIATIONS

The result of the company's operation for the year ended 31st March, 2016 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, 2016

DIRECTORS

The following Directors held office during the year;-

Anchor Assets limited	(resigned on 11th September, 2015)
Mr. Hanumanth Rao Bhounsle	(resigned on 11th September, 2015)
Mr. Walter Willi Zwahlen	(appointed on 11th September, 2015)

In accordance with the Company's Articles of Association, all the present directors shall remain in office for the ensuing year.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Except for the disclosure in Note 13, no contract of significance to which the Company, its subsidiary or holding companies was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its subsidiary or holding companies 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.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

SHARE CAPITAL

There was no change of share capital for the year ended 31st March, 2016

AUDITORS

Messrs. Phillip 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, 20th May, 2016

Chairman

INDEPENDENT AUDITORS' REPORT

To
The Shareholders of
Design Industry Ltd.
(Incorporated in Hong Kong with Limited Liability)

We have audited the accompanying financial statements of Design Industry Limited (the "Company"), which comprise the statement of financial position as at 31st March, 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the presentation of financial statements that 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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance (Cap.622), 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 International Standards on Auditing. 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 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 circumstance, but not for the purpose of expressing an opinion on the 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 present fairly, in all material respects, the financial position of the Company as at 31st March, 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Philip C.C. Hau & Co.
Certified Public Accountants

Hong Kong, 20th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Notes	31-03-2016 HK\$	31-3-2015 HK\$
Revenue	6	60,921,599	21,802,820
Other Revenue	6	29	18
Change in Inventories of Finished Goods		(57,008,449)	(18,313,519)
Other Operating Costs		(3,121,124)	(2,989,910)
Profit from Operations		792,055	499,409
Finance Costs	8	(340,589)	(85,350)
Profit before Taxation	7	451,466	414,059
Income Tax Expenses	9	(-)	(-)
Profit after Taxation		451,466	414,059
Retained Profits brought forward		414,059	-
Retained Profits carried forward		865,525	414,059

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Notes	31-03-2016 HK\$	31-3-2015 HK\$
ASSETS			
Current Assets			
Debtors and Prepayments		4,627,705	4,529,536
Cash at Banks and in Hand		4,645,715	806,116
		9,273,420	5,335,652
Current Liabilities			
Creditors and Accrued Charges		6,759,439	4,224,736
Amount due to Related Company	11	768,456	206,856
Amount due to Holding Company	12	780,000	390,000
NET CURRENT ASSETS		8,307,895	4,821,592
NET ASSETS		965,525	514,059
CAPITAL AND RESERVES			
Share Capital	10	100,000	100,000
Retained Profits		865,525	414,059
		965,525	514,059

Approved by the board of directors on 20th May, 2016

Walter Willi Zwahlen

Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Share Capital HK\$	Retained Profits HK\$	Total HK\$
Balance brought forward	-	-	-
Issue of Share Capital	100,000	-	100,000
Profit after Taxation for the year	-	414,059	414,059
Balance at 31st March, 2015	100,000	414,059	514,059
Profit after Taxation for the year	-	451,466	451,466
Balance at 31st March, 2016	100,000	865,525	965,525

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	31-03-2016 HK\$	31-3-2015 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from Operations	451,466	414,059
Adjustments for:		
Bank Interest Received	(29)	(18)
Bank Charges and Interest Paid	340,589	85,349
Operating cash flow before movements in Working Capital	792,026	499,391
(Increase) in Debtors and Prepayments	(98,169)	(4,529,536)
Increase in Creditors and Accrued Charges	2,534,702	4,224,736
Cash generated from Operations	3,228,559	194,591
Profits Tax Paid	(-)	(-)
Net Cash from Operating Activities	3,228,559	194,591
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank Interest Received	29	18
Net cash from Investing Activities	29	18
CAH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on Issue of Ordinary Shares	-	100,000
Increase in Amount due to Related Company	561,600	206,857
Increase in Amount due to Holding Company	390,000	390,000
Bank Charges and Interest Paid	(340,589)	(85,350)
Net cash from Financing Activities	611,011	611,507
Net increase in Cash and Cash Equivalents	3,839,599	806,116
Cash and Cash Equivalents at beginning of the year	806,116	-
Cash and Cash Equivalents at end of the year	4,645,715	806,116
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash as Bank and in Hand	4,645,715	806,116

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. GENERAL INFORMATION

The Company is a private limited company domiciled and incorporated in Hong Kong. Its immediate parent and ultimate holding company of the Company are Ultima S.A, Switzerland and Bhartiya International Limited, India respectively. The address of its registered office is Room 1104, Crawford House, 70 Queen's Road Central, Hong Kong.

The principal activity of the Company is exporters and importers of garment and other products.

The financial statement are presented in Hong Kong dollars (HK\$), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with all applicable International Financial Reporting Standard (" IFRS") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting are recognized in the period in which the estimates are revised and in any future periods affected.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

3.1 Financial Instruments

(a) Recognition and De-recognition of Financial Instruments

Financial Assets and financial liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets are derecognized when the contractual rights to receive cash flows from the assets expire; the Company transfers substantially all the risk and rewards of ownership of the assets; or the Company neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in the statement of comprehensive income.

Financial Liabilities are derecognized when the obligation specified in the relevant contract is discharged ' cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the profit or loss.

(b) Impairment of Financial Assets

The Company recognizes charges for impaired receivables promptly where there is objective evidence that impairment of a receivable has occurred. Impairment allowance are assessed individually for significant receivables.

If , in a subsequent period , the amount of an impairment charge decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment allowance account . The amount of any reversal is recognized in the profit or loss.

3.2 Impairment of Non-Financial Assets

The carrying values of assets are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired . Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognized in profit or loss immediately unless the assets is carried at its revalued amount . Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a preciously recognized revaluation surplus for the same asset.

NOTES (CONTD.)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognized to the extent of the carrying amount of the asset that would have been determined (net of amortization and depreciation), had no impairment loss been recognized. The reversal is recognized in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.3 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

3.4 Foreign Currency Translation**(a) Functional and Presentation Currency**

Items included in the financial statements are measured using Hong Kong dollars, the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Hong Kong dollars, which is also the Company's functional and presentation currency.

(b) Transactions and Balance

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the financial period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognized in profit or loss.

3.5 Revenue Recognition

Revenue is measured at fair value of the consideration received and receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenues can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:-

- (a) Sales of Goods is recognized when the goods are delivered and the risks and rewards of ownership have passed to the customer; and
- (b) Bank interest Received is recognized on a time proportion basis taking into account the principal outstanding and the interest applicable.

3.6 Income Tax

Income Tax represents the sum of the current tax and deferred tax.

Current Tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred Tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred Tax liabilities are recognized for all taxable temporary difference other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred Tax assets are recognized for all deductible temporary differences unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences unused tax losses and unused tax credits can be utilized. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred assets to be utilized.

Deferred Tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

NOTES (CONTD.)

Deferred Tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred Tax items are recognized in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquiree's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

3.7 Related Parties

A party is related to an entity if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - (i) Has control or joint control over the reporting entity;
 - (ii) Has significant influence over the reporting entity; or
 - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:-
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealing with the entity.

4. FINANCIAL INSTRUMENTS**(i) Financial Instruments by Category****Financial Assets**

The Company's financial assets including cash and bank balance are categorized as loans and receivables.

Financial Liabilities

The Company's financial liabilities including accrued expenses are categorized as financial liabilities at amortized cost.

(ii) Financial Risk Management

Exposure to credit, liquidity and cash flow interest rate risks arises in the normal course of the business. These risks are limited by the Company's financial management policies and practices as described below:

(a) Credit Risk

The Company has no significant concentrations of credit risk.

The Company's principal financial assets are bank balances. The credit risk on liquid funds is limited because the counterparty is authorized financial institution with good reputation.

(b) 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 shorter and longer terms. The Company's immediate holding company has confirmed its intention to provide funds for the Company to meet its liabilities as and when they fall due.

(c) Cash Flow Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate fluctuations is limited to interest receivable on its short term deposits and savings accounts as at the end of reporting period. The directors do not consider that fluctuation in the prevailing levels of market interest rates will have any significant impact on the interest income.

(d) Fair Value Estimation

At the end of the reporting period, the fair values of the Company's financial assets and are liabilities approximate their carrying amounts.

To sensitivity analysis or other qualitative or quantitative disclosure relating to each type of risk arising from financial instruments is presented as the directors consider there is no material finance risk exposure to the Company.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated by the Directors and management and are based in historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Company's accounting policies and disclosures, and have a significant risk if causing a material adjustment to the carrying amounts of assets liabilities, income and expenses are as follows:-

Impairment of Non-Financial Assets

When the recoverable amount of an assets is determined based on the estimate of the value-in-use of the cash - generating unit to which the assets is allocated, the Company is required to make an estimate of the expected future cash flows from the cash -generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

PARTICULARS	31-03-2016 HK\$	31-3-2015 HK\$
6. REVENUE AND OTHER REVENUE		
The amounts of each category of revenue and other income recognized during the period are as follows:		
Revenue		
Sales of Goods	<u><u>60,921,599</u></u>	<u><u>21,802,820</u></u>
Other Revenue		
Bank Interest Received	<u><u>29</u></u>	<u><u>18</u></u>
7. PROFIT BEFORE TAXATION		
Profit before Taxation is arrived at after charging (creating) :-		
Auditor's Remuneration and crediting	<u><u>22,000</u></u>	<u><u>15,000</u></u>
Bank Interest Received	<u><u>29</u></u>	<u><u>18</u></u>
8. FINANCE COSTS		
Bank Charges	<u><u>340,589</u></u>	<u><u>85,350</u></u>
9. 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	31-03-2016 HK\$	31-3-2015 HK\$
10. SHARE CAPITAL		
Issued and Fully Paid: -		
100,000 Ordinary Shares of HK\$1.00 each	<u>100,000</u>	<u>100,000</u>
11. AMOUNT DUE FROM RELATED COMPANIES		
Detailed of amounts due from related companies disclosed are as follows:-		
Balance at 1/4/2015	206,856	-
Advances	<u>561,000</u>	<u>2,390,856</u>
	768,456	2,390,856
Repayments	<u>(-)</u>	<u>(2,184,000)</u>
Balance at 31/3/2016	<u>768,456</u>	<u>206,856</u>

	Balance at 31/3/2016 HK\$	Maximum amount outstanding during the year HK\$	Balance at 31/12/2015 HK\$
World Fashion Trade Ltd.			
Republic of Mauritius	(89,544)	206,856	206,856
Ultima Italia S.r.l, Italy	<u>858,000</u>	<u>858,000</u>	<u>-</u>
	<u>768,456</u>		<u>206,856</u>

The outstanding amounts from business activities are unsecured, interest-free and have no fixed term of repayment. These companies are under common management and control.

PARTICULARS	31-03-2016 HK\$	31-3-2015 HK\$
12. AMOUNT DUE TO HOLDING COMPANY		
Details of amount due to holding company disclosed are shows as follows:-		
Ultima SA. Switzerland		
Balance 1/4/2015	390,000	-
Advances	<u>390,000</u>	<u>390,000</u>
	780,000	390,000
Repayments	<u>(-)</u>	<u>(-)</u>
Balance at 31/3/2016	<u>780,000</u>	<u>390,000</u>

The outstanding amount from business activities is unsecured, interest-free and has no fixed term of repayment. This company is under common management and control.

13. RELATED PARTY TRANSACTIONS

During the year, the Company entered into the following transactions with related party: -

Related Party	Transaction	31-03-2016 HK\$	31-03-2015 HK\$
Bhartiya International Ltd., India	Purchases	29,243,920	13,306,069
Ultima SA, Switzerland	Marketing and Promotion Expenses	390,000	390,000
	Purchases	27,763,254	4,951,596
		28,153,254	5,341,596
Ultima Italia Srl	Design and Marketing Expenses	858,000	-
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.

PARTICULARS	31-03-2016 HK\$	31-3-2015 HK\$
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14. DIRECTORS' REMUNERATION

Directors remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follow:-

Fees	-	-
Other Emoluments	-	-
	-	-
	-	-

15. CAPITAL MANAGEMENT

The primary objective of the Company when managing capital is to safeguard the Company's ability to continue as a going concern, and a healthy capital ratio to support the business and to enhance shareholder value. As the Company is part of a group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the holding company's capital management objectives.

The capital defines "capital" as including all components of equity.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the holding company. The Company is not subject to externally imposed capital requirements.

16. IMMEDIATE PARENT AND ULTIMATE HOLDING COMPANY

At 31st March, 2016, the Directors consider the immediate parent and ultimate holding company of the Company are Ultima SA, Switzerland and Bhartiya International Limited, India respectively. The ultimate holding company produces consolidated financial statements in India available for public use and its registered address is located at E-52, New Manglapuri, Mandi Road, Mehrauli, New Delhi-110030, India.

AUDITORS' REPORT

To
The shareholders of
Design Industry China Ltd.

We have audited the accompanying consolidated balance sheet of Design Industry China Ltd. And its subsidiaries as of 31st March, 2016 and the related consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the during 21st May, 2015 to 31st March, 2016, and a summary of significant accounting policies and other explanatory notes.

1. Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Standards for Business Enterprises and China Accounting System for Business Enterprises. This responsibility includes: (i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error; (ii) selecting and applying appropriate accounting policies; and (iii) making accounting estimates that are reasonable in the circumstances.

2. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing for Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statement are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

3. Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company and of the Group as of 31st March, 2016 and of its financial performance and its cash flows for the during 21st May, 2015 to 31st March, 2016 in accordance with the Accounting Standards for Business Enterprises and China Accounting System for Business Enterprises.

Jin Xin Certified Public accountants:

Hangzhou Jinxin, Certified Public Accountants Co., Ltd Registered in P.R. China

6th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

Desgin Industry China Ltd.

Monetary unit: RMB Yuan

Assets	Note No.	Ending Balance	Beginning Balance	Liabilities & Owner's Equity	Note No.	Ending Balance	Beginning Balance
Current Assets:				Current Liabilities:			
Monetary funds	1	324,969.81		Short-term loans	33		
Trading financial assets	2			Trading financial liabilities	34		
Bills Receivable	3			Notes payable	35		
Accounts receivable	4	795,534.98		Accounts payable	36	604,342.38	
Advances paid	5			Advances received	37		
Interest receivable	6			Employee compensation payable	38		
Dividend receivable	7			Taxes and rates payable	39	89,025.06	
Other receivable	8	3,300.00		Interest payable	40		
Inventories	9			Dividend payable	41		
Non-current assets due within one year	10			Other payable	42	31,743.00	
Other current assets	11			Non-current liabilities due within one year	43		
Sub-total of Current Assets	12	1,123,804.79		Other current liabilities	44		
Non-Current Assets:							
Available-for-sale financial assets	13			Sub-total of Current Liabilities	45	725,110.44	
Hold-to maturity investments	14			Non Current Liabilities:			
Long-term receivables	15			Long-term borrowings	46		
Long-term equity investments	16			Bonds payable	47		
Investment properties	17			Long-term payables	48		
Fixed assets cost	18			Special payables	49		
Less:Accumulated depreciation	19			Estimated liabilities	50		
Fixed assets	20			Defferd tax liabilities	51		
Construction in Progress	21			Other non-current liabilities	52		
Construction materials	22			Sub-total of Non-Current Liabilities	53		
Disposal of fixed assets	23						
Capitalized biological assets	24			Total Liabilities	54	725,110.44	
Intangible assets	25			Owner's Equity:			
Development expenditure	26			Paid-in capital	55	203,686.40	
Goodwill	27			Capital surplus	56		
Long-term prepayments	28	54,060.00		less: treasury stock	57		
Deferred tax assets	29			Surplus reserves	58		
Other non-current assets	30			Undistributed profit	59	249,067.95	
Sub-total of Non-Current Assets	31	54,060.00		Total Owner's Equity	60	452,754.35	
Total Assets	32	1,177,864.79		Total Liabilities & Owner's Equity	61	1,177,864.79	

INCOME STATEMENT FOR THE DURING 21ST MAY, 2015 TO 31ST MARCH, 2016

Desgin Industry China Ltd.

Monetary unit: RMB Yuan

Items	Note No.	Current Period Cumulative	Preceding Period Comparative
I. Revenue from Operations	1	4,563,572.60	
Revenue from main operations	2	4,563,572.60	
Revenue from other operations	3		
II. Cost of Operations	4	4,248,487.63	
Cost of main operations	5	3,652,260.47	
Cost of other operations	6		
Taxes and subcharge for operations	7	19,832.80	
Selling Expenses	8		
General & administrative expenses	9	576,193.77	
Financial expenses	10	200.59	
Assets impairment loss	11		
Add: Gain/loss on changes of fair value (or less: losses)	12		
Investment income (or less: losses)	13		
Including: investment income from associates and joint venture	14		
III. Operating Profit	15	315,084.97	
Add: Non-operating revenue	16		
Less: Non-operating expenditure	17	4,563.58	
Including: Net loss on disposal of non-current assets	18		
IV. Profit Before Tax	19	310,521.39	
Less: Income tax	20	61,453.44	
V. Net Profit	21	249,067.95	

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE DURING 21ST MAY, 2015 TO 31ST MARCH, 2016

Desgin Industry China Ltd.			Monetary unit: RMB Yuan		
Items	Note No.	Current Year	Item	Note No.	Current Year
Paid-in Capital	1		Transfer-in from statutory public welfare fund	31	
Beginning balance	2		Decrease in current year	32	
Increase in the current year	3	203,686.40	Including: Recovery of losses	33	
Including: Transfer-in from capital surplus	4		Conversion into capital (or stock)	34	
Transfer-in from surplus reserve	5		Distribution of cash dividend or profit	35	
Transfer-in from distributon of profit	6		Distribution of stock dividend	36	
Additional capital (or stock)	7	203,686.40	Ending balance	37	
Decrease in the current year	8		Including: Statutory surplus resevre	38	
Ending balance	9	203,686.40	Reserve fund	39	
Capital Surplus	10		Enterprise expansion fund	40	
Beginning balance	11		National support funds		
Increase in the current year	12		Statutory Public Welfare Fund	41	
Including: premium on capital (or stock)	13		Beginning balance	42	
Reserve of donated non-cash assets	14		Increase in current year	43	
Receipt of cash donations	15		Including: Amount appropriated from net income	44	
Equity investment reserve	16		Decrease in current year	45	
Transfer-in from government appropriations	17		Including: collective welfare expenditures	46	
Foreign currency capital translation difference	18		Ending balance	47	
Other capital surplus	19		Undistributed Profit	48	
Decrease in the current year	20		Undistributed profit at the beginning of the year	49	
Including: Conversion into capital (or stock)	21		Net income (or losses) for the year	50	249,067.95
Ending balance	22		Profit distribution for the year	51	
Statutory and Discretionary Surplus Reserves	23		Surplus reserve	52	
Beginning balance	24		Other	53	
Increase in current year	25		Undistributed profit/losses at the end of the year	54	249,067.95
Including: Amount appropriated from net income	26				
Including: Statutory surplus reserve	27				
Discretionary surplus reserve	28				
Reserve fund	29				
Enterprise expansion fund	30				

CASH FLOW STATEMENT FOR THE DURING 21ST MAY, 2015 TO 31ST MARCH, 2016

Desgin Industry China Ltd.

Monetary Unit: RMB Yuan

Item	Note No.	Current Period Cumulative	Item	Note No.	Current Period Cumulative
I. Cash Flow from Operating Activities:					
Cash receipts from sale of goods or rendering of services	1	3,768,037.62	Supplement Information		
Cash receipts from taxes and rates refunds	2		Reciniliation of net profit to cash flow from operating activities:		
Other cash receipts relating to operating activities	3	31,743.00	I. Net Profit	32	249,067.95
Total Cash Inflow from Operating Activities	4	3,799,780.62	Add: Impairment loss of assets	33	
Cash paid for goods and services	5	3,047,918.09	Depreciation of fixed assets, oil&gas assets & capitalized biological assets	34	
Cash paid to and on behalf of employees	6	166,029.51	Amortization of intangible assets	35	
Cash payments of taxes and rates	7	239,772.60	Amortization of long-term prepayments	36	
Other cash payments relating to operating activities	8	224,777.01	Deferred expenses loss (or less:gains)	37	
Total Cash Outflows from Operating Activities	9	3,678,497.21	Decrease of accrued expenses (or less: increase)	38	
Net Cash Flow from Operating Activities	10	121,283.41	Loss on disposal of fixed assets, intangible assets & other long-term assets (or less: gains)	39	54,060.00
II. Cash Flow from Investing Activities					
Cash received from return of investments	11		Fixed assets retirement loss (or less: gains)	40	
Cash received from return on investments	12		Financial expenses (or less:gains)	41	200.59
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	13		Investment losses (or less: gains)	42	
Other cash receipts relating to investing activities	14		Decrease of deferred tax assets(or less: increase)	43	
Total Cash Inflow from Investing Activities	15		Decrease in inventories (or less: increase)	44	
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	16		Decrease in operating receivables (or less: increase)	45	-795,534.98
Cash paid for acquiring investments	17		Increase in operating payables (or less: increase)	46	-604,342.38
Other cash payments relating to investing activities	18		Others	47	1,217,832.23
Total Cash Outflow from Investing Activities	19		Net Cash Flow from Operating Activities	48	121,283.41
Net Cash Outflows from Investing Activities	20		II. Significant Investing and Financing Activities not related to Cash Receipts and Payments		
III. Cash Flow from Financing Activities					
Cash received from investment by others	21	203,686.40	Conversion of debt into capital	50	
Cash received from borrowings	22		Convertible company bonds due within one year	51	
Other cash receipts relating to financing activities	23		Fixed assets acquired under finance leases	52	
Total Cash Inflows from Financing Activities	24	203,686.40	III. Net Changes of Cash and Cash Equivalents	53	
Cash repayments of borrowings	25		Cash at the end of the period	54	324,969.81
Cash paid for distribution of dividends or profits and for interest expenses	26		Less: cash at the beginning of the period	55	
Other cash payments relating to financing activities	27		Add: cash equivalents at the end of the period	56	
Total Cash Outflows from Financing Activities	28		Less: cash equivalents at the beginning of the year	57	
Net Cash Outflows from Financing Activities	29	203,686.40	Net Increase of Cash and Cash Equivalents	58	324,969.81
IV. Effect of Foreign Exchange Rate Changes on Cash & Cash Equivalents					
Net Increase in Cash and Cash Equivalents	30				
	31	324,969.81			

NOTES TO FINANCIAL STATEMENTS FOR THE DURING 21ST MAY, 2015 TO 31ST MARCH, 2016

1. Company Profile

Design Industry China Ltd. is a Limited Liability Company (Sole Foreign Corporation). The Company obtained a business License (No. 330100400054292) from People's Governments of Hangzhou on 21st May, 2015 issued by Hangzhou Municipal Administration of Industry and Commerce of the PRC. The registered capital is RMB 200,000.00. ULTIN SA contributed USD 32,000.00 on 9th September, 2015. Corporation registers; Room 407-1, Tower 8, United Plaza, No 58 Qianjiang Road, Hangzhou, China. Legal representative: Feng Guobin.

Scope of business : the wholesale, retail, import and export of clothing, textile, suitcases & leather ware, art ware (except cultural relics), daily provisions. (Commodities that don't involve trade management commodity of China but involve quota, license management commodity, should be made application in accordance with the nation relevant regulations.) (Any project that needs to be approved by law can only be carried out after getting approval by relevant authorities.)

II. Basis of Preparation

The financial statements are prepared on an ongoing basis. According to the actual transaction and events, the principal accounting policies adopted in the preparation to the financial statement are in conformity with Accounting Standards for Business Enterprises- Basis Standard issued in 2006 and other specific accounting standards.

III. Statement of Compliance

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises, and present truly and completely information as financial position, results of operations and cash flows of the Company.

IV. Significant Accounting Policies and Estimates Adopted by the Company

(i) Fiscal Year

The financial year has been based on Gregorian calendar which starts on 1 April and ends on the next year 31st March.

(ii) Book Keeping Base Currency

The Company takes Renminbi (RMB) yuan as its book keeping base currency.

(iii) Accounting Measurement Attribute

The Company adopts the historical cost basis for accounting measurements, The financial assets and financial liabilities which are measured at their fair values, of which the variation is recorded into the profits and losses of the current period, financial assets available for sale, and derivative financial instruments are measured at their fair values; investment real estates are measured at the cost model, the fair value model will only be applied for measurement when the company has got concrete evidence signifying that the fair value of investment real estates could be obtained continuously and reliably; inventory, fixed assets and other assets on acquisition, which its payment delayed longer than normal payment condition, should be measured at the present value of the payment; other assets with impairment are measured at the recoverable amount, the amount of overage on assets is determined at replacement cost: the asset inventory surplus is measured at replacement cost.

There is no change about calculating nature of statement items during current reporting period.

(iv) Recognition Criteria of Cash and Cash Equivalents

Cash equivalents refer to short term, (generally refers to the purchase date due within 3 months) highly liquid investments that readily convert to cash and that are subject to an insignificant risk of changes in value.

(v) Foreign Currency Translation

Translation denominated in foreign currency are translated in RMB yuan at the spot exchange rate published by People's Bank of China at the transaction date for ending balances of various foreign currency accounts, foreign currency monetary items are translated at the spot exchange rate at the balance sheet date with difference, included in profit or loss of the period; non-monetary items carried at historical costs are translated at the spot

NOTES (CONTD.)

exchange rate at the transaction date, non monetary items carried at fair value in foreign currency are reported at the spot exchange rate at the date when the fair value was determined, with difference included in the profit or loss arising from change in fair value.

(vi) Provision for Bad and Doubtful Debts

The provision for bad and doubtful debts is estimated by management based on individual accounts receivable which show signs of uncollectibility . Provision for other receivables is determined based on their specific nature and management's estimate of their collectability.

(vii) Inventories

1. Inventories include finished products or goods held for sale in ordinary course of business, work in process in the process of production, and materials or supplier etc. to be consumed in the production process or in the rendering of service.
2. Raw material purchased, checked and accepted into storage are recorded at the standard cost; dispatched from storage are accounted for with standard cost method; finished produce (self-made semi-finished products) accepted into storage are recorded at the standard cost; dispatched from, storage are accounted for with standard cost method the standard cost is adjusted to the actual cost according to the cost variance of inventories dispatched from storage a the end of the period.
3. At the balance sheet date inventories are measured at the lower of cost or net realizable value: Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses: the net realizable value of a material inventory to be processed is the estimated selling price of the finished goods made of the material minus the prospective costs, selling expenses and taxes upon completion under normal production and management; in case the price of part of an inventories is agreed in the contract but the other parts l under the same item is not agreed in the contract by the date of balance sheet, the net realizable value shall be confirmed separately and compared with the corresponding costs to confirm the amount of inventory revaluation reserve.
4. Perpetual inventory method is adopted.
5. Low value consumables are amortized upon the first usage.

(viii) Principal of Revenue Recognition**1. Sale of Goods**

Revenue recognition from the sale of goods take place when (1) significant risks and rewards of ownership of the goods is transferred to the buyer; (2) the entity retain neither continuing managerial involvement of ownership nor effective control over he goods sold; (3) the amount of revenue can be measured reliably; (4) it is probable that the economic benefits of the transaction will flow to the entity ; (5) the costs of the transaction incurred and to be incurred can be measures reliably.

2. Revenue from Providing Labor Services

If an enterprise can, on the date of the balance sheet reliably estimate the outcome of a transaction concerning the labor services it provides (the amount of revenue can be measured in a reliable way; the relevant economic benefits are likely to flow into the enterprise; the schedule of completion under the transaction can be confirmed in a reliable way; and the costs incurred or to be incurred in the transaction can be measured in a reliable way), it shall recognize the revenue from providing services employing the percentage-of - completion method.

If an enterprise cannot, on the date of the balance sheet measure the result of a transaction concerning the providing of labor service in a reliable way, it shall be conducted in accordance with the following circumstance, respectively: if the cost of labor services incurred is expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred , and the cost of labor services shall be carried forward at the same amount, or if the cost of labor service incurred is not expected to compensate, the cost incurred should be included in the current profits and losses , and on revenue from the providing of labor services may be recognized.

NOTES (CONTD.)**3. Revenue from allowing others to use the Company's Assets**

Revenue arising from use by others if assets is recognized when; it is probable that economic benefits associated with the transaction will flow to the entity, and the amount of the revenue can be measured reliably. Interest income is recognized based on the length of time for which the entity's cash is used by others and the effective interest rate; and royalties are recognized according to the period and method of charging as specified in relevant contract or agreement.

(x) Deferred Tax Assets /Deferred Tax Liabilities

1. Deferred tax assets or deferred liabilities are calculated and recognized based on the difference between the carrying value and tax base of assets and liabilities (and the difference of the carrying value and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets to be recovered or the liabilities are expected to be settled.
2. A deferred tax assets is recognized to the extent of the amount of the taxable income, which it is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any concrete evidence showing that it is likely to acquire as sufficient amount of taxable income in a future period to offset against the deductible temporary difference, the deferred tax assets unrecognized in prior periods is recognized.
3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed, if it is unlikely to obtain sufficient taxable income to offset against the benefit of the deferred tax assets, the carrying amount of the deferred tax assets is written down. And such write-down is subsequently reversed where it becomes probable that sufficient taxable income will available.
4. Companies current tax and deferred income taxes as income tax expenses or income included in current period profit and loss, but does not include income generated by the following circumstances: (1) business combination; (2) transaction or matters directly listed in the owner's equity.

V. Changes of Accounting Policies and Accounting Estimates and Correction of Prior Period Error**1. Change of Accounting Polices**

There have been no changes in accounting policy during the year.

2. Changes of Accounting Estimates

There have been no changes in accounting estimates during the year.

3. Corrections of Prior Period Errors

There have been no corrections of Prior period errors during the year.

VI. Taxes and rates**(i) Value-Added Tax (VAT)**

Output VAT is 17% of product sales and taxable services revenue, according to tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable. Export goods enjoy the "exempt, credit and refund" policy with statutory refund rate.

(ii) Business Tax

Levied at the rate of 5%

(iii) Urban Maintenance and Construction Tax

Levied at the rate of 7% of turnover tax payables.

(iv) Education Fee Surcharge

Levied at the rate of 3% of turnover tax payables.

NOTES (CONTD.)**(v) Local Education Surcharge**

Levied at the rate of 2% of turnover tax payables.

(vi) Income Tax

The statutory income tax rate of the Company is 25%.

VII. Profit Distribution

According to the relevant provisions of the articles of corporation.

VIII. Notes to Items of Financial Statements

(In RMB Yuan, unless otherwise stated)

1. Monetary funds

(1) Details (refer balance sheet note no. 1)

Items	Ending Balance	Beginning Balance
Cash on Hand	610.70	
Cash in Bank	342,359.11	
Total	324,969.81	

2. Accounts receivable

(1) Age analysis (refer balance sheet note no. 4)

Age	Ending Balance			Beginning Balance		
	Book Balance	Proportion (%)	Provision for bad debts	Book Balance	Proportion (%)	Provision for bad debts
Within 1 year	795,534.98	100				

(2) No receivable corporate loans owed by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

(3) No ending balance due from related parties.

3. Other Receivable

(1) Age analysis (refer balance sheet note no. 8)

Age	Ending Balance			Beginning Balance		
	Book Balance	Proportion (%)	Provision for bad debts	Book Balance	Proportion (%)	Provision for bad debts
Within 1 year	3,300.00	100				

(2) No receivables owned by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

(3) No ending balance due from related parties.

4. Long-term prepayments (refer balance sheet note no. 28)

Items	Beginning Balance	Increase	Decrease	Ending Balance
Rent	–	108,120.00	54,060.00	54,060.00
Total	–	108,120.00	54,060.00	54,060.00

NOTES (CONTD.)**6. Accounts Payable**

(1) Age analysis (refer balance sheet note no. 36)

(In RMB Yuan, unless otherwise stated)

Age	Ending Balance		Beginning Balance	
	Book Balance	Proportion (%)	Book Balance	Proportion (%)
Within 1 year	604,342.38	100		

(2) No ending balance due from related parties.

7. Taxes and Rates Payable (refer balance sheet note no. 39)

Items	Ending Balance	Beginning Balance
Income Tax	50,668.83	
VAT	33,245.67	
Stamp Tax	2,327.20	
Urban Maintenance and Construction Tax	1,662.28	
Education Fee Surcharge	–	
Local Education Surcharge	805.46	
Water Conservancy Special Fund	241.64	
Individual Income Tax	73.98	
Total	89,025.06	

8. Other Payable

(1) Age analysis (refer balance sheet note no. 42)

Age	Ending Balance			Beginning Balance		
	Book Balance	Proportion (%)	Provision for bad debts	Book Balance	Proportion (%)	Provision for bad debts
Within 1 year	31,743.00	100				

(2) No payable corporate loans owned by stakeholder who is holding more than 5% of the company (including 5% voting shares at the end of the period).

(3) No ending balance due from related parties.

9. Paid-in Capital**Ending Balance 203,686.40**

(1) Details (refer balance sheet note no. 55)

Investors	Beginning balance	Increase/Decrease	Ending balance	Amount in original category
Ultima S.A.	–	203,686.40	203,686.40	USD32,000.00

NOTES (CONTD.)**10. Undistributed Profit****(In RMB Yuan, unless otherwise stated)****Details (refer balance sheet note no. 59)**

Retained earnings at the beginning of the year	–
Add : Net profit for the year	249,067.95
Retained earnings carried forward	<u>249,067.95</u>

11. Revenue from Operations (refer Income Statement note no. 1)

Items	Current Period Cumulative	Preceding Period Comparative
Revenue from main operations	4,563,572.60	
Total	<u>4,563,572.60</u>	

12. Cost of Operations (refer Income Statement note no. 5)

Items	Current Period Cumulative	Preceding Period Comparative
Cost of main Operations	3,652,260.47	
Total	<u>3,652,260.47</u>	

13. Taxes & Surcharge for Operations (refer Income Statement note no. 7)

Items	Current Period Cumulative	Preceding Period Comparative
Urban Maintenance and Construction Tax	10,770.51	
Education Fee Surcharge	4,615.92	
Local Education Surcharge	3,077.30	
Stamp Tax	1,369.07	
Total	<u>19,832.80</u>	

14. General & Administrative Expenses**Current Period Cumulative 576,193.77****(refer Income Statements note no. 9)**

Items	Current Period Cumulative	Preceding Period Comparative
Staff Salaries	123,670.50	
Social Security Funds	23,052.56	
Employee Benefits/Welfare	18,246.45	
Labour Union Expenditure	1,060.00	
Travelling Expense	48,931.23	
Office Supplies	54,086.83	
Repair Charge	3,064.00	
Deductibility of Business Entertainment	9,713.90	
Courier Charge	38,924.20	
Visa Charge	3,832.95	
Other Miscellaneous	27,802.97	
Car Expense	17,909.63	
Accumulation Fund	3,300.00	
Property Cost	13,418.55	
Rent	189,180.00	

NOTES (CONTD.)**15. Financial Expenses (refer Income Statement note no. 10)**

Items	(In RMB Yuan, unless otherwise stated)	
	Current Period Cumulative	Preceding Period Comparative
Interest Income	-920.41	
Other Financial Expenses	1,121.00	
Total	<u>200.59</u>	

16. Non-Operating Expenditures (refer Income Statement note no. 17)

Items	(In RMB Yuan, unless otherwise stated)	
	Current Period Cumulative	Preceding Period Comparative
Water Conservancy Special Fund	4,563.58	
Total	<u>4,563.58</u>	

IX. Other Important Matters

The Income Tax payable of 2015 will be confirmed according the annual income tax settlement.

This balance sheet from 1 April to the next year 31 March is being done for parent company only.

Design Industry China Ltd.

6th May, 2016

BHARTIYA

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