

## BHARTIYA INTERNATIONAL LIMITED

Registered Office: 56/7, Nallambakkam Village, (Via Vandalur), Chennai, Tamil Nadu – 600127

CIN – L74899TN1987PLC111744 Tel: +91 9551050418-21

Email: [shares@bhartiya.com](mailto:shares@bhartiya.com) Website: [www.bhartiya.com](http://www.bhartiya.com)

### NOTICE

**Notice** is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of Bhartiya International Limited will be held on **Wednesday, 29<sup>th</sup> September, 2021 at 11.00 A.M.** IST through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') facility, to transact the following business:

#### **ORDINARY BUSINESS**

##### **ITEM NO 1 – ADOPTION OF FINANCIAL STATEMENTS**

To receive, consider and adopt the Audited Financial Statements (Consolidated and Standalone) of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the reports of the Board of Directors and Auditors thereon.

##### **ITEM NO 2 – APPOINTMENT OF DIRECTOR**

To appoint a Director in the place of Mr. Manoj Khattar (DIN: 00694981), who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS**

##### **ITEM NO 3 – TO RATIFY AND APPROVE THE LIMIT OF REMUNERATION PAYABLE TO RELATED PARTY'S APPOINTMENT TO ANY OFFICE OR PLACE OF PROFIT.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force) ratification and approval of the Company be and is hereby accorded for payment of consultancy fees exceeding Rs. 2,50,000/- per month with effect from 1<sup>st</sup> July, 2021, to Mr. Robert Burton Moore Jr., (DIN 08108097), Director of the Company, who has been appointed as Consultant for Marketing of the Company's business so however that the aggregate remuneration shall not exceed Rs. 10,00,000/- per month.

**RESOLVED FURTHER THAT** the consent of the members be and is hereby accorded to the Nomination and Remuneration Committee/Board of Directors of the Company, to finalise and decide the change in designation/revisions in the remuneration payable to Mr. Robert Burton Moore Jr. from time to time in accordance with the Company's policy on performance measurement and such other applicable/relevant policies and to perform and execute all such acts, deeds, matters and things (including delegating such authority), as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

##### **ITEM NO 4 — TO APPROVE THE LIMIT OF REMUNERATION PAYABLE TO MR. ROBERT BURTON MOORE JR. (DIN-08108097) OVER AND ABOVE OTHER NON-EXECUTIVE DIRECTORS.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(ca) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval be and is hereby accorded for payment of remuneration to Mr. Robert Burton Moore Jr. (DIN 08108097), Non-Executive Director of the Company, details whereof are set out in the Statement pursuant to Section 102 of the Companies Act, 2013, being in excess of fifty percent of the total annual remuneration payable to all Non-Executive Directors.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) and the Company Secretary, be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

**ITEM NO 5 — APPROVAL OF REMUNERATION OF MR. MANOJ KHATTAR (DIN: 00694981), WHOLE-TIME DIRECTOR OF THE COMPANY FOR THE PERIOD W.E.F. 13<sup>TH</sup> AUGUST, 2021 TO 12<sup>TH</sup> AUGUST, 2023.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Special Resolution**:

**“RESOLVED THAT**, in accordance with the provisions of Sections 188, 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the provisions of Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications or re-enactments thereof for the time being in force), and upon the recommendation of the Nomination and Remuneration Committee and as approved by the Audit Committee and in accordance with the Nomination and Remuneration Policy and the Articles of Association of the Company, the approval of the shareholders of the Company, be and is hereby accorded to approve the remuneration of Mr. Manoj Khattar (DIN: 00694981), Whole-time Director of the Company, for remaining period of his term, from 13<sup>th</sup> August, 2021 to 12<sup>th</sup> August, 2023, as detailed in Explanatory Statement, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Manoj Khattar.

**RESOLVED FURTHER THAT** the other terms and conditions of the appointment shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary or desirable to give effect to the above resolution.”

By Order of the Board  
**For Bhartiya International Limited**

**Yogesh Kumar Gautam**  
**Company Secretary**  
**(M. NO. A31119)**

Place: Gurugram  
Date: 13<sup>th</sup> August, 2021

**Notes:**

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (the “Act”), in respect of businesses to be transacted at the Annual General Meeting (“AGM”), as set out under Item No(s). 3 to 5 above and the relevant details of the Directors as mentioned under Item No(s). 4 and 5 above as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“Listing Regulations”) and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.
2. The Board of Directors have considered and decided to include the Item No(s). 3 to 5 given above as Special Businesses in the forthcoming AGM, as they are unavoidable in nature.
3. Pursuant to the General Circular nos. 14/2020, 17/2020, 20/2020, 02/2021 issued by the Ministry of Corporate Affairs (MCA) and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through Video Conference (VC) or Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
4. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. Authorized representatives of the corporate members intending to participate in the AGM pursuant to Section 113 of Act, are requested to send to the Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/Authority letter, etc. authorizing them to attend the AGM, by e-mail to [shares@bhartiya.com](mailto:shares@bhartiya.com).

**Process for dispatch of Annual Report and registration of email id for obtaining copy of Annual Report**

6. In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depository Participant (DP). Members may note that the Notice and Annual Report 2020-21 will also be available on the Company’s website at [www.bhartiya.com](http://www.bhartiya.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

7. Process for registration of e-mail addresses for obtaining Notice of the AGM along with Annual Report for FY 2020-21:  
In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [shares@bhartiya.com](mailto:shares@bhartiya.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
8. In case the shareholder holding shares in physical mode has not registered his/her e-mail address with the Company/ Registrar and Transfer Agents (RTA) / Depositories, he/she may do so by sending a request to RTA of the Company, Mas Services Limited at [info@masserv.com](mailto:info@masserv.com) providing Folio number, Name of the shareholder, signed request, scanned copy of the share certificate (Front and Back), PAN( Self attested scanned copy of PAN Card), AADHAR ( Self attested scanned copy of Aadhar Card) for registering email address.
9. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company at [shares@bhartiya.com](mailto:shares@bhartiya.com).

#### **Procedure for joining the 34<sup>th</sup> AGM through VC/ OAVM**

10. NSDL will be providing facility for voting through remote e-Voting, for participation in the 34<sup>th</sup> AGM through VC/ OAVM and e-Voting during the 34<sup>th</sup> AGM.
11. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first-come first-served basis.
12. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned at note no. 20 (d) "Step 1: Access to NSDL e-Voting system". After successful login, you can see link of "VC/OAVM link" placed under "Join General Meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN (116911) of Company will be displayed.
13. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice.
14. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come first-served basis.
15. Members who need assistance before and during the AGM, can contact Ms. Soni Singh, Assistant Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on 1800-1020-990 and 1800-224-430.
16. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

#### **Procedure to raise questions/seek clarifications with respect to Annual Report at the ensuing 34<sup>th</sup> AGM:**

17. Members are encouraged to express their views/send their queries in advance mentioning their name, demat account number/folio number, email id, mobile number at [shares@bhartiya.com](mailto:shares@bhartiya.com). Questions/ queries received by the Company till 5.00 p.m. on Monday, 27<sup>th</sup> September, 2021, shall only be considered and responded during the AGM.
18. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker, by following the steps mentioned at note no. 20 (d) "Step 1: Access to NSDL e-Voting system" between 9.00 a.m. on Sunday, 26<sup>th</sup> September, 2021 to 5.00 p.m. on Tuesday, 28<sup>th</sup> September, 2021. After successful login, Members will be able to register themselves as a speaker shareholder by clicking on the link available against the EVEN (116911) of Bhartiya International Limited.
19. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

#### **20. Procedure for remote e-Voting and e-Voting during the AGM**

- a. All the shareholders of the Company are encouraged to attend and vote in the AGM to be held through VC/OAVM.
- b. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulation, (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

- c. The remote e-Voting period commences on Sunday, 26th September, 2021 at 9.00 a.m. and will end on Tuesday, 28th September, 2021 at 5.00 p.m. During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, 22nd September, 2021 i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their votes on any of the resolutions using the remote e-Voting facility either during the period commencing 26th September, 2021 to 28th September, 2021 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- d. The details of the process and manner for remote e-Voting are explained herein below:

**Step 1:** Access to NSDL e-Voting system

**Step 2:** Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below:

Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Pursuant to SEBI circular no. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/loginor">https://web.cdslindia.com/myeasi/home/loginor</a> <a href="https://web.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="https://web.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at [abovementioned website](https://web.cdslindia.com).

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> <b>or contact at 022- 23058738 or 022-23058542-43</b>

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

5. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How retrieve your 'initial password'?
- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
7. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e–Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e–Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

Shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing below mentioned documents.

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card).
2. In case shares are held in demat mode, please provide DP ID-Client ID (16 digit DP ID + Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at point no. 20(d) "Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode".

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ravi@csrsm.com](mailto:ravi@csrsm.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. Members who have cast their votes by remote e-Voting prior to the AGM may also attend/ participate in the Meeting through VC/OAVM but they shall not be entitled to cast their vote again.
5. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Wednesday, 22<sup>nd</sup> September, 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [shares@bhartiya.com](mailto:shares@bhartiya.com). However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800- 1020-990 and 1800-224-430. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, 22<sup>nd</sup> September, 2021 may follow steps mentioned in the Notice of the AGM under point 20 (d) "Access to NSDL e-Voting system."
6. Mr. Ravi Sharma, Partner, M/s. RSM & Co., Practicing Company Secretaries (Membership No. 4468, COP: 3666), has been appointed as the Scrutinizer for conducting voting process in a fair and transparent manner.
7. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
8. The results shall be declared within two working days from conclusion of the AGM. The results along with the report of the Scrutinizer shall be placed on the website of the Company [www.bhartiya.com](http://www.bhartiya.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

**21. Documents open for inspection:**

- a. All the documents referred to in the accompanying notice and the statement pursuant to Section 102(1) of the Act shall be available for inspection through electronic mode. Members are requested to write to the Company on [shares@bhartiya.com](mailto:shares@bhartiya.com) for inspection of said documents; and

- b. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act will be available for inspection by the members during the AGM by following the steps mentioned at note no. 20 (d) "Step 1: Access to NSDL e-Voting system". After successful login members will be able to view the documents for inspection by clicking on the link available against the EVEN (116911) of the Company.

## **22. Transfer of Unclaimed Dividend Amounts to the Investor Education and Protection Fund (IEPF):**

- a. Pursuant to the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends that are unpaid or unclaimed for a period of 7 (seven) years from the date of their transfer are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.
- b. During the financial year 2020-21, the Company has transferred to IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount in Dividend (In Rs.)	No. of Shares
<b>Final Dividend 2012-13</b>	140,933.00	8190

- c. The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at [www.bhartiya.com](http://www.bhartiya.com) and the said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in).
23. SEBI has mandated the submission of PAN by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases, viz. (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.
24. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September, 2020 read with SEBI circular no. SEBI/HO/ MIRSD/RTAMB/CIR/P/2020/236 dated 2nd December, 2020 had fixed 31st March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or MAS Services Limited for assistance in this regard.
25. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to MAS Services Limited. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility. The Form SH-13 is available on the website of the Company at [www.bhartiya.com](http://www.bhartiya.com).

## **STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS**

### **ITEM NOS. 3 & 4**

The Company is desirous of utilizing the expertise of Mr. Robert Burton Moore Jr., Director for business requirements and hence wants to pay consultancy fees to him towards his appointment as Consultant for Marketing of our business.

As such, Mr. Robert Burton Moore Jr. will hold office or place of profit in the Company within the meaning of Section 188 of the Companies Act, 2013.

As per provisions of section 188 (1)(f) read with rule 3(b) of Companies (Meetings of Board and its Powers) Rules, 2014 approval of shareholders is required if the monthly remuneration of such person exceeds Rs. 2,50,000/-per month. Since the company is benefitted from the services of the above-mentioned Director holding office or place of profit in the Company, the Board has sanctioned his consultancy fees exceeding Rs. 2,50,000/- per month which is justified.

Copy of Appointment Letter setting out terms and conditions of his appointment is available for inspection by Members till the Annual General Meeting as per details mentioned in the Notes.

Further, in terms of the notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is required every year, if the remuneration payable to a single Non-Executive Director in that year exceeds 50% of the aggregate remuneration payable to all the Non-Executive Directors taken together. Your approval is therefore sought for the payment of remuneration upto Rs. 90 Lakhs towards Consultancy fees for Marketing of the Company's business, to Mr. Robert Burton Moore Jr. for the financial year 2021-22.

Mr. Robert Burton Moore Jr. is interested in the resolution set out at Item No. 3&4 of the Notice, which pertains to his appointment and his holding position of office or place of profit.

The relatives of Mr. Robert Burton Moore Jr. may be deemed to be interested in the resolutions set out at Item No. 3 & 4 of the Notice, to the extent of their shareholding interest, if any, in the Company. None of the other Directors /KMP are interested in the aforesaid resolution.

The Board accordingly recommends the ordinary and special resolutions as set forth in Item Nos. 3 & 4 for the approval of the members.

Brief resume of Mr. Robert Burton Moore Jr., nature of his expertise in specific functional areas, name of companies in which he holds directorship and memberships/chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Secretarial Standards and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in Annexure-A of the Notice.

#### ITEM NO.5

Members of the Company are requested to note the Board had in its meeting held on, 29<sup>th</sup> October, 2015, appointed Mr. Manoj Khattar (DIN: 00694981), as Whole-time Director of the Company for a period of five years w.e.f. 13<sup>th</sup> August, 2018; however, remuneration was approved for three years. Such appointment and remuneration later approved by shareholders in their annual general meeting held on 28<sup>th</sup> September, 2018. The approval for remuneration expired on 12<sup>th</sup> August, 2021.

The Board of Directors in its meeting held on 13<sup>th</sup> August, 2021, on recommendation/approval of Nomination and Remuneration Committee and Audit Committee respectively and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, has accorded to approve the remuneration of Mr. Manoj Khattar, Whole-time Director of the Company, w.e.f. 13<sup>th</sup> August, 2021 for his remaining tenure on the same terms and conditions as previously approved by members in their Annual General Meeting held on 28<sup>th</sup> September, 2018 as follow:

The material terms of appointment and remuneration as set out in his appointment letter are given below:-

S. No.	Particulars	Amount per annum (In Rs.)
1.	Basic Salary	50,00,000
2.	Personal Pay, Perquisites and Allowances	55,00,000
3.	Variable Pay	20,00,000
Total		1,25,00,000

The scope and quantum of remuneration and perquisites specified above herein may be enhanced, enlarged, widened, altered or varied by the Board of Directors upto 15% per annum at any given point of time in the light of and in conformity of the Companies Act, 2013 and or/ the rules and regulations made thereunder and/or such guidelines as may be announced by Central Government from time to time. Other benefits & perquisites would remain unchanged; for part of a year remuneration to be paid proportionately.

Mr. Manoj Khattar has the overall responsibility for all financial matters including capital-budgeting, planning & management, internal controls and audit. Mr. Manoj Khattar is not debarred from holding the office of director pursuant to any SEBI order.

The terms as set out in the resolution may be treated as an abstract of the terms of appointment pursuant to Section 196, 197 of the Companies Act, 2013.

As the remuneration exceeds the limit mentioned under Schedule V of the Companies Act, 2013, shareholders' approval is being sought through Special Resolution as set out in Item No. 5 of the Notice of 34<sup>th</sup> Annual General Meeting for approval of the remuneration of Mr. Manoj Khattar, Whole-time Director of the Company with effect from 13<sup>th</sup> August, 2021 to 12<sup>th</sup> August, 2023.

The disclosures prescribed under Regulation 36 of the Listing Regulations read with the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') are provided in the Notice.

Except Mr. Manoj Khattar, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested (financially or otherwise) in the proposed resolution(s) mentioned at item no. 5. The Board recommends the passing of the resolution(s) as set out at item no. 5 as Special Resolution.

**ANNEXURE — A**

**Pursuant to Secretarial Standard and Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the details of the Directors seeking appointment/re-appointment/fixation of remuneration/variation of the term of remuneration at the forthcoming Annual General Meeting:**

<b>Name of Director</b>	Mr. Robert Burton Moore Jr.		Mr. Manoj Khattar	
<b>Date of Birth</b>	18/09/1950		14/08/1961	
<b>DIN</b>	08108097		00694981	
<b>Nationality</b>	United States of America		Indian	
<b>Qualifications</b>	BBA degree (Marketing and Accounts) from The University of Mississippi, Oxford, Mississippi, USA		Chartered Accountant	
<b>Date of first appointment on the Board</b>	16/04/2018		13/08/2018	
<b>Expertise/Experience in specific functional areas</b>	Marketing expert studied at University of Mississippi; received Taylor Medal in 1988. Was named among the 20 Most Powerful Tanners in World in Leather International Magazine, 2012.		Capital-budgeting, planning & management, internal controls and audit and other financial matters	
<b>Directorships held in other companies</b>	Rocky Brands Inc. (Overseas Company)		Bhartiya Fashion Retail Limited J & J Leather Enterprises Limited Bhartiya Urban Private Limited Milestone Buildcon Private Limited Bhartiya Global Ventures Private Limited Bhartiya Urban Infrastructure Limited Tada Mega Leather Cluster Private Limited Bhartiya Global Marketing Limited Bhartiya Smart Cities Private Limited Bhartiya Infrastructure Private Limited Bhartiya International SEZ Limited SA Holdings Limited (Overseas Company)	
<b>Relationship with other Directors, Manager and other KMP of the Company</b>	NIL		NIL	
<b>Terms and conditions of appointment/continuation of Directorship</b>	In accordance with provisions of Section 197 and 188 of the Companies Act, 2013		In accordance with provisions of Section 188, 196, 197, 198 of the Companies Act, 2013	
<b>Details of last Remuneration drawn (F.Y. 2020–21)</b>	Rs. 74,67,148/-		Rs. 73,40,520/-	
<b>Details of proposed Remuneration</b>	Rs. 90 lakhs towards consultancy fees		Refer Explanatory statement of item no. 5	
<b>Number of Meetings of the Board attended during the F.Y. 2020–21</b>	Board Meetings Attended	No. of Board Meetings held	Board Meetings Attended	No. of Board Meetings held
	4	4	4	4
<b>Chairman / Member of the Committee of the Board of Directors of this Company</b>	Chairman / Member	Name of the Committees	Chairman / Member	Name of the Committees
	-	-	Member	Management Committee
<b>Committee Membership in other Companies</b>	Name of the Committees	Chairman/Member	Name of the Company	Name of the Committees
			Bhartiya International SEZ Limited	Member of Audit Committee, and Nomination and Remuneration Committee
<b>Shareholding in the Company as on 31<sup>st</sup> March, 2021</b>	-		2025 Equity Shares	

ANNUAL

2020-2021

# REPORT

*Design-led.*

*Innovative.*

*Sustainable.*

*Reliable.*



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# FROM THE CHAIRMAN



Dear Shareholders,

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

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

Our strategic priorities:

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

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

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

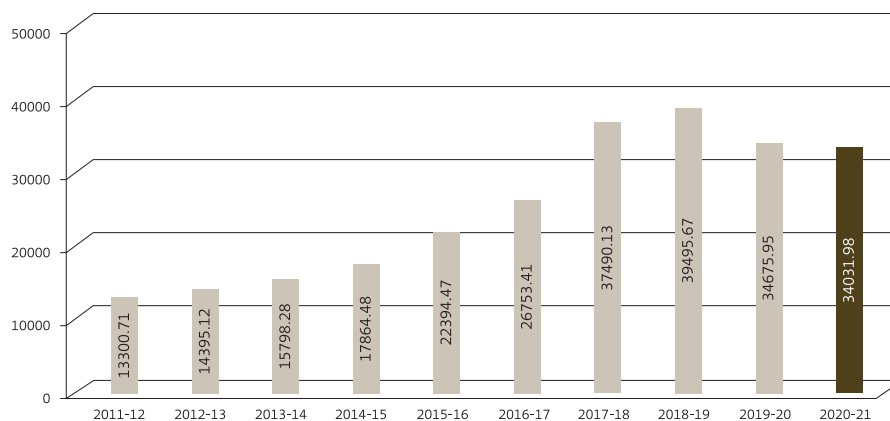
I am incredibly proud of our employees and grateful for their strength, resilience, determination and commitment throughout this difficult year. On behalf of the entire Bhartiya International organization, I thank our shareholders and stakeholders for your continued support.

Sincerely,

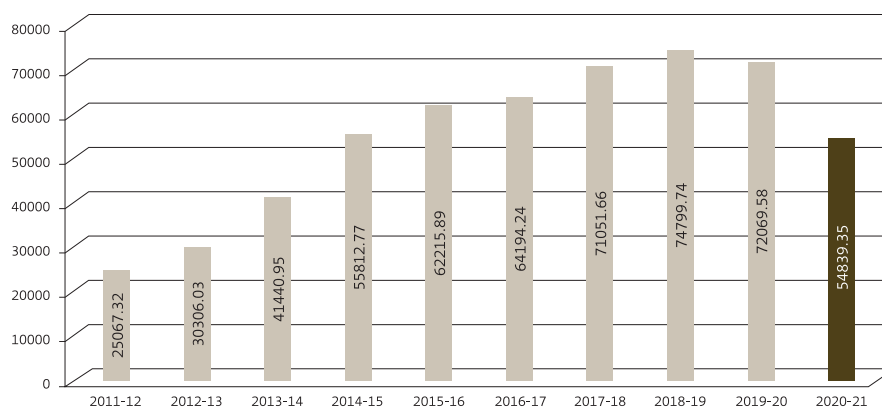
Snehdeep Aggarwal  
Chairman

# PERFORMANCE HIGHLIGHTS

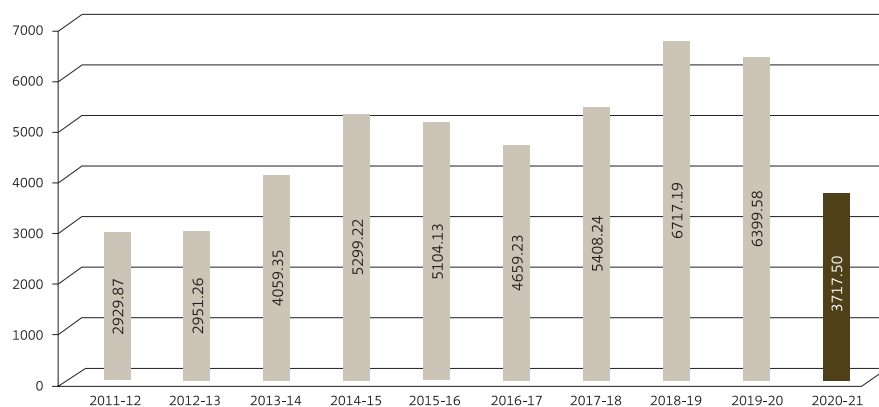
**Net Worth (Rs. in Lakhs)**



**Turnover (Rs. in Lakhs)**



**EBITDA (Rs. in Lakhs)**



## DIRECTORS & KMP

**SNEHDEEP AGGARWAL**  
Chairman

**MANOJ KHATTAR**  
Whole Time Director

**RAMESH BHATIA**  
Director

**NIKHIL AGGARWAL**  
Director

**ROBERT BURTON MOORE JR.**  
Director

**SHASHANK**  
Independent Director

**A. SAHASRANAMAN**  
Independent Director

**C. L. HANDA**  
Independent Director

**SANDEEP SETH**  
Independent Director

**SANNOVANDA MACHAIAH SWATHI**  
Independent Director

**RAJ KUMAR CHAWLA**  
Chief Financial Officer

**YOGESH KUMAR GAUTAM**  
Company Secretary

## AUDITORS

KASG & Co., Gurugram

## BANKERS

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

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

### DELHI

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

### GURUGRAM

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

### BENGALURU

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

### CHENNAI

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

### TADA

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

### ITALY

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

### HONGKONG

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

### Design Industry Limited

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

### SWITZERLAND

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

### CHINA

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

### BANGLADESH

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

## INDUSTRY UPDATE

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

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

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

## ABOUT THE COMPANY

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

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

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



## KEY BUSINESS DIVISIONS

### LEATHER GARMENTS DIVISION

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

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

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

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

## ACCESSORIES DIVISION

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



## TEXTILE OUTERWEAR DIVISION

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



## VIRTUAL MANUFACTURING DIVISION

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

Key features of the business division are:

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



## LEATHER FINISHING DIVISION: LEADING THE SUSTAINABILITY INITIATIVE

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

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

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



## HUMAN RESOURCE

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

## INTERNAL CONTROL

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



## SIGNIFICANT CHANGES IN FANANCIAL RATIOS

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

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

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

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

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

## RISK MANAGEMENT

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

## CAUTIONARY STATEMENT

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



# BHARTIYA CITY, BENGALURU, INDIA



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

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

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

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

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

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



## BOARD'S REPORT

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

### FINANCIAL RESULTS

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

(Rs. in Lakhs)

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

### PERFORMANCE REVIEW

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

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

### IMPACT OF COVID-19

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

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

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

## DIVIDEND

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

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

## RESERVES

During the period under review, an amount of Rs. 1.83 Crore has been transferred to Reserves of the Company.

## SHARE CAPITAL

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

Dates	Description	No. of shares	Total value of shares (₹)
01/04/2020	Share Capital at the beginning of the year	12201869	122018690
<b>Addition</b>			
23/11/2020	Equity Shares allotted pursuant to ESOP Scheme	500	5000
31/03/2021	Share Capital at the end of the year	12202369	122023690

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

## CREDIT RATING

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

## EMPLOYEES STOCK OPTION PLAN

During the year under review, the Company has allotted 500 equity shares of Rs. 10/- each on exercise of vested options by certain employees of the Company and its subsidiaries.

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

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

Statement Pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 as at 31st March 2021, are set out in **Annexure A** to this Report.

## MATERIAL CHANGES AND COMMITMENTS

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

## FINANCIAL STATEMENTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on 31<sup>st</sup> March, 2021 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31<sup>st</sup> March, 2021.

## DETAILS AND PERFORMANCE OF SUBSIDIARY COMPANIES

### Domestic Subsidiaries

#### Bhartiya Global Marketing Ltd

It is a Global Marketing Company engaged in export of textile and leather garments. The net loss was reported at Rs. 0.18 lakhs during the financial year 2020-21.

#### J&J Leather Enterprises Ltd.

This Company is a tannery to support our leather garments and accessories business through conversion of wet blue leather into finished leather. The total revenues of the Company was Rs. 11766.74 lakhs and the net loss was Rs. 63.40 lakhs during the financial year 2020-21.

#### Bhartiya International SEZ Ltd.

The Company is incorporated to develop sector specific Special Economic Zone (SEZ) of Leather & Leather Products. It is a joint venture between Bhartiya International Ltd. and Andhra Pradesh Industrial Infrastructure Corporation. The total revenues of the Company was Rs. 46.00 lakhs and the net loss was Rs. 27.25 lakhs during the financial year 2020-21.

#### Bhartiya Fashion Retail Ltd.

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

#### Bhartiya Urban Infrastructure Ltd

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

### Overseas Subsidiaries

#### Ultima S.A. Switzerland

The Company is engaged in marketing and selling of outwears including leather garments, accessories and textile products in Europe. The total revenues of the Company was CHF 13,696,996.79 and the net profit was CHF 258,422.44 during the financial year 2020-21.

#### World Fashion Trade Ltd, Mauritius

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

#### Ultima Italia SRL, Italy

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

#### Design Industry Ltd, Hongkong

This company is engaged in sourcing of outerwear (including leather, PU Garments, fashion accessories) and textile product from China and India for marketing and selling in Europe. The total revenues of the Company were HK\$ 67,844,815 and the net profit was HK\$ 2,359,828.

#### Design Industry China Ltd, China

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

### New Subsidiary /Associate Company Incorporated / Dissolved during the year

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

## Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

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

## CORPORATE GOVERNANCE

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

## MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

## ANNUAL RETURN

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

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

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

BSE Limited

National Stock Exchange of India Limited

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

## DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Manoj Khattar (DIN: 00694981), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors recommends his re-appointment and the matter is being placed for the approval of members at the ensuing Annual General Meeting of the Company.

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

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

## KEY MANAGERIAL PERSONNEL

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

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

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

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

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

## COMMITTEES

The Board of Directors has the following mandatory Committees:

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

The details of the composition of Committees, terms of reference and numbers of Meetings held during the Financial Year 2020-21 is provided in the Corporate Governance Report.

## NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

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

## BOARD EVALUATION

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

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

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

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

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

## NUMBER OF MEETINGS OF THE BOARD

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

## COMPLIANCE OF SECRETARIAL STANDARDS

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

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company ([www.bhartiya.com](http://www.bhartiya.com)).

## RELATED PARTY TRANSACTIONS

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

Directors or Key Managerial Personnel. All related party transactions are mentioned in the Notes to the Financial Statements. All related party transactions are placed before the Audit Committee as also to the Board for approval.

Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature with Related Parties. A statement giving details of all the related party transactions are placed before the Audit Committee and Board for review and approval on a quarterly basis.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web link of the same is [www.bhartiya.com](http://www.bhartiya.com). None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

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

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a.) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b.) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March, 2021 and of the profit of the company for the year ended on that date;
- (c.) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d.) that the annual accounts have been prepared on a going concern basis; and
- (e.) that the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f.) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **STATUTORY AUDIT**

At the Annual General Meeting (AGM) held on 27<sup>th</sup> September, 2017, M/s. K A S G & Co., Chartered Accountants (Firm Registration No. 002228C) were appointed as the Statutory Auditors of the Company for an initial term of 5 years. The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7<sup>th</sup> May, 2018, has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 34<sup>th</sup> Annual General Meeting.

The Report given by M/s. K A S G & Co., Chartered Accountants, Statutory Auditors on the financial statement of the Company for the year 2020-21 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

### **COST AUDIT AND MAINTANANCE OF COST RECORD**

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company for the financial year 2021-22.

Further, maintenance of cost record as specified by the Central Government, under sub-section-1 of Section 148 of the Companies Act, 2013 is not required.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had

appointed Mr. Ravi Sharma., Practicing Company Secretary, FCS NO. 4468, C. P. NO. 3666 from M/s. RSM & Co. to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **Annexure 'B'** and forms an integral part of this Report. There is no secretarial audit qualification for the year under review.

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

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

## **RISK MANAGEMENT**

The Company has adequate risk management process to identify and notify the board of directors about the risks or opportunities that could have an adverse impact on the Company's operations or that could be exploited to maximize the gains. The processes and procedures are in place to act in a time bound manner to manage the risks or opportunities. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. Bhartiya International's exposure to foreign currency risk is restricted to its imports and exports. These risks are minimized through well-thought-out financial operations, astute treasury management and effective use of hedge options.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the company has undertaken projects in the area of education, rural development projects & infrastructure and sanitation. These projects are in accordance with Schedule VII of the Act and the Company's CSR policy.

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

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

## **ENVIRONMENT AND SAFETY**

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

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

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

Information in accordance with the provision of Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March, 2021 on the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo is given in the **Annexure D** forming part of this report.

## HUMAN RESOURCES

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

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

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

## PARTICULARS OF EMPLOYEES

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

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

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

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

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

## DEMAT SUSPENSE ACCOUNT FOR UNCLAIMED SHARES

There are no unclaimed shares of the Company.

## PUBLIC DEPOSIT

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

## BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Reporting as required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is not applicable to your Company for the financial year ending 31<sup>st</sup> March, 2021.

## AWARDS AND ACCOLADES

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

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

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

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

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

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

### **GENERAL**

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

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

### **ACKNOWLEDGEMENTS**

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

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

**For and on behalf of the Board**

**Snehdeep Aggarwal**  
Chairman  
DIN: 00928080

Gurugram, 13<sup>th</sup> August, 2021

## Annexure A

### ESOP DISCLOSURE

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

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

Relevant disclosures in terms of the "Guidance note on accounting for employee share-based payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time are provided on the weblink: [\[www.bhartiya.com\]](http://www.bhartiya.com)

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

Details related to Employees Stock Option Plan, 2013

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

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

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

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

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

A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: Date of Grant Weighted average share price Exercise price Expected volatility Option life (comprising of weighted average of vesting period and exercise period) Expected dividends Risk free rate of return	<b>September 16, 2015</b>	<b>December 31, 2015</b>	<b>February 03, 2018</b>	<b>April 05, 2018</b>
	Rs. 468.70	Rs 521.15	Rs. 463.55	Rs. 410.15
	Rs. 50.00	Rs. 50.00	Rs. 450.00	Rs. 330.00
	46.11%	45.56%	39.22%	36.78%
	4.50 years	4.50 years	5.50 years	5.50 years
	0.21%	0.19%	0.26%	0.29%
	7.80%	7.60%	7.55%	7.22%
The method used and the assumptions made to incorporate the effects of expected early exercise	Historical data for early exercise of Options is not accurate / uniform, hence not considered in expected life calculations.			
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over twelve months period prior to the date of grant has been considered.			
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	No other feature has been considered for fair valuation of options except as mentioned in the points above.			

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

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021

*[Pursuant to section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies]  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014*

The Members

Bhartiya International Ltd

56/7, Nallambakkam Village (Via Vandalur),

Chennai, Tamil Nadu 600127

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance – Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of :-

1. The Companies Act, 2013("the Act") and Rules made thereunder as amended/modified;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; to the extent applicable
  - (d) The Securities and Exchange Board of India ( Share Based Employee Benefits) Regulations 2014,
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable to the Company during the audit period);**
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar and Transfer Agent during the audit period);**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period) ;**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not applicable to the Company during the audit period).** and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. We further report that, we relied on the representation made by the Company and its officer for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company;
7. We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

8. We have also examined compliance with the applicable clauses of Secretarial Standard with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

9. We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and

Majority of decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or committee of the Board, as the case may be.

There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

10. We further report that during the audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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

**For RSM & CO.**  
**Company Secretaries**

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

New Delhi, 13<sup>th</sup> August, 2021

The Members

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

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

1. Due to pandemic situation and entire lockdown in the country, we have verified the documents virtually and no physical verification was done by us.
2. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the Secretarial Records based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial and books of accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable Laws, rule and regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company

**For RSM & CO.**  
**Company Secretaries**

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

New Delhi, 13<sup>th</sup> August, 2021

## ANNEXURE C

### ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21

#### 1. Brief outline on CSR Policy of the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**For and on behalf of the Board**

Snehdeep Aggarwal  
Chairman  
DIN: 00928080

Gurugram, 13<sup>th</sup> August, 2021

## Annexure D

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

### a. Conservation of Energy

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

### b. Technology Absorption

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

### c. Foreign Exchange Earnings & Outgo

The information on foreign exchange earnings and outgo are

Earnings: Rs. 35,912.50 Lakhs

Expenditure: Rs. 10,908.64 Lakhs

### For and on behalf of the Board

Snehdeep Aggarwal  
Chairman  
DIN: 00928080

Gurugram, 13<sup>th</sup> August, 2021

## CORPORATE GOVERNANCE REPORT

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

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

The detailed Corporate Governance Report of BIL is as follows:

### BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

**b. Number of Board Meetings:**

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

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

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

The attendance of Directors at the Board meetings held during the financial year ended 31<sup>st</sup> March, 2021 and at the previous Annual General Meeting (AGM) was as under:

<b>Name of Director</b>	<b>No. of Board Meetings Attended *</b>	<b>Attendance at Last AGM</b>
Mr. Snehdeep Aggarwal	4	Absent
Mr. Manoj Khattar	4	Present
Mr. Ramesh Bhatia	4	Absent
Mr. C. L. Handa	4	Present
Mr. Sandeep Seth	4	Present
Mr. Shashank	4	Absent
Mr. A. Sahasranaman	4	Absent
Mr. Nikhil Aggarwal	4	Absent
Mr. Robert Burton Moore Jr.	4	Absent
Mrs. Sannovanda Swathi Machaiah	3	Absent
Mrs. Annapurna Dixit**	1	N.A.

\* Includes Meeting attended through Video/Tele Conference.

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

### **Selection of Independent Directors**

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

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

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

### **c. Skills/expertise/competencies of the Board**

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

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

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

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

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

**d. Information Supplied to the Board**

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

**e. Post Meeting Mechanism**

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

**f. Board Support**

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

**g. Shareholding of Non-Executive Directors**

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

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

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

**h. Roles, Responsibilities and Duties of the Board**

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

**i. Independent Directors**

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

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

**j. Familiarization Programme for Independent Directors**

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

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

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

**k. Conflict of Interests**

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

**COMMITTEES OF THE BOARD**

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

The Board has currently the following Committees:

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

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

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

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

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

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

The Members of the Audit Committee met four times during the Financial Year 2020-21. The Company is in full compliance with the provisions of Regulation 18 of the SEBI Listing Regulations on gaps between any two Audit Committee meetings. The Committee met on 29<sup>th</sup> June, 2020, 12<sup>th</sup> August, 2020, 12<sup>th</sup> November, 2020 and 12<sup>th</sup> February, 2021. The necessary quorum was present for all Meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company. The Table below provides the attendance of the Audit Committee members:

Director	29.06.2020	12.08.2020	12.11.2020	12.02.2021
Mr. Sandeep Seth	P	P	P	P
Mr. Shashank	P	P	P	P
Mr. C.L. Handa	P	P	P	P

**(iii) Terms of Reference**

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

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

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

## **B. NOMINATION AND REMUNERATION COMMITTEE**

### **(i) Composition**

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

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

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

<b>Director</b>	<b>29.06.2020</b>	<b>12.11.2020</b>	<b>23.11.2020</b>
Mr. Sandeep Seth	P	P	P
Mr. Shashank	P	P	P
Mr. C.L. Handa	P	P	P

### **(iii) Terms of reference**

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

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

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

#### (iv) Remuneration of Directors

##### Remuneration to Whole-Time Director (Executive Director)

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

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

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

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

##### Remuneration to Non- Executive Directors

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

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

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

\* The above amounts are inclusive of taxes

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

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

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

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

#### **BOARD EVALUATION**

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

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

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

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

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

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

## C. STAKEHOLDERS RELATIONSHIP COMMITTEE

### (i) Composition

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

Company Secretary acts as Secretary to the Committee.

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

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

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

### (iii) Terms of Reference

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

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

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

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

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

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

Two Meetings of the Committee were held during the year.

Director	12.11.2020	10.02.2021
Mr. Snehdeep Aggarwal	P	P
Mr. Ramesh Bhatia	A	A
Mr. Sandeep Seth	P	P

**(iii) Terms of reference**

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

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

Considering the cause behind the formation of the CSR Committee, the members have refused to take sitting fees.

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

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

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

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

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

**(iii) Terms of Reference**

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

- Availing term loans/working capital facilities/vehicle loans for business purposes from banks/financial institutions for an amount not exceeding Rs.700 crore including accepting sanction letters and renewal of existing bank limits, forex transactions and all such matters which are required for dealing with the banks/financial institutions on routine basis.
- Authorisation for dealing/liaising with various Statutory/Regulatory authorities including state, central authorities viz., Income Tax, FEMA, MCA, SEBI, Pollution Control Board, Municipal Corporation, Telecom authorities, Service Tax authorities, VAT authorities, GST authorities etc. and vendors.
- Authorisation for opening and closing of bank accounts, changes in signatories for operating the bank accounts etc.
- Authorisation for making investments in securities quoted on the stock exchanges.
- Authorisation for making investments in group companies.
- To take up any other assignments as may be granted by the Board from time to time.

**F. MEETING OF INDEPENDENT DIRECTORS**

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

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

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

**GENERAL BODY MEETINGS**

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

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

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

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

**Special Resolution proposed to be passed by way of Postal Ballot**

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

**CREDIT RATING**

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

## MEANS OF COMMUNICATION

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

## GENERAL SHAREHOLDER INFORMATION

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

### 5. Listing on Stock Exchanges & Stock Code

The Company is listed at following Stock Exchanges:-

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

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

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

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

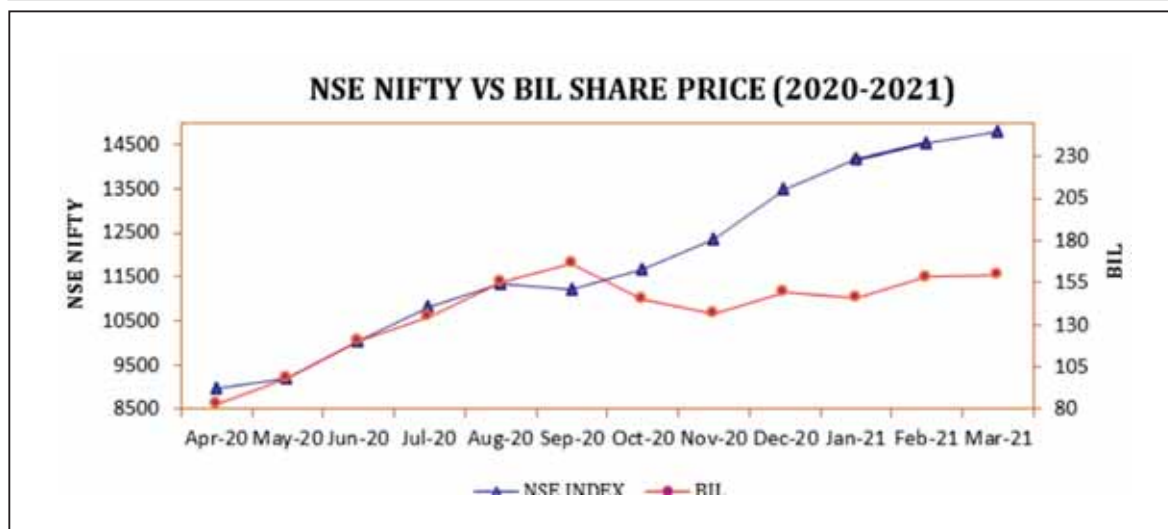
The E-mail ID [sm@masserv.com](mailto:sm@masserv.com) has been designated exclusively for communicating investors' grievances, if any

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

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

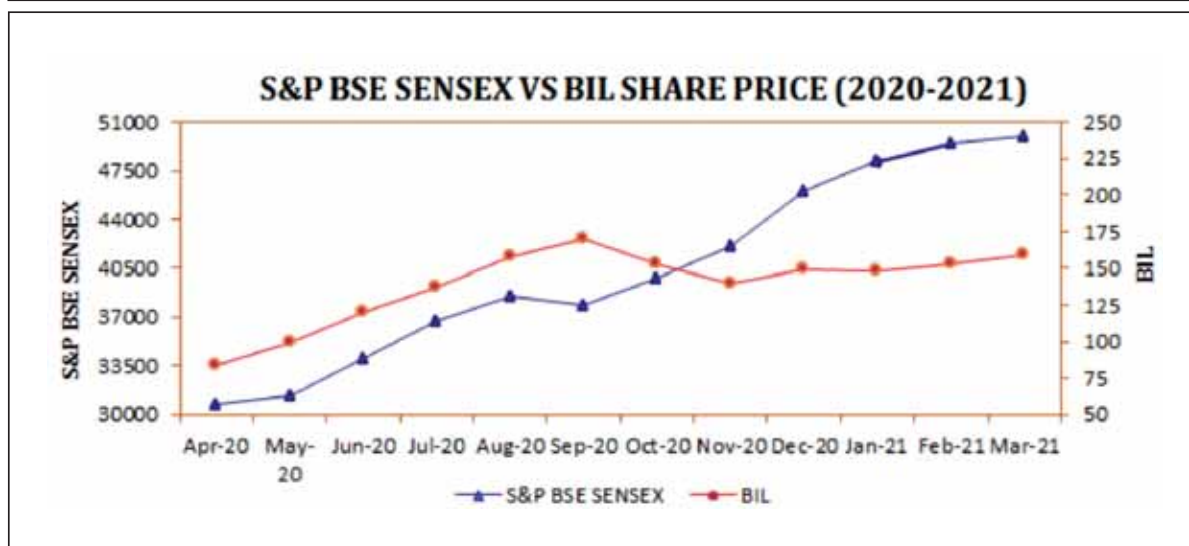
**NSE**

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

**BSE**

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

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



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

**9. Physical Share Transfer System:**

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

**10. Distribution of Shareholding as on 31<sup>st</sup> March, 2021**

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

**11. Shareholding Pattern as on 31<sup>st</sup> March, 2021**

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

- 12. Dematerialization of shares and liquidity share** : As on 31<sup>st</sup> March, 2021, 99.15% of the Paid-up capital has been dematerialized.
- 13. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity** : During the year under review, the Company had allotted 500 equity shares under Employee Stock Option 2013 to the employees of the Company who had exercised their right to convert stock options into Equity shares. This results in increase in paid up Equity Capital to Rs. 12,20,23,690/-.
- 14. Plant Locations** : Bangalore, Chennai, Tada.
- 15. Address for Correspondence** : Registered Office  
Bhartiya International Limited  
56/7, Nallambakkam Village,  
(Via Vandalur), Chennai – 600 048. Tamil Nadu  
Tel No.: +91 9551050148/19/20/21  
E-mail: [shares@bhartiya.com](mailto:shares@bhartiya.com)
- Company Secretary and Compliance Officer  
Mr. Yogesh Kumar Gautam  
Bhartiya International Limited  
56/7, Nallambakkam Village,  
(Via Vandalur), Chennai –600 048. Tamil Nadu  
Tel No.: +91 9551050148/19/20/21  
E-mail: [shares@bhartiya.com](mailto:shares@bhartiya.com)

**DISCLOSURES**

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

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

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

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

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

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

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

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

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

#### **NON-MANDATORY REQUIREMENTS**

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

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

## **Insider Trading Code**

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

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

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

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

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

## **Code of Conduct**

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

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

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

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

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

## **SEBI COMPLAINT REDRESS SYSTEM (SCORES)**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)**

MDA is attached separately in this Annual Report.

## **Reconciliation of Share Capital Audit:**

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

## **Corporate Identity Number (CIN)**

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

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

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

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

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

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

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

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

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

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

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

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

**Dematerialization of Shares — Process**

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

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

### **Nomination Facility**

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

### **Consolidation of Folios and avoidance of Multiple Mailing**

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

### **National Electronic Clearing Services (NECS) Mandate**

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

### **Compliance Certificate**

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

**CODE OF CONDUCT DECLARATION****Declaration**

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

Gurugram, 29<sup>th</sup> June, 2021

Sd/-  
**Snehdeep Aggarwal**  
Chairman

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,

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

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

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

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

**For RSM & CO.**  
**Company Secretaries**

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

New Delhi, 13<sup>th</sup> August, 2021

**CEO/CFO CERTIFICATION**

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

To,  
The Board of Directors  
Bhartiya International Limited

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

- A. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2021 and that to the best of our knowledge and belief:
  1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2021 are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D.
  - i. There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii. There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii. We are not aware of any instance during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For and on behalf of the Board**

Gurugram, 13<sup>th</sup> August, 2021

Sd/-  
**Manoj Khattar**  
Whole-Time Director

Sd/-  
**Raj Kumar Chawla**  
Chief Financial Officer

**AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members  
Bhartiya International Limited.

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

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

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

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

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

Firm Registration No. 002228C  
Chartered Accountants

**R B Sharma**

Partner  
Mem. No. 075701  
UDIN: 21075701AAAAAS7596

Gurugram, 13<sup>th</sup> August, 2021

# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**To the Members of**

**Bhartiya International Ltd**

**Report on the Consolidated Financial Statements**

## Opinion

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

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

## Basis for Opinion

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

## Key Audit Matters

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

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

### **Emphasis of Matter**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Other Matters**

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

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

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

### **Report on other legal and regulatory requirements**

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind As) specified under Section 133 of the Act.

- e. On the basis of the written representations received from the directors of the Holding Company as on March 31<sup>st</sup>, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31<sup>st</sup>, 2021 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Holding Company and its Indian Subsidiaries to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group & its associates.
  - ii) The provision has been made in the Consolidated Financial Statement as required under the applicable law or Ind As, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

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

Gurugram, 29th June, 2021

## ANNEXURE TO THE AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31<sup>st</sup>, 2021, we have audited the internal financial controls over financial reporting of Bhartiya International Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

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

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

Chartered Accountants

Firm's Registration No. 002228C

**R. B.Sharma**

Partner

Mem. No. 075701

UDIN: 21035701AAAAAM8977

Gurugram, 29th June, 2021

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

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

As per our report of even date attached

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

Chartered Accountants

Firm Reg. No. 002228C

**R.B.Sharma**

Partner

Mem. No. 075701

**Yogesh Kumar Gautam**

Company Secretary

**Raj Kumar Chawla**

Chief Financial Officer

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

Whole Time Director

DIN: 00694981

**Ramesh Bhatia**

Director

DIN: 0052320

Gurugram, 29th June, 2021

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

Rs. in Lakhs

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

As per our report of even date attached

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

Chartered Accountants

Firm Reg. No. 002228C

**R.B.Sharma**

Partner

Mem. No. 075701

**Yogesh Kumar Gautam**

Company Secretary

**Raj Kumar Chawla**

Chief Financial Officer

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

Whole Time Director

DIN: 00694981

**Ramesh Bhatia**

Director

DIN: 0052320

Gurugram, 29th June, 2021

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

## Equity Share Capital

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

## Other Equity (Refer note no. 21 )

Particulars	Reserves and Surplus									Total	
	Share application money pending for allotment	Employee Stock Options outstanding	Preferential share Warrant Forfeited	" Non-controlling Interest "	Foreign Currency Translation Reserve (FCTR)	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		Other Comprehensive Income(defined benefit plan)
<b>Balance as at 31st March, 2019</b>	-	227.14	925.75	147.56	178.49	8,470.77	7,798.20	3,306.53	17,229.98	(8.17)	38,276.25
Profit for the year	-	-	-	(1.62)	-	-	-	-	2,127.31	-	2,125.69
Other comprehensive income for the year	-	-	-	0.03	-	-	-	-	-	29.85	29.88
Securities premium on issue of share	-	-	-	-	-	-	36.26	-	-	-	36.26
Transfer from Retained Earning to General Reserve	-	-	-	-	-	-	-	-	(200.00)	-	(200.00)
Transfer to General Reserve	-	-	-	-	-	-	-	200.00	-	-	200.00
Employee Stock Option Reserve for the year	-	37.01	-	-	-	-	-	-	-	-	37.01
Transfer to Security premium on issue of share	-	(33.18)	-	-	-	-	-	-	-	-	(33.18)
Dividends & Dividends distribution tax	-	-	-	-	-	-	-	-	(176.75)	-	(176.75)
Currency Fluctuation Reserve	-	-	-	-	517.51	-	-	-	-	-	517.51
Share of Associate Prior period Profit Adj.	-	-	-	-	-	-	-	-	(7,356.91)	-	(7,356.91)
<b>Balance as at 31st March, 2020</b>	-	230.97	925.75	145.97	696.00	8,470.77	7,834.46	3,506.53	11,623.63	21.68	33,455.76
Profit for the year	-	-	-	(3.01)	-	-	-	-	(614.66)	-	(617.67)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	25.76	25.76
Securities premium on issue of share	-	-	-	-	-	-	2.35	-	-	-	2.35
Transfer to Security premium on issue of share	-	(2.15)	-	-	-	-	-	-	-	-	(2.15)
Transfer from ESOP	-	(118.85)	-	-	-	-	-	118.85	-	-	-
Currency Fluctuation Reserve	-	-	-	-	(52.68)	-	-	-	-	-	(52.68)
Money Received during the year	0.37	-	-	-	-	-	-	-	-	-	0.37
<b>Balance as at 31st March, 2021</b>	0.37	109.97	925.75	142.96	643.32	8,470.77	7,836.81	3,625.38	11,008.97	47.44	32,811.74
<b>Component of other Equity</b>											
Securities Premium											
General Reserve											
<b>Nature and Purpose</b> Represents amount received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013. Represents accumulated profits set apart by way of transfer from current year profits or/and retained earnings for "other than specified purposes".											
General Reserve											

**Nature and Purpose**  
Represents amount received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.  
Represents accumulated profits set apart by way of transfer from current year profits or/and retained earnings for "other than specified purposes".

As per our report of even date attached

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

Chartered Accountants  
Firm Reg. No. 002228C

**R.B.Sharma**

Partner  
Mem. No. 075701

Gurugram, 29th June, 2021

**For and on behalf of the Board**

**Yogesh Kumar Gautam**

Company Secretary

**Manoj Khattar**

Whole Time Director  
DIN: 00694981

**Ramesh Bhatia**

Director  
DIN: 0052320

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

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

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

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

As per our report of even date attached

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

Chartered Accountants

Firm Reg. No. 002228C

**R.B.Sharma**

Partner

Mem. No. 075701

Gurugram, 29th June, 2021

**Yogesh Kumar Gautam**

Company Secretary

**Raj Kumar Chawla**

Chief Financial Officer

**For and on behalf of the Board**

**Manoj Khattar**

Whole Time Director

DIN: 00694981

**Ramesh Bhatia**

Director

DIN: 0052320

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

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

### 2 BASIS OF PREPARATION

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

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

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

### 3 Principles of Consolidation

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

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

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

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

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

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

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

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

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

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

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

### 4 SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Property, Plant and Equipment

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

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

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

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

### 4.2 Investment Properties

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

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

### 4.3 Intangible Assets

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

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

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

### 4.4 Lease

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

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

#### Company as a Lessee

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

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

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

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

#### (ii) Lease Liabilities

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

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

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

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

#### Company as a Lessor

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

### 4.5 Inventories

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

### 4.6 Cash & Cash Equivalents

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

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

### 4.7 Employee Benefits

#### Defined Contribution Plan

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

#### Defined Benefit Plan

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

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

### 4.8 Financial instruments

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

#### Financial Assets

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

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

#### Financial Assets are subsequently classified as measured at

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

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

### Debt Instruments:

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

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

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

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

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

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

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

### Equity Instruments:

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

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

### Derecognition

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

### Financial Liabilities

#### Initial Recognition and Measurement

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

#### Subsequent Measurement

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

### Loans and Borrowings

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

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

### Trade and Other Payable

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

### Derecognition

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

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

### Derivative Instruments:

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

### 4.9 Provision and Contingent Liabilities

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

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

### 4.10 Revenue Recognition

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

#### Revenue from Services

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

#### Other operating revenue – Export incentives

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

#### Interest Income

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

#### Dividend Income

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

### 4.11 Foreign Currency Translation

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

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

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

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

### 4.12 Income Tax

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

#### Current Tax

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

#### Deferred Tax

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

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

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

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

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

### 4.13 Earning per share

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

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

### 4.14 Borrowing Cost

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

### 4.15 Government Grants

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

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

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

### 4.16 Share Based Payment

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

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

### 4.17 Critical Estimates and Judgements –

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

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

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

- Estimation of Defined benefit obligation
- Estimation of current tax expenses and Payable
- Useful lives of depreciable assets
- Provision and contingent liability
- Carry value of investment in associates

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

### 5. PROPERTY, PLANT AND EQUIPMENT

Rs. in Lakhs

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

#### 5.1 Capital Work in Progress

Rs. in Lakhs

<b>31st March, 2020</b>	<b>1,108.24</b>
<b>31st March, 2021</b>	<b>836.88</b>

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

#### 5.3 RIGHT OF USE ASSETS

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

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

### 6. INVESTMENT PROPERTIES

Rs. in Lakhs

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

### 6.1 INVESTMENT PROPERTIES

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

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

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

### 6.3 Estimation of Fair Value

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

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

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

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

**8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

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

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

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

**10. NON – CURRENT LOAN**

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

**11. OTHER NON CURRENT ASSETS**

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

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

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

**13. CURRENT INVESTMENT**

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

**14. TRADE RECEIVABLES**

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

**15. CASH AND CASH EQUIVALENT**

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

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

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

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

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

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

**18. OTHER CURRENT FINANCIAL ASSETS**

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

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

**19. OTHER CURRENT ASSETS**

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

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

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

**Issued, Subscribed & Paid up :**

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

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

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

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

20.2 The details of Shareholders holding more than 5% shares

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

20.3 Shares Reserved for issue under options

Particulars	As at 31st March, 2021	As at 31st March, 2020
	No. of Shares	No. of Shares
a) Under 2013 employee stock option plan : Equity share of Rs.10/- each, at an exercise price of Rs.50/- per share	25,511	91,823

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

**Rs. in Lakhs**

Particulars	31st March, 2021	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
Shares issued during the period of five Years immediately preceding the reporting date on exercise of option granted under the Employee Stock Option Plan (ESOP) wherein part consideration was received in form of employee services.	500	7,695	12,920	40,309	27,097

20.5 The Company has only one class of equity shares having a par values of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion of the number of equity share held by the shareholders.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

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

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

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

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

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

	<b>Nature of Security</b>	<b>Terms of Repayment</b>
22.1	Term Loans from HDFC Bank, balance outstanding amounting to Rs 43.41 lacs (March 31, 2020 Rs. 161.77 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repable in 15 Quarterly Installment starting from September 2017. Last installment due in June, 2021. Rate of interest 8.80 % p.a. as at year end (previous year - 10.25 %)
22.2	Term Loans from HDFC Bank, subsequent disbursement , balance outstanding amounting to Rs 9.90 lacs (March 31, 2020 Rs. 36.84 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repable in 15 Quarterly Installment starting from September 2017. Last installment due in June, 2021. Rate of interest 8.80 % p.a. as at year end (previous year - 10.25 %)
22.3	Term Loans from HDFC Bank, balance outstanding amounting to Rs 250.60 lacs (March 31, 2020 is Rs. 350.00 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	The loan is repable in 20 quarterly Installment starting from Nov 2017. Last installment due in Nov 2022. Rate of Interest 8.30 % p.a. as at year end (Previous Year 9.35 %)
22.4	Term Loans from HDFC Bank, balance outstanding amounting to Rs 1850.42 lacs (March 31, 2020 is Rs. 1994.10 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	Repayable in 40 Quarterly Installment starting from Oct, 2018. Last installment due in Aug 2028. Rate of Interest 8.40 % p.a. as at year end (Previous Year 9.35 %.)
22.5	Term Loans from HDFC Bank, balance outstanding amounting to Rs 92.16 lacs (March 31, 2020 is Rs. 128.69 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	The loan is repable in 19 quarterly Installment starting from Feb 2018. Last installment due in Nov 2022. Rate of Interest 8.35 % p.a. as at year end (Previous Year 9.40%)
22.6	Term Loan from Yes Bank, balance outstanding amounting to Rs. 228.00 lacs (March 31, 2020 Rs. 258.40 lacs) is secured by exclusive charge on the immovable property situated at Khasra No 1,2,3 in Akkampeta Village and Khasra No 287 & 288 Kadlauru Village, Tada Mandal, Nellore District, Andhara Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repable in 20 Quarterly Installment starting from July 2019. Last installment due in Oct 2024. Rate of interest 10.35 % p.a. as at year end.(Previous Year 10.35%)
22.7	Term Loan from Yes Bank, balance outstanding amounting to Rs. 225.00 Lacs (March 31, 2020 Rs. 300.00) is secured by exclusive charge on the immovable property situated at Khasra No 1,2,3 in Akkampeta Village and Khasra No 287 & 288 Kadlauru Village, Tada Mandal, Nellore District, Andhara Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repable in 20 Quarterly Installment starting from June 2018. Last installment due in Jun 2024. Rate of interest 10.35 % p.a. as at year end (previous year - 10.35 %)

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

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

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

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

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

**24. NON – CURRENT PROVISION**

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

**25. OTHER NON – CURRENT LIABILITIES**

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

**26. CURRENT BORROWING****Secured**

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

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

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

**27. TRADE PAYABLE**

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

**28. OTHER CURRENT FINANCIAL LIABILITIES**

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

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

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

**30. OTHER CURRENT LIABILITIES**

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

**31. REVENUE FROM OPERATIONS**

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

**32. OTHER INCOME**

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

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

<b>33. COST OF MATERIALS CONSUMED</b>	<b>Rs. in Lakhs</b>	
<b>Particulars</b>	<b>Year Ended 31st March, 2021</b>	<b>Year Ended 31st March, 2020</b>
Opening Stock	<b>32,765.86</b>	30,851.56
Add : Purchases	<b>20,843.15</b>	34,341.09
	<b>53,609.01</b>	65,192.65
Less : Closing Stock	<b>32,256.20</b>	32,765.86
<b>MATERIALS CONSUMED</b>	<b>21,352.81</b>	32,426.79
<b>34. CHANGE IN INVENTORIES OF FINISHED GOODS</b>		
Opening Stock	<b>8,673.82</b>	7,985.81
Closing Stock	<b>8,584.63</b>	8,673.82
<b>Decrease/(Increase)</b>	<b>89.19</b>	(688.01)
<b>35. EMPLOYEE BENEFIT EXPENSES</b>		
(a) Salary & Allowances	<b>4,034.83</b>	4,196.32
(b) Contribution to Provident & Other fund	<b>455.92</b>	334.94
(c) Staff Welfare Expenses	<b>116.64</b>	209.35
(d) Employee Stock Option Plan	—	37.01
<b>TOTAL</b>	<b>4,607.39</b>	4,777.62
<b>36. FINANCE COST</b>		
(a) Interest Expense- Net	<b>1,985.43</b>	1,869.30
(b) Borrowing Cost	<b>332.46</b>	226.32
(c) Exchange difference regarded as an adjustment to borrowing cost	<b>68.09</b>	395.71
<b>TOTAL</b>	<b>2,385.98</b>	2,491.33
<b>37. DEPRECIATION AND AMORTISATION</b>		
(a) Depreciation on Property Plant and Equipment	<b>814.63</b>	792.38
(b) Amortisation on Intangible Assets	<b>76.51</b>	80.23
(c) Depreciation on Investment on Properties	<b>10.91</b>	10.91
(d) Amortisation on Right of use Assets	<b>131.44</b>	114.49
<b>TOTAL</b>	<b>1,033.49</b>	998.01

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

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

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

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

**II) Deferred Tax**

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

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

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

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

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

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

**40.1 Capital and Other Commitments**

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

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

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

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

**b) Defined Benefit Plans**

The Defined benefit plan of the Company includes entitlement of gratuity for each year of service until the retirement age.

**i) The principal assumptions used for the purposes of the actuarial valuations were as follows:**

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

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

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

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

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

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

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

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

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

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

<b>Particulars</b>	<b>Gratuity</b>	
	<b>Year Ended 31st March, 2021</b>	<b>Year Ended 31st March, 2020</b>
Investment With Insurer	<b>100.00%</b>	100.00%

**Sensitivity Analysis**

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

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

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

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

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

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

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

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

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

**44. EMPLOYEE STOCK OPTION PLAN**

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

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

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

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

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

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

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

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

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

**Rs. in Lakhs**

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

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

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

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

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

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

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

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

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

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

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

### 47. Fair Value Measurement

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

#### The following Methods and Assumptions were used to Estimate the Fair Values:

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

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

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

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

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

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

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

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

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

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

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

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

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

### 48. Capital Management

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

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

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

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

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

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

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

### 50. Financial Risk Management

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

#### Credit Risk

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

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

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

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

#### Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

#### Maturity Profile of Financial Liabilities

Particulars	As at 31st March, 2021			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	35,800.20	6,896.06	367.73	43,063.99
Trade Payable	10,240.03	-	-	10,240.03
Other Financial Liabilities	1,331.24	154.45	125.23	1,610.92

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

#### Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may, result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

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

### Exposure to Interest Rate Risk

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

### Interest Rate Sensitivity

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

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

### Foreign Currency Risk Management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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

### Foreign Currency Sensitivity

The following table details the Company's sensitivity to a 5% change in rupee value against the relevant foreign currencies, which is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end.

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

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

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

### Disclosure Regarding Derivative Instruments.

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

The following are outstanding forward contracts :-

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

### 51. Related Party Disclosures as per Ind AS 24

Rs. in Lakhs

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

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

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

**52. COVID – 19****Assessment Note:**

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

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

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As per our report of even date attached

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

Chartered Accountants  
Firm Reg. No. 002228C

**For and on behalf of the Board**

**R.B.Sharma**

Partner

Mem. No. 075701

**Yogesh Kumar Gautam**

Company Secretary

**Raj Kumar Chawla**

Chief Financial Officer

**Manoj Khattar**

Whole Time Director

DIN: 00694981

**Ramesh Bhatia**

Director

DIN: 0052320

Gurugram, 29th June, 2021

**CONSOLIDATED FINANCIAL SUMMARY**

Rs. in Lakhs

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

## INDEPENDENT AUDITOR'S REPORT

### The Members of

### Bhartiya International Ltd

### Report on the Standalone Financial Statements

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matter

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

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

### **Emphasis of Matter**

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

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

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

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

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

### **Management's Responsibility for the Standalone Financial Statements**

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

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

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

### **Auditor's Responsibility for the Audit of Standalone Financial Statements**

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

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

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

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

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Standalone Financial Statements dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

Chartered Accountants  
Firm's Registration No. 002228C

**R.B.Sharma**

Partner

Mem. No. 075701

UDIN: 21075701AAAAAL4308

Gurugram, 29th June, 2021

## ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2021, we report that:

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the Programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties, as disclosed in Note 4 on Property, Plant & Equipment to the standalone financial statements, are held in the name of the Company, except for a building acquired in earlier year having a carrying value of 18.50Lacs as at 31<sup>st</sup> March, 2021. In respect of immovable property taken on lease and disclosed as right to use assets in standalone financial statements the lease agreements are in the name of company.
- ii. The physical verification of inventory excluding stocks with third parties and in transit has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, duty of excise, GST, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

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

- (b) According to the records of the Company following are the amounts which are disputed and not paid by the Company:

Nature of Demand	Amount in Rs	Period to which the Amount Relates	Forum where appeal has been filed
Karnataka VAT	56,59,787/-	F.Y 2009-2010 & 2010-2011	Karnataka Appellate Tribunal, Bengaluru

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, moneys raised by way term loans have been applied for the purposes for which they were obtained.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind

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

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

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

Chartered Accountants

Firm's Registration No. 002228C

**R.B.Sharma**

Partner

Mem. No. 075701

UDIN: 21075701AAAAAL4308

Gurugram, 29th June, 2021

## **ANNEXURE – B TO THE AUDITORS’ REPORT**

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

We have audited the internal financial controls over financial reporting of “**Bhartiya International Ltd**” (“the Company”) as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

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

Chartered Accountants

Firm's Registration No. 002228C

**R.B.Sharma**

Partner

Mem. No. 075701

UDIN: 21075701AAAAAL4308

Gurugram, 29th June, 2021

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

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

As per our report of even date attached

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

Chartered Accountants

Firm Reg. No. 002228C

**For and on behalf of the Board****R.B.Sharma**

Partner

Mem. No. 075701

**Yogesh Kumar Gautam**

Company Secretary

**Raj Kumar Chawla**

Chief Financial Officer

**Manoj Khattar**

Whole Time Director

DIN: 00694981

**Ramesh Bhatia**

Director

DIN: 0052320

Gurugram, 29th June, 2021

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

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

As per our report of even date attached

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

Partner

Mem. No. 075701

Gurugram, 29th June, 2021

**Yogesh Kumar Gautam**

Company Secretary

**Raj Kumar Chawla**

Chief Financial Officer

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

Whole Time Director

DIN: 00694981

**Ramesh Bhatia**

Director

DIN: 0052320

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

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

### B Other Equity (Refer Note 21)

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

As per our report of even date attached  
**For K A S G & CO.**  
Chartered Accountants  
Firm Reg. No. 002228C

**For and on behalf of the Board**

**R.B.Sharma**  
Partner  
Mem. No. 075701

**Yogesh Kumar Gautam**  
Company Secretary

**Raj Kumar Chawla**  
Chief Financial Officer

**Manoj Khattar**  
Whole Time Director  
DIN: 00694981

**Ramesh Bhatia**  
Director  
DIN: 0052320

Gurugram, 29th June, 2021

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

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

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

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

As per our report of even date attached

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

Chartered Accountants

Firm Reg. No. 002228C

**R.B.Sharma**

Partner

Mem. No. 075701

Gurugram, 29th June, 2021

**Yogesh Kumar Gautam**

Company Secretary

**Raj Kumar Chawla**

Chief Financial Officer

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

Whole Time Director

DIN: 00694981

**Ramesh Bhatia**

Director

DIN: 0052320

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

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

### 2 BASIS OF PREPARATION

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

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

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

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Property, Plant and Equipment

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

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

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

#### 3.2 Investment Properties

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

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

#### 3.3 Intangible Assets

##### Computer Software

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

##### Amortisation Method and Useful Life

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

#### 3.4 Lease

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

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

##### Company as a Lessee

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

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

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

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

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

### (ii) Lease Liabilities

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

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

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

#### Company as a Lessor

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

### 3.5 Investment In Subsidiaries And Associates

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

### 3.6 Inventories

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

### 3.7 Cash & Cash Equivalents

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

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

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

### 3.8 Employee Benefits

#### Defined Contribution Plan

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

#### Defined Benefit Plan

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

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

### 3.9 Financial Instruments

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

#### Financial Assets

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

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

Financial Assets are Subsequently Classified as Measured at

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

#### Debt Instruments

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

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

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

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

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

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

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

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

### Equity Instruments:

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

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

### Derecognition

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

### Financial Liabilities

#### Initial Recognition and Measurement

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

#### Subsequent Measurement

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

### Loans and Borrowings

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

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

### Trade and Other Payable

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

### Derecognition

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

### Derivative Instruments

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

### 3.10 Provision and Contingent Liabilities

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

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

### 3.11 Revenue Recognition

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

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

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

### Revenue from Services

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

### Other operating revenue – Export Incentives

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

### Interest Income

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

### Dividend Income

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

### 3.12 Foreign Currency Transactions

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

#### Transactions and Balances

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

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

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

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

### 3.13 Income Tax

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

#### Current Tax

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

#### Deferred Tax

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

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

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

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

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

### 3.14 Earning per share

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

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

### 3.15 Borrowing Cost

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

### 3.16 Government Grants

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

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

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

### 3.17 Share Based Payment

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

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

### 3.18 Critical Estimates and Judgements

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

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

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

Estimation of Defined benefit obligation

Estimation of current tax expenses and Payable

Useful lives of depreciable assets

Provision and contingent liability

Carry value of investment in subsidiary and associates

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

### 4. PROPERTY, PLANT AND EQUIPMENT

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

#### 4.1 Capital Work in Progress

<b>Balance as at 31st March, 2020</b>	305.97
<b>Balance as at 31st March, 2021</b>	<b>16.28</b>

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

#### 4.3 RIGHT OF USE ASSETS

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

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

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

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

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

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

**5.3 Estimation of Fair Value**

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

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

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

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

**7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES**

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Shares(Nos)	Amount	Shares(Nos)	Amount
<b>A INVESTMENTS IN WHOLLY OWNED SUBSIDIARIES</b>				
<b>i. Equity Instrument at cost (Unquoted)</b>				
1 Equity share of Rs. 10/- each, fully paid in Bhartiya Global Marketing Ltd., India	<b>4,999,020</b>	<b>499.90</b>	4,999,020	499.90
2 Equity Shares of Rs. 10/- each, fully paid in Bhartiya International Sez Ltd., India	<b>12,069,230</b>	<b>1,206.92</b>	12,069,230	1,206.92
3 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Fashion Retail Ltd., India	<b>500,000</b>	<b>50.00</b>	500,000	50.00
4 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban Infrastructure Ltd., India	<b>50,000</b>	<b>5.00</b>	50,000	5.00
5 Equity Shares in Ultima S.A., Switzerland (having par value of SFR 1,000/- each)	<b>1,000</b>	<b>337.86</b>	1,000	337.86
6 Equity Shares in World Fashion Trade Ltd., Hongkong (having par value of \$ 1/- each)	<b>709,000</b>	<b>478.14</b>	709,000	478.14
<b>Total (A)</b>		<b>2,577.82</b>		<b>2,577.82</b>
<b>B INVESTMENTS IN ASSOCIATES</b>				
<b>i. Equity Instrument at cost (Unquoted)</b>				
1 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban Pvt. Ltd. (Earlier known as Bhartiya City Developers Pvt. Ltd.)	<b>34,393,260</b>	<b>3,999.60</b>	34,393,260	3,999.60
2 Equity Shares of Rs. 10/- each, fully paid in Tada Mega Leather Cluster Pvt. Ltd.	<b>5,000</b>	<b>0.50</b>	5,000	0.50
<b>Total (B)</b>		<b>4,000.10</b>		<b>4,000.10</b>
<b>Total (A+B)</b>		<b>6,577.92</b>		<b>6,577.92</b>
<b>Aggregate amount of unquoted Investments before impairment</b>		<b>6,577.92</b>		<b>6,577.92</b>
<b>Less: Provision for diminution in value of investment</b>		<b>1.83</b>		<b>1.83</b>
<b>Aggregate amount of unquoted Investments after impairment</b>		<b>6,576.09</b>		<b>6,576.09</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****8. NON – CURRENT INVESTMENTS****Rs. in Lakhs**

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Units(No.)	Amount	Units(No.)	Amount
<b>A Investments in Mutual Funds (Unquoted)</b>				
<b>At Fair value through Profit and loss</b>				
i) Reliance ETF Liquid BeES	1.124	0.01	1.093	0.01
<b>TOTAL</b>		<u>0.01</u>		<u>0.01</u>
<b>Aggregate amount of unquoted Investments</b>		<b>0.01</b>		0.01
<b>Aggregate amount of impairment in Value of unquoted Investments</b>		–		-

**9. NON – CURRENT LOAN**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(Unsecured & Considered Good)		
(a) Security and Other Deposits	<b>82.66</b>	81.08
(b) Loan to Employee	–	40.18
<b>TOTAL</b>	<u><b>82.66</b></u>	<u>121.26</u>

**10. OTHER NON CURRENT FINANCIAL ASSETS**

(Unsecured & Considered Good)		
(a) Other Advances	<b>29.23</b>	-
<b>TOTAL</b>	<u><b>29.23</b></u>	<u>-</u>

**11. OTHER NON CURRENT ASSETS**

(a) Capital Advances	<b>37.85</b>	54.88
(b) Security Deposits With Govt. Authorities	<b>8.63</b>	8.63
(c) Prepayment Lease Rent	<b>4.78</b>	4.79
<b>TOTAL</b>	<u><b>51.26</b></u>	<u>68.30</u>

**12. INVENTORIES**

(a) Raw Materials	<b>27,485.48</b>	27,538.91
(b) Raw Materials -In transit	<b>87.86</b>	141.64
(c) Stock-in-Progress	<b>651.46</b>	941.51
(d) Finished Goods	<b>8,471.90</b>	8,558.17
(e) Consumable store	<b>3,616.49</b>	3,538.75
<b>TOTAL</b>	<u><b>40,313.19</b></u>	<u>40,718.98</u>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### 13. CURRENT INVESTMENTS

Rs. in Lakhs

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Shares (No)	Amount	Shares (No)	Amount
a) Investment In Equity Instrument ( Unquoted)				
At Fair value through Profit and Loss				
i) Sai Rayalaseema Paper Mills Ltd.	31,792	—	31,792	—
<b>Total</b>		—		—
<b>Aggregate amount of unquoted Investments</b>		—		—

### 14. TRADE RECEIVABLES

Particulars	As at 31st March, 2021	As at 31st March, 2020
<i>(Unsecured, considered good)</i>		
(a) Trade Receivable	7,166.64	7,506.86
(b) Receivable from related parties <i>(refer no no. 53)</i>	607.39	233.67
<b>TOTAL</b>	<b>7,774.03</b>	<b>7,740.53</b>

### 15. CASH AND CASH EQUIVALENT

a) Balances with Banks		
In current accounts	466.73	1,348.25
In term deposit	—	2,251.46
b) Cash on Hand	23.08	25.69
<b>TOTAL</b>	<b>489.81</b>	<b>3,625.40</b>

### 16. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

a) Fixed Deposit with the bank	2174.28	1,158.33
b) Unpaid dividend accounts	7.12	8.53
<b>TOTAL</b>	<b>2181.40</b>	<b>1,166.86</b>

16.1 Fixed deposits of Rs. 2174.28 Lacs (previous year Rs 1158.33 Lacs) are pledged with the banks for various limits and facilities granted.

### 17. CURRENT LOAN

<i>(Unsecured &amp; Considered Good)</i>		
(a) Security and Other Deposits	46.12	44.15
(b) Loans / Advances to related parties <i>(refer note no. 53 )</i>	1,057.72	631.19
(c) Loan to Employee	91.41	154.41
<b>TOTAL</b>	<b>1,195.25</b>	<b>829.75</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****18. OTHER CURRENT FINANCIAL ASSETS****Rs. in Lakhs**

<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
a) Export incentive receivable	<b>1,779.74</b>	1,471.69
b) Insurance claim receivable	<b>132.57</b>	132.57
c) Vat/ GST Receivable	<b>854.04</b>	1,138.90
d) Other Advance	<b>51.72</b>	0.18
e) Derivatives-foreign exchange forward contract	<b>21.65</b>	-
<b>TOTAL</b>	<b><u>2,839.72</u></b>	<u>2,743.34</u>

- 18.1 The company's claim of drawback amounting to Rs. 33.63 lakhs has been disputed by the commissioner of customs (exports) with the Joint secretary(RA), ministry of finance, department of revenue, Govt. of India New Delhi, against the favorable order in appeal by the commissioner of custom (Appeals). The management is confident for the recovery of said amount and hence has not made any provision for bad & doubtful debts against this.

**19. OTHER CURRENT ASSETS**

a) Advances with suppliers	<b>2,611.57</b>	1,572.98
b) Prepaid Expenses	<b>377.74</b>	269.45
c) Security Deposit with Govt. Authority	-	0.18
d) Other Advances	<b>2.99</b>	3.31
e) Prepayment Lease Rent	<b>0.02</b>	0.02
<b>TOTAL</b>	<b><u>2,992.32</u></b>	<u>1,845.94</u>

**20. SHARE CAPITAL****Authorised Share Capital**

a) 20,000,000 (31st March, 2020: 20,000,000 ) Equity Shares of Rs. 10/- each	<b>2,000.00</b>	2,000.00
b) 500,000 (31st March, 2020: 500,000 ) Preference Shares of Rs. 100/- each	<b>500.00</b>	500.00
	<b><u>2,500.00</u></b>	<u>2,500.00</u>

**Issued, Subscribed & Paid Up :**

a) 12,202,369 (31st March, 2020: 12,201,869) Equity Shares of Rs.10/- each fully paid Up.	<b>1,220.24</b>	1,220.19
<b>TOTAL</b>	<b><u>1,220.24</u></b>	<u>1,220.19</u>

- 20.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

<b>Particulars</b>	<b>As at 31st March, 2021</b>		<b>As at 31st March, 2020</b>	
	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
Shares outstanding at the beginning of the year	<b>12,201,869</b>	<b>1,220.19</b>	12,194,174	1,219.42
Shares Issued during the year	<b>500</b>	<b>0.05</b>	7,695	0.77
Shares outstanding at the end of the year	<b><u>12,202,369</u></b>	<b><u>1,220.24</u></b>	<u>12,201,869</u>	<u>1,220.19</u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs**

## 20.2 The details of Shareholders holding more than 5% shares

Name of the Share holders	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Snehdeep Aggarwal	1,143,362	9.37	1,143,362	9.37
(b) Bhartiya Infotech Pvt. Ltd.	1,010,000	8.28	1,000,000	8.20
(c) Bhartiya Global Ventures Pvt. Ltd.	3,047,100	24.97	2,215,100	18.15
(d) Bhartiya Advisory Services Pvt. Ltd.	681,913	5.59	681,913	5.59
(e) TIMF Holdings	706,474	5.79	706,474	5.79
(f) Superfine Carpets Pvt.Ltd.	—	—	659,266	5.40

## 20.3 Shares Reserved for issue under options

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2020 No. of Shares
a) Under 2013 employee stock option plan : Equity share of Rs.10/- each, at an exercise price of Rs.50/- per share	25,511	91,823

## 20.4 Aggregate number of share issued for consideration other than cash during the period of five years immediately preceding the reporting date, wherever applicable is given below:

Particulars	31st March, 2021	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
Shares issued during the period of five Years immediately preceding the reporting date on exercise of option granted under the Employee Stock Option Plan (ESOP) wherein part consideration was received in form of employee services.	500	7,695	12,920	40,309	27,097

20.5 The Company has only one class of equity shares having a par values of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion of the number of equity share held by the shareholders.

20.6 During the Year, the company has allotted 500 Equity share of Rs.10/- each fully paid to its employees under Employee Stock Option Plan (ESOP 2013).

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### 21. OTHER EQUITY

Particulars	Application Money Pending for allotment	Employee Stock Options Outstanding	Preferential Share Warrant Forfeited	Reserves and Surplus			Total
				Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at 31st March, 2019</b>	-	<b>227.14</b>	<b>925.75</b>	<b>7,798.20</b>	<b>3,198.51</b>	<b>13,561.49</b>	<b>(18.73)</b>
Profit for the year	-	-	-	-	-	2,150.67	-
Other Comprehensive Income for the year	-	-	-	-	-	-	30.31
Securities premium on issue of share	-	-	-	36.26	-	-	-
Employee Stock option reserve for the year	-	37.01	-	-	-	-	-
Transfer to Security premium on issue of share	-	(33.18)	-	-	-	-	-
Dividends & Dividends Distribution Tax	-	-	-	-	-	(176.75)	-
Transfer from Retained Earning	-	-	-	-	200.00	-	-
Transfer to General reserve	-	-	-	-	-	(200.00)	-
<b>Balance as at 31st March, 2020</b>	-	<b>230.97</b>	<b>925.75</b>	<b>7,834.46</b>	<b>3,398.51</b>	<b>15,335.41</b>	<b>11.58</b>
Profit for the year	-	-	-	-	-	157.89	-
Other comprehensive income for the year	-	-	-	-	-	-	25.25
Securities premium on issue of share	-	-	-	2.35	-	-	-
Employee Stock option reserve for the year	-	-	-	-	-	-	-
Transfer to Security premium on issue of share	-	(2.14)	-	-	-	-	-
Transfer from ESOP	-	(118.85)	-	-	118.85	-	-
Money Received During the Year	0.37	-	-	-	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>0.37</b>	<b>109.98</b>	<b>925.75</b>	<b>7,836.81</b>	<b>3,517.36</b>	<b>15,493.30</b>	<b>36.83</b>

### Component of other Equity

Securities Premium Represents amount received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.

General Reserve Represents accumulated profits set apart by way of transfer from current year profits or/and retained earnings for "other than specified purposes".

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****22. NON – CURRENT BORROWINGS****Rs. in Lakhs**

<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Secured</b>		
- Term Loans from Banks	<b>8,371.16</b>	2,410.28
- Vehicle Loans from Banks	<b>17.17</b>	37.92
<b>TOTAL</b>	<b><u>8,388.33</u></b>	<u>2,448.20</u>

**Nature of security and terms of repayment for long term secured borrowings:**

	<b>Nature of Security</b>	<b>Terms of Repayment</b>
22.1	Term Loans from HDFC Bank, balance outstanding amounting to Rs 43.41 lacs (31 March, 2020 Rs. 161.77 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repable in 15 Quarterly Installment starting from September 2017. Last installment due in June 2021. Rate of interest 8.80 % p.a. as at year end (previous year - 10.25 %)
22.2	Term Loans from HDFC Bank, subsequent disbursement , balance outstanding amounting to Rs 9.90 lacs (31 March, 2020 Rs. 36.84 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repable in 15 Quarterly Installment starting from September 2017. Last installment due in June 2021. Rate of interest 8.80 % p.a. as at year end (previous year - 10.25 %)
22.3	Term Loans from HDFC Bank, balance outstanding amounting to Rs 250.60 lacs (31 March, 2020 is Rs. 350.00 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	The loan is repable in 20 quarterly Installment starting from Nov 2017. Last installment due in Nov 2022. Rate of Interest 8.30 % p.a. as at year end (Previous Year 9.35 %)
22.4	Term Loans from HDFC Bank, balance outstanding amounting to Rs 1850.42 lacs (31 March, 2020 is Rs.1994.10 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	Repayable in 40 Quarterly Installment starting from Oct, 2018. Last installment due in Aug 2028. Rate of Interest 8.40 % p.a. as at year end (Previous Year 9.35 %.)
22.5	Term Loans from HDFC Bank, balance outstanding amounting to Rs 92.16 lacs (31 March, 2020 is Rs. 128.69 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	The loan is repable in 19 quarterly Installment starting from Feb 2018. Last installment due in Nov 2022. Rate of Interest 8.35 % p.a. as at year end (Previous Year 9.40%)
22.6	Term Loan from Yes Bank, balance outstanding amounting to Rs. 228.00 lacs (31 March, 2020 Rs. 258.40 lacs) is secured by exclusive charge on the immovable property situated at Khasra No 1,2,3 in Akkampeta Village and Khasra No 287 & 288 Kadlauru Village, Tada Mandal, Nellore District, Andhara Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repable in 20 Quarterly Installment starting from July 2019. Last installment due in Oct 2024. Rate of interest 10.35 % p.a. as at year end.(Previous Year 10.35%)
22.7	Term Loan from Yes Bank, balance outstanding amounting to Rs. 225.00 Lacs (31 March, 2020 Rs. 300.00) is secured by exclusive charge on the immovable property situated at Khasra No 1,2,3 in Akkampeta Village and Khasra No 287 & 288 Kadlauru Village, Tada Mandal, Nellore District, Andhara Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repable in 20 Quarterly Installment starting from June 2018. Last installment due in Jun 2024. Rate of interest 10.35 % p.a. as at year end (previous year - 10.35 %)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### Nature of security and terms of repayment for long term secured borrowings:

	Nature of Security	Terms of Repayment
22.8	Term Loans from Union Bank, balance outstanding amounting to Rs 258.33 lacs (31 March, 2020 Rs. Nil lacs) is secured by First pari passu charge on Inventory, Book debts and other current assets of the company present and future along with other working capital lenders .	The Loan is repable in 18 Monthly Installment starting from Jan 2021. Last installment due in Jun 2022. Rate of interest 8.00 % p.a. as at year end.
22.9	Term Loans from HDFC Bank, balance outstanding amounting to Rs 550.00 lacs (31 March, 2020 is Rs. Nil lacs) is Secured by the Post dated cheques and Personal Guarantee of one Director.	The loan is repable in 2 Equal Installment starting from Apr 2021. Last installment due in May 2021. Rate of Interest 9.00 % p.a. as at year end.
22.10	Term Loans from Indusind Bank, balance outstanding amounting to Rs 4,888.09 lacs (31 March, 2020 is Rs. Nil lacs) is secured by Equitable Mortgage of 9 acres 81 cents land situated in Tamil Nadu. Personal Guarantee of one Director.	The Loan is repable in 23 Quarterly Installment starting from Sep 2020. Last installment due in March 2026. Rate of interest 11.00 % p.a. as at year end .
22.11	Term Loans from SBI Bank, balance outstanding amounting to Rs 560.00 lacs (31 March, 2020 is Rs. Nil lacs) . Secured by all existing securities given for Working Capital Loan	The Loan is repable in 48 Monthly Installment starting from Feb 2022. Last installment due in Jan 2026. Rate of interest 7.95 % p.a. as at year end .
22.12	Term Loans from SBM Bank, balance outstanding amounting to Rs 983.00 lacs (31 March, 2020 is Rs. Nil lacs) is secured by second charge on the entire current assets of the company both present and future. Personal Guarantee of one Director.	The Loan is repable in 48 Monthly Installment starting from Feb 2022. Last installment due in Jan 2026. Rate of interest 9.25 % p.a. as at year end .
22.13	Term Loan from Yes Bank, balance outstanding amounting to Rs. 39.04 lacs (31 March, 2020 Rs. Nil lacs) .Secured by all existing securities given for various Loans.	The Loan is repable in 20 Quarterly Installment starting from Jul 2020. Last installment due in Jul 2025. Rate of interest 10.35 % p.a. as at year end .
22.14	Term Loan from Yes Bank, balance outstanding amounting to Rs. 344.00 lacs (31 March, 2020 Rs. Nil lacs) is secured by second charge on Immoveable fixed (Land & Building) of the plot admeasuring 20.01 acres, Located at khasra no. 1,2,3, in Akkampeta Village and Khasra no.287 & 288 Kadaluru village, Tada Mandal, Nellore District,Andhra Pradesh.	The Loan is repable in 48 Monthly Installment starting from Mar 2022. Last installment due in Feb 2026. Rate of interest 8.85 % p.a. as at year end .
22.15	Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.	

### 23. OTHER NON CURRENT FINANCIAL LIABILITIES

Rs. in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Security Deposit with related parties	84.56	78.67
(b) Lease Liability	279.68	340.18
<b>TOTAL</b>	<b>364.24</b>	<b>418.85</b>

# The Maturity analysis of lease liabilities is disclosed in note no. 52

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs****24. NON-CURRENT PROVISION**

<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
(a) Provision for Employees Benefit	–	40.37
<b>TOTAL</b>	<u>–</u>	<u>40.37</u>

**25. OTHER NON-CURRENT LIABILITY**

(a) Government Grant	<b>57.02</b>	25.63
(b) Advance Lease Rent	<b>76.72</b>	83.71
<b>TOTAL</b>	<u><b>133.74</b></u>	<u>109.34</u>

**26. DEFERRED TAX LIABILITY****a) Deferred Tax Liabilities**

Related to Fixed Assets	<b>661.66</b>	573.01
<b>TOTAL</b>	<u><b>661.66</b></u>	<u>573.01</u>

**27. CURRENT BORROWING****Secured**

- Working Capital Loans From Banks	<b>28,816.85</b>	37,233.26
<b>TOTAL</b>	<u><b>28,816.85</b></u>	<u>37,233.26</u>

27.1 Working Capital facilities are secured against hypothecation of stocks of raw - materials, stock in process, finished goods, Other Current assets, specified immovable property, movable fixed assets, lien on fixed deposits, exports bills and personal guarantee of Director.

**28. TRADE PAYABLE**

(a) Acceptances	<b>3,046.48</b>	260.51
(b) Payable to others than Micro and small Enterprises	<b>691.97</b>	1,818.11
(c) Payable to Related Parties	<b>857.11</b>	1,503.87
<i>(refer note no 53)</i>		
(d) Payable to Micro and Small Enterprises	<b>528.39</b>	748.14
<b>TOTAL</b>	<u><b>5,123.95</b></u>	<u>4,330.63</u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs****Due to Micro and Small Enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
a) The principal amount remaining unpaid to any supplier at the end of the year	<b>528.39</b>	748.14
b) Interest due remaining unpaid to any supplier at the end of the year	—	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	—	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	—	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	—	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	—	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

**29. OTHER CURRENT FINANCIAL LIABILITIES**

<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
(a) Current maturities of Long -Term debt	<b>1,863.23</b>	807.03
(b) Interest Accrued	<b>57.51</b>	124.92
(c) Unpaid Dividend	<b>7.12</b>	8.53
(d) Due to Employee	<b>221.80</b>	249.18
(e) Expenses Payable	<b>219.40</b>	111.87
(f) Statutory Dues Payable	<b>144.95</b>	106.40
(g) Capital Creditors	<b>18.19</b>	9.20
(h) Other Payable	—	13.65
(i) Derivatives-Foreign Exchange Forward Contract	—	403.68
(j) Lease Liability	<b>73.35</b>	79.24
<b>TOTAL</b>	<b><u>2,605.55</u></b>	<u>1,913.70</u>

**30. PROVISIONS**

(a) Provision for Employees Benefits	<b>149.81</b>	160.09
<b>TOTAL</b>	<b><u>149.81</u></b>	<u>160.09</u>

**31. OTHER CURRENT LIABILITIES**

(a) Advance from Customer	<b>116.87</b>	217.62
<b>TOTAL</b>	<b><u>116.87</u></b>	<u>217.62</u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs****32. REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>Year Ended 31st March, 2021</b>	<b>Year Ended 31st March, 2020</b>
<b>Sales of Products</b>		
(a) Manufactured Goods	<b>37,859.35</b>	54,041.28
(b) Stock-in-trade	<b>163.80</b>	377.03
<b>Sales of Services</b>	—	16.60
<b>Other Operating Revenues</b>		
(a) Export Incentives	<b>1,966.56</b>	3,306.99
(b) Foreign Exchange Gain	<b>(312.47)</b>	(412.43)
<b>TOTAL</b>	<b><u>39,677.24</u></b>	<b><u>57,329.47</u></b>

**32.1 Reconciliation of Revenue recognised in Statement of Profit and Loss with contracted price**

Revenue as per contracted price	<b>38,058.76</b>	54,552.16
Less: Discount, rebates etc.	<b>35.61</b>	117.25
<b>Total Revenue from Contract with Customers</b>	<b><u>38,023.15</u></b>	<b><u>54,434.91</u></b>

**32.2 Revenue by Location of Customers**

India	<b>2,036.71</b>	3,824.76
Outside India	<b>35,986.44</b>	50,610.15
<b>Total Revenue from Contract with Customers</b>	<b><u>38,023.15</u></b>	<b><u>54,434.91</u></b>

**33. OTHER INCOME**

(a) Interest Income from loan & advances	<b>1.58</b>	12.88
(b) <b>Other non operating income</b>		
- Rental Income	<b>294.80</b>	288.72
- Profit on sale of Property, Plant & Equipment	—	1.51
- Other Income	<b>131.22</b>	143.75
<b>TOTAL</b>	<b><u>427.60</u></b>	<b><u>446.86</u></b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs****34. COST OF MATERIALS CONSUMED**

<b>Particulars</b>	<b>Year Ended 31st March, 2021</b>	<b>Year Ended 31st March, 2020</b>
Opening Stock	<b>32,160.81</b>	30,803.29
Add : Purchases	<b>20,670.58</b>	33,555.31
	<b>52,831.39</b>	64,358.60
Less : Closing Stock	<b>31,841.29</b>	32,160.81
<b>MATERIALS CONSUMED</b>	<b>20,990.10</b>	32,197.79

**35. CHANGE IN INVENTORIES OF FINISHED GOODS**

(a) Opening Stock	<b>8,558.17</b>	7,706.86
(b) Closing Stock	<b>8,471.90</b>	8,558.17
<b>Decrease/(Increase)</b>	<b>86.27</b>	(851.31)

**36. EMPLOYEE BENEFIT EXPENSES**

(a) Salary & Allowances	<b>3,243.62</b>	3,637.75
(b) Contribution to Provident & Other fund	<b>240.90</b>	250.35
(c) Staff Welfare Expenses	<b>166.37</b>	157.67
(d) Employee Stock Option Plan	—	37.01
<b>TOTAL</b>	<b>3,650.89</b>	4,082.78

**37. FINANCE COST**

(a) Interest Expense- Net	<b>1,918.75</b>	1,676.02
(b) Borrowing Cost	<b>331.28</b>	224.69
(c) Exchange difference regarded as an adjustment to borrowing cost	<b>68.09</b>	395.71
<b>TOTAL</b>	<b>2,318.12</b>	2,296.42

**38. DEPRECIATION AND AMORTISATION**

(a) Depreciation on Property Plant and Equipment	<b>689.72</b>	682.65
(b) Amortisation on Intangible Assets	<b>26.28</b>	75.50
(c) Depreciation on Investment Property	<b>10.91</b>	10.91
(d) Amortisation on Right of Use Assets	<b>108.79</b>	104.10
<b>TOTAL</b>	<b>835.70</b>	873.16

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs****39. OTHER EXPENSES**

<b>Particulars</b>	<b>Year Ended 31st March, 2021</b>	<b>Year Ended 31st March, 2020</b>
<b><u>(I) Manufacturing Expenses</u></b>		
(a) Fabrication Charges	<b>7,984.00</b>	11,066.33
(b) Other Manufacturing Expenses	<b>323.13</b>	382.76
(c) Freight & Cartage	<b>68.25</b>	100.18
<b><u>(II) Selling &amp; Administrative Expenses</u></b>		
(a) Legal And Professional Charges	<b>791.59</b>	675.89
(b) Power & Fuel	<b>150.34</b>	183.31
(c) Bank Charges	<b>342.56</b>	408.70
(d) Repair & Maintainance		
- Building	<b>50.64</b>	50.62
- Plant & Machinery	<b>67.58</b>	68.47
- Others	<b>428.12</b>	500.87
(e) Communication	<b>60.26</b>	68.32
(f) Rates Taxes & Duties	<b>65.20</b>	26.82
(g) Insurance	<b>110.12</b>	70.01
(h) Rent	<b>55.36</b>	80.22
(i) Travelling & Conveyance	<b>452.87</b>	952.73
(j) Freight on Exports	<b>372.12</b>	731.58
(k) Commission, Brokerage & Discount	<b>110.45</b>	369.81
(l) Loss on Sale /Discard of Property, Plant & Equipment	<b>6.24</b>	-
(m) Misc. Expenses	<b>319.47</b>	476.28
(n) Expenditure towards CSR activities	<b>81.85</b>	39.88
(o) Directors Meeting Fees	<b>4.43</b>	2.58
(p) Packing Expenses	<b>26.50</b>	113.75
<b>TOTAL</b>	<b><u>11,871.08</u></b>	<b><u>16,369.11</u></b>

**40. TAX EXPENSES****I) Current Tax**

Current Tax on taxable income for the year	—	792.32
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**II) Deferred Tax**

Relating to origination and reversal of temporary differences	<b>79.95</b>	(442.88)
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<b>Income tax expenses reported in statement of profit and loss</b>	<b><u>79.95</u></b>	<b><u>349.44</u></b>
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Effective Income Tax Rate	<b>33.62%</b>	13.98%
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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs**

- 40.1 A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

<b>Particulars</b>	<b>Year Ended 31st March, 2021</b>	<b>Year Ended 31st March, 2020</b>
Accounting profit before tax	<b>237.84</b>	2,500.11
<b>Statutory income tax rate (%)</b>	<b>25.17</b>	25.17
Computed tax expenses	<b>59.86</b>	629.23
Impact of adoption of New Tax regime under section 115BAA		(273.42)
Tax in respect of earlier years	—	-
Long term capital gain exempt from taxation	—	-
Income exempt from taxation	—	-
Deduction under section 24 of income tax act	<b>(19.46)</b>	(19.36)
Non-Deductable expenses for tax purpose	<b>39.55</b>	12.99
<b>Income tax charge to statement of profit and loss account</b>	<b><u>79.95</u></b>	<u>(349.44)</u>

- 40.2 Deferred Tax Assets /(Liability)

Opening Balance	<b>(573.01)</b>	(1,005.45)
Add: Deferred Tax charged/ (credited) to profit & loss account during the year	<b>(79.95)</b>	442.88
Add: Deferred Tax charged/ (credited) to Other Comprehensive Income during the year	<b>(8.70)</b>	(10.44)
<b>Closing Balance</b>	<b><u>(661.66)</u></b>	<u>(573.01)</u>

**41. CONTINGENT LIABILITIES**

<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
i) Letter of Credit / Import Bills outstanding -	<b>734.11</b>	405.71
ii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
- Ultima S A	<b>8,849.21</b>	8,962.63
iii) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima SA, Ultima Italia Srl. & World Fashion Trade Ltd.	<b>428.93</b>	416.40
iv) Karnataka Vat Demand Under dispute	<b>56.60</b>	56.60

**42. CAPITAL AND OTHER COMMITMENTS**

<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
i) Commitments under import of capital goods at concessional rate of custom duty.	<b>213.34</b>	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### 43. EMPLOYEE BENEFITS PLANS

Rs. in Lakhs

The details of various employee benefits provided to employees are as under:

a) Defined Contribution Plans

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
<b>Detail of amount recognised as expense for defined contribution plans is given below:</b>		
a) Provident Fund*	174.24	186.03
b) Employees State Insurance Corporation	1.17	1.83

b) Defined Benefit Plans

The Defined benefit plan of the Company includes entitlement of gratuity for each year of service until the retirement age.

i) **The principal assumptions used for the purposes of the actuarial valuations were as follows:**

Principal Assumptions	Gratuity	
	As at 31st March, 2021	As at 31st March, 2020
Expected return on plan assets	6.80%	6.60%
Discount rate	6.80%	6.60%
Salary increase rate	3% for one year and 6% thereafter	3% for one year and 6% thereafter
Employee turnover	5.00%	5.00%
In service mortality	IALM (2012-14)	IALM (2012-14)

ii) **Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:**

Particulars	Gratuity	
	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Current Service Cost	63.33	55.38
Net Interest Expenses	1.00	7.06
Past Service Cost	—	-
<b>Components of defined benefit costs recognised in profit or Loss</b>	<b>64.33</b>	<b>62.44</b>
Re-measurement on the Net Defined Benefit liability:		
Actuarial (gains)/ losses on obligation for the year	(2.52)	(43.71)
Return On Plan Assets	(31.44)	2.96
<b>Net (Income)/Expenses for the year ended recognized in OCI</b>	<b>(33.96)</b>	<b>(40.75)</b>

iii) **The amount included in the Balance Sheet arising from the entity's obligation in respect of its Defined Benefit Obligation**

Particulars	Gratuity	
	As at 31st March, 2021	As at 31st March, 2020
Present Value of Defined Benefit Obligation	390.62	361.59
Fair Vale of Plan Asset	(419.85)	(321.22)
<b>Net Liability arising from Defined Benefit Obligation</b>	<b>(29.23)</b>	<b>40.37</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs****iv) Movements in the present value of the defined benefit obligation are as follows:**

<b>Particulars</b>	<b>Gratuity</b>	
	<b>For the Year Ended 31st March, 2021</b>	<b>For the Year Ended 31st March, 2020</b>
Opening Defined Obligation	<b>361.58</b>	361.47
Interest Cost	<b>22.20</b>	26.64
Current Service Cost	<b>63.33</b>	55.38
Past Service Cost		-
Benefits Paid Directly by the employer	<b>(53.97)</b>	(38.20)
Actuarial (gains)/ Losses	<b>(2.52)</b>	(43.71)
Closing Defined Benefit Obligation	<b><u>390.62</u></b>	<u>361.58</u>

**v) Movements in the Fair Value of the Plan Assets are as follows:**

Opening fair Value of Plan assets *	<b>321.22</b>	254.60
Interest Income	<b>21.20</b>	19.58
Contribution by the Employer	<b>99.97</b>	88.20
Return On Plan Assets Excluding Interest Income	<b>(22.53)</b>	(41.16)
Closing fair Value of Plan assets	<b>419.86</b>	321.22

**\* Fund managed by the approved insurance company Kotak Life Insurance**

Investment With Insurer	<b>100.00%</b>	100.00%
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**Sensitivity Analysis**

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2021 is as follows:

<b>Particulars</b>	<b>Increase Effect</b>	<b>Decrease Effect</b>
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	(377.10)	405.07
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	405.14	(376.92)

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2020 is as follows:

<b>Particulars</b>	<b>Increase Effect</b>	<b>Decrease Effect</b>
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	(348.49)	375.59
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	371.91	(351.39)

The sensitivity analysis above has been determined on the basis of actuarial certificate.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs****44. EARNING PER SHARE**

<b>Particulars</b>	<b>Year Ended 31st March, 2021</b>	<b>Year Ended 31st March, 2020</b>
Profit/(loss) for the year	<b>157.89</b>	2,150.67
<b>No. of share at the beginning of the year (A)</b>	<b>12,201,869</b>	12,194,174
Equity allotted during the year	<b>500</b>	7,695
<b>Weighted average shares (B)</b>	<b>177</b>	3,345
Weighted average shares outstanding (nos.) (A+B)	<b>12,202,046</b>	12,197,519
<b>Effect of diluted number of share</b>		
Add:- Employee stock option plan	<b>22,859</b>	43,690
Weighted average number of equity share for diluted earning per share	<b>12,224,905</b>	12,241,209
Basic earning per share	<b>1.29</b>	17.63
Diluted earning per share	<b>1.29</b>	17.57

**45. EXPORT PROMOTION CAPITAL GOODS (EPCG)**

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

**46. EMPLOYEE STOCK OPTION PLAN**

The Company instituted an Employees Stock Option Plan ('ESOP 2013') pursuant to the Nomination and Remuneration Committee (Earlier Compensation Committee) and Shareholders' resolution dated September 23, 2013. As per ESOP 2013, the Company had granted the below stock options:

On 28th January, 2014 – 50,000 stock options.

On 16th September, 2015 – 1,55,800 stock options

On 31st December, 2015 – 8,850 stock options

On 3rd February, 2018 – 30,000 stock options

On 5th April, 2018 – 30,000 stock options

These options comprises equal number of equity shares to be allotted in one or more tranches to the eligible employees of the Company and its subsidiaries

The details of the ESOPs granted so far are provided below:

<b>Grant Date</b>	<b>April 5, 2018</b>			
Vesting tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting date	April 05, 2019	April 05, 2020	April 05, 2021	April 05, 2022
%age of vesting	16.67	16.67	16.66	50.00
Exercise Price (in Rs.)	330.00	330.00	330.00	330.00

<b>Grant Date</b>	<b>February 03, 2018</b>			
Vesting tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting date	February 03, 2019	February 03, 2020	February 03, 2021	February 03, 2022
%age of vesting	10.00	20.00	30.00	40.00
Exercise Price (in Rs.)	450.00	450.00	450.00	450.00

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**

	<b>Rs. in Lakhs</b>		
<b>Grant Date</b>	<b>December 31, 2015</b>		
Vesting tranche	Vesting I	Vesting II	Vesting III
Vesting date	December 31, 2016	December 31, 2017	December 31, 2018
%age of vesting	33.00	33.00	34.00
Exercise Price (in Rs.)	50.00	50.00	50.00
<b>Grant Date</b>	<b>September 16, 2015</b>		
Vesting tranche	Vesting I	Vesting II	Vesting III
Vesting date	September 16, 2016	September 16, 2017	September 16, 2018
%age of vesting	33.00	33.00	34.00
Exercise Price (in Rs.)	50.00	50.00	50.00
<b>Grant Date</b>	<b>January 28, 2014</b>		
Vesting tranche		Vesting I	Vesting II
Vesting date		1st February, 2015	1st March, 2015
%age of vesting		50	50
Exercise Price (in Rs.)		156	156

The Company uses the fair value for determination of the employee stock compensation expense.

The activity in the Employees Stock Option Plan during the year ended 31st March, 2021 is as under:

<b>Particulars</b>	<b>Year Ended 31st March, 2021</b>	<b>Year Ended 31st March, 2020</b>
Number of options outstanding at the beginning of the period	<b>91,823</b>	99,518
Number of options granted during the year	—	-
Number of options forfeited / lapsed during the year	<b>65,812</b>	-
Number of options vested during the year	<b>14,000</b>	11,000
Number of options exercised during the year	<b>500</b>	7,695
Number of shares arising as a result of exercise of options	<b>500</b>	7,695
Money realized by exercise of options (INR), if scheme is implemented directly by the company	<b>Rs. 25,000</b>	Rs. 3,84,750
Loan repaid by the Trust during the year from exercise price received	<b>NA</b>	NA
Number of options outstanding at the end of the year	<b>25,511</b>	91,823
Number of options exercisable at the end of the year	<b>25,511</b>	45,823

A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

<b>Date of Grant</b>	<b>September 16, 2015</b>	<b>December 31, 2015</b>	<b>February 03, 2018</b>	<b>April 5, 2018</b>
Weighted average share price	Rs. 468.70	Rs 521.15	Rs. 463.55	Rs. 216.15
Exercise price	Rs. 50.00	Rs. 50.00	Rs. 450.00	Rs. 330.00
Expected volatility	29.24%	33.10%	25.71%	36.78%
Option life (comprising of weighted average of vesting period and exercise period)	7 years	7 years	8 years	5.50 years
Expected dividends	0.21%	0.19%	0.26%	0.29%
Risk free rate of return	8.17%	7.96%	7.82%	7.22%

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Rs. in Lakhs

### 47. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Gross amount required to be spent	53.84	46.25
(b) Amount spent:		
(i) Construction/acquisition of any asset	—	—
(ii) On purpose other than (i) above	81.85	39.88
(c) Administrative Expenses	—	—

### 48. SEGMENT REPORTING DISCLOSURE

The company primarily operates in the Fashion apparels and accessories segment. The Fashion apparels and accessories segment includes Leather products, Textiles products and intermediaries.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 "Operating Segments".

### 49. PAYMENT TO AUDITOR ( INCLUDED IN LEGAL AND PROFESSIONAL CHARGES )

Audit Fees	11.50	11.50
Limited Review	4.50	4.50
Reimbursement of Expenses	1.50	1.50
Certification	0.34	0.42

### 50. FAIR VALUE MEASUREMENT

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants.

#### The following methods and assumptions were used to estimate the fair values:

Trade receivables, cash and cash equivalents, other bank balances, short term loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: approximate their carrying amounts largely due to the short-term maturities of these instruments.

Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

#### The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

The following is the basis for categorising the financial instruments measured at fair value into Level 1 to Level 3 :

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**

Particulars	Rs. in Lakhs			
	As at 31st March, 2021			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade Receivable	7,774.03	—	—	7,774.03
Cash & cash equivalents	489.81	—	—	489.81
Other bank balance	2,181.40	—	—	2,181.40
Loans	1,277.91	—	—	1,277.91
Other financial assets	2,847.30	—	—	2,847.30
<b>At FVTPL</b>				
Investments	0.01	0.01	—	—
Other financial assets	21.65	—	21.65	—
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Borrowings	39,068.41	—	—	39,068.41
Trade payables	5,123.95	—	—	5,123.95
Other financial liabilities	1,106.56	—	—	1,106.56
<b>At FVTPL</b>				
Other financial liabilities	—	—	—	—
<b>Particulars</b>	<b>As at 31st March, 2020</b>			
	<b>Carrying Amount</b>	<b>Level of input used in</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade Receivable	7,740.53	-	-	7,740.53
Cash & cash equivalents	3,625.40	-	-	3,625.40
Other bank balance	1,166.86	-	-	1,166.86
Loans	951.02	-	-	951.02
Other financial assets	2,743.34	-	-	2,743.34
<b>At FVTPL</b>				
Investments	0.01	0.01	-	-
Other financial assets	-	-	-	-
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Borrowings	40,488.49	-	-	40,488.49
Trade payables	4,330.63	-	-	4,330.63
Other financial liabilities	1,121.84	-	-	1,121.84
<b>At FVTPL</b>				
Other financial liabilities	403.680	-	403.680	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### 51. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Borrowings (long-term and short-term, including current maturities of long term borrowings) (Note 22, 27 & 29)	39,068.41	40,488.49
Less: Cash and cash equivalents (Note 15)	489.81	3,625.40
<b>Net Debt</b>	<b>38,578.60</b>	36,863.09
Equity Share Capital	1,220.24	1,220.19
Other Equity	27,920.40	27,736.69
<b>Total Capital</b>	<b>29,140.64</b>	28,956.88
<b>Capital and Net Debt</b>	<b>67,719.24</b>	65,819.97
<b>Gearing Ratio</b>	<b>56.97%</b>	56.01%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020.

### 52. FINANCIAL RISK MANAGEMENT

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk).

#### Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in below table.

Particulars	Rs. in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Not Due	4,939.41	5,341.04
Less than 6 month	1,714.24	1,949.16
More than 6 month	1,120.38	450.33

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

### Maturity Profile of Financial Liabilities

Particulars	As at 31st March, 2021			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	31,921.00	6,779.68	367.73	39,068.41
Trade Payable	5,123.95	-	-	5,123.95
Lease Liabilities	73.35	154.45	125.23	353.03
Other Financial Liabilities	1,033.21	-	-	1,033.21

Particulars	As at 31st March, 2020			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of Long Term borrowing)	38,040.29	1,627.10	821.10	40,488.49
Trade Payable	4,330.63	-	-	4,330.63
Lease Liabilities	79.24	222.58	117.60	419.42
Other Financial Liabilities	1,525.52	-	-	1,525.52

### Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

### Exposure to Interest Rate Risk

Particulars	Rs. in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Total Borrowings	39,068.41	40,488.49
% of Borrowings out of above bearing variable rate of interest	73.76%	91.96%

### Interest Rate Sensitivity

A change of 100 bps in interest rates would have following Impact on profit before tax

100 bp increase would decrease the profit before tax by	573.01	339.51
100 bp decrease would Increase the profit before tax by	(573.01)	339.51

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### Foreign Currency Risk Management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	80.55	407.37	91.73	463.10
EURO	21.13	148.28	19.50	215.97
GBP	34.87	39.21	30.44	69.91
HKD	0.22	0.58	0.22	0.58

### Foreign Currency Sensitivity

The following table details the Company's sensitivity to a 5% change in rupee value against the relevant foreign currencies, which is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end.

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	294.47	(294.47)	347.01	(347.01)
EURO	90.62	(90.62)	81.20	(81.20)
GBP	175.70	(175.70)	143.00	(143.00)
HKD	0.10	(0.10)	0.11	(0.11)
Foreign Currency Monetary Liabilities				
USD	(1,489.04)	1,489.04	(1,751.67)	1,751.67
EURO	(636.01)	636.01	(899.20)	899.20
GBP	(197.59)	197.59	(328.37)	328.37
HKD	(0.27)	0.27	(0.28)	0.28
Impact on Profit or Loss as at the end of reporting year	(1,762.02)	1,762.02	(2,408.20)	2,408.20

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### Disclosure Regarding Derivative Instruments.

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

The following are outstanding forward contracts.

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Currency	Foreign Currency Lacs	Currency	Foreign Currency Lacs
Forwards Contracts	USD	58.80	USD	105.00
	EURO	5.50	EURO	17.00
	GBP	38.00	GBP	40.50

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### 53. RELATED PARTY DISCLOSURES AS PER IND AS 24

a) Name of Related Parties & Nature of Relationship:	Country	Ownership Interest
<b>i) Subsidiary Companies :</b>		
Bhartiya Global Marketing Ltd.	India	100%
J&J Leather Enterprises Ltd.	India	100%
Bhartiya International SEZ Ltd	India	88.95%
Bhartiya Fashion Retail Ltd.	India	100%
Bhartiya Urban Infrastructure Ltd.	India	100%
World Fashion Trade Ltd	Mauritius	100%
Ultima S.A.	Switzerland	100%
Ultima Italia SRL	Italy	100%
Design Industry Ltd.	Hongkong	100%
Design Industry China Ltd.	China	100%
<b>ii) Associate Parties :</b>		
Bhartiya Urban Pvt. Ltd. (Bhartiya City Developers Pvt. Ltd.)	India	37%
Tada Mega Leather Cluster Pvt Ltd.	India	50%
<b>iii) Executive Directors:</b>		
Manoj Khattar		Whole Time Director
<b>iv) Non-Executive Directors</b>		
Snehdeep Aggarwal		Director
Ramesh Bhatia		Director
C.L. Handa		Independent Director
Sandeep Seth		Independent Director
Shashank		Independent Director
A. Sahasranaman		Independent Director
Annapurna Dixit		Independent Director
SM Swathi		Independent Director
Robert Burton Moore Jr		Director
<b>v) Enterprises owned or significantly influenced by Executive Directors or their relatives :</b>		
Itopia Management Services (India) Pvt. Ltd.		
Parushni Interior Designs Pvt. Ltd.		
<b>vi) Trust</b>		
Bhartiya International Ltd Employees Group Gratuity Scheme		Post Employment Benefit Plan

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**

Particulars	Rs. in Lakhs	
	2020-21	2019-20
<b>b) Transactions during the year with Related Parties :</b>		
<b>1. Sales</b>		
Ultima S.A.	<b>804.27</b>	3,985.98
Design Industry Ltd.	<b>67.40</b>	45.83
J&J Leather Enterprises Ltd.	<b>33.45</b>	70.20
Bhartiya Urban Pvt. Ltd.	<b>0.30</b>	-
<b>2. Other Income</b>		
Ultima S.A.	<b>107.35</b>	138.01
<b>3. Purchase / Job Work</b>		
Ultima Italia SRL	<b>1.56</b>	-
J & J Leather Enterprises Ltd	<b>1,547.69</b>	2,011.30
Design Industry China Ltd.	<b>1.72</b>	7.65
<b>4. Salaries</b>		
Manoj Khattar	<b>73.41</b>	97.29
<b>5. Lease Rent / Rent Paid</b>		
Bhartiya Global Marketing Ltd.	<b>1.00</b>	1.00
J & J Leather Enterprises Ltd	<b>24.00</b>	24.00
<b>6. Lease Rent Received</b>		
Bhartiya Urban Pvt. Ltd.	<b>234.35</b>	234.35
Parushni Interior Designs Pvt Ltd	<b>18.00</b>	18.00
<b>7. Service Charges Paid</b>		
Bhartiya International Sez Ltd.	<b>41.89</b>	37.50
Bhartiya Fashion Retail Ltd.	<b>8.85</b>	10.00
<b>8. Legal and Professional Fees</b>		
Itopia Management Services ( India) Pvt. Ltd	<b>6.50</b>	4.25
Robert Burton Moore Jr	<b>74.67</b>	89.75
Snehdeep Aggarwal	<b>9.00</b>	10.00
<b>9. Sitting Fee</b>		
Ramesh Bhatia	<b>0.43</b>	0.03
C.L. Handa	<b>1.08</b>	0.56
Sandeep Seth	<b>1.08</b>	0.75
Shashank	<b>1.08</b>	0.63
A. Sahasranaman	<b>0.43</b>	0.36
Annapurna Dixit	-	0.25
SM Swathi	<b>0.32</b>	-
<b>10. Contribution to Gratuity Trust</b>		
Bhartiya International Limited Employees Group Gratuity Scheme	<b>46.00</b>	50.00

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**

Particulars	Rs. in Lakhs	
	2020-21	2019-20
<b>c) Balances Outstanding at the year end:</b>		
<b>1. Advance Paid</b>		
Ultima S.A.	11.50	11.50
Bhartiya Urban Pvt. Ltd.	—	22.11
Parushni Interior Designs Pvt. Ltd	0.03	-
<b>2. Advance with Suppliers</b>		
J & J Leather Enterprises Ltd.	1,057.47	630.00
Design Industry China Ltd.	0.25	1.12
Ultima S.A.	—	148.05
<b>3. Trade Receivable</b>		
Designs Industry Ltd.	85.82	19.54
Ultima S.A.	504.71	212.69
Ultima Italia SRL	1.48	1.44
Bhartiya International SEZ Ltd.	15.38	-
<b>4. Security Deposit (Paid)</b>		
Bhartiya Global Marketing Ltd.	5.00	5.00
<b>5. Trade Payables</b>		
Bhartiya International SEZ Ltd.	—	11.85
Ultima Italia SRL	857.11	1,488.47
World Fashion Trade Ltd.	—	3.55
<b>6. Expenses/Others Payables</b>		
Itopia Management services(India) Pvt. Ltd.	2.76	-
Snehdeep Aggarwa	0.69	-
<b>7. Security Deposit (Received)</b>		
Bhartiya Urban Pvt. Ltd.	159.79	159.79
Parushni Interior Designs Pvt. Ltd.	1.50	1.50
<b>8. Standby Letter of Credit (SBLC) Issued by Company Bankers</b>		
Ultima S.A.	8,849.21	8,962.63
<b>9. Corporate Guarantee given by Company</b>		
World Fashion Trade, Ltd. Ultima Italia SRL and Ultima S.A.	428.93	416.40

**54. COVID-19****ASSESSMENT NOTE:**

The Company's operations and financial statements for the year ended 31st March, 2021 have been impacted partially by the outbreak of COVID-19 pandemic and the consequent lockdown announced by central and state governments, due to which the operations were suspended for a large part of the quarter ended June 30, 2020 and resumed gradually with prescribed regulations and precautions. Accordingly, the financial results presented for the year ended 31st March, 2021 are not strictly comparable with those of previous periods. Accordingly, the company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, to determine the impact on the company's revenue from operations and estimation of sales related expenses over the foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables, deferred tax assets & input tax credit receivables. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial results, which may differ from impact considered as at the date of approval of these financial results. The company continues its business activities in lines with the guidelines issue by the Government authorities take steps to strengthen its liquidity position and further explore cost restructuring exercise. The company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the company is closely monitoring the situation as it evolves in future.

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As per our report of even date attached

**For K A S G & CO.**

Chartered Accountants

Firm Reg. No. 002228C

**For and on behalf of the Board**

**R.B.Sharma**

Partner

Mem. No. 075701

**Yogesh Kumar Gautam**

Company Secretary

**Raj Kumar Chawla**

Chief Financial Officer

**Manoj Khattar**

Whole Time Director

DIN: 00694981

**Ramesh Bhatia**

Director

DIN: 0052320

Gurugram, 29th June, 2021

## AOC-1

Pursuant to Proviso to Sub-Section 3 of Section 129 with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of Financial Statement of Subsidiaries/Associates Companies/Joint Ventures

## PART - A: SUBSIDIARIES

Name of Subsidiary	Financial Year Ended	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding Share capital & Reserves & Surplus)	Investments	Turnover	Profit / Loss before Taxation	Provision for Taxation	Profit / Loss after Taxation	% of Share holding
Bhartiya Global Marketing Ltd.	31st March, 2021	INR (lacs)	499.90	(103.05)	404.33	7.48	322.68	-	0.24	(0.06)	0.18	100.00
J&J Leather Enterprises Ltd.	31st March, 2021	INR (lacs)	207.50	250.80	2086.55	1628.25	35.00	1616.08	(76.43)	13.03	(63.40)	100.00
Bhartiya International SEZ Ltd.	31st March, 2021	INR (lacs)	1356.92	(53.70)	1337.18	33.96	-	41.89	(27.36)	0.11	(27.25)	88.95
Bhartiya Urban Infrastructure Ltd.	31st March, 2021	INR (lacs)	5.00	(2.02)	3.03	0.05	-	0.50	0.10	(0.03)	0.08	100.00
Bhartiya Fashion Retail Ltd.	31st March, 2021	INR (lacs)	50.00	(44.00)	7.28	1.28	-	8.85	0.70	(0.29)	0.41	100.00
Ultima S. A	31st March, 2021	CHF	1000000.00	7017454.00	19199921.00	11182467.00	2480930.00	13696997.00	301743.00	(43321.00)	258422.00	100.00
Design Industry Ltd.	31st March, 2021	HK\$	1000000.00	5034995.00	34394931.00	29259936.00	-	67844815.00	2359928.00	-	2359928.00	100.00
Design Industry China Ltd.,	31st March, 2021	RMB/Yuan	2000000.00	(301074.00)	191465.00	292539.00	-	4102892.00	268847.00	-	268847.00	100.00
Ultima Italia SRL	31st March, 2021	EURO	2000000.00	(66853.00)	3585476.00	1652329.00	-	1058322.00	(353846.00)	84238.00	(269608.00)	100.00
World Fashion Trade Ltd.	31st March, 2021	HK\$	5480570.00	(5353235.00)	2033445.00	1906110.00	-	1268126.00	1111845.00	-	1111845.00	100.00

	CHF	HK\$	Euro	RMB Yuan
Exchange rate for Balance Sheet items (except shares capital figures which are stated at invested value)	77.5	9.41	85.78	11.14
Exchange rate for Profit and Loss	80.5	9.58	86.48	10.97

**PART – B: ASSOCIATES AND JOINT VENTURES**

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in Lakhs)

Name Of Associates and Joint Ventures	Last Audited Balance Sheet Date	Share of Associate/Joint Venture held by the company as on year end			Description of Significant Influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance sheet	Profit/Loss for the Year	
		No.	Amount of Investment in Associate/Joint venture	Extent of Holding				Considered in Consolidation	Not Considered in Consolidation
Bhartiya Urban Private Limited	31st March, 2021	34393260	3999.60	36.77%	Voting Power	-	3,754.93	(887.33)	-
Tada Mega Leather Cluster Pvt. Ltd.	31st March, 2021	5000	0.05	50.00%	Voting Power	-	(1.65)	-	-

## NOTES

[illegible]

# BHARTIYA

**Bhartiya International Limited**

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