

16-17

ANNUAL REPORT

Design-led.

Innovative.

Sustainable.

Reliable.

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FROM THE CHAIRMAN

Since the company has been founded, we have come a long way and I congratulate each one of you who has contributed in the journey for the past 30 years. The more I reflect back, the more I am looking into the future. There is only one way and that is forward.. Into the future.

More than ever, companies are recognizing the need to develop a sustainable business through innovation. It is time for the developing markets to rise. Notwithstanding the recent slowdown, China, India and other emerging markets have led global growth in the last two decades and will continue to do so. In a closely interconnected world, we have seen the democratization of entrepreneurship, the assertion of developing countries in the global landscape and the emergence of businesses that did not even exist a couple of decades ago. The world has changed and is changing beyond recognition every day. India is set to grow faster as we race ahead to meet the aspirations of billions of people. Indian businesses have built a formidable presence domestically and must now strengthen their footprint globally to build truly world-class enterprises; that are capable of competing with the best. India looks positively poised and strong to take its rightful place amongst the more advanced nations of the world and grow at a higher pace. Our company is uniquely poised at a juncture for growth globally.

We are expanding our operations in Milan, the heartland of global fashion. New initiatives and teams are taking shape. This will be our platform for International growth. We are further enhancing our design services to provide more value to our customers across all our business verticals. Design remains at the core of our businesses and growth. It will need focus and perseverance to take Bhartiya to the next level.

Another focus is on creating entrepreneurs and leaders within Bhartiya. Leaders who can take initiatives and risks. To take our journey forward, we need leaders who will not only build the organizational capabilities to harness technology and new ways of working, but also instil the values to build sustainable and responsible models of growth. More than ever before we need leaders who are value-led and purpose-driven. These are leaders who recognize that there are some non-negotiables in business and that building organizational character is essential to future success. We at Bhartiya, strongly encourage leaders who can take risk and turn failure into stepping stones.

I am glad that the company is founded on a strong vision and value system. Design thinking, innovation and commitment have been the fundamentals of our businesses and I urge every member of Bhartiya Group to remember and inculcate these at all times.

As the Chairman, and on behalf of our team, I would like to thank our shareholders & other stakeholders for the continued support to Bhartiya.

Snehdeep Aggarwal



Snehdeep Aggarwal, Chairman and Founder, Bhartiya Group being presented the Insignia of "Knight" by H.E. Lorenzo Angeloni, the Ambassador of Italy to India

SNEHDEEP AGGARWAL, CHAIRMAN AND FOUNDER, BHARTIYA GROUP AWARDED THE INSIGNIA OF “KNIGHT OF THE ORDER OF THE STAR OF ITALY”

New Delhi, May 26, 2017: Snehdeep Aggarwal, Chairman and Founder, Bhartiya Group, was Knighted the Order of the Star of Italy, a rare honour bestowed to foreign citizens or Italian expatriates who have achieved extraordinary results in the promotion of bilateral relations between Italy and other countries. H.E. Lorenzo Angeloni, the Ambassador of Italy to India presented the Award on behalf of the Government of Italy. This honor was an acknowledgement of Snehdeep Aggarwal's contribution to the promotion of bilateral ties between Italy and India and for his iconic status as a role model entrepreneur, visionary and a business leader par excellence. Mr. Aggarwal strongly propagates “a design thinking” to all the businesses that Bhartiya does and the company set up a design studio in Milan nearly about 20 years ago with the aim of servicing international brands as their preferred partner. Today, it supports over 100 leading global brands as their design and preferred manufacturing partner. It also has a brand/label and is exploring various options for a forward integration into global retail in Fashion.

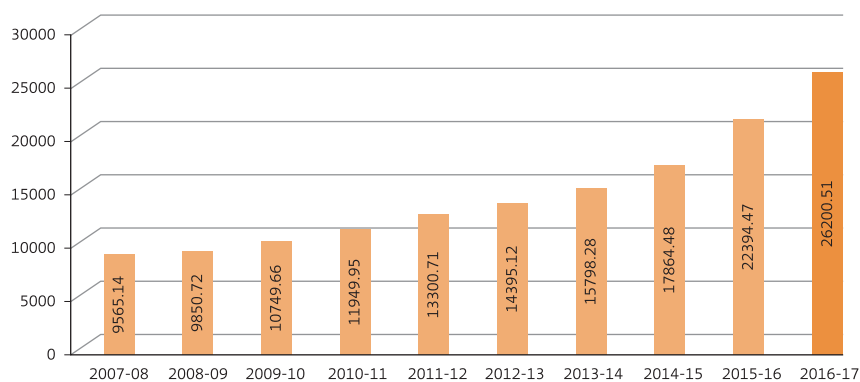
Mr. Aggarwal and Bhartiya group have a long connection with Italy spanning over two decades. Starting with an office in Florence which then moved to Milan with the setting up of the Design studio, the relationship has since grown exponentially, now with “Nikoo Homes” having many Italian companies as its supply chain partner for the development of a unique project in India.

On this occasion Mr. Aggarwal said, “I am extremely privileged and humbled to receive this title from Government of Italy and H. E. Lorenzo Angeloni. It has always been exciting to work with Italy, a country that I admire. I would like to extend my heartfelt gratitude to each and every partner who has supported us and played a vital role in this journey. We at Bhartiya Group hope to strengthen this relationship even more in the years to come.”

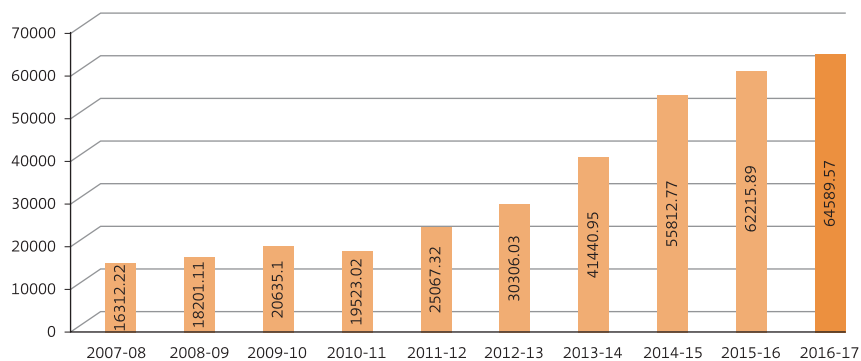
The evening witnessed prominent guests including some leading diplomats and business leaders.

PERFORMANCE HIGHLIGHTS

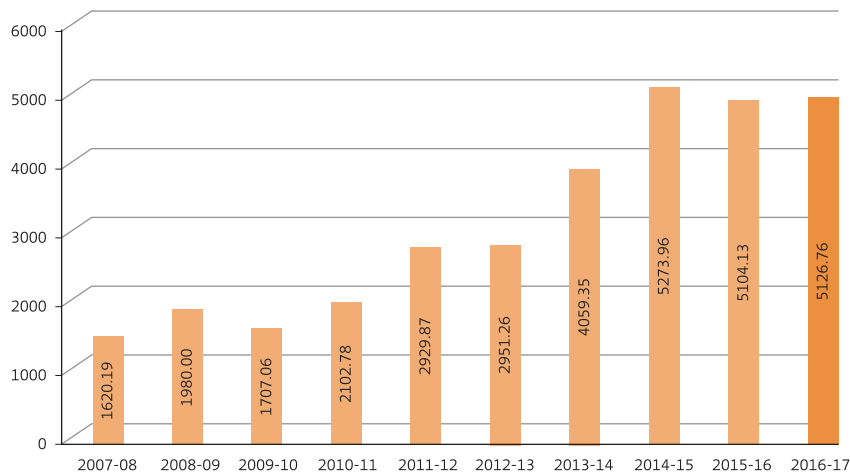
Net Worth (Rs. in Lacs)



Turnover (Rs. in Lacs)



EBITDA (Rs. in Lacs)



BOARD OF DIRECTORS

DIRECTORS

Snehdeep Aggarwal	Managing Director
Jaspal Sethi	Whole-Time Director
A.K. Gadhok	Whole-Time Director
Ramesh Bhatia	Director
Nikhil Aggarwal	Director
Shashank	Independent Director
A. Sahasranaman	Independent Director
C.L. Handa	Independent Director
Sandeep Seth	Independent Director
Annapurna Dixit	Independent Director
Sanjay Baweja	Additional Director
Manoj Khattar	Chief Financial Officer
Shilpa Budhia	Company Secretary

AUDITORS

Sushil Poddar & Co., New Delhi

BANKERS

State Bank of India
Corporation Bank
IDBI Bank
HDFC Bank
Indusind Bank
CTBC Bank
Kotak Mahindra Bank
DBS Bank Ltd.
Axis Bank

DELHI

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

GURUGRAM

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

BENGALURU

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

CHENNAI

Bhartiya International Ltd.
56/7, Nallambakkam Village,
(Via-Vandalur),
Chennai – 600048 (India)

TADA

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

ITALY

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

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

SWITZERLAND

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

HONG KONG

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

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

CHINA

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

Design Industry China Ltd.
Room 407-1, Tower 8, United Plaza,
No. 58 Qianjiang Road, Hangzhou,
China – Post Code: 310008



The Bhartiya Group

“...WE INVEST IN OUR PEOPLE TO ENSURE THEY HAVE THE TOOLS AND RESOURCES REQUIRED TO ACHIEVE THEIR PERSONAL GOALS, CONTRIBUTE JOINTLY TO BHARTIYA’S OVERALL SUCCESS, AND ULTIMATELY, ADD TO THE SHAREHOLDER VALUE.”

MANAGEMENT DISCUSSION & ANALYSIS

LEATHER APPAREL

Over the years, Bhartiya continues to be the largest exporter of leather garments in India and growing continuously.

Operating as a vertically integrated business, from design to the final garment, Bhartiya has been able to establish itself as a self sustained and design oriented business partner. The management continues to focus on improving efficiencies in a complex manufacturing environment. We believe management has mastered the complexities of design- development- production to operate our factories with world class efficiencies. However, we also continue to strive to enhance quality, output and value in a holistic sense.

The economic slowdown in the company's key European markets has resulted in retailers reducing the width and depth compared to previous years' volumes. In such situations, the pressure of controlling price increases substantially and as an exporter, sometimes we have to struggle to compete for lower prices. From our experiences in the past, we were prepared to lookout for alternate supply chain partners that help us control the situation. Hence the company's well established sourcing capabilities were successful in fulfilling the raw material supplies.

As a company, we are always on a constant drive to improve the quality and output by various means. Also, this year we focussed on the quality of customers and not just the quantity. As in the path of growth, the quality and commitment of partners also reflects companys; development and success. As we strive to add value in our relationships, we also look out for the same.

ACCESSORIES

Due to the elaborate product development and marketing initiatives, the companys' clientele has grown with several new customers reposing faith in our capabilities. As a phased expansion plan for capacity building in small leather goods; the Chennai factory is on track and showing good results. This year, many new brands have been added to the portfolio comprising both domestic and international brands. As we have seen there is a global trend of diversification, some of our brands have entered the non leather accessories market as well. Keeping up with the trend of our customers, we have also been able to successfully adapt into non leather category as well. The company's Chennai based Accessories business operated factories in Vandalur and Tada and produces leather, fabric and non leather bags, accessories, belts and small leather goods for top retailers and brands.

The company has invested in creating teams with technical and product development expertise to enhance our quality of product offering. As for Leather apparels, the management also has been stressing to improve the quality of customers for Accessories division.

NON-LEATHER TEXTILE OUTERWEAR

Textile Outerwear has been a recent addition to the portfolio of Bhartiya Group. Having spent the past year in design, research and setup; the division has done some great progress. The factories that were setup with international expertise and advanced technology began operations this year. The company got all its compliance

ensured which is great step towards increasing the business. Due to the focus on design and quality; already large retailers like Levis, Whistles have started working with us which makes our portfolio quite strong to pitch to prospect buyers. With the groundwork almost in place and processes gaining momentum; the division is set to increase business in the coming seasons.

TEXTILE

Last one year has been quite eventful for the textile apparel division. The Textile division focusses on providing sourcing solutions of India and Bangladesh produced casual clothing, resort wear and scarves to retailers and brands including Mango, Okaidi, Liu jo, Kookai and others. The past year focussed on strengthening the product development division and expanding the marketing team. The expansion of marketing team led to reaching out to new markets. Also to reach out to more customers, the division increased its number of agents. The steps taken above increased the reach to European customers and also resulted in some new relationships being created. Offering design based sourcing solutions utilising the creativity of design studio based in Milan has gained us value and reputation over the last year prominently, over and above providing contract production facilities in Asia. Definitely, the marketing strategy involves targeting textile and leather customers through cross selling, which is being run in close co-ordination with the company's Italian operations

INTERNATIONAL

The company's fur and outerwear business outsources its manufacturing in China and is directly linked to the operations in Italy through the subsidiaries in Europe. Our Swiss subsidiary supported by the Milan based Ultima Italia business continues its business expansion, focussed on providing great designed, value priced product to large customers. The office being stationed in the fashion capital of the world helps strategise marketing encouraging cross selling within the divisions, boasting and utilising the design team that constantly curates and creates collections. Another milestone is the setting up of another office in the heart of Milan. This is a step towards strengthening and expanding our international presence. With a clear roadmap to increase the customers worldwide, this office shall be an important point of contact in establishing new relations. Apart from marketing and design, the company plans to widen its sourcing base beyond China in order to enhance its offering and supply chains.

OVERVIEW

Over 30 years, despite major changes and disruptions, innovation has been, and continues driving our business. Connecting bright minds and creating ideas, using rapid prototyping methodology, design thinking, and collaborative work ideas are just some of the ways we innovate at Bhartiya everyday. Our business is built upon our people, our time-honoured values, financial strength, our culture of innovation, our approach to sustainability.



OUR COMPANY

HUMAN RESOURCES

Bhartiya has been working round the clock to achieve the efficiencies by increasing the productivity, maximum utilization and optimization of the available resources and real-time monitoring of operations. We are ensuring to improvise our manufacturing units to accommodate large orders by introducing concepts like 5s and lean management thereby increasing the profitability.

People in Bhartiya are nurtured to achieve both the organization and individual objectives by giving them an opportunity to undertake projects which helps them in their overall development. Since learning and development play a vital role, we organize technical training across the organization for managers and workers which helps them in extemporizing their work schedules. The organization also sensitize employees in the area of compliance and rights of women employees. Bhartiya has been generously awarding people for their contribution towards the business and have a robust reward and recognition program at both the corporate and factory level to applaud the efforts.

INTERNAL CONTROL SYSTEM

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



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 REACHES ITS FIRST MILESTONE

The sustainably driven smart city development in India has reached a significant milestone with Nikoo I apartments being handed over giving the project the ultimate credibility and stature.

Bhartiya City is a 125 acre site located in Bengaluru. The masterplan comprises eight precincts, which will mix residential, public, commercial, leisure and retail zones supported by a range of infrastructure including schools, hospitals and transport links.

Global architects have been working with developer Bhartiya Urban to translate its vision to deliver an inspirational city development into an effective masterplan aimed at creating a clear sense of place and improved quality of life for people. A variety of configurations have been provided ranging from one to four bedrooms and lofts. These buildings will be complemented by a range of community facilities including a resident's clubhouse called the 'Black Swan' and sporting facilities such as tennis and basketball courts and a jogging track. A shopping mall, convenience stores, spa, extensive park and gardens will be delivered in the second phase of the scheme.

The central park, provides a large amount of green space; nearly 70% of Bhartiya City is dedicated to public realm. This thinking has even been taken to the design objectives for the roads; tree-lined avenues that are core to the plans improving safety, health and wellbeing.

Districts 2 and 3, have also been designed which form the city centre. This includes the architectural concept and schematic design, retail interior design, landscape design and public realm strategy. The two precincts comprise of mixed-use development, featuring six office towers, hotels, a convention centre, shopping centre with a mix of retail styles, food courts, cafes and restaurants, cinema, park and major landscaped areas, as well as Celebration Square; a public performance area with capacity for 5,000 people. The designs for retail have almost been finalised and the rollout for leasing is expected to begin in 2017.

A major factor of the design is the integration of public spaces. Walkways and cycle paths will seamlessly link the various elements of the scheme and a pedestrianised grand promenade will include fountains and green spaces, creating a destination within the development. Major developments have happened on the school and hospital concepts and design which are going to be one of their kind facilities within the city. The city seems to be coming live as imagined; in fact better.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 30th Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2017.

FINANCIAL RESULTS

The standalone and consolidated financial results of the Company for the financial year ended 31st March, 2017 are as follows:

Sl. No.	Particulars	(Rs. in Lacs)			
		Consolidated		Standalone	
		2016-17	2015-16	2016-17	2015-16
1.	Net Sales /Income from Operations	64589.57	62221.59	47782.42	44544.62
2.	Other Income	381.88	378.91	334.43	261.75
3.	Total Expenditure	61844.19	59407.57	45711.87	42515.82
4.	Interest	1376.16	1306.22	1327.45	1244.60
5.	Gross Profit after Interest but before Depreciation & Tax Items	3750.60	3797.90	2874.96	2703.36
6.	Depreciation	623.34	604.98	469.98	412.82
7.	Profit before Tax	3127.26	3192.93	2404.98	2290.55
8.	Tax Expense	946.79	920.88	841.15	813.77
9.	Net Profit after Tax	2180.47	2272.05	1563.83	1476.78
10.	Share of Profit/ (Loss) of Associates	(58.54)	192.22	-	-
11.	Minority Interest	(5.68)	(7.22)	-	-
12.	Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates	2127.61	2471.48	1563.83	1476.78
13.	Paid up Equity Share Capital	1174.09	1171.38	1174.09	1171.38
14.	Reserves (Excluding Revaluation Reserves)	22023.17	20014.16	19210.56	17597.15
15.	Earning Per Share (Basic) Rs.	18.12	21.69	13.32	12.96
16.	Earning Per Share (Diluted) Rs.	18.04	21.48	13.26	12.84
17.	Dividend	12%	12%	12%	12%

PERFORMANCE REVIEW

On standalone basis, during the year under review, the Company achieved a turnover of Rs. 47782.42 Lacs as against Rs.44544.62 Lacs in the previous year showing an increase of 7.27%. The Net Profit after taxes also increased to Rs.1563.83 Lacs as compared to Rs.1476.78 Lacs in the previous year showing an increase of 5.89%.

On consolidated basis, during the year under review, the Company achieved a turnover of Rs.64589.57 Lacs as against Rs.62221.59 Lacs in the previous year showing an increase of 3.81%. The Net Profit after taxes minority interest and share of profit/(loss) of associates was reported at Rs.2127.61 Lacs as against Rs.2471.48 Lacs in the previous year.

DIVIDEND

Your Directors have recommended a Dividend of Rs.1.20/- per paid-up equity share of Rs. 10/- each (i.e. @ 12%) for the financial year ended 31st March, 2017. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

RESERVES

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

SHARE CAPITAL

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

Dates	Description	No. of shares	Total value of shares in Rs.
1 st April, 2016	Share Capital at the beginning of the year	11,713,848	117,138,480
	Add: Equity Shares allotted pursuant to Employee Stock Option Plan (ESOP) 2013		
	17/10/2016 - 14670 shares		
	28/11/2016 - 10709 shares		
	16/01/2017 -1718 shares	27,097	270,970
31 st March, 2017	Share Capital at the end of the year	11,740,945	117,409,450

EMPLOYEES STOCK OPTION PLAN

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

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

Statement pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 as at 31st March, 2017, is set out in **Annexure A** to this Report.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

DETAILS AND PERFORMANCE OF SUBSIDIARY COMPANIES

Bhartiya Global Marketing Ltd.

It is a Global Marketing Company engaged in export of textile and leather garments. The total revenues of the Company was Rs.1,23,21,980/- and the net loss was Rs.10,84,763/- during the financial year 2016-2017.

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.12,31,62,305/- and the net profit was Rs.9,37,897/- during the financial year 2016-2017.

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.28,15,172/- and the net loss was Rs.51,38,124/- during the financial year 2016-2017.

Bhartiya Fashion Retail Ltd.

The Company had registered a loss of Rs.22,34,093/- for the financial year 2016-2017.

Bhartiya Urban Infrastructure Ltd.

The Company had registered a loss of Rs. 47,168/- for the financial year 2016-2017.

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 22,072,888 and the net profit was CHF 1,013,746 during the financial year 2016-2017.

World Fashion Trade Ltd., Mauritius

This company is engaged in sourcing of outerwear (including leather, PU Garments, fashion accessories) and textile product from China, India and Bangladesh for marketing and selling in Europe and US markets. The total revenues of the Company was HK\$ 12,584,042 and the Company has registered a net profit of HK\$ 425,802 for the period ended 31st March, 2017.

Ultima Italia SRL, Italy

This company markets all fashion products including fur and leather garments in Italian market. The total revenues of the Company was Euro 1,955,649 and the net profit was Euro 7,525 during the financial year 2016-2017.

Design Industry Ltd., Hongkong

This company is engaged in sourcing of outerwear (including leather, PU Garments, fashion accessories) and textile product from China and India for marketing and selling in Europe. The total revenues of the Company was HK\$ 37,074,932 and the net profit was HK\$ 199,617.

Design Industry China Ltd., China

The 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 4,978,298.77 and the net loss was RMB Yuan 168,424.

New Subsidiary/Associate Company incorporated /dissolved during the year

During the year under review, there were no new subsidiary/associate company incorporated/ dissolved.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION & ANALYSIS

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

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

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

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

The Annual Listing fee for the Financial Year 2017-2018 has already been paid to both the above Stock Exchanges.

CASH FLOW STATEMENT

Cash Flow Statement is annexed and forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

During the year under review, the Board of Directors appointed Mr. Sanjay Baweja as Additional Director with effect from 5th December, 2016. It is proposed to appoint Mr. Sanjay Baweja as Independent Director in terms of Section 149 and other applicable provisions of the Companies Act, 2013, for a period of 5 years upto the conclusion of the 35th Annual General Meeting of the Company to be held in the calendar year 2022.

Due notice under Section 160 of the Act has been received from a Member of the Company proposing the appointment of Mr. Sanjay Baweja as Independent Director of the Company at this Annual General Meeting.

At the 27th Annual General Meeting held on 8th August, 2014, Mr. Sandeep Seth, Mr. Shashank, Mr. A Sahasranaman and Mr. C L Handa were appointed as Independent Directors to hold office upto the 30th Annual General Meeting. Considering their immense contributions to the Company and pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of directors at its meeting held on 29th May, 2017 decided to place the proposal for re-appointment of Mr. Sandeep Seth, Mr. Shashank, Mr. A. Sahasranaman and Mr. C. L. Handa for a further term of 5 (five) consecutive years upto the conclusion of the 35th Annual General Meeting to be held in the calendar year 2022, for approval of the members at the 30th Annual General Meeting.

The Company has received separate notices under Section 160 from members, along with requisite deposit, signifying their intention to re-appoint Mr. Sandeep Seth, Mr. Shashank, Mr. A Sahasranaman and Mr. C. L. Handa as Independent Director of the Company at this Annual General Meeting. 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.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. A.K. Gadhok, Whole Time Director, retires by rotation at the ensuing Annual General Meeting and, being eligible offers himself for re-appointment. Further, as per the requirement of the Schedule V Part I (c) of the Companies Act, 2013 if a Managing or Whole-Time Director has attained the age of 70 years then his appointment/continuation needs to be approved by a special resolution passed by the Company in General Meeting. Mr. A.K. Gadhok, has attained the age of seventy years in March, 2017. Your Board recommends his continuation as Whole Time Director till the original period of appointment on the existing terms and conditions including the remuneration and perquisites.

Appropriate Resolutions seeking your approval for appointment of Mr. Sanjay Baweja as Independent Director, re-appointment of Mr. A.K. Gadhok as Director, re-appointment of Mr. Sandeep Seth, Mr. Shashank, Mr. A. Sahasranaman and Mr. C. L. Handa as Independent Directors is included in the Notice.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

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

BOARD EVALUATION

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

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

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2016-17, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2016-17 forms part of the Corporate Governance Report.

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 2016-17 is provided in the Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

WHISTLE BLOWER POLICY

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

NOMINATION AND REMUNERATION POLICY

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

RELATED PARTY TRANSACTIONS

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

All related party transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a quarterly basis for transactions which are of repetitive nature. A statement giving details of all the related party transactions are placed before the Audit Committee and Board for review and approval on a quarterly basis.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web link of the same is www.bhartiyafashion.com.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

SHIFTING OF REGISTERED OFFICE

During the year under review, the Registered Office of your Company has been shifted from the State of New Delhi to the State of Tamil Nadu within the jurisdiction of the Registrar of Companies, Chennai, pursuant to the certificate received from the Registrar of Companies dated 1st August 2016.

The new Registered Office address of the Company is 56/7, Nallambakkam Village, (Via Vandalur), Chennai – 600 048, Tamil Nadu. All the necessary formalities in this regard have been complied with pursuant to the provisions of Section 12 of the Companies Act, 2013 and rules framed there under.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 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

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. Sushil Poddar & Co, Chartered Accountants (Firm Registration No.014969N), New Delhi as the Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting of the Company. The Board of Directors of the Company at their meeting held on 29th May, 2017, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s. K A S G & Co., Chartered Accountants (Firm Registration No. 002228C), as the Statutory Auditors of the Company at the 30th Annual General Meeting of the Company for an initial term of 5 years. Accordingly, a resolution, proposing appointment of M/s. K A S G & Co., Chartered Accountants, as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company, pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the 30th Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Report given by M/s. Sushil Poddar & Co., Chartered Accountants Statutory Auditors on the financial statement of the Company for the financial year, 2017 forms 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.

M/s. Sushil Poddar & Co., Chartered Accountants, over many years have successfully met the challenge that the size and scale of the Company's operations pose for auditors and have maintained the highest level of governance, ethical standards, rigour and quality in their audit. The Board places on record its appreciation for the services rendered by M/s. Sushil Poddar & Co., as the Statutory Auditors of the Company.

COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2017-2018.

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 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as **Annexure C** and forms an integral part of this report.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has 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.

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 risk management process is reviewed and evaluated by the board of directors. Bhartiya International's exposure to foreign currency risk is restricted to its imports and exports. These risks are minimized through well-thought-out financial operations, astute treasury management and effective use of hedge options.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects such as providing scholarship to the students and providing donations to Trust carrying C S R Activities, repair of schools, providing insurance to children etc.

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

ENVIRONMENT AND SAFETY

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provision of Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2017 on the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo is given in the **Annexure E** forming part of this report.

HUMAN RESOURCES

Bhartiya has been working round the clock to achieve the efficiencies by increasing the productivity, maximum utilization and optimization of the available resources and real-time monitoring of operations. We are ensuring to improvise our manufacturing units to accommodate large orders by introducing concepts like 5s and lean management there by increasing the profitability.

People in Bhartiya are nurtured to achieve both the organization and individual objectives by giving them an opportunity to undertake projects which helps them in their overall development. Since learning and development play a vital role, we organize technical training across the organization for managers and workers which helps them in extemporizing their work schedules. The organization also sensitize employees in the area of compliance and rights of women employees. Bhartiya has been generously awarding people for their contribution towards the business and have a robust reward and recognition program at both the corporate and factory level to applaud the efforts.

PARTICULARS OF EMPLOYEES

5 persons employed throughout the year, were in receipt of remuneration of Rs.60 lac per annum or more amounting to Rs.5 crore and none of the employees employed for the part of the financial year, 2017 were in receipt of Rs.5 lac per month or more.

During the financial year 2016-2017, the Company had 294 employees.

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended 31st March, 2017 is given as separate Annexure - F to this Report.

The above Annexure is not being sent along with this report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who wish to obtain these particulars may write to the Company Secretary at the registered office of the Company. The aforesaid Annexure is also available for inspection by Members at the registered office of the Company, 21 days before the 30th Annual General Meeting and upto the date of the ensuing Annual General Meeting during the business hours on working days.

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

During the financial year 2016-2017, the Company has transferred the unpaid/unclaimed dividend amounting to Rs.112,581/- to the Investor Education and Protection Fund (IEPF) Account established by the Central Government. The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th September, 2016 (date of last Annual General Meeting) on the Company's website www.bhartiyafashion.com.

According to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be credited to the demat account created by the IEPF Authority. The corresponding shares will be transferred as per the requirements of the IEPF Rules, details of which are provided on the Company's website www.bhartiyafashion.com.

PUBLIC DEPOSIT

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

BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Reporting as required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is not applicable to your Company for the financial year ending 31st March, 2017.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2017 and date of the report of the Company which affects the financial position of the Company.

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

New Delhi, 29th May, 2017

Snehdeep Aggarwal
Managing Director
DIN: 00928080

Ramesh Bhatia
Director
DIN: 00052320

Annexure A ESOP DISCLOSURE

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

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

- A. Relevant disclosures in terms of the "Guidance note on accounting for employee share-based payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time are provided on the weblink: [www.bhartiyafashion.com]
- B. Diluted EPS on issue of shares in accordance with "Accounting Standard 20 - Earnings Per Share" issued by ICAI: Rs.13.40/-
- C. Details related to Employees Stock Option Plan, 2013 (ESOP 2013)

Name of the Scheme	Employees Stock Option Plan, 2013																						
Date of shareholders' approval	September 23, 2013																						
Total number of options approved under ESOP 2013	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 exercised 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	Intrinsic 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.	Had the Compensation Cost for the Company's Stock based compensation plan been determined in the manner consistent with the Fair Value approach as described in the Guidance Note of ICAI, the Company's net Profit would be lower by Rs.313.36 lakhs (Previous Year lower by Rs.50.33 lakhs). (Rs. in lakhs)																						
The impact of this difference on profits and on EPS of the company shall also be disclosed.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">PARTICULARS</th> <th style="text-align: right;">FY 2016-17</th> </tr> </thead> <tbody> <tr> <td>Profit after tax</td> <td style="text-align: right;">1563.83</td> </tr> <tr> <td>Add: Employee compensation cost as per intrinsic value</td> <td style="text-align: right;">261.28</td> </tr> <tr> <td>Less: Employee compensation cost as per fair value</td> <td style="text-align: right;">270.46</td> </tr> <tr> <td>Adjusted profit after tax</td> <td style="text-align: right;">1554.65</td> </tr> <tr> <td>EPS (as reported) (in Rs.)</td> <td></td> </tr> <tr> <td>- Basic</td> <td style="text-align: right;">13.32</td> </tr> <tr> <td>- Diluted</td> <td style="text-align: right;">13.26</td> </tr> <tr> <td>EPS (as adjusted) (in Rs.)</td> <td></td> </tr> <tr> <td>- Basic</td> <td style="text-align: right;">13.28</td> </tr> <tr> <td>- Diluted</td> <td style="text-align: right;">13.22</td> </tr> </tbody> </table>	PARTICULARS	FY 2016-17	Profit after tax	1563.83	Add: Employee compensation cost as per intrinsic value	261.28	Less: Employee compensation cost as per fair value	270.46	Adjusted profit after tax	1554.65	EPS (as reported) (in Rs.)		- Basic	13.32	- Diluted	13.26	EPS (as adjusted) (in Rs.)		- Basic	13.28	- Diluted	13.22
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- Diluted	13.26																						
EPS (as adjusted) (in Rs.)																							
- Basic	13.28																						
- Diluted	13.22																						

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

PARTICULARS	Year Ended 31 st March, 2017
Senior managerial personnel	NA
Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	NA
Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NA

B. The activity in the Employees Stock Option Plan 2013 during the year ended 31 March, 2017 is as under:

Particulars	Year Ended 31 st March, 2017	
Number of options outstanding at the beginning of the period	164,650	
Number of options granted during the year	Nil	
Number of options forfeited / lapsed during the year	22,224	
Number of options vested during the year	44,548	
Number of options exercised during the year	27,097	
Number of shares arising as a result of exercise of options	27,097	
Money realized by exercise of options (INR), if scheme is implemented directly by the company	1,354,850	
Loan repaid by the Trust during the year from exercise price received	N.A.	
Number of options outstanding at the end of the year	1,15,329	
Number of options exercisable at the end of the year	17,451	
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 equal to the market price:-		
- Weighted average exercise price of options-	Nil	
- Weighted average fair value of options	Nil	
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:-		
- Date of Grant	September 16, 2015,	December 31 2015
- Weighted average share price	Rs. 468.70	Rs 521.15
- Exercise price	Rs. 50.00	Rs. 50.00
- Expected volatility	29.24%	33.10%
- Option life (comprising of vesting period and exercise period)	7 years	7 years
- Expected dividends	0.21%	0.19%
- Risk free rate of return	8.17%	7.96%
The method used and the assumptions made to incorporate the effects of expected early exercise	Historical data for early exercise of Options is not available, 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 of India Ltd., over twelve months period prior to the date of grant has been considered.	
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	No other feature has been considered for fair valuation of options except as mentioned in the points above.	

Annexure - B Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S.N.	Name and Description of Main Products/ Services	NIC Code of the Product/ service	% to total turnover of the company
1	Leather Products	1410 and 1512	81.90
2	Textile Products	1410	18.10

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.N	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable Section/
1	Bhartiya Global Marketing Ltd. E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74899DL1987PLC075128	Indian Subsidiary Company	100%	2(87)
2	J & J Leather Enterprises Ltd 56/7, Nallambakkam Village, (Via Vandalur), Chennai – 600 048 Tamil Nadu	U18209TN1991PLC020874	Indian Subsidiary Company	100%	2(87)
3	Bhartiya International SEZ. Ltd E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110 030	U74999DL2007PLC159827	Indian Subsidiary Company	88.95%	2(87)
4	Bhartiya Fashion Retail Ltd E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110 030	U17120DL2009PLC193608	Indian Subsidiary Company	100%	2(87)
5	Bhartiya Urban Infrastructure Ltd. 56/7, Nallambakkam Village, (Via Vandalur), Chennai- 600048 Tamil Nadu	U70100TN2015PLC101707	Indian Subsidiary Company	100%	2(87)

S.N	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable Section/
6	World Fashion Trade Ltd, Mauritius Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	-	Overseas Subsidiary Company	100%	2(87)
7	Ultima S.A., Switzerland Avenue J.-J. Rousseau-7, CH-2001, Neuchatel, Switzerland	CH-645-40960339	Overseas Subsidiary Company	100%	2(87)
8	Ultima Italia SRL, Italy Branch : Via Dei Tigli,4,26010, Casaletto,Vaprio (CR), Italy	-	Overseas Subsidiary Company	100%	2(87)
9	Design Industry Ltd. Hongkong Room 1104, Crawford House, 70 Queen Road, Central, Hong Kong	-	Overseas Subsidiary Company	100%	2(87)
10	Design Industry China Ltd China Room 407-1, Tower 8, United Plaza, No. 58 Qianjiang Road, Hangzhou, China	-	Overseas Subsidiary Company	100%	2(87)
11	Tada Mega Leather Cluster Pvt. Ltd E-52, New Manglauri, Mandi Road, (Mehrauli), New Delhi-110030	U74140DL2013PTC249002	Associate Company	50%	2(6)
12	Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd 56/7, Nallambakkam Village, (Via Vandalur), Chennai- 600048 Tamil Nadu	U45201TN2006PTC103429	Associate Company	29.60%	2(6)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	2102636	-	2102636	17.95	2102636	130000	2232636	19.02	1.07
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate.	3561926	-	3561926	30.41	3561926	-	3561926	30.34	(0.07)
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	5664562	-	5664562	48.36	5664562	130000	5794562	49.36	1.00
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	5664562	-	5664562	48.36	5664562	130000	5794562	49.36	1.00

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	holding during the year
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	3000	3000	0.03	-	3000	3000	0.03	-
b) Banks / FIs	4516	300	4816	0.04	2200	300	2500	0.02	(0.02)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	294	26600	26894	0.23	25000	-	25000	0.21	(0.02)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	292	22700	22992	0.20	0.20
Sub-total (B)(1):	4810	29900	34710	0.30	27492	26000	53492	0.46	0.16
2. Non- Institutions									
a) Bodies Corporate.	-	-	-	-	-	-	-	-	-
i) Indian	3059093	8600	3067693	26.19	2733082	-	2733082	23.27	(2.92)
ii) Overseas	745315	-	745315	6.36	746815	-	746815	6.36	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	762896	126539	889435	7.59	876796	123836	1000632	8.52	0.93
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	950802	-	950802	8.12	1171488	-	1171488	9.97	1.85
c) Others	-	-	-	-	-	-	-	-	-
(1) Trusts	5	-	5	-	-	-	-	-	-
(2) Foreign National	20000	-	20000	0.17	-	-	-	-	(0.17)
(3) Non Resident Indian	19348	130000	149348	1.27	25340	-	25340	0.22	(1.05)
(4) Clearing Members	7998	-	7998	0.07	15083	-	15083	0.13	0.06
(5) Hindu Undivided Family	61180	-	61180	0.52	77651	-	77651	0.66	0.14
(6) Director(s)	98600	24200	122800	1.05	98600	24200	122800	1.05	-
Sub-Total (B)(2):-	5725237	289339	6014576	51.34	5744855	148036	5892891	50.18	(1.16)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5730047	319239	6049286	51.64	5772347	174036	5946383	50.64	(1.00)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	11394609	319239	11713848	100	11436909	304036	11740945	100	0.00

(ii) Shareholding of Promoters

S. N.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of share	% of total Shares of the company	% Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Snehdeep Aggarwal	1143362	9.76	-	1143362	9.74	-	(0.02)
2	Ramesh Bhatia	340250	2.90	-	340250	2.90	-	0.00
3	Arjun Aggarwal	496150	4.24	-	496150	4.23	-	(0.01)
4	Parushini Aggarwal	7500	0.06	-	7500	0.06	-	0.00
5	Pawan Aggarwal	5000	0.04	-	5000	0.04	-	0.00
6	Kanwal Aggarwal	60374	0.52	-	190374	1.62	-	1.10
7	Snehdeep & Co. HUF	50000	0.43	-	50000	0.43	-	0.00
8	Bhartiya Global Holdings Pvt.Ltd	1850000	15.79	-	1850000	15.76	-	(0.03)
9	Bhartiya Finstock Pvt. Ltd	681926	5.82	-	681926	5.81	-	(0.0)
10	Bhartiya Infotech Pvt. Ltd	1000000	8.54	-	1000000	8.52	-	(0.02)
11	R.L. Bhatia Associates Pvt. Ltd	30000	0.26	-	30000	0.25	-	0.01
	TOTAL	5664562	48.36	-	5794562	49.36	-	1.00

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

S. N.	Particulars	Shareholding at the beginning of the year		Changes (Increase/Decrease)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	Percentage	No. of shares	% of total shares of the company
1	Kanwal Aggarwal						
	At the beginning of the year	60374	0.54			60374	0.54
	Received Equity shares by way of gift from relative on 31.03.2017	-	-	130000	1.08	190374	1.62
	At the End of the year	-	-			190374	1.62

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the Top 10 share holders				
1	Girish Shankarlal Dhoot	-	-	315000	2.68
2	Srinivas B S	71749	0.61	126112	1.07
3	Superfine Carpets Private Limited	-	-	613533	5.23
4	Spirit Impex Private Limited	1200000	10.24	685000	5.83
5	Dwarkadhish Trading Private Limited	240000	2.05	235000	2.00
6	Zealous Financial Services Private Limited	107000	0.91	151434	1.29

S. N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the top 10 share holders				
7	Ganesh StockInvest Private Ltd.	44555	0.38	222290	1.89
8	Share Point LLP	285500	2.44	285500	2.43
9	Morgan Stanley Asia (Singapore) Pte	745315	6.36	278315	2.37
10	TIMF Holdings	-	-	467000	3.98

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

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

Sl. No.	Shareholding of each Directors and each key Management Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Snehdeep Aggarwal				
	At the beginning of the year	1143362	9.76	1143362	9.74
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	1143362	9.74
2	Mr. A.K. Gadhok				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	Nil	Nil
3	Mr. Ramesh Bhatia				
	At the beginning of the year	340250	2.90	340250	2.90
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. Allotment/ transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	340250	2.90
4	Ms. Annapurna Dixit				
	At the beginning of the year	4000	0.03	4000	0.03
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	4000	0.03

Sl. No.	Shareholding of each Directors and each Key Management Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Ms. Jaspal Sethi				
	At the beginning of the year	98800	0.84	98800	0.84
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	98800	0.84
6	Mr. Nikhil Aggarwal				
	At the beginning of the year	20000	0.17	20000	0.17
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	20000	0.17
7	Mr. Shashank				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	Nil	Nil
8	Mr. A. Sahasranaman				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	Nil	Nil
9	Mr. C. L. Handa				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	Nil	Nil
10	Mr. Sandeep Sethi				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	Nil	Nil
11	Mr. Sanjay Baweja				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	Nil	Nil

Sl. No.	Shareholding of each Directors and each key Management Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	Mr. Manoj Khattar	20050	0.17		
	At the beginning of the year			20050	0.17
	Allotment of shares under ESOP on 17 th October 2016			2858	0.02
	Sale of Shares – 3 rd November, 2016			(1000)	(0.009)
	Sale of Shares – 28 th March, 2017			(2976)	(0.025)
	Sale of Shares – 29 th March, 2017			(3011)	(0.026)
	Purchase of Shares – 29 th March, 2017			329	0.003
	Sale of Shares – 30 th March, 2017			(7000)	(0.06)
At the End of the year	9250	0.08			
13	Ms. Shilpa Budhia	Nil	Nil		
	At the beginning of the year			Nil	Nil
	Allotment of shares under ESOP on 17 th October 2016			357	0.003
	Sale of shares – 25 th October 2016			(157)	0.001
	Sale of shares – 3 rd November, 2016			(200)	0.002
	At the End of the year			-	Nil

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (In Rs.)
	Mr. Snehideep Aggarwal	Mr. A. K. Gadhok	Ms. Jaspal Sethi	
1. Gross Salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 196	1800000	717888	1140000	3657888
(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	39600	32400	-	72000
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2. Stock Option	-	-	-	-
3. Sweat Equity	-	-	-	-
4. Commission- as % of profit- others, specify...	-	-	-	-
5. Others, please specify	-	-	-	-
Total(A)	1839600	750288	1140000	3729888
Ceiling as per the Act	(Ceiling as per the Act @ 10% of profits calculated under Section 198 of the Companies Act, 2013)			

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors								Total Amount (in Rs.)
	Mr. A. Sahasranaman	Mr. Shashank	Mr. Sandeep Seth	Mrs. Annapurna Dixit	Mr. C. L. Handa	Mr. Nikhil Aggarwal	Mr. Ramesh Bhatia	Mr. Sanjay Baweja	
Independent Directors/Other Non-Executive Directors									
· Fee for attending board committee meetings	5556	24444	25555	5556	25555	Nil	2778	2778	92222
· Commission	-	-	-	-	-	-	-	-	-
· Others, please specify	-	-	-	-	-	-	-	-	-

Particulars of Remuneration	Name of Directors								Total Amount (in Rs.)
	Mr. A. Sahasranaman	Mr. Shashank	Mr. Sandeep Seth	Mrs. Annapurna Dixit	Mr. C. L. Handa	Mr. Nikhil Aggarwal	Mr. Ramesh Bhatia	Mr. Sanjay Baweja	
Total	5556	24444	25555	5556	25555	Nil	2778	2778	92222
Overall Ceiling as per the Act	(Ceiling as per the Act @ 10% of profits calculated under Section 198 of the Companies Act, 2013)								

Total managerial Remuneration is Rs. 38,22,110/- (Rupees Thirty Eight Lacs Twenty Two Thousand One hundred and Ten Only)

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	986700	8092963	9079663
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	205331	1416815	1622146
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961			
2.	Stock Option (balance in nos.)	800	6670	7470
3.	Sweat Equity	-	-	-
4.	Commission- as% of profit - others, specify...	-	-	-
5.	Others, please specify			
	Total	1192031	9509778	10701809

VI. INDEBTEDNESS

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

Amount in Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,204,748,766	-	-	2,204,748,766
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9,182,721	-	-	9,182,721
Total (i+ii+iii)	2,213,931,487	-	-	2,213,931,487
Change in Indebtedness during the financial year				
· Addition	17,928,000	-	-	17,928,000
· Reduction	55,245,948	-	-	55,245,948
Net Change	(37,317,948)	-	-	(37,317,948)
Indebtedness at the end of the financial year				
i) Principal Amount	2,577,216,654	-	-	2,577,216,654
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6,946,198	-	-	6,946,198
Total (i+ii+iii)	2,584,162,852	-	-	2,584,162,852

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended 31st March, 2017.

Annexure – C
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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 - 600048, Tamil Nadu

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised 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, 2017 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, 2017 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 there under;
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 there under 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;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, notified on 28th October, 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 to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period);** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable to the Company during the audit period);** and
6. We further report that, we have relied on the representation made by the management 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 the compliances with the applicable clauses of the following:-
- (i) Secretarial Standards issued by the Institute of Company Secretaries of India and made effective from 1st July, 2015.
 - (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.
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, the Company has passed following special resolution which is/are having a major bearing on the company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines standards, etc.
- i) Approval to issue and allot 3,00,000 no(s) of warrants to Non – Promoters Group on a preferential basis.
- This report is to be read with our letter of even date which is given below.

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

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
5. 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.
6. 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

RAVI SHARMA
PARTNER
FCS NO. 4468, C. P. NO. 3666

New Delhi, 19th May, 2017

ANNEXURE – D**Corporate Social Responsibility (CSR) Report**

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

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.		The CSR Policy, duly approved by the Board of Directors has been uploaded on the Company website www.bhartiyafashion.com . The policy contains the exhaustive list of programmes that can be undertaken by the Company during any period of time. During the financial year 2016-17, the company had mainly catered towards proving scholarship to the students, promoting health care and in promotion of education and training.					
2.	The Composition of the CSR Committee		Mr. Snehdeep Aggarwal – Chairman Mr. Ramesh Bhatia – Member Mr. Sandeep Seth - Member					
3.	Average net profit of the Company for last three financial years		Rs. 19.39 Crores					
4.	Prescribed CSR Expenditure (2% of the above mentioned amount)		Rs. 38.79 lakhs					
5.	Details of CSR spent during the financial year							
	(a) Total amount to be spent for the financial year;		Rs. 38.79 lakhs					
	(b) Balance brought forward from previous year		NIL					
	(c) Total amount spent		Rs. 6.75 lakhs					
	(d) Amount unspent, if any;		Rs. 32.04 lakhs					
	(e) Manner in which the amount spent during the financial year is detailed below.							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads wise	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing Agency
	1	Scholarships to Students	Promoting Education	Banglore Karnataka	Rs.3,45,000/-	Direct - Rs.3,45,000/-	Rs.3,45,000/-	Rs.3,45,000/-
	2	Donation to Trust undertaking CSR activities	Donation	Gurgaon Haryana	Rs. 1,00,000/-	Rs. 1,00,000/-	Rs. 1,00,000/-	Rs. 1,00,000/-
	3	Repair work at Schools in Tada Mandal, Nellore District	Education	Tada Mandal, Nellore District Andhra Pradesh	Rs. 1,70,254/-	Rs. 1,70,254/-	Rs. 1,70,254/-	Rs. 1,70,254/-
	4	Contribution towards Insurance of 200 Students for treatment for a year	Health Care	Bangalore Karnataka	Rs. 60,000/-	Rs. 60,000/-	Rs. 60,000/-	Rs. 60,000/-
		TOTAL			Rs.6,75,254/-	Rs. 6,75,254/-	Rs. 6,75,254/-	Rs. 6,75,254/-

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

The Company is identifying the suitable CSR projects to be undertaken. The Company will spend the balance amount in the coming years in a phased manner.

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

Chairman and Managing Director

Chairman of CSR Committee

New Delhi, 29th May, 2017

ANNEXURE E

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

a. Conservation of Energy

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

b. Technology Absorption

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

c. Foreign Exchange Earnings & Outgo

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

For and on behalf of the Board

New Delhi, 29th May, 2017

Snehdeep Aggarwal
Managing Director
DIN : 00928080

Ramesh Bhatia
Director
DIN : 0052320

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

During the Financial year 2016-2017, the Company is in compliance with the requirements stipulated under regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 and other applicable clauses of SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

The detailed Corporate Governance Report of BIL is as follows:

BOARD OF DIRECTORS

a. Composition of the Board:

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

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

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

Name	Director Identification Number	Date of Appointment	Category of Directors	No. of other Directorships	Memberships/ Chairmanships of other Committees
Mr. Snehideep Aggarwal	00928080	07-01-1987	Managing Director	-	-
Mr. A. K. Gadlok	01254410	01-04-1999	Executive Director (Whole-Time Director)	2	-
Ms. Jaspal Sethi	01689695	29-06-1997	Executive Director (Whole-Time Director)	1	-
Mr. Ramesh Bhatia	00052320	06-09-1987	Non-Executive Non-Independent Director	2	-
Mr. Nikhil Aggarwal	01891082	04-10-2007	Non-Executive Non-Independent Director	-	-
Mr. C. L. Handa	00928283	26-05-2004	Non-Executive Independent Director	3	-
Mr. Sandeep Seth	01408624	28-02-2002	Non-Executive Independent Director	2	-
Mr. Shashank	01569514	30-07-2007	Non-Executive Independent Director	1	-
Mr. A. Sahasranaman	01983690	30-06-2008	Non-Executive Independent Director	-	-
Ms. Annapurna Dixit	06844250	18-09-2014	Non-Executive Independent Director	1	-
Mr. Sanjay Baweja *	00232126	05-12-2016	Additional Director	9	2

*Mr. Sanjay Baweja was appointed as Additional Director with effect from 5th December, 2016 by the Board of Directors through Resolution by Circulation dated 5th December, 2016.

Notes:-

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

b. Independent Directors:

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 is disclosed on the website of Bhartiya Group www.bhartiyafashion.com. The same is issued to Independent Directors on their appointment.

c. Number of Board Meetings:

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

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

In the financial year 2016-17 the Board met Four times. The meetings were held on 25th May, 2016, 11th August, 2016, 14th November, 2016, and 14th February, 2017. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI Listing Regulations.

The attendance of Directors at the Board meetings held during the financial year ended 31st March, 2017 and at the previous Annual General Meeting (AGM) was as under:

Name of Director	No. of Board Meetings Attended *	Attendance at Last AGM
Mr. Snehdeep Aggarwal	4	Absent
Mr. A. K. Gadhok	2	Absent
Ms. Jaspal Sethi	4	Absent
Mr. Ramesh Bhatia	1	Present
Mr. C. L. Handa	4	Present
Mr. Sandeep Seth	4	Present
Mr. Shashank	4	Absent
Mr. A. Sahasranaman	2	Present
Mr. Nikhil Aggarwal	4	Absent
Ms. Annapurna Dixit	2	Absent
Mr. Sanjay Baweja	1	Not Applicable

*Includes Meeting attended through Video/Tele Conference.

Information Supplied to the Board

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

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

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

Post Meeting Mechanism

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

Board Support

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

Familiarization Programme for Independent Directors

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

Conflict of Interests

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

Insider Trading Code

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

The 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 (UPSII)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

Code of Conduct

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

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

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

Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanization provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

COMMITTEES OF THE BOARD

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

The Board has currently the following Committees:

(A.) AUDIT COMMITTEE

(i) Composition

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

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

(ii) Meetings and Attendance during the Financial Year 2016-2017

The Members of the Audit Committee met four times during the Financial Year 2016-2017. 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 24th May, 2016, 10th August, 2016, 11th November, 2016 and 13th February, 2017. 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	24.05.2016	10.08.2016	11.11.2016	13.02.2017
Mr. Sandeep Seth	P	P	P	P
Mr. Shashank	P	P	P	P
Mr. C.L. Handa	P	P	P	P

(iii) Terms of Reference

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

(iv) Powers of Audit Committee

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

(v) The role of Audit Committee includes

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- b. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, if any, and fixation of audit fees and other terms of appointment
- c. Approving payment to statutory auditors, including cost auditors, if any, for any other services rendered by them
- d. Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report of the Company from time to time
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Significant adjustments made in financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of related party transactions
 - Qualifications in draft audit report
- e. Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- f. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g. Reviewing and monitoring the auditors independence and performance and effectiveness of audit process
- h. Approval or any subsequent modification of transactions of the Company with related parties
- i. Scrutiny of inter-corporate loans and investments
- j. Valuation of undertakings or assets of the Company, wherever it is necessary
- k. Evaluation of internal financial controls and risk management systems
- l. Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
- n. Discussion with internal auditors, any significant findings and follow-up thereon
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board

- p. Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- q. To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- r. To review the functioning of the Whistle Blower mechanism
- s. Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate
- t. Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- u. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- v. Reviewing the following information:
- The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of internal auditors / chief internal auditor
- w. statement of deviations:
- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

(B.) NOMINATION AND REMUNERATION COMMITTEE

(i) Composition

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

(ii) Meetings and Attendance during the financial year 2016-2017

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

Director	09.09.2016	17.10.2016	28.11.2016	16.01.2017
Mr. Sandeep Seth	P	P	P	P
Mr. C.L.Handa	P	P	P	P
Mr. Shashank	P	P	P	P

(iii) Terms of reference

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

- a. Identifying, evaluating, and recommending appropriate Independent Directors, Executive and Non - Executive Directors on the Board of the Company based on the qualifications, positive attributes, independence of a director and availability of time with him or her to devote to the job;
- b. Evaluating the skill, knowledge, experience and effectiveness of individual directors as well as the Board as a whole;
- c. Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors which includes a policy on Board diversity;

- d. Identifying the qualifications, positive attributes and evaluating and recommending the appointment and remuneration of Key Managerial Personnel and Senior Management of the Company, one level below the Board;
- e. Payment of remuneration to the directors shall be approved by a resolution passed by the Nomination and Remuneration Committee;
- f. All information about the Directors / Managing Directors / Whole time Directors i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders;
- g. The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole time Directors;
- h. While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- i. The relevant disclosures will be made in the Annual Report of the Company and wherever required;
- j. The Committee shall look into the administration and superintendence of the Employee Stock Option Scheme implemented by the Company from time to time including:
 - the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
 - the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
 - the exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
 - the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - the right of an employee to exercise all options vested in him at one time or various points of time within the exercise period;
 - the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others;
 - the granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options.
- k. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

(iv) Remuneration Policy

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

Remuneration to Executive Directors for the financial year 2016-2017 is as under:

Name of the Director	Salary (Rs.)*
Mr. Snehdeep Aggarwal	18,39,600
Ms. Jaspal Sethi	11,40,000
Mr. A. K. Gadhok	7,50,288

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

The details of sitting fees paid for attending the Board/Committee Meetings to the Non-Executive Directors for the financial year 2016-2017 is as under: -

Name of the Director	Board Meeting Fees (Rs.)	Committee Meeting Fees (Rs.)	Total (Rs.)
Mr. C. L. Handa	11112	14443	25555
Mr. Ramesh Bhatia	2778	-	2778
Mr. A. Sahasranaman	5556	-	5556
Mr. Shashank	11112	13332	24444
Mr. Sandeep Seth	11112	14443	25555
Mr. Nikhil Aggarwal	-	-	-
Ms. Annapurna Dixit	5556	-	5556
Mr. Sanjay Baweja	2778	-	2778

SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2017

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

BOARD EVALUATION

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

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

(C.) STAKEHOLDERS RELATIONSHIP COMMITTEE

(i) Composition

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

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

(ii) Meetings and attendance during the Financial Year 2016-2017

The Committee met 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	25.04.2016	08.07.2016	07.11.2016	31.12.2016	17.01.2017	20.03.2017
Mr. Sandeep Seth	P	P	P	P	P	A
Mr. C. L. Handa	P	P	P	A	P	P
Mr. Shashank	A	P	P	P	A	P

(iii) Terms of Reference

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

- a. Oversee and review all matters connected with the transfer, transposition and transmission of the Company's securities;
- b. Approve issue of the Company's duplicate share / debenture certificates, if any;
- c. Monitor redressal of investors' / shareholders' / security holders' grievances about non-receipt of declared dividend, non-receipt of Annual Reports;
- d. Oversee the performance of the Company's Registrars and Transfer Agents;
- e. Recommend methods to upgrade the standard of services to investors;
- f. Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading;
- g. To perform all functions relating to the interests of shareholders / investors of the Company as may be required by the provisions of the Companies Act, 2013, 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 40 (Forty) only and all of them have been redressed/answered to the satisfaction of shareholders. There was no investor grievance remained unattended or pending as on 31st March, 2017.

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

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

(ii) Meetings and Attendance during the financial year 2016-2017

Two Meetings of the Committee were held during the year.

Director	29.09.2016	31.03.2017
Mr. Snehdeep Aggarwal	A	P
Mr. Ramesh Bhatia	P	A
Mr. Sandeep Seth	P	P

(iii) Terms of reference

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

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

Considering the cause behind the CSR Committee, the Directors have refused to take sitting fees payment.

(E.) SHARE TRANSFER COMMITTEE**(i) Composition**

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

(ii) Meetings and Attendance during the financial year 2016-2017

Thirteen Meetings of the Committee were held during the year on 18th April, 2016, 13th June, 2016, 10th October, 2016, 24th October, 2016, 31st October, 2016, 2nd November, 2016, 19th November, 2016, 17th December, 2016, 31st December, 2016 16th January, 2017, 20th February, 2017, 20th March, 2017 and 31st March, 2017. Both the members were present in all the meetings of the Committee.

(iii) Terms of Reference

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

(F.) MANAGEMENT COMMITTEE

The Board of Directors at its meeting held on 14th April, 2017, approved the merger of Investment Committee with the Management Committee for better operational and administrative convenience.

Thereby the powers of the Investment Committee was delegated to the Management Committee by the Board of Directors.

(i) Composition

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

(ii) Meetings and Attendance during the financial year 2016-2017

Twelve Meetings of the Committee were held during the year on 22nd April, 2016, 27th June, 2016, 29th August, 2016, 30th August, 2016, 21st September, 2016, 17th October, 2016, 19th November, 2016, 28th November, 2016, 27th December, 2016, 11th January, 2017, 27th February, 2017 and 20th March, 2017. All the members were present in all the meetings of the Committee.

(iii) Terms of Reference

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

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

MEETING OF INDEPENDENT DIRECTORS

As per Regulation 25(3) and 25(4) of the SEBI Listing Regulations, during the year under review, the Independent Directors met on 18th March, 2017, 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 Managing Director of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

SUBSIDIARY COMPANY

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

MDA is attached separately in this Annual Report.

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
29 th AGM	29 th September, 2016	02.00 P.M.	Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047	-
28 th AGM	21 st September, 2015	11.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	-
27 th AGM	8 th September, 2014	11.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	2

All resolutions moved at the Annual General Meeting held on 8th September, 2014, 21st September, 2015 and 29th September, 2016 were passed through Poll (electronically and physical ballot).

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

Extra-Ordinary General Meeting (EGM)	Date EGM	Time of	Location	No. of Special Resolutions passed
Year 2016-17	No Meeting held			
Year 2015-16	No Meeting held			
Year 2014-15	5 th June, 2014	10.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	1

The resolution moved at Extra-Ordinary General Meeting held on 5th June, 2014 for issue of 5 lakh warrants to Promoter group on preferential basis was passed through Poll (electronically and physical ballot).

Postal Ballot

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

The Company as per the Postal Ballot notice dated 14th February, 2017, duly passed One Special Resolution on 22nd March, 2017 for the following item:

- (i) Approval to issue and allot 3,00,000 no(s) of Warrants to Non-Promoter Group on a preferential basis
- The Company had appointed Mr. Ravi Sharma, Practicing Company Secretary as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. The details of results of Postal Ballot are as under:

	Remote e-voting		Voting Through Postal Ballot		Consolidated Voting Results		
	Number of Members who voted	Number of Shares for which votes cast	Number of Members who voted (Postal Ballot)	Number of Shares for which votes cast	Total Number of Members who voted	Total number of Shares for which votes cast	Percentage of votes to total number of valid votes cast
Voted in favour of the resolution	26	2218017	20	3530861	46	5748878	99.999
Voted against the resolution	2	40	0	0	2	40	0.001
Total	28	2218057	20	3530861	48	5748918	100
Invalid Votes	NIL	NIL	NIL	NIL	NIL	NIL	NIL

PROCEDURE FOR POSTAL BALLOT

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

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

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

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

Special resolution proposed to be passed by way of Postal Ballot

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

DISCLOSURES

- (i) All transactions entered into with the related parties as defined under the Companies Act, 2013 and Regulation 27 of the SEBI Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of section 188 of the Companies Act, 2013. There were no materially significant related party transactions that may have a potential conflict with the interests of the Company at large. Transactions with the related parties are disclosed in Note to the Accounts in the Annual Report. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Committee for review and recommendation to the Board for their approval.

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

- (ii) While preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standard was followed. The Company has followed the Accounting Standards referred to in section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.
- (iii) Company has laid down adequate procedure to inform the Board about the risk assessment and risk minimization procedures.
- (iv) There have been no instances of non-compliance by the Company on any matter related to capital markets and no penalties or strictures have been imposed by SEBI or the Stock Exchange during the last three years.
- (v) In compliance with the SEBI regulations on prevention of Insider Trading, the Company has constituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violation. Further, as per the guidelines on (Prohibition of Insider Trading) Regulations, 2015, the company has implemented a Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information.
- (vi) A Whistle Blower Policy is in place and the employees have direct access to the Audit Committee to raise their concerns.
- (vii) 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.

- (viii) The Company has complied with all mandatory requirements of Corporate Governance as specified under Regulation 27 of the SEBI Listing Regulations.

MEANS OF COMMUNICATION

- (i) The Unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulations, with the Stock Exchanges.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local language newspaper (Business Standard in English, Hindi and Dinamani in Tamil), within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- (iii) The Company's financial results and officials press releases are displayed on the Bhartiya Group's website: www.bhartiyafashion.com.
- (iv) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- (v) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.
- (vi) Investors' presentation etc. are sent to stock exchanges and uploaded on the Company's website. Half yearly communication on the operational and financial performance of the Company is sent to the shareholders.
- (vii) A separate dedicated section under "Investors Relation", on the Company's website gives information on, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

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

All compliances related filings like 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.

GENERAL SHAREHOLDER INFORMATION

1. **AGM: Date, Time and Venue** : **Day and Date:** Wednesday, 27th September, 2017
Time: 02:00 p.m.
Venue: Auditorium, National Institute of Siddha, Trichy
Chennai Highway, Tambaram Sanatorium, Chennai,
Tamil Nadu - 600 047
2. **Financial Calendar for 2017-2018**
Financial year - April to March
Results for Quarter ending 30th June, 2017 : by 14th of August, 2017
Results for Quarter ending 30th Sep., 2017 : by 14th of November, 2017
Results for Quarter ending 31st Dec., 2017 : by 14th of February, 2018
Year ending 31st March, 2018 : by the 30th of May, 2018
3. **Book Closure** : Thursday the 21st September, 2017 to Wednesday the 27th September, 2017 (both days inclusive)
4. **Dividend Payment Date** : On or before 26th October, 2017 if declared at Annual General Meeting on 27th September, 2017
5. **Listing on Stock Exchanges & Stock Code**
The Company is listed at following Stock Exchanges:-
1. BSE Limited (Stock Code: 526666) and
2. National Stock Exchange of India Ltd. (Stock Code: Symbol-BIL, Series - BE)

The Annual listing fee for the year 2017-2018 has been duly paid to both the Stock Exchanges.

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

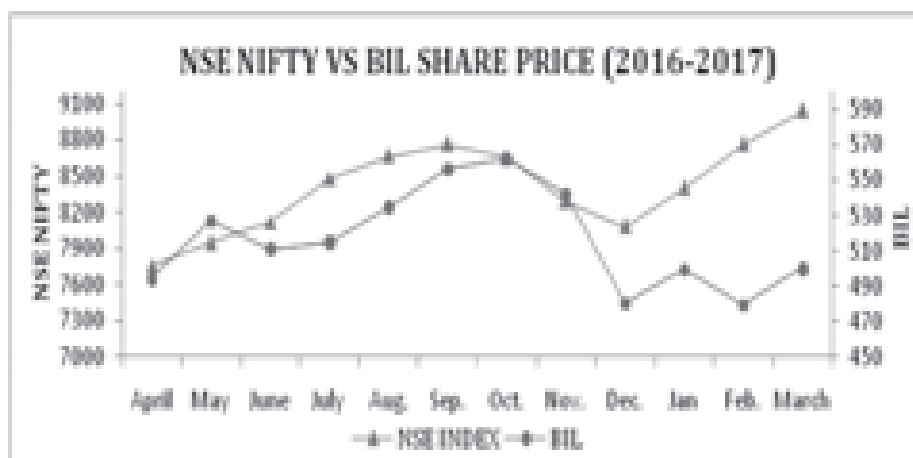
Demat ISIN Number with NSDL for Warrants - **INE828A13029 and INE828A13037**

Annual Custody Issuer fee for the financial year 2017-2018 has been paid by the Company to NSDL and CDSL.

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

Months	BIL			Months	NSE Nifty		
	High(Rs.)	Low (Rs.)	Average(Rs.)		High (Rs.)	Low (Rs.)	Average(Rs.)
Apr-16	544.70	444.70	494.70	Apr-16	7992.00	7516.85	7754.43
May-16	568.90	485.15	527.03	May-16	8213.60	7678.35	7945.98
Jun-16	542.30	480.30	511.30	Jun-16	8308.15	7927.05	8117.60
Jul-16	545.00	485.10	515.05	Jul-16	8674.70	8287.55	8481.13
Aug-16	575.80	494.00	534.90	Aug-16	8819.20	8518.15	8668.68
Sep-16	595.00	518.00	556.50	Sep-16	8968.70	8555.20	8761.95
Oct-16	594.65	530.00	562.33	Oct-16	8806.95	8506.15	8656.55
Nov-16	624.40	460.40	542.40	Nov-16	8669.60	7916.40	8293.00
Dec-16	516.40	445.00	480.70	Dec-16	8274.95	7893.80	8084.38
Jan-17	529.00	470.00	499.50	Jan-17	8672.70	8133.80	8403.25
Feb-17	500.10	459.00	479.55	Feb-17	8982.15	8537.50	8759.83
Mar-17	548.65	452.00	500.33	Mar-17	9218.40	8860.10	9039.25

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



7. **Registrar & Share Transfer Agent**
(For both Physical & Electronic Transfer etc.)

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

8. Share Transfer System

Share transfers are processed and share certificates duly endorsed are returned within a period of seven days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Share Transfer Committee which consists of two members i.e. Mr. Snehdeep Aggarwal & Mr. A. K. Gadlok, Directors of the Company. Share transfer/ transmissions approved by the Committee are placed at the Board Meeting from time to time. Company Secretary of the Company acts as Secretary of the Committee. A summary of transfer/transmission of securities of the Company so approved by the Share Transfer Committee is placed at every Board Meeting / Stakeholders Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the said certificate with Stock Exchanges. As at 31st March, 2017 there was no Equity Share pending for Transfer, also there was no Demat Request pending as on 31st March, 2017.

9. Distribution of Shareholding as on 31st March, 2017

No. of Shares	SHAREHOLDERS		SHAREHOLDING	
	Number	% to total	Number	% to total
Upto-250	5259	87.93	305669	2.61
251-500	284	4.75	110214	0.94
501-1000	167	2.79	130695	1.11
1001-2000	86	1.44	132641	1.13
2001-3000	39	0.65	98597	0.84
3001-4000	24	0.40	86006	0.73
4001-5000	15	0.25	70529	0.60
5001-10000	40	0.67	302068	2.57
10001 & above	67	1.12	10504526	89.47
Total	5981	100.00	11740945	100.00

10. Shareholding Pattern as on 31st March, 2017

Category	No. of Share held	% of Paid up Capital
Promoters Holding	1483612	12.64
Persons acting in concert	4310950	36.72
Mutual Funds	3000	0.03
Banks/Trusts	2500	0.02
NRIs/OCBs/Foreign National/FII	820147	6.99
Indian Corporate Bodies	2760737	23.51
Indian Public	2237199	19.05
Directors	122800	1.04
Total	11740945	100.00

11. Top Ten Shareholders as on 31st March 2017

Sl. NO.	Particulars	No. of shares	% of total shares of the company
1	Girish Shankarlal Dhoot	315000	2.68
2	Srinivas BS	126112	1.07
3	Superfine Carpets Private Limited	613533	5.23
4	Spirit Impex Private Limited	685000	5.83
5	Dwarkadhish Trading Private Limited	235000	2.00
6	Zealous Financial Services Private Limited	151434	1.29
7	Ganesh StockInvest Private Limited	222290	1.89
8	Share Point LLP	285500	2.43
9	Morgan Stanley Asia (Singapore) Pte	278315	2.37
10	TIMF Holdings	467000	3.98

12. Dematerialization of shares and liquidity : As on 31st March, 2017, 97.41% of the Paid-up share capital has been dematerialized.

13. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity : As on 31.03.2017, 7,00,000 warrants were outstanding. The Company had obtained approval from the Shareholders for issue and allotment of 3,00,000 warrants to the Non-Promoter Group on preferential basis. The Company had also vested 42314 ESOP shares out of which 27097 were exercised by the Employees. This results in increase in paid up Equity Capital to Rs.11,74,09,450/-.

- 14. Plant Locations** : Bangalore, Chennai, Tada.
- 15. Address for Correspondence** : **Registered Office**
 Bhartiya International Ltd.
 56/7, Nallambakkam Village,
 (Via Vandalur), Chennai – 600 048. Tamil Nadu
 Tel No.: +91 9551050148/19/20/21
 E-mail: shares@bhartiya.com
- Company Secretary and Compliance Officer**
 Ms. Shilpa Budhia
 Bhartiya International Ltd.
 56/7, Nallambakkam Village,
 (Via Vandalur), Chennai –600 048. Tamil Nadu
 Tel No.: +91 9551050148/19/20/21
 E-mail: shares@bhartiya.com

Reconciliation of Share Capital Audit:

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

Corporate Identity Number (CIN)

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

Demat Suspense Account/ Unclaimed Suspense Account

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

NON-MANDATORY REQUIREMENTS

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

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

Compliance Certificate

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

CODE OF CONDUCT DECLARATION**Declaration**

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As provided under Regulation 26 (3) of the SEBI Listing Regulations, all Board Members and Senior Management Personnel have affirmed compliance with Bhartiya International Limited Code of Business Conduct and Ethics for the year ended 31st March, 2017.

New Delhi, 29th May, 2017

Sd/-
Snehdeep Aggarwal
 Managing Director

To
The Board of Directors
Bhartiya International Ltd.

CEO/CFO CERTIFICATION

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

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief :
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017 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

Sd/-

Snehdeep Aggarwal
Managing Director

Sd/-

Manoj Khattar
Chief Financial Officer

New Delhi, 29th May, 2017

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Bhartiya International Ltd.

We have examined the compliance of Conditions of Corporate Governance by Bhartiya International Ltd. ("the Company") for the financial year ended on 31st March, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

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

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

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

For Sushil Poddar & Co.

Chartered Accountants
Firm Registration No. 014969N

S. K. Poddar

Partner
Mem. No. 94479
New Delhi, 29th May, 2017

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members of
Bhartiya International Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bhartiya International Limited ('the Holding Company') and its subsidiaries and associate (collectively referred to as 'the Company' or 'the Group'), comprising the consolidated balance sheet as at 31st March, 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (here in after referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of five overseas subsidiaries and one local subsidiary, whose financial statements reflect total assets of Rs.1,104,288,101/- as at 31st March, 2017, total revenues of Rs.2,244,329,990/- and net cash inflows amounting to Rs.39,638,421/- for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of both the associates wherein the group's share of Loss aggregate Rs.5853,988/-. These unaudited financial statements, as approved by the respective Boards of Directors of these companies, have been furnished to us by the management and our report insofar as it relates to the amounts included in respect of the associates is based solely on such approved unaudited financial statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group Companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii) Holding Company and its Subsidiaries companies did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
 - h. In the consolidation financial statement, holding as well as dealing in specific Bank note during the period from 8th November, 2016 to 30th December, 2016, by the holding company and its subsidiary companies and associate companies incorporated in India has been requisitely disclosed on the basis of information available with the company. Based on audit procedures and relying on the management representation, we report that the disclosure are in accordance with books of account maintained by the holding company and its subsidiary companies ,associate companies incorporated in India and as produced to us by the Management and the reports of the other auditors-Refer Note 30.

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

S.k. Poddar
Partner
Mem.No. 094479
New Delhi, 29th May, 2017

ANNEXURE TO THE AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of Bhartiya International Limited (the Holding Company) and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

S.k. Poddar
Partner
Mem. No. 094479
New Delhi, 29th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	Amount in Rs.	
		As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	117,409,450	117,138,480
(b) Reserves and Surplus	3	2,202,317,115	2,001,416,280
(c) Money Received against Share Warrant	4	105,000,000	105,000,000
(d) Share Application money pending		180,000,000	-
2 Minority Interest		15,323,997	15,891,987
3 Non-Current Liabilities			
(a) Long-Term Borrowings	5	305,654,526	342,354,629
(b) Deferred Tax Liabilities		44,052,002	33,921,328
(c) Other Long-Term Liabilities	6	16,128,600	15,978,600
(d) Long-Term Provisions	7	16,307,226	15,123,280
4 Current Liabilities			
(a) Short-Term Borrowings	8	2,291,830,865	1,829,398,011
(b) Trade Payable	9	446,744,525	631,709,526
(c) Other Current Liabilities	10	338,612,074	212,820,612
(d) Short-Term Provisions	11	119,299,861	123,474,804
TOTAL		<u>6,198,680,241</u>	<u>5,444,227,537</u>
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		901,556,069	743,808,465
(ii) Intangible Assets		18,749,041	5,801,597
(iii) Capital Work In Progress		78,467,278	91,672,129
(b) Non Current Investments	13	398,220,158	384,124,145
(c) Long Term Loans and Advances	14	21,953,334	20,784,006
(d) Other Non-Current Assets	15	594,490	645,124
(e) Goodwill on Consolidation		2,525,000	2,525,000
2 Current Assets			
(a) Current Investments	16	29,587,459	386,273
(b) Inventories	17	2,803,073,117	2,531,707,831
(c) Trade Receivables	18	911,788,000	898,771,259
(d) Cash & Cash Equivalents	19	543,449,640	334,231,128
(e) Short Term Loans and advances	20	488,454,566	429,531,983
(f) Other Current assets	21	262,089	238,597
TOTAL		<u>6,198,680,241</u>	<u>5,444,227,537</u>

Significant Accounting Policies 1 to 30

The accompanying notes are and integral part of the Financial Statements

As per our report of even date attached
for **SUSHIL PODDAR & CO.**

Chartered Accountants
Firm Registration No. 014969

For and on behalf of the Board

S.K.Poddar

Partner

Mem. No.94479

New Delhi, 29th May, 2017

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

DIN: 00928080

Ramesh Bhatia

Director

DIN: 00052320

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Income:			
Revenue From Operations	22	6,458,957,401	6,222,158,814
Other Income	23	38,188,000	37,890,961
Total Revenue		6,497,145,401	6,260,049,775
Expenses:			
Cost of Material Consumed	24	1,984,574,067	2,101,595,188
Purchases of Stock In Trade		2,186,995,443	1,853,015,035
Changes in Inventories of Finished Goods	25	(86,803,780)	(145,802,165)
Employee Benefits Expenses	26	451,900,685	362,471,058
Finance Cost	27	137,615,952	130,622,481
Depreciation and Amortization Expense	28	62,333,600	60,497,851
Other Expenses	29	1,447,803,331	1,578,357,707
Total Expenses		3,184,419,298	5,940,757,154
Profit Before Tax		312,726,103	319,292,621
Tax Expense:			
Current Tax		84,548,080	89,281,521
Deferred Tax		10,130,674	2,806,551
Profit/(Loss) Before Minority Interest and share in Profit/(Loss) of Associates		218,047,349	227,204,549
Less : Minority Interest		(567,990)	(721,723)
Add : Share of Profit of Associate		(5,853,988)	19,221,828
Profit/(Loss) for the period		212,761,351	247,148,100
Earnings Per Equity Share:			
(1) Basic		18.12	21.69
(2) Diluted		18.04	21.48

Significant Accounting Policies

The accompanying notes are and integral part of the Financial Statements

As per our report of even date attached
for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969

For and on behalf of the Board

S.K.Poddar

Partner

Mem. No.94479

New Delhi, 29th May, 2017

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

DIN: 00928080

Ramesh Bhatia

Director

DIN: 00052320

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES	312,726,103	319,292,621
Profit / (Loss) before tax		
Adjustment for :		
Finance Cost	137,615,953	130,622,481
Depreciation and amortisation expense	62,333,600	60,497,851
Loss/(Profit) on sale of fixed assets (net)	(6,528,034)	(3,670)
Loss/(Profit) on sale of investments (net)	(65,199)	(1,080,920)
Rental Income	(25,604,912)	(22,717,365)
Dividend Income	(101,074)	(146,065)
Provision for Employee Stock Option Benefits	20,831,303	20,396,540
Operating profit/(loss) before working capital changes	501,207,740	506,861,473
<i>Movements in working capital:</i>		
Increase/ (decrease) in trade payables	(252,039,732)	228,251,050
Increase/ (decrease) in other liabilities	191,861,315	(190,578,441)
Increase/ (decrease) in provisions	1,701,567	6,379,506
Decrease/ (increase) in inventories	(271,365,286)	(593,873,437)
Decrease/ (increase) trade receivables	(18,821,608)	15,919,686
Decrease/ (increase) in long term loans and advances	5,858,784	1,929,925
Decrease/ (increase) in Short term loans and advances	(61,346,932)	846,156
Cash (used in) / generated from operations	97,055,848	(24,264,082)
Income tax paid (Net)	(105,005,757)	(103,045,018)
Currency Fluctuation Reserve Consolidation	(16,818,349)	8,093,771
Net cash (used in)/ generated from operating activities - (A)	(24,768,258)	(119,215,329)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(38,035,892)	(138,600,392)
Capital WIP & Capital Advances (net)	(168,360,169)	(31,499,732)
Proceeds from sale of Fixed Assets	12,030,735	210,248
Proceeds from sale of Investments(net)	(49,085,987)	11,554,232
Dividend Income on Current Investments	101,073	146,065
Rental Income	25,604,912	22,717,365
Net cash from/ (used in) investing activities - (B)	(217,745,328)	(135,472,214)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	(37,321,328)	28,350,762
Proceeds from short-term borrowings (net)	462,432,854	154,417,972
Money Received against Share Warrant / Share Application	180,000,000	75,000,000
Share Capital including securities premium	1,354,850	120,000,000
Interest and processing fees paid (net)	(137,615,952)	(130,622,481)
Dividend paid (including dividend tax)	(16,883,376)	(13,647,838)
Preliminary expenses incurred	(234,950)	(168,860)
Net cash from/ (used in) financing activities - (C)	451,732,098	233,329,555
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	209,218,512	(21,357,988)
Cash and cash equivalents as at beginning of the year	334,231,128	355,589,116
Cash and cash equivalents as at the end of the year	543,449,640	334,231,128
Components of cash and cash equivalents:		
Cash on hand	2,799,099	4,351,469
Balances with scheduled banks:		
In current accounts	462,747,123	238,345,979
In deposits	77,903,418	91,533,680
Cash and cash equivalents in cash flow statement	543,449,640	334,231,128

As per our report of even date attached
for **SUSHIL PODDAR & CO.**

Chartered Accountants
Firm Registration No. 014969

For and on behalf of the Board

S.K.Poddar

Partner

Mem. No.94479

New Delhi, 29th May, 2017

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

DIN: 00928080

Ramesh Bhatia

Director

DIN: 00052320

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.10 General Information :

The consolidated Financial statements present the consolidated Accounts of Bhartiya International Ltd with its following subsidiaries & Associates:

	Country of Incorporation	Proportion of Ownership Current Year	Previous Year
A) Subsidiary			
Indian Subsidiaries			
Bhartiya Global Marketing Ltd	India	100%	100%
J&J Leather Enterprises Ltd	India	100%	100%
Bhartiya International Sez Ltd	India	89%	89%
Bhartiya Fashion Retail Ltd	India	100%	100%
Bhartiya Urban Infrastructure Ltd	India	100%	—
Foreign Subsidiaries			
World Fashion Trade Ltd.	Mauritius	100%	100%
Ultima S.A.	Switzerland	100%	100%
Ultima Italia S.R.L.	Italy	100%	100%
Design Industry Ltd.	Hongkong	100%	100%
Design Industry China Ltd.	China	100%	100%
B) Associates			
Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd	India	27.83%	29.60%
TADA Mega Leather Cluster Pvt. Ltd.	India	50%	50%

1.20 SIGNIFICANT ACCOUNTING POLICIES

1.21 Basis of Preparation of Financial Statements :

- i) These consolidated financial statements have been prepared to comply in all material aspects with applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act and other accounting principles generally accepted in India.
- ii) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after elimination of intra-group balances and intra-group transactions in accordance with Accounting Standard 21 - "Consolidated Financial Statements"
- iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as case may be.
- iv) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders
- v) Minority Interest in the share of Net Profit/(Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the Group.
- vi) Investments in associates are accounted for using the equity method of accounting as laid down under Accounting Standard (AS) 23, "Accounting for Investment in Associate in Consolidated Financial Statements". The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.
- vii) The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other relevants in similar circumstances. The accounting polices adopted in the preparation of financial statements are consistent with those of previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

1.22 Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of duties , non-refundable taxes, incidental expenses related to acquisition and reduced by subsidy / Grant . In respect of projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Interest on borrowing and other financial cost during the period of construction/acquisition, is added to the cost of Fixed Assets. Goodwill acquired in an acquisition of business are valued at the acquisition cost and amortised over their useful life.

1.23 Depreciation

In respect of fixed assets acquired during the year, depreciation is charged on a straight line basis so as to write off the cost of assets over the useful lives as prescribed in Schedule II of the Companies Act, 2013 and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remanding useful life. Cost of Leasehold land is amortised over the period of lease. Depreciation on assets at the overseas subsidiaries are as per the rates applicable based on estimated useful life of the asset. Depreciation on Fixed Assets of subsidiary Company J&J Leather Enterprises Limited has been calculated on Written Down Method as per the rates specified in Schedule II of the Companies Act, 2013.

1.24 Investment

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

1.25 Inventories

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

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

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

1.26 Foreign Exchange Transactions

Individual Companies

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Current Assets and Current Liabilities at the year end, outstanding in foreign currency, are converted at the year end rates .

All gains /losses on conversion are charged to profit and loss account.

For Consolidation

For the purpose of consolidation, the amounts appearing in foreign currencies in the financial statements of the foreign subsidiaries are translated into Indian Rupees at the following rates of exchange :

- a) Average rates for income and expenditure.
- b) Year end rates for assets and liabilities.

The foreign exchange gain / loss on account of income and expenditure consolidation is included in the profit and loss account and foreign exchange fluctuation gain/loss on account of consolidation of assets and liabilities of subsidiaries is transferred to "Currency Fluctuation Reserve Account " .

1.27 Revenue Recognition

Sale of Goods

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

Export Incentive

Export Incentive under the "Duty Entitlement Pass Book Scheme" and "Duty Draw back scheme" are accounted for in the Year of Export. Other export incentives are accounted for on actual receipt basis.

Dividend

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

1.28 Retirement Benefits

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

1.29 Taxation

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

1.30 Government Grants

Grants received from the Government which are in the nature of promoter's contribution, and are with reference to the total investment without any liability for repayment, are treated as capital reserve. Grant received against specific fixed assets are adjusted to the cost of assets. Revenue Grants are recognised in the profit and loss account in accordance with the relevant scheme.

1.31 Derivative Financial Instruments and Hedge Accounting

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

1.32 Use of Estimates

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

1.33 Impairment of Assets

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

1.34 Provisions Contingent Liabilities and Contingent Assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
2.0 SHARE CAPITAL		
Authorised Share Capital		
a) 20,000,000 (Previous Year 20,000,000) Equity Shares of Rs. 10/- each	200,000,000	200,000,000
b) 500,000 (Previous Year 500,000) Preference Shares of Rs. 100/- each	50,000,000	50,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed & Paid Up :		
a) 11,740,945 (Previous Year 11,713,848) equity shares of Rs.10/- each fully paid Up.	117,409,450	117,138,480
	<u>117,409,450</u>	<u>117,138,480</u>

2.1 The details of Shareholders holding more than 5% shares

Name of the share holders	As at	As at	As at	As at
	31st March, 2017 No of Shares	31st March, 2017 % of Holdings	31st March, 2016 No of Shares	31st March, 2016 As at % of Holdings
(a) Snehdeep Aggarwal	1,143,362	9.74	1,143,362	9.76
(b) Bharitya Infotech Pvt. Ltd.	1,000,000	8.52	1,000,000	8.54
(c) Bhartiya Global Holdings Pvt. Ltd.	1,850,000	15.76	1,850,000	15.79
(d) Spirit Impex Pvt Ltd.	685,000	5.83	1,200,000	10.24
(e) Bhartiya Finstock Pvt. Ltd.	681,926	5.81	681,926	5.82
(f) Morgan Stanley Asia (Singapore) PTE	-	-	745,315	6.36
(g) Superfine Carpets Pvt. Ltd.	613,533	5.23	-	-

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

PARTICULARS	As at	As at
	31st March, 2017	31st March, 2016
Shares outstanding at the beginning of the year	11,713,848	11,213,848
Shares Issued during the year	27,097	500,000
Shares outstanding at the end of the year	<u>11,740,945</u>	<u>11,713,848</u>

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

2.4 During the year, the company has allotted 27,097 Equity shares of Rs.10/- each fully paid to its employees under Employee Stock Option Plan ('ESOP 2013'). (Refer note no - 3.1)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
3 RESERVES & SURPLUS		
i) Capital Reserves		
As Per last Balance Sheet	4,621,283	4,621,283
ii) Share Premium A/c		
As Per last Balance Sheet	506,165,000	391,165,000
Add: On issue of shares	11,476,664	115,000,000
	<u>517,641,664</u>	<u>506,165,000</u>
iii) Currency Fluctuation Reserve		
As Per last Balance Sheet	11,044,250	2,950,480
Add: Addition during the year	(16,818,349)	8,093,770
	<u>(5,774,099)</u>	<u>11,044,250</u>
iv) Prferential Share Warrant Forfeited	8,500,000	8,500,000
v) General Reserves		
As Per last Balance Sheet	270,129,410	250,129,410
Add: Transferred from Profit and Loss A/c	20,000,000	20,000,000
	<u>290,129,410</u>	<u>270,129,410</u>
vi) Surplus in Statement of Profit & loss		
As Per last Balance Sheet	1,180,559,797	970,329,912
Add: Profit for the Year	212,761,351	247,148,100
	<u>1,393,321,148</u>	<u>1,217,478,011</u>
Less : Appropriations		
- General Reserve	20,000,000	20,000,000
- Proposed Dividend	14,089,134	14,056,618
- Tax on Dividend	2,868,216	2,861,596
	<u>1,356,363,798</u>	<u>1,180,559,797</u>
vii) Stock Option Outstanding	30,835,059	20,396,540
TOTAL	<u>2,202,317,115</u>	<u>2,001,416,280</u>

3.1 Foreign currency transactions are translated as per the accounting policy referred to in note no. 1.26 Foreign exchange gain/loss on account of income and expenditure in consolidation is included in the profit and loss, and foreign exchange fluctuation debit of Rs. 16,818,349/- (Previous year credit of Rs.8,093,771 /-) on account of consolidation of assets and liabilities of subsidiaries have been transferred to Currency Fluctuation Reserve account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
4 Money Received against Share Warrants		
Preferential Share Warrant :		
700,000 Preferential Share warrant paid up Rs.150/- each. (Previous Year 500,000 Preferential Share Warrants paid up Rs. 60/- each)	105,000,000	30,000,000
Add : Preferential Share warrant issued		
Current Year Nil (Previous Year-700,000 paid up Rs.150/- each)	-	105,000,000
	<u>105,000,000</u>	<u>135,000,000</u>
Less : Preferential Share warrants Converted into Equity Shares		
Current year Nil (Previous Year: 500,000 paid up Rs.60/- each)	-	30,000,000
	<u>105,000,000</u>	<u>105,000,000</u>
4.1 The Company had allotted 700,000 warrants to non-promoter company on 2nd January, 2016 on preferential basis, convertible into equity shares of Rs.10/- each fully paid up. The holders of warrants have a right to apply one equity share of Rs.10/- each at a premium of Rs.590/- with in a period of 18 months from the date of allotment. The company had received Rs.10.50/- crore from 700,000 warrant holders on allotment of warrants. During the year, the company has received share application money of Rs.18.00 crore for conversion of 400,000 warrants into equity out of 700,000 warrants. However this conversion of 400,000 warrants into equity as on 31st March, 2017 was pending.		
5 LONG TERM BORROWINGS		
Secured		
- Term Loans from Banks	303,945,516	340,375,249
- Vehicle Loans from Banks	1,709,010	1,979,380
TOTAL	<u>305,654,526</u>	<u>342,354,629</u>
5.1 Term Loans from HDFC Bank, balance outstanding amounting to Rs 647.11 lacs (31st March, 2016 Rs.728.00 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director. The Loan is repayable in 18 Quarterly Installment starting from December, 2016. Last installment due in March 2021. Rate of interest 10.70 % p.a. as at year end (previous year-10.70% p.a.)		
5.2 Term Loans from HDFC Bank, subsequent disbursement, balance outstanding amounting to Rs.147.36 lacs (31st March, 2016 Rs. Nil) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director. The Loan is repayable in 18 equal Quarterly Installment starting from December, 2016. Last installment due in March, 2021. Rate of interest 10.65 % p.a. as at year end (previous year-N.A)		
5.3 Term Loans from IDBI Bank, balance outstanding amounting to Rs 668.28 lacs (31st March, 2016 Rs.701.05 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director. The loan is repayable in 180 monthly Installment starting from February, 2013. Last installment due in February, 2028. Rate of Interest 11.00 % p.a. as at year end (Previous year 11.00 % p.a.)		
5.4 Term Loans from IDBI Bank, balance outstanding amounting to Rs.1719.87 lacs (31st March,2016 Rs.1799.93 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director. Repayable in 161 monthly Installment starting from June, 2014. Last installment due in November, 2027. Rate of Interest 11.00 % p.a. as at year end (Previous year 11.00% p.a.)		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

5.5 Term Loan from Axis Bank, balance outstanding amounting to Rs.360.00 Lacs (31st March, 2016 Rs.545.69 lacs) is secured by exclusive charge over the fixed assets funded out of it. Exclusive charge by way of Equitable Mortgage over the immovable property situated at plot No 69, 3rd Road, 1st Phase, Jigani industrial Area, Part of Sy No 588 & 590 Jigani, Anekai Taluk, Bangalore, 562106 and personal guarantee of one of the Director

The Loan is repayable in 15 Quarterly Installment starting from September, 2015. Last installment due in June, 2019. Rate of interest 10.30 % p.a. as at year end (previous year - 10.65% p.a.)

5.6 Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
6 OTHER LONG TERM LIABILITIES		
(a) Security Deposit from related parties (refer note no 32.4)	15,978,600	15,978,600
(a) Security Deposit from others	150,000	-
TOTAL	16,128,600	15,978,600
7 LONG TERM PROVISIONS		
(a) Provision for employees benefit	16,307,226	15,123,280
TOTAL	16,307,226	15,123,280
8 SHORT TERM BORROWINGS		
Secured		
- Working Capital Loans From Banks	2,291,830,865	1,829,398,011
TOTAL	2,291,830,865	1,829,398,011
8.1 Working Capital facilities are secured against hypothecation of stocks of raw - materials, stock in process, finished goods, Other Current assets specified immovable property, movable fixed assets, lien on fixed deposits, exports bills and personal guarantees of Directors.		
8.2 Working Capital facilities in overseas subsidiaries are secured against Corporate guarantee / SBLC of Bhartiya International Limited .		
9 TRADE PAYABLE		
(a) Payable	237,302,296	364,912,653
(b) Acceptance	209,442,229	266,796,873
TOTAL	446,744,525	631,709,526
10 OTHER CURRENT LIABILITIES		
(a) Current maturities of Long Term Borrowings	51,787,180	52,408,405
(b) Unclaimed Dividend	851,947	817,109
(c) Statutory Dues Payable	10,690,039	21,466,542
(d) Other Current Liabilities	264,596,776	129,183,689
(e) Capital Creditors	10,686,132	8,944,867
TOTAL	338,612,074	212,820,612
11 SHORT TERM PROVISIONS		
(a) Provision for Employees benefits	9,403,651	8,886,030
(b) Provision for Income Tax	92,938,860	97,670,560
(c) Proposed Dividend	14,089,134	14,056,618
(d) Tax on Proposed Dividend	2,868,216	2,861,596
TOTAL	119,299,861	123,474,804

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Gross Block						Depreciation			Net Block	
	As at April 1, 2016	Additions/ Adjustments during the year	Desduction/ Retirement during the year	As at March 31, 2017	As at April 1, 2016	Retained Earning For the year	Depreciation for the year	Deduction/ Adjustments during the year	As at March 31, 2017	As at March 31, 2017	
a) Tangible Assets :											
Own Assets :											
land	25,570,461	-	-	25,570,461	-	-	-	-	-	25,570,461	
Lease Hold Land	60,000,000	-	-	60,000,000	2,985,239	-	1,260,090	-	4,245,329	55,754,671	
Building	523,377,175	27,486,364	3,845,001	547,018,538	108,969,384	-	19,506,950	1,472,641	127,003,693	420,014,845	
Machinery	316,037,197	172,973,521	4,429,075	484,581,643	129,066,970	-	22,243,553	1,801,144	149,509,379	335,072,264	
Vehicles	43,549,475	1,693,568	584,637	44,658,406	28,700,579	-	4,311,239	332,276	32,679,542	11,978,864	
Furniture	60,624,198	5,994,888	-	66,619,086	42,882,967	-	3,582,546	-	46,465,513	20,153,573	
Office Equipments	33,367,096	7,908,926	132,995	41,143,027	13,676,086	-	4,495,488	49,448	18,122,126	23,020,901	
Computers	18,045,427	7,346,708	1,615,117	23,777,018	11,280,845	-	3,954,296	1,448,614	13,786,527	9,990,491	
Total	1,080,571,028	223,403,975	10,606,825	1,293,368,179	337,562,070	-	59,354,162	5,104,123	391,812,109	901,556,069	
b) Intangible Assets :											
Computer Software	13,087,429	14,865,282	-	27,952,711	7,285,833	-	2,705,390	-	9,991,223	17,961,488	
Goodwill	25,640,943	-	-	25,640,943	24,841,435	-	11,956	-	24,853,391	787,552	
Total	38,728,372	14,865,282	-	53,593,654	32,127,268	-	2,717,346	-	34,844,614	18,749,041	
c) Capital work in Progress											
Capital work in Progress	78,492,129	185,650,014	185,674,865	78,467,278	-	-	-	-	-	78,467,278	
Total	78,492,129	185,650,014	185,674,865	78,467,278	-	-	-	-	-	78,467,278	
d) Intangible Assets under Development											
Intangible Assets under development	13,180,000	1,378,500	14,558,500	-	-	-	-	-	-	-	
Total	13,180,000	1,378,500	14,558,500	-	-	-	-	-	-	-	
Total (A+B+C+D)	1,210,971,530	42,529,777	210,840,190	1,425,429,111	369,689,338	-	62,071,508	51,041,231	426,656,723	998,772,388	

12 FIXED ASSETS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

FIXED ASSETS (CONTD.)

PARTICULARS	Gross Block			Depreciation			Balance as at 31st March, 2016
	Balance as at 1st April, 2015	Additions/ Adjustments during the year	Deduction/ Retirement during the year	Balance as at 31st March, 2016	Retained Earning for the year year	For the year	
Tangible Assets :							
Own Assets :							
land	25,570,461	-	-	25,570,461	-	-	25,570,461
Lease Hold Land	60,000,000	-	-	60,000,000	1,721,697	1,263,542	57,014,761
Building	439,192,946	84,184,229	-	523,377,175	91,832,330	17,137,054	414,407,791
Machinery	283,697,424	32,339,773	-	316,037,197	108,972,795	20,094,175	186,970,227
Vehicles	44,407,543	1,072,161	1,930,229	43,549,475	25,727,952	4,706,315	14,848,896
Furniture	57,279,789	3,354,446	10,037	60,624,198	37,534,201	5,348,766	17,741,231
Office Equipments	26,537,092	6,830,004	-	33,367,096	9,422,891	4,253,195	19,691,010
Computers	12,365,709	5,679,717	-	18,045,426	7,026,514	4,254,331	6,764,581
Total (A)	949,050,964	133,460,330	1,940,266	1,080,571,028	282,238,380	57,057,378	743,008,958
Intangible Assets :							
Computer Software	7,947,367	5,140,062	-	13,087,429	4,113,938	3,171,895	5,801,596
Goodwill	25,640,943	-	-	25,640,943	24,829,479	11,956	799,508
Total (B)	33,588,310	5,140,062	-	38,728,372	28,943,417	3,183,851	6,601,104
Capital work in Progress							
Capital work in Progress	50,718,597	132,974,343	105,200,811	78,492,129	-	-	78,492,129
Total (C)	50,718,597	132,974,343	105,200,811	78,492,129	-	-	78,492,129
Intangible work in Progress							
Intangible Capital work in Progress (D)	9,453,800	3,726,200	-	13,180,000	-	-	13,180,000
Total (D)	9,453,800	3,726,200	-	13,180,000	-	-	13,180,000
Total (A+B+C+D)	1,042,811,671	275,300,935	107,141,077	1,210,971,529	311,181,797	60,241,229	841,282,191

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	No of Shares/Units	As At 31st March, 2017	No of Shares/Units	As At 31st March, 2016
SCHEDULE 13: NON CURRENT INVESTMENTS				
Trade Investments (Unquoted at Cost)				
(a) Capital in Firm " Bhartiya Prakash Leathers"	-	-	-	50,000
(b) Investment in Associate Company				
Equity Shares #	16,001,865	378,212,841	11,205,000	264,106,828
Preference Shares	-	-	4,796,865	119,960,000
(c) Indra Vikas Patra	-	6,500	-	6,500
		378,219,341	-	384,123,328
Non Trade Investments				
A) Investments in Mutual Funds (Quoted)				
1 Goldman Sachs Liquid Exchange Traded Scheme	0.82	817	0.82	817
2 Birla Sun Life Equity Fund - Growth	16,698.67	10,000,000		
3 Sbi Blue Chip Fund - Direct Plan - Growth	295,753.86	10,000,000		
		20,000,817		817
Gross Total		398,220,158		384,124,145
#Particulars of Investment in Associate Company				
Name of Associate Company				
A) Bhartiya Urban Infrastructure & Land Development Co Pvt Ltd		27.83%		29.60%
Cost of acquisition		399,960,000		280,000,000
Share of post acquisition reserves & surplus		(21,704,350)		(15,872,829)
Carrying Value		378,255,650		264,127,171
B) TADA Mega Leather Cluster Pvt. Ltd.		0.50		0.50
Cost of acquisition		50,000		50,000
Share of post acquisition reserves & surplus		(92,810)		(70,343)
Carrying Value		(42,810)		(20,342)

14.1 On 20th March, 2017, the company was allotted 4,796,865 equity shares of Rs.10/- each fully paid of Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. on conversion of 4,796,865 compulsory convertible preference shares of Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.			
	As at 31st March, 2017	As at 31st March, 2016		
14 LONG TERM LOANS & ADVANCES				
(Unsecured & Considered Good)				
(a) Security and Other Deposits	10,760,280	10,075,619		
(b) Other Advances	11,193,054	10,708,386		
TOTAL	21,953,334	20,784,005		
15 OTHER NON CURRENT ASSETS				
(a) Preliminary Expenses (to the extent not written off)	573,490	624,124		
(b) Other Advances	21,000	21,000		
TOTAL	594,490	645,124		
PARTICULARS	No of Shares/Units	As At 31st March,2017	No of Shares/Units	As At 31st March,2016
16 CURRENT INVESTMENTS				
i) In Equity Shares Quoted, fully paid up				
Alkyl Amines Chemicals Ltd.	4,579	1,461,100	-	-
Chambal Fertilisers And Chemicals Ltd.	43,205	3,001,213	-	-
DCB Bank Ltd.	31,695	2,994,246	-	-
Firstsource Solutions Ltd.	69,753	2,591,333	-	-
Intellect Design Arena Ltd.	13,920	3,001,718	-	-
Navneet Education Ltd.	16,540	1,502,070	-	-
Power Mech Projects Ltd.	5,130	2,987,411	-	-
Praj Industries Ltd.	33,655	2,998,505	-	-
Pricol Ltd.	30,389	1,982,056	-	-
RPG Life Sciences Ltd.	3,346	1,479,697	-	-
Visaka Industries Ltd.	12,961	2,212,859	-	-
Voltamp Transformers Ltd.	3,724	2,988,978	-	-
Total		29,201,186		-
ii) In Equity Shares Unquoted, fully paid up				
Sai Royalaseem Paper Mills Ltd	31,792	386,273	31,792	386,273
Total		386,273		386,273
Grand Total		29,587,459		386,273
Less:- Provision for diminution in the value of Investments				-
TOTAL CURRENT INVESTMENTS		29,587,459		386,273
Aggregate amount of quoted Investments		29,201,186		-
Market value of quoted Investments		35,173,569		-
Aggregate amount of unquoted Investments		386,273		386,273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
17 INVENTORIES		
As Valued and Certified by the management		
(a) Raw Materials	2,134,125,506	1,934,323,459
(b) Finished Goods	454,984,749	368,180,969
(c) Stock In Progress	213,962,862	229,203,403
TOTAL	2,803,073,117	2,531,707,831
18 TRADE RECEIVABLES		
(a) Unsecured, considered good	911,788,000	898,771,259
TOTAL	911,788,000	898,771,259
18.1 The Company has filed legal Suit for recovery of Rs.61,62,337/- against one of its overseas customer. Management is confident of recovery of the same and hence has not made any provision for bad & doubtful debts against this.		
19 CASH AND CASH EQUIVALENT		
(a) Balances with Banks		
- In Current Accounts	459,583,798	238,345,979
- In Fixed Deposits	81,066,743	91,533,680
(b) Cash on Hand	2,799,099	4,351,469
TOTAL	543,449,640	334,231,128
19.1 Balances with banks Includes Unclaimed Dividend of Rs.8,51,947/- (Previous year Rs.8,17,109/-)		
19.2 Fixed deposits of Rs.7,68,27,472/- (previous year Rs.9,15,33,680/-) are pledged with the banks for various limits and facilities granted.		
20 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
(a) Advance Tax / TDS	93,825,553	78,099,577
(b) Vat Receivable	104,259,626	99,433,310
(c) Prepaid Expenses	18,835,977	16,558,097
(d) Export Incentive Receivable	43,538,235	51,332,576
(e) Other Advances	222,507,429	161,693,598
(f) Advances to Capital Goods	5,487,745	22,414,825
TOTAL	488,454,566	429,531,983
20.1 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.		
21 OTHER CURRENT ASSETS		
(a) Preliminary Expenses	262,089	238,597
(to be written off in next year)		
TOTAL	262,089	238,597

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
22 REVENUE FROM OPERATION		
(a) Sales	5,900,856,317	5,895,449,973
(b) Export Incentive	355,205,109	359,029,252
(c) Foreign Exchange Fluctuation	202,895,974	(32,320,411)
TOTAL	6,458,957,400	6,222,158,814
23 OTHER INCOME		
(a) Dividend Income	101,073	146,065
(b) Profit on sale of Investments	65,199	1,080,920
(c) Rental Income	25,604,912	22,717,365
(d) Other Income	4,768,137	13,940,024
(e) Profit on sale of Fixed Assets	7,648,679	6,587
TOTAL	38,188,000	37,890,961
24 COST OF MATERIALS CONSUMED		
Opening Stock	2,037,915,276	1,591,886,164
Add : Purchases	2,169,063,269	2,547,624,300
	4,206,978,545	4,139,510,464
Less : Closing Stock	2,222,404,478	2,037,915,276
MATERIALS CONSUMED	1,984,574,067	2,101,595,188
25 CHANGE IN INVENTORIES OF FINISHED GOODS		
(a) Opening Stock	368,180,969	222,378,804
(b) Closing Stock	454,984,749	368,180,969
Decrease/(Increase)	(86,803,780)	(145,802,165)
26 EMPLOYEE BENEFITS EXPENSES		
(a) Salary & Allowances	386,766,573	309,159,048
(b) Contribution to Provident & Other fund	21,362,070	19,165,400
(c) Staff Welfare Expenses	22,940,739	13,750,070
(d) Employee Stock Option Plan	20,831,303	20,396,540
TOTAL	451,900,685	362,471,058
27 FINANCE COST		
(a) Interest & Other financial charges	137,615,952	130,622,481
TOTAL	137,615,952	130,622,481
28 DEPRECIATION AND AMORTISATION		
(a) Depreciation	62,071,508	60,241,229
(b) Preliminary Expenses W/off	262,092	256,622
TOTAL	62,333,600	60,497,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
29 OTHER EXPENSES		
(I) Manufacturing Expenses		
Job work/ Fabrication charges	879,553,745	944,629,625
Freight & Cartage	10,212,139	8,348,310
Other Manufacturing Expenses	16,664,451	16,053,696
(II) Selling & Administrative Expenses		
Rent	26,523,149	22,339,941
Travelling	123,425,898	114,615,608
Power & Fuel	29,145,313	27,969,016
Insurance	5,217,167	5,285,936
Freight Outward	47,867,240	57,753,479
Commission, Brokerage & Discount	30,442,941	48,960,227
Repair & Maintenances	12,274,141	25,182,058
Miscellaneous Expenses	73,192,081	55,527,881
Communication Cost	13,427,757	12,865,217
Consultancy Charges	98,768,642	135,868,014
Rates, Taxes & Duties	6,461,548	7,126,015
Auditors Remuneration	3,652,911	3,637,508
Bank Charges	44,787,050	61,022,200
Loss on sale of fixed assets	1,120,646	2,917
CSR Expenses	675,254	4,763,998
Directors Meeting Fees	92,222	117,225
Packing Expenses	24,299,036	26,288,836
TOTAL	1,447,803,331	1,578,357,707
30.1 CONTINGENT LIABILITES		
i) Letter of Credit / Import Bills outstanding -	55,065,322	68,673,014
ii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
- Ultima S.A.	688,052,975	714,985,700
- World Fashion Trade Ltd.	22,699,250	23,191,000
iii) Bills discounted with banks -	-	8,181,771
iv) Other Guarantee given by bank -with corporation Bank	4,061,849	4,418,580
v) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima SA, Ultima Italia & World Fashion Trade Ltd.	164,266,000	392,201,000
vi) Income Tax Demand under dispute	-	12,225,782
vii) Karnatka Vat Demand Under dispute	5,659,787	5,659,787
viii) TNVAT demand under dispute	52,531,621	52,531,621

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
ix) Corporate Guranantee executed by the Subsidiary Company to bank against facilities granted by bank to parent company	240,000,000	345,000,000
30.2 Capital and other Commitments		
Estimated value of contract remaining to be executed on capital Account and not provided for	8,139,832	5,390,255
30.3 Derivative Financial Instruments		
In GBP	4.25 Millions (Rs. 3713.52 Lacs)	2.75 Millions (Rs. 2617.45 Lacs)
IN USD	12.75 Millions (Rs. 8916.53 Lacs)	12.25 Millions (Rs. 8116.85 Lacs)
IN EURO -		30 Millions (Rs. 226.37Lacs)
30.4 Commitments		
Operating leases that fall due as follows:		
Within one year	396,291	3,475,479
Later than one year but within five years	-	-
30.5 Disclosures as required under Schedule III to the Companies Act, 2013, of the enterprises consolidated as Subsidiary/Associates :		

Name of the Entities	Net Assets i.e. Total Assets minus total Liabilities		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount in Rs	As a % of Consolidated Profit	Amount in Rs
Parent :				
Bhartiya International Ltd	87.95%	2,323,465,048	71.72%	156,382,902
SUBSIDIARY				
Indian Subsidiaries				
Bhartiya Global Marketing Ltd	1.59%	42,051,083	-0.50%	(1,084,763)
J&J Leather Enterprises Ltd	1.67%	44,122,885	0.43%	937,898
Bhartiya International Sez Ltd	5.27%	139,257,170	-2.36%	(5,138,124)
Bhartiya Fashion Retail Ltd	0.10%	2,549,294	-1.02%	(2,234,093)
Bhartiya Urban Infrastructure Ltd.	0.02%	430,946	-0.02%	(47,168)
Foreign Subsidiaries				
World Fashion Trade Ltd.	-0.25%	(6,673,771)	1.63%	3,553,912
Design Industry China Ltd.	0.112%	2,962,026	-0.73%	(1,585,409)
Ultima S.A.	13.72%	362,379,976	30.08%	65,578,173
Ultima Italia S.R.L.	5.62%	148,531,024	0.01%	17,936
Design Industry Ltd., Hongkong	0.38%	10,170,663	0.76%	1,666,084
Sub Total		3,069,246,344		218,047,348
Inter-Company Elimination & Consolidation Adjustments	16.18%	(427,398,622)	-	-
Grand Total		2,641,847,722		218,047,348
Minority Interest in Subsidiaries		(15,323,997)		567,990
Share of Profit in Associates		(21,797,160)		(5,853,988)
		2,604,726,565		212,761,350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
30.6 Earning Per Share (EPS)		
Income available to Equity Shareholders	212,761,350	247,148,100
No of Shares at the beginning of the Year (A)	11,713,848	11,213,848
Equity allotted during the year	27,097	500,000
Weighted Average Shares (B)	26,418	180,038
Weighted Average Shares Outstanding (nos)(A+B)	11,740,266	11,393,886
Add: adjustment for warrants convertible into Equity Shares	55,120	110,616
Weighted Average number of equity shares for Diluted EPS	11,795,386	11,504,502
Nominal Value per share	10	10
Earnings per share (Basic)	18.12	21.69
Earnings per share(Diluted)	18.04	21.48

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

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

30.9 The financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards. The differences in accounting policies of the Company and its Subsidiaries are not material.

30.10 Related Party Disclosures

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

a) Name of Related Parties & Nature of Relationship:

- | | |
|--|---|
| i) Associate Parties : | Bhartiya Urban Infrastructure & Land Development Co Pvt Ltd
Bhartiya City Developers Pvt. Ltd.
Tada Mega Leather Cluster Pvt Ltd.
Bhartiya Prakash Leather |
| ii) Key Management Personnel: | Snehdeep Aggarwal
Jaspal Sethi
Amrishpal Singh
Manoj Khattar
C.L. Handa
Walter Willi Zwahlen
Nikhil Aggarwal
A.K .Gadhok |
| iii) Enterprises owned or significantly influenced by Key Management personnel or their relatives : | Itopia Management Services (India) Pvt. Ltd.
Parushini Interior Designs Private Limited |
| iv) Relatives Of Key Management Personnel : | Kanwal Aggarwal
Parushini Aggarwal
Arjun Aggarwal |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**b) Transactions during the year with related parties**

	2016-2017	2015-2016
i) Ticketing		
Itopia Management Services (India) Pvt. Ltd	22,595,993	21,300,389
ii) Salaries		
Snehdeep Aggarwal	1,839,600	1,839,600
Jaspal Sethi	1,174,200	1,172,400
A.K.Gadhok	750,288	960,888
Arjun Aggarwal	275,000	300,000
Amrishpal Singh	300,000	300,000
Nikhil Aggarwal	8,618,920	4,344,821
Walter Willi Zwahlen	9,565,718	1,245,050
iii) Lease Rent / Rent Paid		
Kanwal Aggarwal	480,000	480,000
iv) Lease Rent Received		
Bhartiya City Developers Pvt Ltd	21,304,800	21,304,800
Parushini Interior Designs Pvt Ltd	1,800,000	-
v) Balances Written back		
Bhartiya Prakash Leather	-	75,755
c) Balances Outstanding at the year end:		
i) Loan Given		
Tada Mega Leather Cluster Pvt. Ltd.	2,823,575	2,823,575
ii) Expenses/Others Paybles		
Itopia Management Services (India) Pvt. Ltd.	1,757,848	1,406,285
Kanwal Aggarwal	36,000	36,000
Snehdeep Aggarwal	-	-
Amrishpal Singh	25,000	25,000
iii) Advance Paid		
Bhartiya City Developers Pvt. Ltd.	37,660	-
iv) Security Deposit (Received)		
Parushini Interior Designs Pvt. Ltd.	1,800,000	-
Bhartiya City Developers Pvt. Ltd.	15,978,600	15,978,600

30.11 SEGMENT INFORMATION**a) BUSINESS SEGMENTS:**

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

b) Geographic Segments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Rs. In Lacs				
	Leather Products	Textile / Textile Product	Others	Unallocable	Total
c) Business Segments					
a. Segment Revenue	42,692.40	21,897.17	-	-	64,589.57
	(47,482.11)	(14,739.48)	(-)	(-)	(62,221.59)
b. Segment Results	5,382.35	998.64	(36.70)	-	6,344.29
	(5,499.61)	(730.83)	55.19	-	(6,175.25)
c. Less: Unallocable expenses net of Income				1,840.87	1,840.87
				(1,676.10)	(1,676.10)
d. Operating Profit				-	4,503.42
				-	(4,499.15)
e. Less:- Interest				1,376.16	1,376.16
				(1,306.22)	(1,306.22)
f. Profit before Tax				-	3,127.26
				-	(3,192.93)
g. Provision for Taxation				946.79	946.79
				(920.88)	(920.88)
h. Profit after Tax				-	2,180.47
				-	(2,272.05)
i. Capital Employed	14,315.66	1,062.78	1,392.57	9,429.49	26,200.50
	(13,747.38)	(702.26)	(1,443.95)	(6,500.87)	(22,394.46)

30.12 The details of Specified Bank Notes (SBN) and other denomination notes held and transacted during the period from November 8, 2016 to December, 30 2016, as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 is given below

PARTICULARS	SBNs*	Other denomination notes	Total
Closing cash in hand on November 8, 2016	3,785,000	1,123,343	4,908,343
Add : Permitted receipts (Bank withdrawl)	-	3,037,000	3,037,000
Less : Permitted Payments	-	2,746,459	2,746,459
Less : Amount Deposited into bank	3,785,000	-	3,785,000
Closing Cash in hand as on December 30,2016	-	1,413,884	1,413,884

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

As per our report of even date attached
for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm Registration No. 014969

For and on behalf of the Board

S.K.Poddar

Partner

Mem. No.94479

New Delhi, 29th May, 2017

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

DIN: 00928080

Ramesh Bhatia

Director

DIN: 00052320

CONSOLIDATED FINANCIAL SUMMARY

PARTICULARS	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Equity Share Capital	786.38	786.38	866.38	946.38	1046.38	1106.38	1106.38	1121.38	1171.38	1174.09
Reserves & Surplus	8778.76	8915.05	9584.10	10597.23	12007.26	13113.65	14518.27	16276.96	20014.16	22023.17
Net Worth	9565.14	9850.72	10749.66	11949.95	13300.71	14395.12	15798.28	17864.48	22394.47	26200.51
Capital Employed	12239.03	12418.81	12951.37	12908.50	14613.58	17572.83	19521.88	21582.50	26468.25	30021.93
Gross Fixed Assets	2918.21	4633.08	4935.44	6857.03	7926.79	8907.95	9591.43	10428.12	12109.72	14254.29
Net Fixed Assets	1674.52	3191.73	3246.21	4906.96	5729.65	6557.74	6888.19	7316.30	8412.82	9987.72
Export Sales including Export Incentives	16312.22	18201.11	20635.10	19523.02	25067.32	30306.03	41440.95	55812.77	62215.89	64589.57
Other Income	333.03	-151.61	-3.93	246.16	231.92	315.73	351.49	333.80	378.91	381.88
Total Income	16645.25	18049.50	20631.17	19769.18	25299.24	30621.76	41792.44	56146.57	62600.50	64971.45
EBITDA	1620.19	1980.00	1707.06	2102.78	2929.87	2951.26	4059.35	5273.96	5104.13	5126.76
Depreciation	189.87	204.16	251.54	281.25	288.70	323.63	395.46	630.24	604.98	623.34
EBIT	1430.31	1775.83	1455.52	1821.53	2641.17	2627.63	3663.88	4668.98	4499.15	4503.42
Profit before Tax	1018.44	572.28	858.66	1001.60	1609.53	1442.25	2096.56	2953.65	3192.93	3127.26
Tax Expenses	238.39	291.43	357.53	337.68	453.79	433.40	646.96	839.46	920.88	946.79
Profit before Minority Interest and share in Profit and Loss of Associates	780.05	280.85	501.13	663.92	1155.74	1008.85	1449.60	2114.19	2272.05	2180.47
Minority Interest	0.00	-0.72	-0.61	-0.34	8.72	-3.73	-1.45	14.26	-7.22	-5.68
Share in Profit and Loss of Associates	141.50	59.13	42.40	26.38	1.82	1.29	0.78	0.44	192.22	-58.54
Net Profit	638.55	222.43	459.34	637.88	1145.19	1013.87	1451.83	2100.37	2471.48	2127.61
Equity Dividend (%)	15.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	12.00	12.00
EPS (Basic) Rs.	8.12	2.83	5.82	7.36	11.39	9.35	13.12	18.83	21.69	18.12
EPS(Diluted) Rs.	8.12	2.83	5.52	7.15	11.39	9.31	13.06	18.50	21.48	18.04

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To,
The Members of
Bhartiya International Ltd.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bhartiya International Limited ('the Company'), which comprise the balance sheet as at 31st March ,2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) The company has provided requisite disclosures in its standalone financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 32.16 to standalone financial statement.

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

S.k. Poddar
Partner
Mem. No. 094479
New Delhi, 29th May, 2017

ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2017, 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 13 on fixed assets to the financial statements, are held in the name of the Company, except for a building acquired in earlier year having carrying value of 18.50 Lacs as at 31st March, 2017.
- ii. The physical verification of inventory excluding stocks with third parties and in transit has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has granted interest free unsecured loans to one company covered in the register maintained under Section 189 of the Act.
 - (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
 - (b) In respect of the aforesaid loans, the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly paragraph 3(iii)(a) of the order is not applicable to the company in respect of repayment of the principal amount
 - (c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, duty of excise, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

(b) Following are the amounts which are disputed and not paid by the Company:

Nature of Demand	Amount in Rs	Period to which the Amount Relates	Forum where appeal has been filed
Karnataka VAT	5,659,787/-	F.Y 2009-2010 & 2010-2011	Karnataka Appellate Tribunal, Bengaluru
TNVAT	52,521,621/-	F.Y 2010-11, 2011-12, 2012-13 & 2013-14	Departmental Authorities

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, moneys raised by way term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has complied with the provisions of Section 42 of the Companies Act, 2013 in respect of the allotment of shares/warrants and moneys raised by way of allotment of shares/warrants have been applied for the purposes for which they were obtained.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 29th May, 2017

ANNEXURE- B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Bhartiya International Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 29th May, 2017

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	Amount in Rs.	
		As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	117,409,450	117,138,480
(b) Reserves and Surplus	3	1,921,055,598	1,759,714,866
(c) Money Received against Share Warrant	4	105,000,000	105,000,000
2 Share Application money pending Allotment		180,000,000	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	5	305,654,526	342,232,419
(b) Deferred Tax Liabilities (Net)	6	47,961,615	36,602,583
(c) Other Long-Term Liabilities	7	16,128,600	15,978,600
(d) Long-Term Provisions	8	12,677,885	12,578,271
4 Current Liabilities			
(a) Short-Term Borrowings	9	2,219,893,778	1,810,107,942
(b) Trade Payables	10	296,084,552	334,836,922
(c) Other Current Liabilities	11	318,177,747	297,146,148
(d) Short-Term Provisions	12	118,118,735	121,608,665
TOTAL		5,658,162,486	4,952,944,896
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	13		
(i) Tangible Assets		855,921,021	684,679,609
(ii) Intangible Assets		17,940,088	5,777,741
(iii) Capital Work In Progress		60,410,337	78,492,129
(iv) Intangible Assets Under Development		-	13,180,000
(b) Non Current Investments	14	677,615,670	605,346,910
(c) Long Term Loans And Advances	15	6,729,685	53,154,599
(d) Other Non-Current Assets	16	308,560	160,800
2 Current Assets			
(a) Current Investments	17	29,587,459	386,273
(b) Inventories	18	2,647,289,259	2,364,760,842
(c) Trade Receivables	19	574,906,113	573,859,788
(d) Cash & Cash Equivalents	20	301,860,034	133,785,646
(e) Short Term Loans and Advances	21	485,530,565	439,320,359
(f) Other Current Assets	22	63,695	40,200
TOTAL		5,658,162,486	4,952,944,896
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached
for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm Registration No. 014969

For and on behalf of the Board

S.K.Poddar

Partner

Mem. No.94479

New Delhi, 29th May, 2017

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

DIN: 00928080

Ramesh Bhatia

Director

DIN: 00052320

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2017**

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2017	Year Ended 31st March, 2016
Income:			
Revenue From Operations	23	4,778,241,738	4,454,461,964
Other Income	24	33,443,355	26,175,019
Total Revenue		4,811,685,093	4,480,636,983
Expenses:			
Cost of Materials Consumed	25	1,979,689,212	2,096,357,215
Purchases of Stock In Trade		876,375,199	490,066,754
Changes in Inventories of Finished Goods	26	(98,009,164)	(141,890,638)
Employee Benefits Expense	27	330,287,266	277,057,969
Finance Costs	28	132,744,670	124,460,470
Depreciation and Amortization Expense	29	46,997,631	41,281,667
Other Expenses	30	1,303,101,965	1,364,248,815
Total Expenses		4,571,186,779	4,251,582,252
Profit before Tax and Exceptional Items		240,498,314	229,054,731
Less: Exceptional Items		-	-
Profit before Taxes		240,498,314	229,054,731
Tax Expense:	31		
Current Tax		72,756,381	77,346,000
Deferred Tax		11,359,031	4,031,066
Profit for the year		156,382,902	147,677,665
Earnings Per Equity Share:			
(1) Basic		13.32	12.96
(2) Diluted		13.26	12.84

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm Registration No. 014969

For and on behalf of the Board

S.K.Poddar
Partner
Mem. No.94479
New Delhi, 29th May, 2017

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Snehdeep Aggarwal
Managing Director
DIN: 00928080

Ramesh Bhatia
Director
DIN: 00052320

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	240,498,314	229,054,731
<i>Adjustment for :</i>		
Finance Cost	132,744,670	124,460,470
Depreciation and amortisation expense	46,997,631	41,281,667
Loss/(Profit) on sale of fixed assets (net)	1,120,646	2,917
Loss/(Profit) on sale of investments (net)	(65,199)	(1,243,844)
Rental Income	(25,604,912)	(22,717,365)
Dividend Income	(101,073)	(146,065)
Provision for Employee Stock Option Benefits	20,831,303	20,396,540
Operating profit/(loss) before working capital changes	416,421,380	391,089,051
<i>Movements in working capital:</i>		
Increase/ (decrease) in trade payables	(105,827,100)	111,959,466
Increase/ (decrease) in other liabilities	87,220,281	(17,880,704)
Increase/ (decrease) in provisions	924,548	3,413,840
Decrease/ (increase) in inventories	(282,528,417)	(588,020,713)
Decrease/ (increase) trade receivables	(6,851,192)	(52,318,896)
Decrease/ (increase) in long term loans and advances	6,531,249	(1,404,522)
Decrease/ (increase) in Short term loans and advances	(28,177,663)	13,475,165
Cash (used in) / generated from operations	87,713,086	(139,687,313)
Income tax paid (Net)	(92,686,280)	(90,223,957)
Net cash (used in)/ generated from operating activities - (A)	(4,973,194)	(229,911,270)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(206,517,231)	(134,737,501)
Capital WIP & Capital Advances (net)	-	(40,468,386)
Proceeds from sale of fixed assets	4,382,056	193,624
Proceeds from sale of current investments(net)	(101,404,747)	11,286,604
Loan & advances to subsidiaries	46,921,777	(2,854,261)
Dividend income on current investments	101,073	146,065
Rental Income	25,604,912	22,717,365
Preliminary expenses incurred	(234,950)	-
Net cash from/ (used in) investing activities - (B)	(231,147,110)	(143,716,490)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	(37,317,948)	29,160,984
Proceeds from short-term borrowings (net)	409,785,836	256,238,799
Money Received against Share Warrant / Share Application	180,000,000	75,000,000
Share Capital including securities premium	1,354,850	120,000,000
Interest and processing fees paid (net)	(132,744,670)	(124,460,470)
Dividend paid (including dividend tax)	(16,883,376)	(13,647,838)
Net cash from/ (used in) financing activities - (C)	404,194,692	342,291,475
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	168,074,388	(31,336,284)
Cash and cash equivalents as at beginning of the year	133,785,646	165,121,930
Cash and cash equivalents as at the end of the year	301,860,034	133,785,646
Components of cash and cash equivalents:		
Cash on hand	1,572,719	3,443,882
Balances with scheduled banks:		
In current accounts	223,459,843	38,808,084
In deposits	76,827,472	91,533,680
Cash and cash equivalents in cash flow statement	301,860,034	133,785,646

As per our report of even date attached
for **SUSHIL PODDAR & CO.**

For and on behalf of the Board

Chartered Accountants

Firm Registration No. 014969

S.K.Poddar

Partner

Mem. No.94479

New Delhi, 29th May, 2017

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

DIN: 00928080

Ramesh Bhatia

Director

DIN: 00052320

STANDALONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT FOR THE YEAR ENDED 31st MARCH,2017

1.0 SIGNIFICANT ACCOUNTING POLICIES:

a) Method of Accounting

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

b) Use of Estimates

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

c) Fixed Assets

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

d) Depreciation

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

e) Inventories

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

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

f) Foreign Exchange Transactions

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b) Current Assets and Current Liabilities, outstanding in foreign currency at the year end, are converted at the closing exchange rates.
- c) Investments in Overseas Subsidiary is carried at the original rupee cost.
- d) All gains /losses on such conversion are charged to profit and loss account.

g) Retirement Benefits

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

h) Borrowing Costs

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

i) Revenue Recognition

Sale of Goods

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

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

Export Incentive under the "Duty Entitlement Pass Book Scheme" and "Duty Draw Back Scheme" are accounted for in the year of export

Other export incentives are accounted for on actual receipt basis.

Dividend

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

i) Investment

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

k) Taxation

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

l) Government Grants

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

m) Impairment of Assets

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

n) Provisions, Contingent Liabilities and Contingent Assets

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

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

o) Employee Share based payments

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

p) Derivative Financial Instruments and Hedge Accounting

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
2.0 SHARE CAPITAL		
Authorised Share Capital		
a) 20,000,000 (Previous Year 20,000,000) Equity Shares of Rs.10/- each	200,000,000	200,000,000
b) 500,000 (Previous Year 500,000) Preference Shares of Rs.100/- each	50,000,000	50,000,000
	250,000,000	250,000,000
Issued, Subscribed & Paid Up :		
a) 11,740,945 (Previous Year 11,713,848) equity shares of Rs.10/- each fully paid Up.	117,409,450	117,138,480
	117,409,450	117,138,480

2.1 The details of Shareholders holding more than 5% shares

Name of the share holders	As at	As at	As at	As at
	31st March, 2017 No of Shares	31st March, 2017 % of Holdings	31st March, 2016 No of Shares	31st March, 2016 As at % of Holdings
(a) Snehdeep Aggarwal	1,143,362	9.74	1,143,362	9.76
(b) Bharitya Infotech Pvt. Ltd.	1,000,000	8.52	1,000,000	8.54
(c) Bhartiya Global Holdings Pvt. Ltd.	1,850,000	15.76	1,850,000	15.79
(d) Spirit Impex Pvt Ltd.	685,000	5.83	1,200,000	10.24
(e) Bhartiya Finstock Pvt. Ltd.	681,926	5.81	681,926	5.82
(f) Morgan Stanley Asia (Singapore) PTE	-	-	745,315	6.36
(g) Superfine Carpets Pvt. Ltd.	613,533	5.23	-	-

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

PARTICULARS	As at	As at
	31st March, 2017	31st March, 2016
Shares outstanding at the beginning of the year	11,713,848	11,213,848
Shares Issued during the year	27,097	500,000
Shares outstanding at the end of the year	11,740,945	11,713,848

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

2.4 During the year, the company has allotted 27,097 Equity shares of Rs.10/- each fully paid to its employees under Employee Stock Option Plan ('ESOP 2013'). (Refer note no - 3.1)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
3 RESERVES & SURPLUS		
i) Share Premium A/c		
As Per last Balance Sheet	506,165,000	391,165,000
Add: On issue of Shares	11,476,664	115,000,000
	<u>517,641,664</u>	<u>506,165,000</u>
ii) Prferential Share Warrant Forfeited	8,500,000	8,500,000
iii) General Reserves		
As Per last Balance Sheet	259,851,233	239,851,233
Add: Transferred from Profit and Loss A/c	20,000,000	20,000,000
	<u>279,851,233</u>	<u>259,851,233</u>
iv) Surplus in Statement of Profit & loss		
As Per last Balance Sheet	964,802,089	854,042,642
Add: Profit for the Year	156,382,903	147,677,665
	<u>1,121,184,992</u>	<u>1,001,720,307</u>
Less : Appropriations		
- General Reserve	20,000,000	20,000,000
- Proposed Dividend	14,089,134	14,056,618
- Tax on Dividend	2,868,216	2,861,596
	<u>1,084,227,642</u>	<u>964,802,093</u>
V) Stock Option Outstanding	30,835,059	20,396,540
(Refer note no - 3.1)		
TOTAL	<u>1,921,055,598</u>	<u>1,759,714,866</u>

3.1 Note on ESOP

The Company instituted an Employees Stock Option Plan ('ESOP 2013') pursuant to the Nomination and Remuneration Committee (Earlier Compensation Committee) and Shareholders' resolution dated 23rd September, 2013. As per ESOP 2013, the Company granted 164,650 options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. Under ESOP 2013, a total of 164,650 options have been granted. The options under this grant would vest to the employees equally as 33.3% of the total grant every year at the end of first, second and third year from the date of the grant respectively, with an exercise period of five years from the date of respective vesting.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	2016-17
Net Profit after Taxes(Rs. In lakhs)	1,568.83
Add: Employee Stock compensation under Intrinsic Value (Rs. in Lakhs)	261.28
Less: Employee Stock compensation under Fair Value (Rs. in Lakhs)	270.46
Proforma Profit (Rs.)	1,559.65
EPS-Basic-As Reported (Rs.)	13.32
As per Proforma Profit (Rs.)	13.26
EPS-Diluted-As Reported (Rs.)	13.28
As per Proforma Profit	13.22

The following information relates to the Employee Stock Option as on 31st March, 2017

Particulars	No. of options
Outstanding at the beginning of the year	164,650
Add: Options Granted During the Year	-
Less: Lapsed / forfeited / cancelled during the year	22,224
Outstanding at the end of the year	115,329
Exercisable at the end of the year	17,451
Exercised during the year	27,097

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

PARTICULARS	Vesting Details (16th September, 2015)	Vesting Details (31st December, 2015)
Weighted Average Exercise Price	50	50
Weighted average Contractual life of options as on date of Grant	7	7
Historical Volatility	29.24%	33.10%
Life of the options granted (vesting and exercise period) in years	7	7
Expected dividends per share	1.2	1.2
Average risk-free interest rate	8.17%	7.96%
Expected dividend yield	0.21%	0.19%

Amount in Rs.

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
4 Money Received against Share Warrants		
Preferential Share Warrant :		
700,000 Preferential Share Warrant paid up Rs.150/- each. (Previous Year 500,000 Preferential Share Warrants paid up Rs.60/- each)	105,000,000	30,000,000
Add : Preferential Share warrant issued		
Current Year Nil (Previous Year-700,000 paid up Rs.150/- each)	-	105,000,000
	105,000,000	135,000,000
Less : Preferential Share Warrants Converted into Equity Shares		
Current year Nil (Previous Year: 500,000 paid up Rs.60/- each)	-	30,000,000
	105,000,000	105,000,000

- 4.1** The Company had allotted 700,000 warrants to non-promoter company on 2nd January, 2016 on preferential basis, convertible into equity shares of Rs.10/- each fully paid up. The holders of warrants have a right to apply one equity share of Rs.10/- each at a premium of Rs.590/- with in a period of 18 months from the date of allotment. The company had received Rs.10.50 crore from 700,000 warrant holders on allotment of warrants. During the year, the company has received share application money of Rs.18.00 crore for conversion of 400,000 warrants into equity out of 700,000 warrants. However this conversion of 400,000 warrants into equity as on 31st March, 2017 was pending.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
5 LONG TERM BORROWINGS		
Secured		
- Term Loans from Banks	303,945,516	340,375,249
- Vehicle Loans from Banks	1,709,010	1,857,170
TOTAL	305,654,526	342,232,419
5.1 Term Loans from HDFC Bank, balance outstanding amounting to Rs.647.11 lacs (31st March, 2016 Rs.728.00 lacs) is secured by exclusive charge on the Machinery funded and personal guarantee of one of the Director. The Loan is repayable in 18 Quarterly Installment starting from December, 2016. Last installment due in March, 2021. Rate of interest 10.70 % p.a. as at year end (previous year-10.70% p.a.).		
5.2 Term Loans from HDFC Bank, subsequent disbursement, balance outstanding amounting to Rs.147.36 lacs (31st March, 2016 Rs. Nil) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director. The Loan is repayable in 18 equal Quarterly Installment starting from December, 2016. Last installment due in March, 2021. Rate of interest 10.65 % p.a. as at year end (previous year-N.A)		
5.2 Term Loans from IDBI Bank, balance outstanding amounting to Rs.668.28 lacs (31st March, 2016 Rs.701.05 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director. The loan is repayable in 180 monthly Installment starting from February, 2013. Last installment due in February, 2028. Rate of Interest 11.00% p.a. as at year end (Previous Year 11.00% p.a.)		
5.3 Term Loans from IDBI Bank, balance outstanding amounting to Rs.1719.87 lacs (31st March, 2016 Rs.1799.93 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director. Repayable in 161 monthly Installment starting from June, 2014. Last installment due in November, 2027. Rate of Interest 11.00% p.a. as at year end (Previous Year 11.00% p.a.)		
5.4 Term Loan from Axis Bank, balance outstanding amounting to Rs.360.00 Lacs (31st March, 2016 Rs.545.69 lacs) is secured by exclusive charge over the fixed assets funded out of it. Exclusive charge by way of Equitable Mortgage over the immovable property situated at plot No 69, 3rd Road, 1st Phase, Jigani industrial Area, Part of Sy No 588 & 590 Jigani, Anekai Taluk, Bangalore, 562106 and personal guarantee of one of the Director		
5.5 The Loan is repayable in 15 Quarterly Installment starting from September, 2015. Last installment due in June, 2019. Rate of interest 10.30% p.a. as at year end (previous year-10.65% p.a.)		
5.6 Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.		
6 DEFERRED TAX LIABILITY (NET)		
a) Deferred Tax Assets		
Related to Capital Lossess	(1,458,699)	(4,432,270)
b) Deferred tax Liabilites		
Related to Fixed Assets	49,420,314	41,034,853
TOTAL	47,961,615	36,602,583
7 OTHER LONG TERM LIABILITIES		
(a) Security Deposit from Related Parties	15,978,600	15,978,600
(b) Security Deposit from Others	150,000	-
TOTAL	16,128,600	15,978,600

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
8 LONG TERM PROVISIONS		
(a) Provision for Employees benefit	12,677,885	12,578,271
TOTAL	12,677,885	12,578,271
9 SHORT TERM BORROWINGS		
Secured		
- Working Capital Loans From Banks	2,219,893,778	1,810,107,942
TOTAL	2,219,893,778	1,810,107,942
9.1 Working Capital facilities are secured against hypothecation of stocks of raw-materials, stock in process, finished goods, Other Current assets, specified immovable property, movable fixed assets, lien on fixed deposits, exports bills and personal guarantee of Director.		
10 TRADE PAYABLE		
(a) Payable	82,008,898	59,909,955
(b) Payable to related parties	4,633,425	8,477,987
(c) Acceptance	209,442,229	266,448,980
TOTAL	296,084,552	334,836,922
10.1 The Company has not received information from vendors regarding their status under the Micro, Small and Medium enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.		
11 OTHER CURRENT LIABILITIES		
(a) Current maturities of Long Term Borrowings	51,668,350	52,408,405
(b) Unclaimed Dividend	851,947	817,109
(c) Due to Employees	30,792,191	29,203,513
(d) Temporary Book Overdraft	-	49,909
(e) Expenses Payable	191,780,666	173,934,442
(f) Statutory Dues Payable	9,139,019	6,657,370
(g) Other Payables	16,313,244	15,947,812
(h) Interest Accrued but not due	6,946,198	9,182,721
(i) Capital Creditors	10,686,132	8,944,867
TOTAL	318,177,747	297,146,148
12 SHORT TERM PROVISIONS		
(a) Provision for Employees benefits	9,212,525	8,387,591
(b) Provision for Income Tax	91,948,860	96,302,860
(c) Proposed Dividend	14,089,134	14,056,618
(d) Tax on Proposed Dividend	2,868,216	2,861,596
TOTAL	118,118,735	121,608,665

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Gross Block						Depreciation			Amount in Rs.
	As at 1st April, 2016	Additions/ Adjustments during the year	Deduction/ Retirement during the year	As at 31st March, 2017	As at 1st April, 2016	for the year	Deduction/ adjustments during the year	As at 31st March, 2017	As at 31st March, 2017	
Tangible Assets :										
Own Assets :										
land	22,324,670	-	-	22,324,670	-	-	-	-	22,324,670	
Lease hold land	60,000,000	-	-	60,000,000	2,985,239	1,260,090	-	4,245,329	55,754,671	
Building	451,993,738	27,486,364	3,845,001	475,635,101	65,347,399	12,565,676	1,472,641	76,440,434	399,194,667	
Machinery	228,088,449	172,194,928	4,429,075	395,854,302	63,107,843	16,923,906	1,801,144	78,230,605	317,623,697	
Vehicles	29,749,035	1,693,568	584,637	30,857,966	17,205,302	2,656,897	332,276	19,529,923	11,328,043	
Furniture	27,426,924	5,001,624	-	32,428,547	11,630,654	2,931,752	-	14,562,406	17,866,141	
Office Equipments	29,862,729	7,454,028	132,995	37,183,762	11,009,211	4,188,102	49,448	15,147,865	22,035,897	
Computers	16,124,758	7,152,105	1,615,117	21,661,746	9,605,041	3,712,077	1,448,614	11,868,503	9,793,243	
Total	865,570,303	220,982,617	10,606,825	1,075,946,094	180,890,688	44,238,500	5,104,123	220,025,066	855,921,028	
Intangible Assets :										
Computer Software	12,451,838	14,857,782	-	27,309,620	6,674,097	2,695,435	-	9,369,532	17,940,088	
Total	12,451,838	14,857,782	-	27,309,620	6,674,097	2,695,435	-	9,369,532	17,940,088	
Capital work in Progress										
Capital work in Progress	-	167,593,073	185,674,865	60,410,337	-	-	-	-	60,410,337	
Total	78,492,129	167,593,073	185,674,865	60,410,337	-	-	-	-	60,410,337	
Software under development	13,180,000	1,378,500	14,558,500	-	-	-	-	-	-	
Total	13,180,000	1,378,500	14,558,500	-	-	-	-	-	-	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Gross Block			Depreciation			Balance as at 31st March, 2016		
	Balance as at 1st April, 2015	Additions/ Adjustments during the year	Deduction/ Retirement during the year	Balance as at 31st March, 2016	Upto 1st April, 2015	Adjustments to Retained Earning		For the year	Deduction/ Adjustments during the
Tangible Assets :									
Own Assets :-									
Land	22,324,670	-	-	22,324,670	-	-	-	-	22,324,670
Lease hold land	60,000,000	-	-	60,000,000	1,721,697	-	1,263,542	-	2,985,239
Building	368,025,619	83,968,119	-	451,993,738	55,588,175	-	9,759,224	-	65,347,399
Machinery	198,041,351	30,047,098	-	228,088,449	50,041,283	-	13,066,560	-	63,107,843
Vehicles	30,390,993	1,072,161	1,714,119	29,749,035	15,877,637	-	2,845,242	1,517,578	17,205,301
Furniture	24,594,351	2,832,573	-	27,426,924	8,498,308	-	3,132,346	-	11,630,654
Office Equipments	23,609,232	6,253,497	-	29,862,729	7,089,969	-	3,919,242	-	11,009,211
Computers	10,700,767	5,423,991	-	16,124,758	5,494,332	-	4,110,709	-	9,605,041
Total	737,686,983	129,597,439	1,714,119	865,570,303	144,311,401	-	38,096,865	1,517,578	180,890,688
Intangible Assets :									
Computer Software	7,311,776	5,140,062	-	12,451,838	3,529,495	-	3,144,602	-	6,674,097
Total	7,311,776	5,140,062	-	12,451,838	3,529,495	-	3,144,602	-	6,674,097
Capital work in Progress									
Capital work in Progress	50,718,597	132,974,343	105,200,811	78,492,129	-	-	-	-	78,492,129
Total	50,718,597	132,974,343	105,200,811	78,492,129	-	-	-	-	78,492,129
Intangible Assets under Development									
Intangible Assets under Development	9,453,800	3,726,200	-	13,180,000	-	-	-	-	13,180,000
Total	9,453,800	3,726,200	-	13,180,000	-	-	-	-	13,180,000

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	No of Shares/Units	As At 31st March, 2017	No of Shares/Units	As At 31st March, 2016
14 NON CURRENT INVESTMENTS (at cost unless otherwise specified)				
A) Trade Investments :				
i) In Equity Shares of Subsidiary Companies - Unquoted				
1 Equity share of Rs.10/- each, fully paid in Bhartiya Global Marketing Ltd.	4,999,020	49,990,200	4,999,020	49,990,200
2 Equity Shares of Rs.10/- each, fully paid in Bhartiya International Sez Ltd.	12,069,230	120,692,300	12,069,230	120,692,300
3 Equity Shares of Rs.10/- each, fully paid in Bhartiya Fashion Retail Ltd.	500,000	5,000,000	50,000	500,000
4 Equity Shares in Ultima S.A. Switzerland (having par value of SFR 1,000)	1,000	33,785,508	1,000	33,785,508
5 Equity Shares in World Fashion Trade Ltd. (having par value of \$ 1)	709,000	47,813,540	1,000	44,780
6 Equity Shares of Rs.10/- each, fully paid in Bhartiya Urban Infrastructure Ltd.	50,000	50,000	50,000	500,000
Total Investments in Subsidiary Companies		<u>257,781,548</u>		<u>205,512,788</u>
ii) In Equity Shares of Associates Companies - Unquoted				
1 Equity Shares of Rs.10/- each, fully paid in Bhartiya Urban infrastructure & Land Development Co. Pvt. Ltd.	15,996,865	399,960,000	11,200,000	280,000,000
2 Equity Shares of Rs.10/- each, fully paid in Tada Mega cluster Pvt. Ltd.	5,000	50,000	5,000	50,000
iii) In Preference Shares of Associates Companies-Unquoted				
1 Compulsory Convertible Preference Shares of Rs.10/- each, fully paid in Bhartiya Urban infrastructure & Land Development Co. Pvt. Ltd.	-	-	4,796,865	119,960,000
Total Investments in Associate Companies		<u>400,010,000</u>		<u>400,010,000</u>
iv) Government Securities & Others Unquoted				
1 Indra Vikas Patra	-	6,500	-	6,500
Total Investments in Government Securities & Other	-	<u>6,500</u>	-	<u>6,500</u>
Total Trade Investments (A)		<u>657,798,048</u>		<u>605,529,288</u>
B) Other Investments				
i) Investments in Mutual Funds (Quoted)				
1 Goldman Sach Liquid Exchange	0.817	817	0.817	817
2 Birla Sun Life Equity Fund -Growth	16,698.67	10,000,000	-	-
3 Sbi Blue Chip Fund - Direct Plan-Growth	295,753.86	10,000,000	-	-
TOTAL		<u>20,000,817</u>		<u>817</u>
Total Other Investments (B)		<u>20,007,317</u>		<u>817</u>
Total Non - Current Investments (A+B)		<u>677,805,365</u>		<u>605,530,105</u>
Less:- Provision for diminution in the value of Investments		183,195		183,195
Total Non - Current Investments		<u>677,622,170</u>		<u>605,346,910</u>
Aggregate amount of quoted Investments		20,000,817		817
Market value of quoted Investments		21,126,319		817
Aggregate amount of unquoted Investments		657,614,853		605,346,093

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

- 14.1** During the year, the company has acquired 708,000 equity shares having par value of USD 1/- of M/s. World Fashion Trade Ltd. for Rs.47,768,760/-. The consideration was settled against outstanding loan given in earlier years
- 14.2** Investment in the subsidiary Bhartiya International SEZ Ltd. include 6 equity shares of (Rs.60/-) held in the name of a Director / nominees in fiduciary capacity for the company.
- 14.3** Investment in the wholly owned subsidiaries Ultima S.A, Switzerland, Bhartiya Global Marketing Ltd.and Bhartiya Fashion Retail Ltd, include 1 equity share of the nominal value of SFR 1000 (Rs.33,785/-) and 6 equity shares (Rs.60/-) respectively held in the name of Directors/nominees in fiduciary capacity for the company.
- 14.4** On 20th March, 2017, the company was allotted 4,796,865 equity shares of Rs.10/- each fully paid of Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. on conversion of 4,796,865 compulsory convertible preference shares of Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
15 LONG TERM LOANS & ADVANCES		
(Unsecured & Considered Good)		
(a) Security and Other Deposits	3,906,110	3,409,247
(b) Loans / Advances to related parties	2,823,575	49,745,352
TOTAL	6,729,685	53,154,599
16 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	308,560	160,800
TOTAL	308,560	160,800

PARTICULARS	No of	As At	No of	As At
	Shares/Units	31st March, 2017	Shares/Units	31st March, 2016
17 CURRENT INVESTMENTS				
i) In Equity Shares Quoted, fully paid up				
Alkyl Amines Chemicals Ltd.	4,579	1,461,100	-	-
Chambal Fertilisers And Chemicals Ltd.	43,205	3,001,213	-	-
DCB Bank Ltd.	31,695	2,994,246	-	-
Firstsource Solutions Ltd.	69,753	2,591,333	-	-
Intellect Design Arena Ltd.	13,920	3,001,718	-	-
Navneet Education Ltd.	16,540	1,502,070	-	-
Power Mech Projects Ltd.	5,130	2,987,411	-	-
Praj Industries Ltd.	33,655	2,998,505	-	-
Pricol Ltd.	30,389	1,982,056	-	-
RPG Life Sciences Ltd.	3,346	1,479,697	-	-
Visaka Industries Ltd.	12,961	2,212,859	-	-
Voltamp Transformers Ltd.	3,724	2,988,978	-	-
Total		29,201,186		-
ii) In Equity Shares Unquoted, fully paid up				
Sai Rayalaseem Paper Mills Ltd	31,792	386,273	31,792	386,273
Total		386,273		386,273
Total Current Investments		29,587,459		386,273
Aggregate amount of quoted Investments		29,201,186		-
Market value of quoted Investments		35,173,569		-
Aggregate amount of unquoted Investments		386,273		386,273

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
18 INVENTORIES		
Raw Materials(including material in Transit)	2,134,053,202	1,902,118,917
Stock-in-Progress	48,239,450	103,591,817
Finished Goods	425,097,253	327,088,089
Consumable Store	39,899,354	31,962,019
TOTAL	2,647,289,259	2,364,760,842
19 TRADE RECEIVABLES		
(a) Outstanding over six months- Unsecured, considered good	20,152,176	26,312,380
(b) Others- Secured, Considered good	90,935,601	162,943,307
Unsecured, Considered good	463,818,336	384,604,101
TOTAL	574,906,113	573,859,788
19.1 The Company has filed legal Suit for recovery of Rs.6,162,337/- against one of its overseas customer. Management is confident of recovery of the same and hence has not made any provision for bad & doubtful debts against this.		
20 CASH AND CASH EQUIVALENTS		
(a) Balances with Banks		
- In Current Accounts	223,459,843	38,808,084
- In Fixed Deposits	76,827,472	91,533,680
(b) Cash on Hand	1,572,719	3,443,882
TOTAL	301,860,034	133,785,646
20.1 Balances with banks Includes Unclaimed Dividend of Rs.851,947/- (Previous year Rs.817,109/-)		
20.2 Fixed deposits of Rs.76,827,472/- (previous year Rs.91,533,680/-) are pledged with the banks for various limits and facilities granted.		
20.3 Fixed deposits having maturity more than 12 months is Rs. Nil/- (previous year Rs Nil/-)		
20.4 Fixed deposits having maturity more than 3 months is Rs.75,215,435/- (previous year Rs.66,926,524/-)		
21 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
(a) Loans/Advances to Related Parties	8,476,448	16,780,410
(b) Advances with Suppliers	152,998,331	126,018,309
(c) Advance Income Tax	93,504,188	77,928,289
(d) Vat Receivable	104,259,626	99,433,310
(e) Prepaid Expenses	17,305,980	13,996,147
(f) Security & Other Deposits	13,880,218	14,454,915
(g) Advance to Staff	13,722,513	9,004,521
(h) Advance for Capital Goods	5,487,745	22,414,825
(i) Export Incentive Receivable	43,538,235	51,332,576
(j) Other Advances	11,750,312	7,957,057
(k) Insurance claim receivable	20,606,969	-
TOTAL	485,530,565	439,320,359
21.1 The company's claim of draw back 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.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
22 OTHER CURRENT ASSETS		
(a) Preliminary Expenses (to be written off in next year)	63,695	40,200
TOTAL	<u>63,695</u>	<u>40,200</u>
PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
23 REVENUE FROM OPERATIONS		
(a) Sales	4,237,956,931	4,163,775,391
Less: Excise Duty	<u>18,367,796</u>	<u>27,486,942</u>
Net Sales	4,219,589,135	4,136,288,449
(b) Export Incentives	355,205,109	359,029,252
(c) Foreign Exchange Gain	203,447,494	(40,855,737)
TOTAL	<u>4,778,241,738</u>	<u>4,454,461,964</u>
24 OTHER INCOME		
(a) Dividend from Current Investments	101,073	146,065
(b) Profit on sale of Current Investments(Net)	65,199	1,243,844
(c) Rental Income	25,604,912	22,717,365
(d) Profit on sale of Fixed Assets	7,648,679	6,587
(e) Other Income	23,492	2,061,158
TOTAL	<u>33,443,355</u>	<u>26,175,019</u>
25 COST OF MATERIALS CONSUMED		
Opening Stock	2,037,672,753	1,591,542,678
Add : Purchases	<u>2,164,208,465</u>	<u>2,542,487,290</u>
	4,201,881,218	4,134,029,968
Less : Closing Stock	<u>2,222,192,006</u>	<u>2,037,672,753</u>
MATERIALS CONSUMED	<u>1,979,689,212</u>	<u>2,096,357,215</u>
26 CHANGE IN INVENTORIES OF FINISHED GOODS		
(a) Opening Stock	327,088,089	185,197,451
(b) Closing Stock	<u>425,097,253</u>	<u>327,088,089</u>
Decrease/(Increase)	<u>(98,009,164)</u>	<u>(141,890,638)</u>
27 EMPLOYEE BENEFIT EXPENSES		
(a) Salary & Allowances	274,709,579	230,392,013
(b) Contribution to Provident & Other fund	19,751,197	17,670,969
(c) Staff Welfare Expenses	14,995,187	8,598,447
(d) Employee Stock Option	20,831,303	20,396,540
TOTAL	<u>330,287,266</u>	<u>277,057,969</u>
28 FINANCE COST		
(a) Interest Expense- Net	115,958,581	111,708,439
(b) Borrowing Cost	16,786,089	12,752,031
TOTAL	<u>132,744,670</u>	<u>124,460,470</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
29 DEPRECIATION AND AMORTISATION		
(a) Depreciation	46,933,936	41,241,467
(b) Preliminary Expenses	63,695	40,200
TOTAL	46,997,631	41,281,667
30 OTHER EXPENSES		
(I) Manufacturing Expenses		
(a) Fabrication Charges	814,347,465	885,678,849
(b) Other Manufacturing Expenses	13,012,248	12,329,483
(c) Freight & Cartage	10,212,139	8,134,798
(II) Selling & Administrative Expenses		
(a) Legal And Professional Charges	41,701,630	30,257,979
(b) Power & Fuel	15,318,543	14,369,401
(c) Bank Charges	29,333,406	33,018,015
(d) Repair & Maintenance		
- Building	2,152,301	2,258,728
- Plant & Machinery	4,558,043	3,917,379
- Others	14,511,791	10,993,452
(e) Communication	11,014,067	10,207,371
(f) Rates Taxes & Duties	3,556,099	2,995,995
(g) Insurance	3,871,919	3,824,920
(h) Rent	11,931,808	7,769,624
(i) Travelling & Conveyance	104,580,470	97,550,931
(j) Freight on Exports	41,757,436	52,097,445
(k) Commission, Brokerage & Discount	119,044,517	122,654,723
(l) Loss on Sale /Discard of Fixed Assets	1,120,646	9,504
(m) Misc. Expenses	31,627,677	35,010,159
(n) Expenditure towards CSR Activites	675,254	4,763,998
(o) Directors Meeting Fees	92,222	117,225
(p) Packing Expenses	24,299,036	26,288,836
(q) Bad Debts	4,383,248	-
TOTAL	1,303,101,965	1,364,248,815
31 TAX EXPENSE		
I) Current Tax		
(a) Current Income Tax	67,700,000	72,000,000
(b) Income Tax for earlier year	5,056,381	5,346,000
	72,756,381	77,346,000
II) Deferred Tax		
(a) Related To Capital Assets	8,385,460	3,825,922
(b) Related To Brought forward Capital losses	2,973,571	205,144
	11,359,031	4,031,066

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
32.02 CONTINGENT LIABILITES		
i) Letter of Credit / Import Bills outstanding -	55,065,322	68,673,014
ii) Standby Letter of Credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
- Ultima S A	688,052,975	714,985,700
- World Fashion Trade Ltd.	22,699,250	23,191,000
iii) Bills discounted with banks -	-	8,181,771
iv) Other Guarantee given by bank -with Corporation Bank	4,061,849	4,418,580
v) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima SA, Ultima Italia Srl & World Fashion Trade Ltd.	164,266,000	392,201,000
vi) Income Tax Demand under dispute	-	12,225,782
vii) Karnatka Vat Demand Under dispute	5,659,787	5,659,787
viii) TNVAT demand under dispute	52,531,621	52,531,621
32.03 Capital and other Commitments		
Estimated value of contract remaining to be executed on capital Account and not provided for	8,139,832	5,390,255
32.04 DERIVATIVE FINANCIAL INSTRUMENTS		
In GBP	4.25 Millions (Rs. 3713.52 Lacs)	2.75 Millions (Rs. 2617.45 Lacs)
IN USD	12.75 Millions (Rs. 8916.53 Lacs)	12.25 Millions (Rs. 8116.85 Lacs)
IN EURO	-	.30 Millions (Rs. 226.37Lacs)
		Amount in Rs.
PARTICULARS	Yeard Ended 31st March, 2017	Yeard Ended 31st March, 2016
32.05 VALUE OF IMPORTS ON CIF BASIS		
Raw Material	839,154,914	1,070,277,450
Purchase under Merchandise Trade	297,914,361	247,926,428
Capital Goods	33,666,831	55,252,880
32.06 EXPENDITURE IN FOREIGN CURRENCY (on payment basis)		
Agent Commission/Claim on Sales	88,554,498	153,503,988
Foreign Travelling	14,134,225	11,998,563
Others	2,404,515	3,659,618
Interest on Import Bills	3,478,552	1,814,494
32.07 EARNING IN FOREIGN CURRENCY		
FOB Value of Sales	3,182,481,586	3,362,841,270
Export Under Merchandising Trade	335,839,109	277,504,803
Insurance Claim	-	2,084,940

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

PARTICULARS	Amount in Rs.			
	Year Ended 31st March, 2017	Year Ended 31st March, 2016		
32.08 PAYMENT TO AUDITOR				
Audit Fees	1,000,000	650,000		
Certification	389,600	236,000		
Tax Audit	100,000	100,000		
Reimbursement of Expenses	80,000	80,000		
32.09 Earning Per Share (EPS)				
Income available to Equity Shareholders	156,382,902	147,677,665		
No of Shares at the beginning of the Year (A)	11,713,848	11,213,848		
Equity allotted during the year	27,097	500,000		
Weighted Average Shares (B)	26,418	180,038		
Weighted Average Shares Outstanding (nos)(A+B)	11,740,266	11,393,886		
Effect of Dilutive Securities Securities (nos):				
Add: Adjustment for warrants convertible into Equity Shares	55,120	110,616		
Weighted Average number of equity shares for Diluted EPS	11,795,386	11,504,502		
Rs Per Share				
Nominal Value per share	10.00	10.00		
Earnings per share (Basic)	13.32	12.96		
Earnings per share(Diluted)	13.26	12.84		
32.10 AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND				
a) Year to which the dividend relates	2015-16	2014-15		
b) Number of non-resident shareholders to whom remittances were made	47	42		
c) No of shares on which remittances were made.	944,179	961,418		
d) Amount remitted in Rs.	1,133,015	961,418		
32.11 VALUE OF IMPORTED & INDIGENOUS RAW MATERIAL AND CONSUMABLE CONSUMED				
	Current Year		Previous Year	
	% of	Value of	% of	Value of
	consumption	consumption Rs	consumption	consumption
Indigenous	58.35	1,155,139,063	44	918,484,023
Imported	41.65	824,550,150	56	1,177,873,192
	100	1,979,689,213	100	2,096,357,215
32.12 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 :				
		Year Ended	Year Ended	
		31st March, 2017	31st March, 2016	
i) Gross amount required to be spent by the company during the year		3,878,848	3,167,934	
ii) Amount spent during the year		675,254	4,763,998	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

	As at 31st March, 2017	Maximum Balance during the year
(1) Loans /Advances Given		
Subsidiary Company :		
a) J & J Leather Enterprises Ltd.	6,548,129	15,000,000
	(15,000,000)	(15,000,000)
b) World Fashion Trade Ltd.	-	46,921,777
	(46,921,777)	(46,921,777)
Assoicates Company:		
a) Tada Mega Leather Cluster Pvt. Ltd.	2,823,575	2,823,575
	(2,823,575)	(2,823,575)
(2) Standby Letter of credit (SBLC) issued by company bankers against facilities granted by that bank		
Subsidiary Company :		
World Fashion Trade Ltd, Mauritius	22,699,250	23,191,000
	(23,191,000)	(23,191,000)
Ultima S.A, Switzerland	688,052,975	714,985,700
	(714,985,700)	(714,985,700)
(3) Corporate Guarantee given by company to a bank for facility granted by that bank to its Subsidiaries.		
Subsidiary Company :		
Ultima S.A , and Ultima Italia SRL	164,266,000	392,201,000
	(392,201,000)	(943,050,000)

32.14 Related Party Disclosures

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

a) Name of Related Parties & Nature of Relationship:**i) Subsidiary Companies :****Domestic**

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

Overseas

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

ii) Associate Parties :

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

iii) Key Management Personnel:

Snehdeep Aggarwal
Jaspal Sethi
A.K .Gadhok

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

Itopia Management Services (India) Pvt. Ltd.
Parushini Interior Designs Private Ltd.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**v) Relatives of Key Management Personnel :**

Kanwal Aggarwal
Parushini Aggarwal
Arjun Aggarwal

b) Transactions during the year with related parties

	2016-2017	2015-2016
1 Sales		
World Fashion Trade Ltd	24,270,742	9,413,703
Ultima S.A.	66,238,997	30,849,724
Ultima Italia SRL	433,094	-
Design Industry Ltd	201,531,041	247,338,584
2 Purchase / Job Work		
World Fashion Trade Ltd	-	555,448
Ultima Italia SRL	112,312	112,153
J & J Leather Enterprises Ltd	123,087,870	118,461,336
Ultima S.A.	-	51,960,115
Design Industry China Ltd.	3,328,978	-
3 Ticketing		
Itopia Management Services (India) Pvt. Ltd	22,543,748	21,235,103
4 Salaries		
Snehdeep Aggarwal	1,839,600	1,839,600
Jaspal Sethi	1,174,200	1,172,400
A.k.Gadhok	750,288	960,888
Arjun Aggarwal	275,000	300,000
5 Lease Rent / Rent Paid		
Bhartiya Global Marketing Ltd.	100,000	100,000
J & J Leather Enterprises Ltd	1,200,000	1,200,000
Kanwal Aggarwal	480,000	480,000
6 Commission Expenses		
Ultima Italia SRL	58,004,163	60,704,339
World Fashion Trade Ltd	27,104,169	16,024,604
7 Lease Rent Received		
Bhartiya City Developers Pvt Ltd	21,304,800	21,304,800
Parushini Interior Designs Pvt Ltd	1,800,000	-
8 Service Charges Paid		
Bhartiya International Sez Ltd.	2,815,172	3,743,076
Bhartiya Fashion Retail Ltd.	1,675,000	-
9 Balances Written back		
Bhartiya Prakash Leather	-	75,755
10 Investment in equity shares		
World Fashion Trade Ltd.	47,768,760	-
c) Balances Outstanding at the year end:		
1 Loan Given		
World Fashion Trade Ltd.	-	46,921,777
Tada Mega Leather Cluster Pvt. Ltd.	2,823,575	2,823,575

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

	2016-2017	2015-2016
2 Trade Payables		
J & J Leather Enterprises Ltd	-	6,133,603
Bhartiya International SEZ Ltd	4,633,425	2,344,384
3 Expenses/Others Payables		
Ultima Italia SRL	113,628,693	103,775,470
World Fashion Trade Ltd.	30,498,885	28,011,361
Itopia Management Services(India) Pvt. Ltd.	1,757,848	1,406,285
Kanwal Aggarwal	36,000	36,000
4 Advance Paid		
J & J Leatehr Enterprises Ltd	6,548,129	15,000,000
Ultima S.A.	1,150,000	1,780,410
Design Industry China Ltd	1,965	-
Bhartiya Fashion Retail Ltd.	738,694	-
Bhartiya City Developers Pvt. Ltd.	37,660	-
5 Trade Receivable		
Design Industry Ltd.	42,980,195	54,484,529
World Fashion Trade Ltd	23,340,558	-
Ultima S.A.	11,096,588	5,804,867
6 Security Deposit (Paid)		
Bhartiya Global Marketing Ltd.	500,000	500,000
7 Security Deposit (Received)		
Bhartiya City Developers Pvt. Ltd.	15,978,600	15,978,600
Parushini Interior Designs Pvt. Ltd.	1,800,000	-
8 Standby Letter of Credit (SBLC) Issued by Company Bankers		
World Fashion Trade Ltd.	22,699,250	23,191,000
Ultima S.A.	688,052,975	714,985,700
9 Corporate Guarantee given by Company		
Ultima Italia SRL and Ultima S.A.	164,266,000	392,201,000

32.15 SEGMENT INFORMATION**a) BUSINESS SEGMENTS:**

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

b) Geographic Segments

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

c) Business Segments		Rs. In Lacs				
PARTICULARS	Leather Products	Textile / Textile Product	Others	Unallocable	Total	
a. Segment Revenue	39,135.43	8,646.99	-	-	47,782.42	
	(39,559.52)	(4,985.16)	(-)	(-)	(44,544.68)	
b. Segment Results	5,126.02	387.42		-	5,513.44	
	(5,012.61)	(299.71)	(-)	-	(5,312.32)	
c. Less: Unallocable expenses net of Income				1,781.01	1,781.01	
	-	-	-	(1,777.11)	(1,777.11)	
d. Operating Profit	-	-	-	-	3,732.43	
	-	-	-	-	(3,535.21)	
e. Less:- Interest	-	-		1,327.45	1,327.45	
	-	-	-	(1,244.67)	(1,244.67)	
f. Profit before Tax	-	-	-	-	2,404.98	
	-	-	-	-	(2,290.54)	
g. Provision for taxation	-	-	-	841.15	841.15	
	-	-	-	(813.77)	(813.77)	
h. Profit after Tax	-	-	-	-	1,563.83	
	-	-	-	-	(1,476.77)	
i. Capital Employed	14,329.65	1,216.78	-	7,688.21	23,234.64	
	(11,908.94)	(43.12)	-	(7,866.47)	(19,818.53)	

32.16 The details of Specified Bank Notes (SBN) and other denomination notes held and transacted during the period from November 8, 2016 to December, 30 2016, as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 is given below

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand on November 8, 2016	3101000	839742	3940742
Add : Permitted receipts (Bank withdrawl)	-	2442000	2442000
Less : Permitted Payments	-	2411408	2411408
Less : Amount Deposited into bank	3101000	-	3101000
Closing Cash in hand as on December 30, 2016	-	870334	870334

32.17 Previous year expenses debited to profit & loss account Rs.5,174,677/- (previous year Rs-1,258,537/-)

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

As per our report of even date attached
for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm Registration No. 014969

For and on behalf of the Board

S.K.Poddar

Partner

Mem. No.94479

New Delhi, 29th May, 2017

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Snehdeep Aggarwal

Managing Director

DIN: 00928080

Ramesh Bhatia

Director

DIN: 00052320

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.	31 st March, 2017	Indian Rupee	49,990,200	(7,939,117)	45,771,328	3,720,245	32,267,500	12,321,980	(1,392,375)	(307,612)	(1,084,763)	100.00
J&J Leather Enterprises Ltd.	31 st March, 2017	Indian Rupee	20,750,000	23,372,885	63,817,251	19,694,366	-	123,162,305	1,043,579	105,681	937,898	100.00
Bhartiya International SEZ Ltd.	31 st March, 2017	Indian Rupee	35,692,300	3,564,870	39,571,510	314,340	-	2,815,172	(5,138,124)	-	(5,138,124)	88.95
Bhartiya Urban Infrastructure Ltd.	31 st March, 2017	Indian Rupee	500,000	(69,054)	435,946	5,000	-	-	(47,168)	-	(47,168)	100.00
Bhartiya Fashion Retail Ltd.	31 st March, 2017	Indian Rupee	5,000,000	(2,450,706)	4,165,238	1,615,944	-	-	(2,234,093)	-	(2,234,093)	100.00
Ultima S.A	31 st March, 2017	CHF[Swiss Franc]	33,785,508	328,594,468	634,702,206	272,322,230	140,057,773	1,498,781,114	74,324,636	8,746,463	65,578,173	100.00
Design Industry Ltd.	31 st March, 2017	HK\$ (Hong Kong Dollar)	805,500	9,365,163	66,597,895	56,427,232	-	320,413,569	1,666,084	-	1,666,084	100.00
Design Industry China Ltd.,	31 st March, 2017	RMB/Yuan	2,092,613	869,413	14,711,019	11,748,993	-	49,621,515	(1,484,800)	100,608	(1,585,409)	100.00
Ultima Italia SRL	31 st March, 2017	EURO	137,159,660	11,371,364	264,579,743	116,048,719	-	143,596,115	1,936,137	1,918,201	17,936	100.00
World Fashion Trade Ltd.	31 st March, 2017	HK\$ (Hong Kong Dollar)	47,813,540	(54,487,311)	62,136,175	68,809,946	-	108,755,371	3,553,913	-	3,553,913	100.00

	CHF	HK\$	Euro	RMB Yuan
Exchange rate for Balance Sheet items (except shares capital figures which are stated at invested value)	64.69	8.35	69.09	9.41
Exchange rate for Profit and Loss	67.90	8.64	73.43	9.97

PART-B: ASSOCIATES AND JOINT VENTURES

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

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/joints venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance sheet	Profit/Loss for the Year	
		No.	Amount of Investment in Associate/ Joint venture	Extent of Holding				Considered in Consolidation	Not Considered in Consolidation
Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.	31st March, 2016	11200000	2800000000	29.60%	Voting Power	Not Applicable	776,721,209	19,243,091	-
Tada Mega Leather Cluster Pvt. Ltd.	31st March, 2017	5000	50000	50.00%	Voting Power	Not Applicable	(85,619,00)	(22,467)	-

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2017.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2017 are as follows:

Particulars	(Rs. in lacs)	
	2016-17	2015-16
Net Sales/Income from Operations	123.22	278.71
Other Income	17.25	2.18
Total Expenses	154.40	293.90
Tax Expense	(3.08)	(0.18)
Profit/(Loss) for the year after Tax	(10.85)	(12.83)

PERFORMANCE REVIEW

During the year under review, your Company achieved a turnover of Rs.123.22 lacs as against Rs.278.71 lacs in the previous year. The Net Loss after tax was reported at Rs.10.85 lacs. The Company is in the process to expand its global operations by strengthening its marketing activities in Europe and American markets and expects revenues to grow in future period.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2017.

RESERVES

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

SHARE CAPITAL

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

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

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

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

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Ms. Jaspal Sethi (DIN: 01689695), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2016-17, five Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2016-17 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Ramesh Bhatia	Mr. Manoj Khattar	Mr. Jaspal Sethi
21.05.2016	Present	Present	Present
30.06.2016	Absent	Present	Present
28.09.2016	Present	Present	Absent
31.12.2016	Absent	Present	Present
09.03.2017	Absent	Present	Present

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions are provided in notes to accounts. All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business 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.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the losses of the company for the year ended on that date;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis; and
- (e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS AND AUDITORS REPORT

The Auditors of the Company, M/s. Sushil Poddar & Co., Chartered Accountants (Firm Registration No. 014969N) hold office upto 21st Annual General Meeting. Your directors have recommended their re-appointment in the ensuing Annual General Meeting for a further period of 5 years.

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

COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2017-2018.

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your company.

SECRETARIAL AUDIT REPORT

The same is not applicable to your Company.

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

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

RISK MANAGEMENT

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

ENVIRONMENT AND SAFETY

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

HUMAN RESOURCES

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

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

PARTICULARS OF EMPLOYEES

During the financial year 2016-2017, the Company had 5 Employees.

None of the Employees were in receipt remuneration of Rs. 60 lac per annum or more and none of the employees employed for the part of the financial year 2017 were in receipt of Rs. 5 lac per month or more.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**a. Conservation of Energy**

The same is not applicable to your company.

b. Technology Absorption

The same is not applicable to your company.

c. Foreign Exchange Earnings & Outgo

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

PUBLIC DEPOSIT

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes which have occurred in between the financial year ended on 31stMarch, 2017 and date of the report of the company which affects the financial position of the company.

ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board

New Delhi, 27th May, 2017

Manoj Khattar
Director
DIN: 00694981

Ramesh Bhatia
Director
DIN: 00052320

ANNEXURE-A
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	:	U74899DL1996PLC075128
ii) Registration Date	:	03/01/1996
iii) Name of the Company	:	Bhartiya Global Marketing Ltd.
iv) Category Sub-Category of Company	:	Public Limited Company
v) Address of the Regd. Office and contact details	:	E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030
vi) Whether listed company	:	N.A.
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

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

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

(ii) Shareholding of Promoters

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

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

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

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

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

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

B. Remuneration to other Directors:

S. Particulars of Remuneration N.	Total Amount in Rs.
1. Independent Directors - Fee for attending board committee meetings - Commission - Others, please specify	-
Total (1)	
2. Other Non-Executive Directors - Fee for attending board committee meetings - Commission - Others, please specify	-
Total (2)	
Overall Ceiling as per the Act	

**C. Remuneration to Key Managerial Personnel Other Than Managing Director/Manager/Whole Time Director
(Amount in Rs.)**

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2017.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Bhartiya Global Marketing Ltd. ('the Company'), which comprise the balance sheet as at 31st March, 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 25.12 to financial statement.

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

S.k. Poddar
Partner
Mem. No. 094479
New Delhi, 27th May, 2017

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the Management during the year which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 9 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year. No discrepancies with respect to book records were noticed on such verification.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73,74,75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013, for the company.

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, duty of excise, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues in respect of Sale Tax/VAT, Income Tax, Wealth Tax, Service Tax, Excise Duty, Custom Duty and Cess, which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

S.k. Poddar
Partner
Mem. No. 094479
New Delhi, 27th May, 2017

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Bhartiya Global Marketing Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 27th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Amount in Rs.

PARTICULARS	Note No.	As at	
		31st March, 2017	31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	49,990,200	49,990,200
(b) Reserves And Surplus	3	(7,939,117)	(6,854,354)
2 Non-Current Liabilities			
(a) Other Long-Term Liabilities	4	500,000	500,000
(b) Long-Term Provisions	5	80,468	382,558
3 Current Liabilities			
(a) Trade Payable	6	2,622,603	14,883,731
(b) Other Current Liabilities	7	329,802	283,823
(c) Short-Term Provisions	8	187,372	132,107
TOTAL		45,771,328	59,318,065
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible Assets	9	822,772	866,016
(b) Non Current Investments	10	32,267,500	32,317,500
(c) Deferred Tax Assets (Net)	11	1,653,425	1,309,387
(e) Other Non-Current Assets	12	155,000	186,000
2 Current assets			
(a) Inventories	13	151,710	168,567
(b) Trade Receivables	14	3,371,979	21,236,877
(c) Cash & Cash Equivalents	15	5,643,599	1,421,876
(d) Short Term Loans and advances	16	1,674,343	1,780,842
(e) Other Current assets	17	31,000	31,000
TOTAL		45,771,328	59,318,065

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm Regn. No. 014969N

For and on behalf of the Board

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 27th May, 2017

Manoj Khattar
Director
DIN: 00694981

Ramesh Bhatia
Director
DIN: 00052320

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2017**

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2017	Year Ended 31st March, 2016
Income:			
Revenue From Operations	18	12,321,980	27,871,206
Other Income	19	1,725,246	217,939
Total Revenue		<u>14,047,226</u>	<u>28,089,145</u>
Expenses:			
Purchases of Stock In Trade		11,310,692	24,737,109
Change in Inventory of Stock In Trade	20	16,857	-
Employee Benefits Expense	21	2,913,052	3,688,294
Depreciation And Amortization Expense	22	74,244	74,363
Other Expenses	23	1,124,756	889,441
Total Expenses		<u>15,439,601</u>	<u>29,389,207</u>
Profit/ (Loss) Before Tax		<u>(1,392,375)</u>	<u>(1,300,062)</u>
Tax Expense:	24		
Current Tax		36,426	159,477
Deferred Tax		(344,038)	(177,025)
Profit/ (Loss) for the year		<u>(1,084,763)</u>	<u>(1,282,514)</u>
Earnings Per Equity Share:			
(1) Basic		(0.22)	(0.26)
(2) Diluted		(0.22)	(0.26)

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm Regn. No. 014969N

For and on behalf of the Board

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 27th May, 2017

Manoj Khattar
Director
DIN: 00694981

Ramesh Bhatia
Director
DIN: 00052320

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(1,392,375)	(1,300,062)
Adjustment for :		
Effect of exchange rate change	(90,078)	(202,681)
Depreciation and amortisation expense	74,244	74,363
Rental Income	(100,000)	(100,000)
Share of loss from firm	141,909	684,742
Bad debts provisions	780,657	-
Operating profit/(loss) before working capital changes	(585,643)	(843,638)
Movements in working capital:		
Increase/ (decrease) in trade payables	(12,261,128)	11,600,216
Increase/ (decrease) in other liabilities	45,979	(188,504)
Increase/ (decrease) in provisions	21,357	(201,275)
Decrease/ (increase) trade receivables	17,084,241	(13,876,995)
Decrease/ (increase) inventories	16,857	-
Decrease/ (increase) in Short term loans and advances	(194,787)	593,776
Cash (used in) / generated from operations	4,126,875	(2,916,420)
Income tax paid (Net)	(3,321)	(60,000)
Effect of exchange rate change	90,078	202,681
Net cash (used in)/ generated from operating activities - (A)	4,213,632	(2,773,739)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Share of loss from firm	(141,909)	(684,742)
Rental Income	100,000	100,000
Proceed from the Investments	50,000	-
Net cash from/ (used in) investing activities - (B)	8,091	(584,742)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	-	-
Repayment of Short-term borrowings	-	-
Net cash from/ (used in) financing activities - (C)	-	-
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	4,221,723	(3,358,481)
Cash and cash equivalents as at beginning of the year	1,421,876	4,780,357
Cash and cash equivalents as at the end of the year	5,643,599	1,421,876
Components of cash and cash equivalents:		
Cash on hand	123,513	80,523
Balances with scheduled banks:		
In current accounts	5,520,086	1,341,353
Cash and cash equivalents in cash flow statement (refer note 15)	5,643,599	1,421,876

As per our report of even date attached
for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm Regn. No. 014969N

For and on behalf of the Board

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 27th May, 2017

Manoj Khattar
Director
DIN: 00694981

Ramesh Bhatia
Director
DIN: 00052320

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017

1 Significant Accounting Policies

a) Method of Accounting :

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

b) Use of Estimates :

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

c) Fixed Assets :

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

d) Depreciation :

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

e) Revenue Recognition :

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

Revenue from service charge is recognised on accrual basis.

f) Inventories :

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

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

g) Retirement Benefits :

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

h) Investment :

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

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

i) Foreign Currency Transactions

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

j) Taxation

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

k) Impairment of Assets

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

l) Provisions Contingent Liabilities and Contingent Assets

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

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

NOTES (CONTD.)

PARTICULARS	Amount in Rs.			
	As at 31st March, 2017	As at 31st March, 2016		
2.0 SHARE CAPITAL				
Authorised Share Capital				
a) 5,000,000 (Previous Year 5,000,000) Equity Shares of Rs.10/- each	50,000,000	50,000,000		
	50,000,000	50,000,000		
Issued, Subscribed & Paid Up :				
a) 49,99,020 (Previous Year 4,999,020) Equity Shares of Rs.10/- each, Fully Paid Up	49,990,200	49,990,200		
	49,990,200	49,990,200		
2.1 The details of Shareholders holding more than 5% shares				
Name of the share holders	As at 31st March, 2017 No. of Shares	As at 31st March, 2017 % of Holding	As at 31st March, 2016 No. of Shares	As at 31st March, 2016 % of Holding
(a) Equity Shares				
Bhartiya International Ltd.	4,999,020	100.00	4,999,020	100.00
2.2 Reconciliation of the number of shares outstanding is set out below:				
Particular	As at 31st March, 2017	As at 31st March, 2016		
Shares outstanding at the beginning of the year	4,999,020	4,999,020		
Shares Issued during the year	-	-		
Shares outstanding at the end of the year	4,999,020	4,999,020		
2.3 Details of shares held by Holding company				
Name of the share holders	As at 31st March, 2017 No. of Shares	As at 31st March, 2017 % of Holding	As at 31st March, 2016 No. of Shares	As at 31st March, 2016 % of Holding
(a) Equity Shares				
Bhartiya International Ltd.	4,999,020	100.00	4,999,020	100.00
2.4 The Company has only one class of equity shares having a par value of Rs. 10/- per equity share. Each holder of equity shares is entitled to one vote per shares. In the event of Liquidation of the Company , the holder of equity share will be entitled to receive assets of the Company in proportion to the number of equity shares held by the shareholders.				
				Amount in Rs.
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016		
3 RESERVES & SURPLUS				
(a) Surplus/ Deficit in statement of Profit & Loss				
As Per last Balance Sheet	(6,854,354)	(5,571,840)		
Add: Profit/(Loss) for the year	(1,084,763)	(1,282,514)		
TOTAL	(7,939,117)	(6,854,354)		
4 OTHER LONG TERM LIABILITIES				
(a) Security Deposit	500,000	500,000		
TOTAL	500,000	500,000		

NOTES (CONTD.)

Amount in Rs.

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
5 LONG TERM PROVISIONS		
(a) Provision for employees benefits	80,468	382,558
TOTAL	80,468	382,558
6 TRADE PAYABLE		
(a) Trade Payable	2,622,603	14,883,731
TOTAL	2,622,603	14,883,731
6.1 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.		
7 OTHER CURRENT LIABILITIES		
(a) Salary & Reimbursements Payables	104,920	149,229
(b) Statutory Dues	17,667	23,110
(c) Expenses Payable	47,091	43,270
(d) Other Payable	160,124	68,214
TOTAL	329,802	283,823
8 SHORT TERM PROVISIONS		
(a) Provision for Employees benefits	187,372	132,107
TOTAL	187,372	132,107
9 FIXED ASSETS		

PARTICULARS	Gross Block				Depreciation					Net Block
	Balance as at 1st April, 2016	Additions/ Adjustments during the year	Deduction/ Retirement during the year	Balance as at 31st March, 2017	Upto 1st April, 2016	Adjustment to Retained Earnings	For the year	Deduction/ Adjustments during the year	As at 31st March, 2017	Balance as at 31st March, 2017
Tangible Assets										
Own Assets										
Land	492,800	-	-	492,800	-	-	-	-	-	492,800
Computers	412,986	-	-	412,986	392,336	-	-	-	392,336	20,650
Vehicles	573,468	-	-	573,468	326,790	-	35,491	-	362,281	211,187
Furniture	1,612,525	-	-	1,612,525	1,531,899	-	-	-	1,531,899	80,626
Office Equipments	324,264	-	-	324,264	299,002	-	7,753	-	306,755	17,509
Total	3,416,043	-	-	3,416,043	2,550,027	-	43,244	-	2,593,271	822,772

FIXED ASSETS

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

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
10 NON CURRENT INVESTMENTS		
Trade Investments:		
(a) In Equity Shares of Subsidiary Companies- Unquoted at Cost		
- Investment in J & J Leather Enterprises Ltd, 207,500 Equity Shares (Previous Year 207,500 shares) of Rs.100/- each, fully paid	32,267,500	32,267,500
(b) Investment in Partnership Firms-		
Capital in Firm - Bhartiya Prakash leathers Refere Note 25.3	-	50,000
TOTAL	32,267,500	32,317,500
11 DEFERRED TAX ASSETS (NET)		
a) Deferred Tax Assets		
Related to Carried Forward Losses	1,651,500	1,306,332
Related to Fixed Assets	1,925	3,055
TOTAL	1,653,425	1,309,387
12 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	134,000	165,000
(b) Security Deposit	21,000	21,000
TOTAL	155,000	186,000
13 INVENTORIES		
(a) Finished Goods	151,710	168,567
TOTAL	151,710	168,567
14 TRADE RECEIVABLES		
(Unsecured, considered good)		
Trade receivables		
(a) Over six months	-	7,355,475
(b) Other	3,371,979	13,881,402
TOTAL	3,371,979	21,236,877
15 CASH AND CASH EQUIVALENT		
(a) Balances with Banks -In Current Accounts	5,520,086	1,341,353
(b) Cash on Hand	123,513	80,523
TOTAL	5,643,599	1,421,876
16 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
(a) Advance Tax / TDS	63,321	96,426
(b) Advance to Staff	132,575	176,602
(c) Prepaid Expenses	41,022	67,890
(d) Others Advances	2,901	5,400
(e) MAT Credit Entitlement	1,434,524	1,434,524
TOTAL	1,674,343	1,780,842
17 OTHER CURRENT ASSETS		
(a) Preliminary Expenses (to be written off in next year)	31,000	31,000
TOTAL	31,000	31,000

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
18 REVENUE FROM OPERATION		
(a) Sales	12,321,980	27,871,206
TOTAL	12,321,980	27,871,206
19 OTHER INCOME		
(a) Share of Profit from Firm	(141,909)	(684,742)
(b) Service Charges	600,000	600,000
(c) Lease Rent Received	100,000	100,000
(d) Other Income	692,859	-
(e) Net gain on foreign currency Transaction	90,078	202,681
(f) Interest Income	33,207	-
(g) Excess provision written back	351,011	-
TOTAL	1,725,246	217,939
20 CHANGE IN INVENTORY OF STOCK IN TRADE		
Finished Goods		
Opening Stock	168,567	168,567
Closing Stock	151,710	168,567
DECREASE IN STOCK	16,857	-
21 EMPLOYEE BENEFITS EXPENSES		
(a) Salary & Allowances	2,771,250	3,524,298
(b) Contribution to Provident & Other funds	137,269	158,018
(c) Staff Welfare Expenses	4,533	5,978
TOTAL	2,913,052	3,688,294
22 DEPRECIATION AND AMORTISATION		
(a) Depreciation	43,244	43,363
(b) Preliminary Expenses W/off	31,000	31,000
TOTAL	74,244	74,363
23 OTHER EXPENSES		
(a) Professional Charges	88,148	77,440
(b) Electricity Expenses	81,550	77,590
(c) Auditors Remuneration	40,000	40,000
(d) Bank Charges	18,528	3,834
(e) Discounts/ Rebate	-	336,809
(f) Rates Taxes & Duties	13,064	43,154
(g) Insurance	68,002	36,118
(h) Sampling Expenses	-	196,525
(i) General Expenses	34,807	77,971
(j) Bad Debts	780,657	-
TOTAL	1,124,756	889,441

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
24 TAX EXPENSES		
I) Income Tax		
(a) Current Year	-	-
(b) Earlier Years	<u>36,426</u>	<u>159,477</u>
	<u>36,426</u>	<u>159,477</u>
II) Deferred Tax		
(a) Related To Capital Assets	(1,130)	20,475
(b) Related To Brought Forward Losses	<u>345,168</u>	<u>(197,500)</u>
TOTAL	<u>344,038</u>	<u>(177,025)</u>

NOTE 25: NOTES TO ACCOUNTS

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

25.2 **Contingent Liabilities not provided for**

- Corporate Guarantee given by Company to a bank against facilities granted by that bank to its holding Company M/s Bhartiya International Limited Rs.24.00 Crores (Previous Year Rs.34.50 Crores.).
- Land and Building at Chennai of Rs.492,800 (Previous Year Rs.492,800) is pledged with the bank for various limits and facilities granted to its holding company.

25.3 The Company was a partner in Bhartiya Prakash Leather and had 60% share in Profit / loss . During the year the partnership firm has been dissolved and accordingly the share of profit/ Loss as per the balance sheet of M/s Bhartiya Prakash Leathers as on date of dissolution has been taken in the books of accounts of the company.

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

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

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

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	Maximum Balance during the year
(1) Loans/Advances Given		
<i>Associates Company:</i>		
b) Bhartiya Prakash Leather	-	-
	(68,214)	616,529
The above loans/advances have been given for business purpose		
(2) Corporate Guarantee given by company to a bank for facility granted by that bank to its holding co.		
Bhartiya International Limited	240,000,000	345,000,000
	(345,000,000)	(345,000,000)

NOTES (CONTD.)**25.7 Related Party Disclosures**

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

a) Name of Related Parties & Nature of Relationship:**i) Holding Company:**

Bhartiya International Ltd.

ii) Subsidiary Companies :

J&J Leather Enterprises Ltd.

iii) Associate Parties :

Bhartiya Prakash Leather

World Fashion Trade Ltd

Ultima Italia S.r.l.

iv) Key Management Personnel:**Directors**

Manoj Khattar

Jaspal Sethi

Ramesh Bhatia

PARTICULARS	2016-2017	2015-2016
v) Transactions during the year with related parties		
1 Lease Rent Received		
Bhartiya International Ltd.	100,000	100,000
2 Consultancy Received		
J & J Leather Enterprises Ltd	600,000	600,000
vi) Balances Outstanding at the year end:		
1 Trade Receivable		
World Fashion Trade Ltd.	-	6,744,555
J & J Leather Enterprises Ltd	540,000	540,000
2 Trade Payable		
Ultima Italia SRL	-	3,016,800
3 Other Payable		
Bhartiya Prakash Leather	-	68,214
4 Security Deposit Received		
Bhartiya International Ltd.	500,000	500,000

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

Income available to Equity Shareholders	(1,084,763)	(1,282,514)
No of Shares at the beginning of the Year (A)	4,999,020	4,999,020
Equity allotted during the year	-	-
Weighted Average number of equity shares for Diluted EPS	4,999,020	4,999,020
	Rs Per Share	Rs Per Share
Nominal Value per share	10.00	10.00
Earnings per share (Basic)	(0.22)	(0.26)
Earnings per share(Diluted)	(0.22)	(0.26)

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
25.9 Auditor's Remuneration		
Audit Fees	40,000	40,000
Tax & Consultancy	15,000	10,000
25.10 Earning In Foreign Currency		
Exports under Merchandising Trade Rs 1,23,21,980/- (Previous Year-2,78,71,206/-)		
25.11 Expenditure In Foreign Currency		
Purchase under Merchandising Trade Rs 1,13,10,692/- (Previous Year 2,47,37,109/-)		
Rebate & Discounts Rs. Nil (Previous year Rs 96,789/-)		
25.12 In the Opinion of the Directors, the Current Assets, Loans and Advances have the value at which they are stated in the balance sheet, if realised in the Ordinary course of business and provision for all known liabilities has been adequately made in the accounts.		
25.13 The details of Specified Bank Notes (SBN) and other denomination notes held and transacted during the period from November 8, 2016 to December, 30 2016, as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 is given below		

Particulars	SBNs*	Other		Total
		denomination notes		
Closing cash in hand on November 8, 2016	23500	891		24,391
Add : Permitted receipts (Bank withdrawl)	-	150,000		150,000
Less : Permitted Payments	-	23,334		23,334
Less : Amount Deposited into bank	23500	-		23,500
Closing Cash in hand as on December 30,2016	-	127,557		127,557

As per our report of even date attached
for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm Regn. No. 014969N

For and on behalf of the Board

S.K. Poddar
Partner
Mem. No. 094479
New Delhi, 27th May, 2017

Manoj Khattar
Director
DIN: 00694981

Ramesh Bhatia
Director
DIN: 00052320

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
J&J Leather Enterprises Ltd.	31 st March, 2017	Indian Rupees	20,750,000	23,372,885	63,817,251	19,694,366	-	123,162,305	1,043,579	105,681	937,898	100

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2017.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2017 are as follows:

(Rs. in Lacs)

Sl. No.	PARTICULARS	2016-2017	2015-2016
1.	Net Sales /Income from Operations	1231.62	1189.94
2.	Other Income	14.38	14.16
3.	Total Expenses	1235.57	1199.96
4.	Tax Expense	1.06	3.20
5.	Profit / (Loss) for the year after Tax	9.38	0.93

PERFORMANCE REVIEW AND STATE OF COMPANY'S AFFAIRS

During the year under review Company achieved a turnover of Rs.1231.62 lacs as against Rs.1189.94 lacs in the previous year. The net profit has increased and was reported at Rs.9.38 lacs during the year 2016-2017.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2017.

RESERVES

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

SHARE CAPITAL

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

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any subsidiary or Associate Company.

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

The Board of Directors comprises of Mr. Amrishpal Singh, Mr. Manoj Khattar and Mr. C. L Handa as Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. C. L. Handa (DIN: 00928283), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2016-2017, Five Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2016-2017 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Amrishpal Singh	Mr. Manoj Khattar	Mr. C. L. Handa
18.05.2016	Present	Present	Present
19.07.2016	Present	Present	Absent
02.11.2016	Present	Present	Absent
10.01.2017	Present	Present	Absent
21.03.2017	Present	Present	Present

REMUNERATION COMMITTEE

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions are provided in notes to accounts. Further, the details of material transactions are provided in Form AOC-2, which forms **Annexure B** to this report

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.

COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2017-2018.

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your company.

SECRETARIAL AUDIT REPORT

The same is not applicable to your Company.

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 31stMarch, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the profit of the company for the year ended on that date;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis; and
- (e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS AND AUDITORS REPORT

The Auditors of the Company, M/s. Padmanabhan Ramani & Ramanujam, Chartered Accountants (Firm Registration No. 002510S) were appointed at the Annual General Meeting held on 2nd September, 2014 and held office till the conclusion of the 26th Annual General Meeting. Your Directors have recommended their re-appointment for a further period of five years in the ensuing Annual General Meeting. The auditors have furnished a certificate that their re-appointment, if made, shall be in accordance within the prescribed limits as in Section 141(3)(g) of the Companies Act, 2013.

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

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

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

RISK MANAGEMENT

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

ENVIRONMENT AND SAFETY

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

HUMAN RESOURCES

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

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

PARTICULARS OF EMPLOYEES

During the financial year 2016-17, the Company had 39 Employees.

None of the Employees were in receipt of remuneration of Rs. 60 lac per annum or more and none of the employees employed for the part of the financial year 2017 were in receipt of Rs. 5 lac per month or more.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**· Conservation of Energy**

The same is not applicable to your company

· Technology Absorption

The same is not applicable to your company

· Foreign Exchange Earnings & Outgo

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

PUBLIC DEPOSIT

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2017 and date of the report of the company which affects the financial position of the Company.

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Chennai, 26th May, 2017

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

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

as on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U18209TN1991PLC020874
ii)	Registration Date	:	29/05/1991
iii)	Name of the Company	:	J & J Leather Enterprises Ltd.
iv)	Category/Sub-Category of Company	:	Public Limited Company
v)	Address of the Registered office : and contact details	:	56/7, Nallambakkam Village (Via-Vandalur). Chennai -600048 Tamil Nadu
vi)	Whether listed company	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N. A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. N.	Name and Description of Main Products/Services	NIC Code of the Product/service	% to total turnover of the company
1	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur	1511	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya Global Marketing Ltd. E-52, New Manglapuri, Mandi Road, Mehrauli, New Delhi-110030	U74899DL1996PLC075128	Holding	100	2(46)
2	Bhartiya International Ltd. 56/7, Nallambakkam Village, (Via Vandalur), Chennai – 600 048 Tamil Nadu	L74899TN1987PLC111744	Ultimate Holding	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter (s) Indian - Individual/ HUF Central Govt. State Govt.(s) Bodies Corp. Banks/FIS Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	207,500	207,500	100	-	207,500	207,500	100	-

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter (s)									
Indian -	-	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-	-
NRI Individual	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Individual	-	-	-	-	-	-	-	-	-
BodiesCorp.	-	-	-	-	-	-	-	-	-
Banks/FIIS	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promotor (A)=(A)(1)+ (A)(2)	-	207,500	207,500	100	-	207500	207500	100	-
Public Shareholding	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
Non-Institutions	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Indian	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
Individual shareholders holding nominal sharecapital upto Rs.1lakh	-	-	-	-	-	-	-	-	-
Individual shareholder sholding nominal sharecapital in excess of Rs.1lakh	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C.Sharesheld by Custodian for GDRs&ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	207,500	207,500	100	-	207,500	207,500	100	-

(ii) Shareholding of Promoters

S. N.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of share	% of total Shares of the company	% Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Bhartiya Global Marketing Ltd.	207,500	100	-	207,500	100	-	-
	TOTAL	207,500	100	-	207,500	100	-	-

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

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness in Rs.
Indebtedness at the beginning of the financial year				
i) Principal Amount	470,103	-	-	470,103
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	470,103	-	-	470,103
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	351,273	-	-	351,273
Net Change	118,830	-	-	118,830
Indebtedness at the end of the financial year				
i) Principal Amount	118,830	-	-	118,830
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	118,830	-	-	118,830

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other Directors:

S. N.	Particulars of Remuneration	Name of Directors	Total Amount (Rs.)
1.	Independent Directors Fee for attending board committee meetings Commission Others, please specify	-	-
	Total (1)	-	-
2.	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify	-	-
	Total (2)	-	-
	Overall Ceiling as per the Act	-	-

C. Remuneration To Key Managerial Personnel Other Than Managing Director/Manager/Whole-Time-Director

(Amount in Rs.)

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2017.

ANNEXURE B**FORM NO. AOC.2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso there to (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis – Nil
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) date (s) of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis

S. No	Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Amount paid as advances, if any:
1	Bhartiya International Ltd.	Job Work	Ongoing basis	Rs.123,087,870/-	-

INDEPENDENT AUDITORS' REPORT

To

The Members of J & J Leather Enterprises Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **J & J Leather Enterprises Ltd.** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

- a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2017;
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure "A"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and are in accordance with the books of accounts maintained by the company.

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

Firm Registration No: 002510S

(N. Ramani)

Partner

Mem. No. 022438

Chennai, 26th May, 2017

ANNEXURE TO AUDITORS' REPORT

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

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

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

Firm Registration No: 002510S

(N. Ramani)

Partner

Mem. No. 022438

Chennai, 26th May, 2017

ANNEXURE 'B' TO AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of J&J Leathers Enterprises Ltd. ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to

the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

Firm Registration No: 002510S

(N. Ramani)

Partner

Mem. No. 022438

Chennai, 26th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	Amount in Rs.	
		As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	20,750,000	20,750,000
(b) Reserves and Surplus	3	23,372,885	22,434,987
2 Non-current Liabilities			
(a) Long-Term Borrowings	4	-	122,210
(b) Deferred Tax Liabilities (Net)	5	-	-
(c) Long-Term Provisions	6	3,525,214	2,520,863
3 Current Liabilities			
(a) Trade Paybles		11,960,414	13,182,554
(b) Other Current Liabilities	7	3,218,738	3,045,230
(c) Short-Term Provisions	8	990,000	1,367,700
TOTAL		63,817,251	63,423,544
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	39,407,673	46,131,720
(ii) Intangible Assets		21,401	23,856
(iii) Capital Work in Progress		3,067,873	-
(b) Long-Term Loans and Advances	10	14,514,656	13,056,990
(c) Deferred Tax Assets (Net)	5	2,256,188	1,371,868
2 Current Assets			
(a) Inventories	11	212,472	242,523
(b) Trade Receivables	12	24,054	16,719
(c) Cash and cash Equivalents	13	751,699	932,909
(d) Short Term Loan & Advances	14	1,021,110	742,454
(e) Other current Assets	15	2,540,126	904,505
TOTAL		63,817,251	63,423,544
Significant Accounting Policies	1-24		
The accompanying notes are an integral part of the financial statements		-	-

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

For and on behalf of the Board**N. Ramani**

Partner

Mem. No. 022438

Chennai, 26th May, 2017

Amrishpal Singh

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

			Amount in Rs.		
PARTICULARS	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016		
Income:					
I. Revenue from Operations	16	123,162,305	118,993,700		
II. Other Income	17	1,437,930	1,415,878		
III. Total Revenue (I + II)		<u>124,600,235</u>	<u>120,409,578</u>		
IV. Expenses:					
Cost of Materials Consumed	18	4,884,855	5,237,973		
Manufacturing Expenses	19	75,105,920	75,070,847		
Employee Benefits Expense	20	16,841,547	14,169,898		
Finance Costs	21	37,177	85,541		
Depreciation and Amortization Expense	22	8,621,025	10,770,976		
Other Expenses	23	18,066,133	14,660,971		
Total Expenses		<u>123,556,657</u>	<u>119,996,205</u>		
V. Profit before Exceptional and Extraordinary items and tax (III-IV)		1,043,578	413,372		
VI. Exceptional items					
VII. Profit before extraordinary items and tax (V - VI)		<u>1,043,578</u>	<u>413,372</u>		
VIII. Extraordinary Items					
IX. Profit before tax (VII- VIII)		<u>1,043,578</u>	<u>413,372</u>		
X. Tax Expense:					
Current tax	24	990,000	1,367,700		
Deferred tax		(884,319)	(1,047,490)		
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		<u>937,897</u>	<u>93,162</u>		
XII. Profit/(loss) from discontinuing operations		-	-		
XIII. Tax expense of discontinuing operations		-	-		
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-		
XV. Profit (Loss) for the period (XI + XIV)		<u>937,897</u>	<u>93,162</u>		
XVI. Earnings per equity share:					
Basic		4.52	0.45		
Diluted		4.52	0.45		

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

For and on behalf of the Board**N. Ramani**

Partner

Mem. No. 022438

Chennai, 26th May, 2017

Amrishpal Singh

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	1,043,578	413,372
<i>Adjustment for :</i>		
Finance Cost	37,177	85,541
Depreciation and Amortisation Expense	8,621,025	10,770,976
Loss on Sale of Fixed Assets	-	-
Rental Income	(1,200,000)	(1,200,000)
Operating profit/(loss) before working capital changes	8,501,780	10,069,890
<i>Movements in working capital:</i>		
Increase/ (decrease) in trade payables	(1,222,140)	(5,575,627)
Increase/ (decrease) in other liabilities	173,508	555,484
Decrease/ (increase) in inventories	3,0051	100,963
Decrease/ (increase) in other assets	(7,335)	(6,783)
Decrease/ (increase) in loans and advances	(2,148,079)	(251,498)
Increase/ (decrease) in provisions	1,004,351	225,754
Cash (used in) / generated from operations	6,332,136	5,118,182
Income tax paid (Net)	(2,591,564)	(2,507,592)
Net cash (used in)/ generated from operating activities - (A)	3,740,572	2,610,590
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,962,395)	(3,153,119)
Proceeds from sale of Fixed Assets	-	-
Rent Receipt	1,200,000	1,200,000
Loan and advances to Subsidiaries		
Net cash from/ (used in) investing activities - (B)	(3,762,395)	(1,953,119)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	(122,210)	(347,893)
Share Capital including securities premium	-	-
Interest and processing fees paid (net)	(37,177)	(855,41)
Net cash from/ (used in) financing activities - (C)	(159,387)	(433,434)
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	(181,210)	224,037
Cash and cash equivalents as at beginning of the year	932,909	708,872
Cash and cash equivalents as at the end of the year	751,699	932,909
Components of cash and cash equivalents:	(181,210)	224,037
Cash on hand	216,749	307,216
Balances with scheduled banks:		
In current accounts	534,950	625,693
In deposits	-	-
Cash and cash equivalents in cash flow statement	751,699	932,909

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

For and on behalf of the Board**N. Ramani**

Partner

Mem. No. 022438

Chennai, 26th May, 2017

Amrishpal Singh

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017

1 SIGNIFICANT ACCOUNTING POLICIES

i) **Method of Accounting**

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

ii) **Use of Estimates**

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

iii) **Fixed Assets**

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

iv) **Depreciation**

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

Depreciation on assets whose actual cost does not exceed five thousand rupees has been provided at the rate of hundred percent. Depreciation has been provided on prorata on additions/deletions.

v) **Recognition of Income and Expenditure**

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

vi) **Foreign Currency Transactions**

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

vii) **Inventories**

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

viii) **Retirement Benefits**

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

ix) **Taxes on Income**

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

x) **Government Grants**

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

xi) **Impairment of Assets**

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

xii) **Provision contingent liabilities and Contingent Assets**

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

NOTES (CONTD.)

Particulars	Amount in Rs.			
	As At 31st March, 2017		As At 31st March, 2016	
	Number	Amount	Number	Amount
2 Disclosure as to Share Capital				
2.1 Authorised				
Equity Shares of Rs.100/- each.	300,000	30,000,000	300,000	30,000,000
TOTAL		<u>30,000,000</u>		<u>30,000,000</u>
2.2 Issued, Subscribed & Paid up				
Equity Shares of Rs.100/- each.	207,500	20,750,000	207,500	20,750,000
TOTAL		<u>20,750,000</u>		<u>20,750,000</u>
2.3 The Reconciliation of the number of share outstanding and the amount of share capital as at 31st March, 2017 and 31st March, 2016 is set out below:				
Equity Shares of Rs.100/- each.				
Number of Shares at the beginning of the year	207,500	20,750,000	125,000	12,500,000
Shares Issued During the year	-	-	82,500	8,250,000
Closing Balance	<u>207,500</u>	<u>20,750,000</u>	<u>207,500</u>	<u>20,750,000</u>
2.4 Shareholders having equity capital 5% or more as at 31st March, 2017 and 31st March, 2016 is set out below:				
Name of Share Holders	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Bhartiya Global Marketing Ltd	207,500	100	207,500	100
2.5 Details of shares held by Holding, Subsidiaries or Associates of the Holding Company :				
Name Of Share Holders	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Bhartiya Global Marketing Ltd	207,500	100	207,500	100

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
3 RESERVES & SURPLUS		
(a. Capital Reserves		
Opening Balance	4,621,283	4,621,283
	<u>4,621,283</u>	<u>4,621,283</u>
b) Share Premium Account		
As per last Balance Sheet	8,992,500	8,992,500
Addition during the year	-	-
	<u>8,992,500</u>	<u>8,992,500</u>
c) Surplus		
As Per last Balance Sheet	8,821,204	8,728,042
Add: Profit for the year	937,897	93,162
Less: Depreciation	-	-
	<u>9,759,102</u>	<u>8,821,204</u>
Total	<u>23,372,885</u>	<u>22,434,987</u>
4 LONG TERM PROVISIONS		
a) Secured Vehicle Loans from Others		
(Secured by way of hypothecation of Vehicles - Loan of Rs.528,269/- is repayable in forty seven equal monthly installments. Loan of Rs.254,480/- is repable in forty seven equal monthly installments.)	-	122,210
b) Unsecured loan and Advances	-	-
Total	<u>-</u>	<u>122,210</u>
5 DEFERRED TAX LIABILITIES (Net)		
Deferred tax Liabilites		
Related to Bonus / Grauity	(327,046)	(108,737)
Deferred tax Liabilites		
Related to Fixed Assets	(1,929,142)	(1,263,131)
Total	<u>(2,256,188)</u>	<u>(1,371,868)</u>
6 LONG TERM PROVISIONS		
(a) Provision for employee benefits		
Provision for Gratuity	2,642,276	2,155,523
Provision for Leave Encashment	882,938	365,340
Total	<u>3,525,214</u>	<u>2,520,863</u>

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
7 OTHER CURRENT LIABILITIES		
(a) Current maturities of long term debt	118,830	347,893
(b) <i>Accrued salaries and benefits</i>		
Salary & benefits	957,952	817,380
Bonus & incentive	435,028	367,230
(c) Other Current Liabilities		
Expenses Payable	1,368,618	1,187,986
TDS Payable	279,224	301,580
Sales Tax	1,648	1,950
Service Tax	12,961	20,180
Professional Tax	44,477	1,031
Total	3,218,738	3,045,230
8 SHORT TERM PROVISIONS		
(Provision for Tax)	990,000	1,367,700
Total	990,000	1,367,700

9 FIXED ASSETS Amount in Rs.

Particulars	Gross Block				Deperciation				Net Block		
	Original Cost	Additions During	Sale During	As At 31.03.2017	As At 31.03.2016	Retained Earning	For The Year	Sale Adjustment	As At 31.03.2017	As At 31.03.2016	
Land	2,752,991	-	-	2,752,991	-	-	-	-	-	2,752,991	2,752,991
Building	52,927,243	-	-	52,927,243	33,470,319	-	2,393,579	-	35,863,897	17,063,346	19,456,924
Roads	869,552	-	-	869,552	801,353	-	39,286	-	840,638	28,914	68,199
Machinery	87,948,749	778,593	-	88,727,342	65,959,029	-	5,319,647	-	71,278,676	17,448,666	21,989,719
Vehicles	2,504,895	-	-	2,504,895	1,802,945	-	255,256	-	2,058,201	446,694	701,950
Furniture & Fixtures	538,362	511,560	-	1,049,922	352,780	-	120,237	-	473,018	576,904	185,582
Office Equipments	2,754,663	402,869	-	3,157,532	1,946,138	-	297,547	-	2,243,685	913,847	808,525
Computers	1,241,926	194,000	-	1,435,926	1,074,096	-	185,519	-	1,259,615	176,311	167,830
SOFTWARE	635,592	7,500	-	643,092	611,736	-	9,954	-	621,691	21,401	23,856
Total	152,173,972	1,894,522	-	154,068,494	106,018,396	-	8,621,025	-	114,639,421	39,429,074	46,155,576
Previous Year	149,020,853	3,153,119	-	152,173,972	95,247,420	-	10,770,976	-	106,018,396	46,155,576	53,773,433

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

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
10 LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Security Deposits	6,145,177	5,911,375
Other Deposits	-	-
Advance Income tax (Net off Provisions)	8,369,479	7,145,615
Total	14,514,656	13,056,990
11 INVENTORIES		
a. Raw Materials (Valued at Cost or Net relisable Value, Whichever is lower)	-	-
b. Stores and spares (Valued at Cost or Net relisable Value, Whichever is lower)	-	-
c. Consumable Stores	212,472	242,523
Total	212,472	242,523
12 TRADE RECEIVABLES		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	17,450	9,483
Unsecured, considered doubtful	-	-
	17,450	9,483
Less: Provision for doubtful debts		
	17,450	9,483
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	6,604	7,236
Unsecured, considered good		
Unsecured, considered doubtful	-	-
	6,604	7,236
Less: Provision for doubtful debts		
	6,604	7,236
Total	24,054	16,719
13 CASH AND CASH EQUIVALENT		
a) Balances with banks		
In Current Accounts	534,950	625,693
b) Cash on hand	216,749	307,216
Total	751,699	932,909
14 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
a) Advances With Suppliers	511,110	390,454
b) Advances With Staff	510,000	352,000
Total	1,021,110	742,454

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
15 Other Current Assets		
(Unsecured, considered good)		
a) Prepayments	973,041	735,215
b) Deposits-Others	-	151,590
c) others	1,567,085	17,700
Total	2,540,126	904,505
PARTICULARS	Amount in Inr	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
16 REVENUE FROM OPERATION		
a) Sales of Products-Job work Charges	123,162,305	118,993,700
b) Other revenue	-	-
Total	123,162,305	118,993,700
17 OTHER INCOME		
Interest Received	97,144	67,431
Rent Income	1,200,000	1,200,000
Other Misc Income	140,786	148,447
Total	1,437,930	1,415,878
18 COST OF MATERIAL CONSUMED		
Opening Stock of Raw Materials	242,523	343,486
Add : Purchases		
Consumables	4,854,804	5,137,010
Less : Closing Stock	212,472	242,523
Total	4,884,855	5,237,973
19 MANUFACTURING EXPENSES		
Job work Expenses	53,152,398	50,414,441
Electricity Expenses	10,323,007	10,343,865
Machinery Maintenance	3,529,222	6,346,643
Rent	2,879,364	2,727,675
Effluent Treatment Expenses	2,286,120	2,286,120
Testing Charges	14,145	-
Generator Running & Maintenance	2,921,664	2,952,103
Total	75,105,920	75,070,847
20 EMPLOYEE BENEFITS EXPENSES		
a) Salaries and Wages	14,334,879	11,789,673
b) Contribution to Provident and Other Funds	1,010,055	881,028
c) Staff Welfare Expenses	1,496,613	1,499,197
Total	16,841,547	14,169,898
21 FINANCE COSTS		
a) Interest Expenses	33,791	77,934
b) Gain / loss on Foreign Currency Transaction	3,386	7,607
Total	37,177	85,541

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
22 DEPRECIATION AND AMORTISATION		
a) Depreciation	8,621,025	10,770,976
Total	8,621,025	10,770,976
23 OTHER EXPENSES		
Printing & Stationery	341,872	293,984
Traveling & Conveyances	1,763,839	1,855,648
Legal & Professional	1,627,197	1,083,211
Building Maintenance	433,328	725,501
Repair & Maintenance	2,764,064	2,304,679
Rent-Others	276,291	263,600
Rate & Taxes	1,033,877	962,601
Freight Outward	3,233,462	3,117,316
Miscellaneous Expenses	481,307	215,833
Communication Expenses	183,239	211,704
Auditors Remuneration - As Auditors	60,000	78,400
Insurance	322,117	163,962
Fees & Subscription	138,789	124,542
Security Expenses	5,392,778	3,243,354
Bank Charges	13,973	16,635
Total	18,066,133	14,660,970
24 TAX EXPENSES		
I) Current Tax		
(a) Current Tax	990,000	1,367,700
(b) Tax for earlier Year		
II) Deferred Tax		
(a) Related to Capital Assets	(884,319)	(1,131,198)
(b) Related to Brought forward Capital Losses	-	83,708
Total	105,681	320,210
PARTICULARS	As at 31st March, 2017 (Rs. In Lacs)	As at 31st March, 2016 (Rs. In Lacs)
25.1 CONTINGENT LIABILITIES		
Contingent Liabilities not provided for -		
Corporate Guranantee executed by the Company in the form of Joint equitable mortgage of Land belonging to the Company for securing the Loan facility extended by a bank to the holding Company.	2400	3450
25.2 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid / payable to these parties during the year is Nil.		

NOTES (CONTD.)

PARTICULARS	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
25.3 Details of Management Remuneration to Whole-Time Director.		
a. Salary & Allowances	3.00	3.00
25.4 Expenditure In foreign Currency -		
Travelling	-	-
25.5 CIF Value of Imports (Capital Goods and Maintence)		3.61

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

PARTICULARS	Current year		Previous year	
	(Rs. In Lacs)	%	(Rs. In Lacs)	%
Indigenous	48.85	100.00	52.38	100.00
Imported	-	-	-	-
	48.85	100.00	52.38	100.00

25.7 FOB Value Exports

Nil

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

(a) Relationship:**i) Holding Companies**

Bhartiya Global Marketing Ltd.

Bhartiya International Ltd.

ii) Key Management Personnel:

Mr. Amrishpal Singh

Mr. Manoj Khattar

Mr. C.L. Handa

iii) (a) Transaction with Related Parties -

Summary Transactions during the year :	Holding Co.	Key Management Personnel	Relatives of Key Management Personnel's
a) Rent (Recd)	1,200,000	-	-
-	(1,200,000)	-	-
b) Job Work	123,087,870	-	-
	(118,461,336)	-	-
c) Sales	-	-	-
d) Salaries	-	300,000	-
	-	(300,000)	-
e) Management fees	600,000	-	-
	(600,000)	-	-
(b) Balances Outstanding at the Year End:			
Sundry Debtors	-	-	-
	(6,133,603)	-	-
Sundry Creditors	6,548,129	25,000	-
	(15,540,000)	(25,000)	-

NOTES (CONTD.)

	Current Year Value (Rs.Lacs)	Previous Year Value (Rs. Lacs)
25.9 Consumption of Raw Material		
Consumable	48.85	52.38
	<u>48.85</u>	<u>52.38</u>
25.10 Segment Reporting Disclosure as per accounting standard AS -17 , are at present not applicable to the Company		
25.11 The basic /diluted earnings per share calculated as per the Accounting Standard -20 issued by the Institute of Chartered Accountants of India is as under.		
Income available to Equity Shareholders	937,897	93,162
No of Shares at the beginning of the Year (A)	207,500	207,500
Equity allotted during the year		
Weighted Average Shares (B)		
Weighted Average Shares Outstanding (nos)(A+B)	207,500	207,500
Effect of Dilutive Securities Securities (nos):		
Add: Adjustment for warrants convertible into Equity Shares	-	-
Weighted Average number of equity shares for Diluted EPS	207,500	207,500
	Rs Per Share	Rs Per Share
Nominal Value per share	10.00	10.00
Earnings per share (Basic)	4.52	0.45
Earnings per share(Diluted)	4.52	0.45

25.12 During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below

Particulars	Other denomination		
	SBNs*	notes	Total
Closing cash in hand on November 8, 2016	527000	232950	759950
Add :Permitted receipts	-	275000	275000
Less : Permitted Payments	-	287941	287941
Less : Amount Deposited into bank	527000	-	527000
Closing Cash in hand as on December 30, 2016	-	220009	220009

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

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

For and on behalf of the Board

N. Ramani

Partner

Mem. No. 022438

Chennai, 26th May, 2017

Amrishpal Singh

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 11th Annual Report on the business and operations of the Company and the accounts for the financial year ended 31st March, 2017.

Financial Result

The financial performance of the Company for the financial year ended 31st March, 2017 is summarized below:

(Amount in Rs.)

PARTICULARS	2016-2017	2015-2016
Total Income	31,89,605	38,10,530
Total Expenses	83,27,189	1,02,09,253
Tax Expense	-	1,30,091
Profit / (Loss) for the year after Tax	(51,38,124)	(65,28,814)

Operations Review

The Company has requested the Andhra Pradesh Government for approval of de-notification of SEZ as it is not viable for leather industry to work in SEZ environment due to applicability of MAT and non-availability of duty drawback incentives. The request is still pending for approval and efforts are being made to get the SEZ de-notified at the earliest.

The Company will follow-up for setting up of units by domestic and international companies immediately after completion of de-notification.

The performance of the unit operated by Bhartiya International Limited in our industrial park has been satisfactory.

Dividend

Your directors do not recommend any dividend for the financial year ended 31st March, 2017.

Reserves

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

Capital Structure

The Authorised Share Capital of your Company stood at Rs.20,00,00,000/- (Rupees Twenty Crore only) comprising of 2,00,00,000 (Two Crore) equity shares of Rs.10/- (Rupees Ten only) each as on 31st March, 2017.

The issued, subscribed and paid-up share capital of your Company stood at Rs.13,56,92,300/- (Rupees Thirteen Crore Fifty-Six Lacs Ninety-Two Thousand Three Hundred only) comprising of 1,35,69,230 (One Crore Thirty-Five Lacs Sixty-Nine Thousand Two Hundred Thirty) equity shares of Rs.10/- (Rupees Ten only) each as on 31st March, 2017.

Deposits

The Company did not accept any deposits or any remains unpaid or remains unclaimed or make any default in the repayment of the deposits or the payment of the interest thereon during the financial year ended 31st March, 2017.

Statutory Auditors

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. Sushil Poddar & Co., Chartered Accountants, New Delhi (Firm Reg. No.014969N) as the Statutory Auditors of the Company expires at the conclusion of the ensuing 11th Annual General Meeting of the Company.

The Board of Directors of the Company at their meeting held on 24th May, 2017, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s. K A S G & Co., Chartered Accountants (Firm Registration No. 002228C), as the Statutory Auditors of the Company by the Members at the 11th (Eleventh) Annual General Meeting of the Company for an initial term of 5 years. Accordingly, a resolution, proposing appointment of M/s. K A S G & Co., Chartered Accountants, as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 11th Annual General Meeting till the conclusion of 16th Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the 11th Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Board place on record its appreciation for the services rendered by M/s. Sushil Poddar & Co., Chartered Accountants as the Statutory Auditors of the Company.

Auditors' Report

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

Extract of Annual return

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

Board of Directors and Committees of Board

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Manoj Khattar, Director of the Company is liable to retire by rotation at the ensuing 11th Annual General Meeting and being eligible offers himself for re-appointment.

During the period, Mr. Bandatmakur Sreedhar, Nominee Director of the Company being Nominee of Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) resigned from the post of Nominee Director of the Company w.e.f. 19th September, 2016.

The Board of Directors of the Company appointed Mr. J. Nivas as an Additional Director of the Company w.e.f. 25th November, 2016 being Nominee of Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC). Further Mr. J. Nivas has resigned from the post of Additional Director of the Company with effect from 8th May, 2017.

The Board of Directors of the Company appointed Mr. Babu A. as an Additional Director of the Company w.e.f. 8th May, 2017 being Nominee of Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC), and who holds office up to the date of ensuing 11th Annual General Meeting of the Company and in respect of whom a notice has been received from a member in writing, under section 160 of the Companies Act, 2013 along with requisite deposit proposing his candidature for the office of director being eligible for re-appointment as Nominee Director of the Company.

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

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

a) Changes in Directors and Key Managerial Personnel

The details about the changes in the directors or key managerial personnel are as under:

S. N.	Name of the Director/KMP	Date of the Appointment	Date of the Resignation	Date of the change in Designation
1	Mr. Bandatmakur Sreedhar (Nominee Director)	28.09.2015	19.09.2016	-
2	Mr. J. Nivas (Additional Director)	25.11.2016	08.05.2017	-
3	Mr. Babu A. (Additional Director)	08.05.2017	-	-

b) Number of Meetings of the Board of Directors

During the Financial Year 2016-2017; 4 (Four) Nos. of Board Meetings were conducted on 23rd May, 2016, 20th September, 2016, 28th December, 2016, and 18th March, 2017.

c) Audit Committee

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

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

d) Nomination and Remuneration Committee

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

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

- e) The performance of the Board of Directors was reviewed by independent directors of the Company at their meeting held on 18th March, 2017 during the period under review. Further the Independent Directors also assessed the quality, quantity, and timelines of flow of information between the Company and Management of the Company.

Particulars of Employees

During the year, no employee whether employed for the whole year or part of the year, was drawing remuneration exceeding the limits (Pursuant to clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

Particulars of Loans, Guarantees or Investments Under Section 186

The details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

Particulars of Contracts or Arrangements with Related Parties Under Section 188(1)

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

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

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

Directors' Responsibility Statement

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

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

Details in Respect of Adequacy of Internal Financial Controls Regarding the Financial Statements

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

Risk Management

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

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

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

a. Conservation of Energy

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

b. Technology Absorption

- (i) the efforts made towards technology absorption;

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

c. Foreign Exchange Earnings & Outgo

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

Material changes and commitments, if any, affecting the financial position of the company occurred between at the end of the financial year dated 31st March, 2017 and the date of the report

There are no material changes occurred in between the financial year ended on 31st March, 2017 and date of the report of the company which affects the financial position of the company.

Subsidiaries / Joint Ventures / Associate Companies During the Year

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

Acknowledgements

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

For and on behalf of the Board

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

Gurugram, 24th May, 2017

ANNEXURE-A
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. N.	Name and Description of Main Products/Services	NIC Code of the Product/service	% to total turnover of the company
1	Building Maintenance Charges	4520	88.28

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya International Ltd. 56/7, Nallambakkam, Village, (Via Vandalur) Chennai-600048 Tamil Nadu	L74899TN1987PLC111744	Holding Company	88.95	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter (s)									
1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF									
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corp.	-	12,069,230	12,069,230	88.95	-	12,069,230	12,069,230	88.95	-
e) Banks /FI									
f) Any Other....									
Sub-total(A)(1):-	-	12,069,230	12,069,230	88.95	-	12,069,230	12,069,230	88.95	-

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRIs- Individuals									
b) Other- Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any Other....									
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+ (A)(2)	-	12,069,230	12,069,230	88.95	-	12,069,230	12,069,230	88.95	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) CentralGovt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) InsuranceCompanies									
g) FI(ish) Foreign Venture Capital Funds									
i) Others-State Govt. Company	-	1,500,000	1,500,000	11.05	-	1,500,000	1,500,000	11.05	-
Sub-total(B)(1):-	-	1,500,000	1,500,000	11.05	-	1,500,000	1,500,000	11.05	-
2. Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominalshare capital up to Rs.1lakh									
ii) Individual shareholders holding nominalshare capital in excess of Rs1 lakh									
c) Others									
Sub-total(B)(2):-	-	1,500,000	1,500,000	11.05	-	1,500,000	1,500,000	11.05	-
Total Public Share holding (B)=(B)(1)+ (B)(2)	-	13,569,230	13,569,230	100	-	13,569,230	13,569,230	100	-

(ii) Shareholding of Promoters

S. N.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of share	% of total Shares of the company	% Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Bhartiya International Ltd.	1,20,69,230	88.95	-	1,20,69,230	88.95	-	
	TOTAL	1,20,69,230	88.95	-	1,20,69,230	88.95	-	

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

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

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

S. N.	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Shareholder's Name	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Andhra Pradesh Industrial Infrastructure Corporation Ltd.	At the beginning of the year	15,00,000	11.05	15,00,000	11.05
		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):	-	-	-	
		At the End of the year (or on the date of separation, if separated during the year)	15,00,000	11.05	15,00,000	11.05

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. N.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites/s17 (2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-NIL -	NIL
2.	Stock Option		
3.	Sweat Equity		
4.	Commission- as % of profit- others, specify...		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other Directors:

S. N.	Particulars of Remuneration	Name of Directors	Total Amount in Rs.
3.	Independent Directors <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	- NIL -	
	Total (1)		
4.	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

C. Remuneration To Key Managerial Personnel Other Than Managing Director/Manager/Whole Time Director (Amount in Rs.)

S. N.	Particulars of Remuneration	Key Managerial Personnel			
		MD	Mr Gaurav Singhal Company Secretary	CFO	Total
1.	Gross Salary <ul style="list-style-type: none"> a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961 	-	1,44,000	-	1,44,000
2.	Stock Option		-		
3.	Sweat Equity		-		
4.	Commission <ul style="list-style-type: none"> - as % of profit - others, specify... 		-		
5.	Others, please specify		-		
	Total	-	1,44,000	-	1,44,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2017.

For and on behalf of the Board

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

Gurugram, 24th May, 2017

INDEPENDENT AUDITORS' REPORT

**To,
The Members of
Bhartiya International SEZ Ltd.**

Report on the Financial Statements

We have audited the accompanying financial statements of Bhartiya International SEZ Ltd. ('the Company'), which comprise the balance sheet as at 31st March, 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.

- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 21.07 to financial statement.

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

S.K. PODDAR
 Partner
 Mem. No. 094479
 New Delhi, 24th May, 2017

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) As explained to us, all the fixed assets have been physically verified by the management at reasonable interval during the year and no discrepancies were noticed on such verification.
- (c) The company does not hold any immovable property other than stock in trade. Accordingly provision of clause 3 (i) (c) of the Order is not applicable to the company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year. No discrepancies with respect to book records were noticed on such verification.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73,74,75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the company.
- vii. According to the information and explanations given to us and the records of the company examined by us:
 - a. The company has been regular in depositing its undisputed statutory dues including Income Tax, Employees State Insurance and Cess with the appropriate authorities during the period and that there were no undisputed amounts payable in respect of these statutory dues which have remained outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable. We are informed that the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1956 is not applicable to the company and

that the operations of the company during the period, did not give rise to any liability for Sales Tax/VAT, Excise Duty, Custom Duty, Service Tax, Wealth Tax and Investor Education and Protection Fund.

- b. According to the information and explanations given to us, there are no dues in respect of Sale Tax/VAT, Income Tax, Wealth Tax, Service Tax, Excise Duty, Custom Duty and Cess, which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

S.K. PODDAR
Partner
Mem. No. 094479
New Delhi, 24th May, 2017

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Bhartiya International SEZ Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 24th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	Amount in Rs.	
		As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	135,692,300	135,692,300
(b) Reserves and Surplus	3	3,564,870	8,702,994
2 Non-Current Liabilities			
(a) Long-Term Provisions	4	23,659	6,928
3 Current Liabilities			
(a) Trade Payable	5	237,342	223,949
(b) Other Current Liabilities	6	49,585	71,364
(c) Short-Term Provisions	7	3,754	992
TOTAL		139,571,510	144,698,527
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets	8		
(i) Tangible Assets		3,535,760	8,054,863
(b) Other Non-Current Assets	9	-	137,778
2 Current Assets			
(a) Inventories	10	125,611,586	125,611,586
(b) Trade Receivable	11	4,633,425	4,790,024
(c) Cash and Cash Equivalents	12	5,435,318	5,734,801
(d) Short Term Loans and Advances	13	217,643	231,694
(e) Other Current Assets	14	137,778	137,781
TOTAL		139,571,510	144,698,527
Significant Accounting Policies	1		
The accompanying notes are on integral part of the financial statements		-	-

As per our report of even date attached
SUSHIL PODDAR & Co.
Chartered Accountants
Firm Registration No. 014969N

For and on behalf of the Board

S.K. Poddar
Partner
Mem No. 94479

Gaurav Singhal
Company Secretary
M. No. F6308

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

New Delhi, 24th May, 2017

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2017**

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2017	Year Ended 31st March, 2016
Income:			
Revenue From Operations	15	2,815,172	3,743,076
Other Income	16	373,893	67,454
Total Revenue		<u>3,189,065</u>	<u>3,810,530</u>
Expenses:			
Employee Benefits Expense	17	346,878	348,955
Depreciation and Amortization Expense	18	4,656,884	4,690,256
Other Expenses	19	3,323,427	5,170,042
Total Expenses		<u>8,327,189</u>	<u>10,209,253</u>
Profit/(Loss) Before tax		(5,138,124)	(6,398,723)
Tax Expense:			
Current Tax	20	-	130,091
Deferred Tax		-	-
Profit/(Loss) After Tax		<u>(5,138,124)</u>	<u>(6,528,814)</u>
Earnings Per Equity Share:			
(1) Basic		(0.38)	(0.48)
(2) Diluted		(0.38)	(0.48)
Significant Accounting Policies	1		

The accompanying notes are on integral part of the financial statements

As per our report of even date attached
SUSHIL PODDAR & Co.
Chartered Accountants
Firm Registration No. 014969N

For and on behalf of the Board

S.K. Poddar
Partner
Mem No. 94479

Gaurav Singhal
Company Secretary
M. No. F6308

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

New Delhi, 24th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A. Cash FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	(5,138,124)	(6,398,723)
<i>Adjustment for :</i>		
Depreciation and Amortisation Expense	4,656,884	4,690,256
Operating Profit/(loss) before Working Capital Changes	(481,240)	(1,708,467)
<i>Movements in Working capital:</i>		
Decrease/ (increase) in inventories	-	(2,042,160)
Decrease/ (increase) in trade receivable	156,599	(3,468,214)
Decrease/ (increase) in loans and advances	29,733	23,168
Increase/ (decrease) in trade payables	13,393	(334,383)
Increase/ (decrease) in other payables	(21,779)	17,515
Increase/ (decrease) in short term provisions	2,762	117
Increase/ (decrease) in long term provisions	16,731	(16,149)
Cash (used in) / generated from operations	(283,801)	(7,528,573)
Income tax paid (Net)	(15,682)	546,176
Net cash (used in)/ generated from operating activities - (A)	(299,483)	(6,982,397)
B. CASH FLOWS FROM INVESTING ACTIVITIES	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	(299,483)	(6,982,397)
Cash and cash equivalents as at beginning of the year	5,734,801	12,717,198
Cash and cash equivalents as at the end of the year	5,435,318	5,734,801
Components of cash and cash equivalents:		
Cash on hand	120,102	164,064
Balances with banks	5,315,216	5,570,737
Cash and cash equivalents in cash flow statement (refer note 12)	5,435,318	5,734,801

As per our report of even date attached

SUSHIL PODDAR & Co.

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board**S.K. Poddar**

Partner

Mem No. 94479

Gaurav Singhal

Company Secretary

M. No. F6308

Amrishpal Singh

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

New Delhi, 24th May, 2017

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017

1 SIGNIFICANT ACCOUNTING POLICIES

a) Background :

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

b) Basis of preparation of Financial Statements :

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

c) Fixed Assets :

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

d) Depreciation :

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

e) Inventories :

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

f) Revenue Recognition

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

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

ii) Service Charges

Income from service charge is recognised on accrual basis

g) Foreign Currency Transactions

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

h) Taxation

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

i) Impairment of Assets

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

j) Miscellaneous Expenses

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

k) Provisions Contingent Liabilities and Contingent Assets

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

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

NOTES (CONTD.)

PARTICULARS	Amount in Rs.			
	As at 31st March, 2017	As at 31st March, 2016		
2.0 SHARE CAPITAL				
Authorised Share Capital				
a) 20,000,000(Previous year 20,000,000) Equity Shares of Rs 10/- Each	<u>200,000,000</u>	<u>200,000,000</u>		
	<u>200,000,000</u>	<u>200,000,000</u>		
Issued, Subscribed & Paid Up :				
a) 13,569,230(Previous year13,569,230) Equity Shares of 10/- Each Fully Paid up	<u>135,692,300</u>	<u>135,692,300</u>		
	<u>135,692,300</u>	<u>135,692,300</u>		
2.1 The details of Shareholders holding more than 5% shares				
Name of the share holders	As at 31st March, 2017 No. of Shares	As at 31st March, 2017 % of Holding	As at 31st March, 2016 No. of Shares	As at 31st March, 2016 % of Holding
a) Equity Shares				
(i) Bhartiya International Ltd.	12,069,230	88.95	12,069,230	88.95
(ii) Andhra Pradesh Industrial & Infrastructure Corporation Ltd.	1,500,000	11.05	1,500,000	11.05
2.2 The Reconciliation of the number of shares outstanding is set out below:				
PARTICULARS	As at 31st March, 2017 No. of Shares	As at 31st March, 2016 No. of Shares		
Shares outstanding at the beginning of the year	13,569,230	13,569,230		
Shares issued during the year	-	-		
Shares outstanding at the end of the year	<u>13,569,230</u>	<u>13,569,230</u>		
2.3 Details of shares held by Holding, Subsidiaries or Associate of the Holding Company				
Name of the share holders	As at 31st March, 2017 No. of Shares	As at 31st March, 2017 % of Holding	As at 31st March, 2016 No. of Shares	As at 31st March, 2016 % of Holding
(a) Equity Shares				
Bharitya International Ltd.	12,069,230	88.95	12,069,230	88.95%
2.4 The Company has only one class of equity shares having a par value of Rs.10/- per equity share. Each holder of equity shares is entitled to one vote per share. In the event of Liquidation of the Company , the holder of equity share will be entitled to receive assets of the Company in proportion to the number of equity shares held by the shareholders.				
				Amount in Rs.
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016		
3 RESERVES & SURPLUS				
(a) Surplus in statement of profit & loss As Per last Balance Sheet	<u>8,702,994</u>	<u>15,231,808</u>		
	<u>8,702,994</u>	<u>15,231,808</u>		
Add:Profit/(Loss) for the year	<u>(5,138,124)</u>	<u>(6,528,814)</u>		
TOTAL	<u>3,564,870</u>	<u>8,702,994</u>		

NOTES (CONTD.)

PARTICULARS	Amt. in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
4 LONG TERM PROVISIONS		
(a) Provision for employee benefits		
Provision for Gratuity	23,659	6,928
TOTAL	23,659	6,928
5 TRADE PAYABLE		
(a) Trade Payable	237,342	223,949
TOTAL	237,342	223,949
6 OTHER CURRENT LIABILITIES		
(a) Salary & benefits	14,871	35,923
(b) Expenses Payable	27,000	27,787
(c) Statutory Dues Payable	7,714	7,654
TOTAL	49,585	71,364
7 SHORT TERM PROVISIONS		
(a) Provision for Employee Benefits	3,754	992
TOTAL	3,754	992

PARTICULARS	Gross Block				Depreciation				Net Block	
	As at April 1, 2016	Additions/ Adjustments during the year	Deduction/ Retirement during the year	As at March 31, 2017	As at April 1, 2016	For the year	Deduction/ adjustments during the year	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017
Tangible Assets :										
Own Assets :										
Computers	157,180	-	-	157,180	157,180	-	-	157,180	-	-
Furniture	69,200	-	-	69,200	38,258	8,607	-	46,865	30,942	22,335
Office Equipments	32,228	-	-	32,228	28,530	2,086	-	30,616	3,698	1,612
STP	3,012,078	-	-	3,012,078	1,283,404	994,811	-	2,278,215	1,728,674	733,863
Road	12,947,940	-	-	12,947,940	6,995,763	3,344,119	-	10,339,882	5,952,177	2,608,058
Building Temporary	1,410,515	-	-	1,410,515	1,071,143	169,480	-	1,240,623	339,373	169,892
Total	17,629,141	-	-	17,629,141	9,574,278	4,519,103	-	14,093,381	8,054,864	3,535,760

PARTICULARS	Gross Block				Depreciation				Net Block	
	As at April 1, 2015	Additions/ Adjustments during the year	Deduction/ Retirement during the year	As at March 31, 2016	As at April 1, 2015	For the year	Deduction/ Adjustments during the year	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016
Tangible Assets :										
Own Assets :										
Computers	157,180	-	-	157,180	157,180	-	-	157,180	-	-
Furniture	69,200	-	-	69,200	29,628	8,630	-	38,258	39,572	30,942
Office Equipments	32,228	-	-	32,228	23,472	5,058	-	28,530	8,756	3,698
STP	3,012,078	-	-	3,012,078	285,868	997,536	-	1,283,404	2,726,210	1,728,674
Road	12,947,940	-	-	12,947,940	3,642,482	3,353,281	-	6,995,763	9,305,458	5,952,177
Building Temporary	1,410,515	-	-	1,410,515	901,198	169,945	-	1,071,143	509,317	339,372
Total	17,629,141	-	-	17,629,141	5,039,828	4,534,450	-	9,574,278	12,589,313	8,054,863

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
9 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	-	137,778
TOTAL	<u>-</u>	<u>137,778</u>
10 INVENTORIES		
(a) Land and Land Development Cost	125,611,586	125,611,586
TOTAL	<u>125,611,586</u>	<u>125,611,586</u>
11 TRADE RECEIVABLES		
(Unsecured Considered good)		
a) Outstanding over six months	-	-
b) Others (Refer note no 21.07)	4,633,425	4,790,024
TOTAL	<u>4,633,425</u>	<u>4,790,024</u>
12 CASH AND CASH EQUIVALENT		
(a) Balances with Banks		
In Current Accounts	1,075,945	5,570,737
In Fixed Assets	4,239,271	-
(b) Cash on Hand	120,102	164,064
TOTAL	<u>5,435,318</u>	<u>5,734,801</u>
13 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
a) Advance Income Tax / TDS	90,544	74,862
b) Other Advances	127,099	156,832
TOTAL	<u>217,643</u>	<u>231,694</u>
14 OTHER CURRENT ASSETS		
a) Preliminary Expenditure (to be written off in next year)	137,778	137,781
TOTAL	<u>137,778</u>	<u>137,781</u>
		Amount in Rs.
PARTICULARS	Year Ended 31st March, 2017	Year Ended 31st March, 2016
15 REVENUE FROM OPERATION		
a) Service Charges	2,815,172	3,743,076
TOTAL	<u>2,815,172</u>	<u>3,743,076</u>
16 OTHER INCOME		
Interest Received	373,893	67,454
TOTAL	<u>373,893</u>	<u>67,454</u>
17 EMPLOYEE BENEFITS EXPENSES		
(a) Salary & Allowances	325,632	325,813
(b) Staff Welfare	21,246	23,142
Total	<u>346,878</u>	<u>348,955</u>

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
18 DEPRECIATION AND AMORTISATION EXPENSES		
(a) Depreciation	4,519,103	4,534,450
(b) Preliminary Expenses Written Off	137,781	155,806
Total	4,656,884	4,690,256
19 OTHER EXPENSES		
(a) Consultancy Charges	118,090	601,935
(b) Rates Taxes & Duties	22,359	167,611
(c) Auditors Remuneration	30,000	30,000
(d) Bank Charges	2,269	1,486
(e) Business Promotion	77,151	69,943
(f) Conveyance Expenses	41,514	38,625
(g) Travelling	111,101	226,754
(h) Postage & Courier	4,808	1,275
(i) Security Expenses	2,815,172	2,694,176
(j) General Expenses	92,375	187,168
(k) Fees & Subscription	8,588	2,169
(l) Service Charges to Authorities	-	1,048,900
(m) Fine & Penalties	-	100,000
Total	3,323,427	5,170,042
20 TAX EXPENSE		
1) Income Tax		
(a) Current Year Tax	-	-
(b) Earlier Year Tax	-	130,091
Total	-	130,091

Note No. : 21 NOTES TO ACCOUNTS

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

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

21.03 Earning Per Share (EPS)

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

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
a) Income available to Equity Shareholders	(5,138,124)	(6,528,814)
b) Weighted Average Shares Outstanding during the year	13,569,230	13,569,230
c) Basic/Diluted earnings per share	(0.38)	(0.48)
21.04 Auditor's Remuneration	Current Year Rs.	Previous Year Rs.
Audit Fees	30,000	30,000
Tax Audit	-	12,500
Certificaton	-	3,000

NOTES (CONTD.)

21.05 The Company has not received information from vendors regarding their status under the Micro, Small and Medium enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

21.06 In the opinion of the management of the company, profits of the company earned as a developer SEZ qualifies for the deduction under section 80I AB of the Income Tax Act, 1961, however the Provisions of Section 115JB (MAT) of the Income Tax Act, 1961 applies on the Book Profits of the Company. During the year Provision Under Section 115 JB of the Income Tax Act, 1961, is not required to be made in view of loss during the year.

21.07 Related Party Disclosures

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

i) **Holding Company**

Bhartiya International Ltd.

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

Itopia Management Services (India) Pvt. Ltd.

iii) **Transactions during the year with related parties:**

	2016-17	2015-16
Service Charges Received		
Bhartiya International Ltd.	2,815,172	3,743,076
Ticketing		
Itopia Management Services (India) Pvt. Ltd.	52,245	65,286
iv) Balances Outstanding at the year end:		
Trade Receivable		
Bhartiya International Ltd.	4,633,425	4,790,024

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

21.09 The details of Specified Bank Notes (SBN) and other denomination notes held and transacted during the period from November 8, 2016 to December, 30 2016, as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 is given below:

Particulars	SBNs*	Other denomination	
		notes	Total
Closing cash in hand on November 8, 2016	95000	49086	144086
Add : Permitted receipts	-	100000	100000
Less : Permitted Payments	-	23688	23688
Less : Amount Deposited into bank	95000	-	95000
Closing Cash in hand as on December 30, 2016	95000	125398	125398

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

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

As per our report of even date attached

SUSHIL PODDAR & Co.

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board

S.K. Poddar

Partner

Mem No. 94479

Gaurav Singhal

Company Secretary

M. No. F6308

Amrishpal Singh

Managing Director

DIN. 02735647

Manoj Khattar

Director

DIN. 00694981

New Delhi, 24th May, 2017

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2017.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2017 are as follows:

PARTICULARS	(Amount in Rs.)	
	2016-2017	2015-2016
Income	1,675,000	-
Expenditure	3,909,093	52,712
Profit/ (loss) for the year	(22,34,093)	(52,712)

PERFORMANCE REVIEW

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

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2017.

RESERVES

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

SHARE CAPITAL

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

Dates	Description	No. of Shares	Total Value of Shares in Rs.
1 st April, 2016	Share Capital at the beginning of the year	50000	5,00,000
6 th July, 2016	Issued during the year	200000	20,00,000
28 th March, 2017	Issued during the year	250000	25,00,000
31 st March, 2017	Share Capital at the end of the year	500000	50,00,000

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any subsidiary or associate company.

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Ashok Kumar Gadhok (DIN: 01254410), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2016-2017, Seven Board Meetings of the Company were held. The details of the Meetings of the Board held during the financial year 2016-2017 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. C. L. Handa	Mr. A.K. Gadhok
21.05.2016	Present	Present	Present
02.07.2016	Present	Present	Present
06.07.2016	Present	Present	Present
08.09.2016	Present	Present	Present
31.12.2016	Present	Present	Present
10.03.2017	Present	Present	Present
28.03.2017	Present	Present	Present

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions are provided in notes to accounts. Further, the details of material transactions are provided in Form AOC-2, which forms **Annexure B** to this report

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the losses of the company for the year ended on that date;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis; and
- (e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS AND AUDITORS REPORT

The Auditors of the Company, M/s. Sushil Poddar & Co., Chartered Accountants (Firm Registration No. 014969N) hold office up to 8th Annual General Meeting.

Your directors have recommended their re-appointment in the ensuing Annual General Meeting for a further period of 5 years.

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

COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2017-2018.

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your company.

SECRETARIAL AUDIT REPORT

The same is not applicable to your Company.

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

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

RISK MANAGEMENT

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

HUMAN RESOURCES

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

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

PARTICULARS OF EMPLOYEES:

During the financial year 2016-2017, the Company had 2 Employees.

None of the Employees were not in receipt of remuneration of Rs.60 lac per annum or more and none of the employees employed for the part of the financial year 2017 were in receipt of Rs.5 lac per month or more.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**a. Conservation of Energy**

The same is not applicable to your Company

b. Technology Absorption

The same is not applicable to your Company

c. Foreign Exchange Earnings & Outgo

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

PUBLIC DEPOSIT

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes which have occurred in between the financial year ended on 31st March, 2017 and date of the report of the company which affects the financial position of the company.

ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board

New Delhi, 25th May, 2017

C.L. Handa
Director
DIN: 00928283

Manoj Khattar
Director
DIN: 00694981

ANNEXURE-A
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	:	U17120DL2009PLC193608
ii) Registration Date	:	26/08/2009
iii) Name of the Company	:	Bhartiya Fashion Retail Ltd.
iv) Category Sub-Category of Company	:	Public Limited Company
v) Address of the Regd. Office and contact details	:	E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030
vi) Whether listed company	:	N.A.
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share holding during the year
	Demat	Physical	Total Total Shares	% of	Demat	Physical	Total	% of Total Shares	
A. Promoter (s)(
1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	50,000	50,000	100	-	5,00,000	5,00,000	100	-
e) Banks/Fiis	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	50,000	50,000	100	-	5,00,000	500,000	100	-

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share holding during the year
	Demat	Physical	Total Total Shares	% of	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FIIS	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	50,000	50,000	100	-	5,00,000	5,00,000	100	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
b) Indian	-	-	-	-	-	-	-	-	-
c) Overseas	-	-	-	-	-	-	-	-	-
d) Individuals	-	-	-	-	-	-	-	-	-
e) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
f) Individual shareholders holding nominal share capital in excess of Rs .1 lakh	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,000	50,000	100	-	5,00,000	5,00,000	100	-

(ii) Shareholding of Promoters

S. N.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of share	% of total Shares of the company	% Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Bhartiya International Ltd.	50,000	100	-	5,00,000	100	-	-
	TOTAL	50,000	100	-	5,00,000	100	-	-

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

S. N.	For each of Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Bhartiya International Ltd.				
1	At the beginning of the year	50000	100	50000	100
2	Allotment Equity Shares as on date 06.07.2016	200000	-	250000	100
3	Allotment Equity Shares as on date 28.03.2017	250000	-	500000	100
4	At the End of the year	-	-	500000	100

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other Directors:

S. N.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	-	-
	Total (1)	-	-
2.	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	-	-
	Total (2)	-	-
	Overall Ceiling as per the Act		

**C. Remuneration to Key Managerial Personnel Other than Managing Director/Manager/Whole Time Director
(Amount in Rs.)**

S. N.	Particulars of Remuneration	Key Managerial Personnel			
		MD	Company Secretary	CFO	Total
1.	Gross Salary <ul style="list-style-type: none"> a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961 	-			-
2.	Stock Option				
3.	Sweat Equity				
4.	Commission <ul style="list-style-type: none"> - as % of profit - others, specify... 				
5.	Others, please specify				
	Total	-			-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2017.

ANNEXURE -B
Form No. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. - Nil.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.

S. N.	Name of the Related Party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts / arrangements / transactions including the value, if any	Amount paid as advances, if any
1	Bhartiya International Ltd.	Service Charges	Ongoing basis	Rs. 16,75,000/-	-

INDEPENDENT AUDITORS' REPORT

To,

**The Members of
Bhartiya Fashion Retail Ltd.**

Report on the Financial Statements

We have audited the accompanying financial statements of Bhartiya Fashion Retail Ltd. ('the Company'), which comprise the balance sheet as at 31st March, 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 12.10 to financial statement.

for SUSHIL PODDAR & Co.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 25th May, 2017

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2017, we report that:

- i. The company does not have any fixed assets. Accordingly provisions of paragraph 3(i) of the Order is not applicable to the company.
- ii. The company does not have any Inventory. Accordingly provisions of paragraph 3(ii) of the Order is not applicable to the company.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. The company has not given any loans or guarantees/made any investments within the meaning of Section 185 & 186 of the Companies Act, 2013
- v. The Company has not accepted any deposits from the public within the meaning of Section 73,74,75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the company.
- vii. According to the information and explanations given to us and the records of the company examined by us:
 - a. According to the records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Services tax, Cess. We are informed that the provision of Employees Provident Funds and Miscellaneous Provisions Act, 1956, Employees State Insurance Act, 1948 are not applicable to the company and that the operations of the company during the year, did not give rise to any liability for the Sales Tax, Excise Duty, Custom Duty, & Value Added Tax.
 - b. According to the information and explanations given to us, there are no dues in respect of Sale Tax/VAT, Income Tax, Service Tax, Excise Duty, Custom Duty and Cess, which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans except further issue of shares to its holding company during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to information and explanations given to and based on our examination of the records of the company, the Company has not entered into transaction with related parties.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **SUSHIL PODDAR & Co.**
Chartered Accountants
Firm's Registration No. 014969N

S.K. PODDAR
Partner
Mem. No. 094479
New Delhi, 25th May, 2017

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Bhartiya Fashion Retail Ltd.** ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **SUSHIL PODDAR & Co.**
Chartered Accountants
Firm's Registration No. 014969N

S.K. PODDAR
Partner
Mem. No. 094479
New Delhi, 25th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	Amount in Rs.	
		As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	5,000,000	500,000
(b) Reserves And Surplus	3	(2,450,706)	(216,613)
2 Current Liabilities			
(a) Other Current Liabilities	4	1,615,944	10,000
TOTAL		4,165,238	293,387
II. ASSETS			
1 Non-Current Assets			
(a) Other Non-Current Assets	5	12,730	25,460
2 Current Assets			
(a) Cash And Cash Equivalents	6	323,455	255,197
(b) Other Current Assets	7	3,829,053	12,730
TOTAL		4,165,238	293,387
Significant accounting policies	1	-	-

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm Registration No. 014969N

For and on behalf of the Board

S.K. Poddar
Partner
Mem. No. 94479

C.L.Handa
Director
DIN: 00928283

Manoj Khattar
Director
DIN: 00694981

New Delhi, 25th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2017	Year Ended 31st March, 2016
Income:			
Revenue From Operations		-	-
Other Income	8	1,675,000	-
Total Revenue		<u>1,675,000</u>	<u>-</u>
Expenses:			
Employee benefit Expenses	9	3,855,217	-
Depreciation and amortisation	10	12,730	12,730
Other Expenses	11	41,146	39,982
Total Expenses		<u>3,909,093</u>	<u>52,712</u>
Profit / (Loss) before Tax		<u>(2,234,093)</u>	<u>(52,712)</u>
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit / (Loss) after tax		<u>(2,234,093)</u>	<u>(52,712)</u>
Earnings Per Equity Share:			
(1) Basic/ Diluted		(5.85)	(1.05)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached
for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm Registration No. 014969N

For and on behalf of the Board

S.K. Poddar
Partner
Mem. No. 94479

C.L.Handa
Director
DIN: 00928283

Manoj Khattar
Director
DIN: 00694981

New Delhi, 25th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	(2,234,093)	(52,712)
Adjusted for :		
Depreciation and amortisation expense	12,730	12,730
Operating profit before working capital changes	(2,221,363)	(39,982)
<i>Movements in working capital:</i>		
Increase/ (decrease) in other liabilities	1,605,944	5,000
Decrease/ (Increase) in other Assets	(3,816,323)	-
Net cash (used in)/ generated from operating activities	(4,431,742)	(34,982)
B. CASH FLOW FROM INVESTMENT ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Proceed from Share Capital	4,500,000	-
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	68,258	(34,982)
Cash and Cash Equivalents - Opening Balance	255,197	290,179
Cash and Cash Equivalents - Closing Balance	323,455	255,197

As per our report of even date attached
for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm Registration No. 014969N

For and on behalf of the Board

S.K. Poddar
Partner
Mem. No. 94479

C.L.Handa
Director
DIN: 00928283

Manoj Khattar
Director
DIN: 00694981

New Delhi, 25th May, 2017

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017**

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

a) Method of Accounting

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

b) Recognition of Income and Expenditure

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

c) Misc. Expenditure

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

d) Taxes on Income

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

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016

2.0 SHARE CAPITAL

Authorised Share Capital

a) 5,00,000 (Previous Year 500,000)

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

Issued, Subscribed & Paid Up :

a) 500,000 (Previous Year 50,000)

Equity Shares of Rs.10/- each, Fully Paid Up	5,000,000	500,000
	5,000,000	500,000

2.1 The details of Shareholders holding more than 5% shares

Name of the share holders	As at		As at	
	31st March, 2017	31st March, 2017	31st March, 2016	31st March, 2016
	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Bharitya International Ltd.	500,000	100.00	50,000	100.00

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

PARTICULAR	As at 31st March, 2017 No. of Shares	As at 31st March, 2016 No. of Shares
Shares outstanding at the beginning of the year	50,000	50,000
Shares Issued during the year	450,000	-
Shares outstanding at the end of the year	500,000	50,000

NOTES (CONTD.)

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

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
3 RESERVES & SURPLUS		
(a) Surplus in statement of profit & Loss		
As Per last Balance Sheet	(216,613)	(163,901)
Add: Profit/(Loss) For the year	(2,234,093)	(52,712)
TOTAL	(2,450,706)	(216,613)
4 OTHER CURRENT LIABILITIES		
(a) Expenses Payable	10,000	10,000
(b) Salary Payable	470,655	-
(c) Others Payable	738,694	-
(d) Statutory Dues	396,595	-
TOTAL	1,615,944	10,000
5 OTHER NON CURRENT ASSETS		
(a) Preliminary Expenses (to the extent not written off)	12,730	25,460
TOTAL	12,730	25,460
6 CASH AND CASH EQUIVALENT		
(a) Balances with banks In Current Accounts	273,059	234,169
(b) Cash on hand	50,396	21,028
TOTAL	323,455	255,197
7 OTHER CURRENT ASSETS		
(a) Preliminary Expenses (To be written off in next year)	12,730	12,730
(b) TDS Receivable	167,500	-
(c) Brand/Project Related Expenses	3,648,823	-
TOTAL	3,829,053	12,730
		Amount in Rs.
PARTICULARS	Year Ended 31st March, 2017	Year Ended 31st March, 2016
8 OTHER INCOME		
(a) Desinging charges	1,675,000	-
TOTAL	1,675,000	-
9 EMPLOYEE BENEFIT EXPENSES		
(a) Salary	3,855,217	-
TOTAL	3,855,217	-
10 Depreciation and Amortisation		
(a) Preliminary Expenses	12,730	12,730
TOTAL	12,730	12,730

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
11 OTHER EXPENSES		
(a) Audit Fees	10,000	10,000
(b) Bank Charges	849	229
(c) Legal & Professional	20,815	24,223
(d) Rates & Taxes	9,482	5,530
TOTAL	41,146	39,982

NOTE 11: NOTES TO ACCOUNTS

- 12.1 The Previous Period Figures have been regrouped/reclassified wherever necessary to conform to the current period presentation.
- 12.2 Contingent Liabilities :- Nil
- 12.3 In the opinion of the Directors, the Current Assets, Loans and Advances have the value at which they are stated in the Balance sheet, if realised in the ordinary course of business. Provision for all known liabilities has been adequately made in the accounts.
- 12.4 Earning per share computed in accordance with the mandatory requirements of Accounting Standards No 20 issued by the Institute of Chartered Accountants of India is as under:

PARTICULARS	Year Ended 31st March, 2017	Year Ended 31st March, 2016
a) Net Profit/(loss) after tax available for equity shareholders	(2,234,093)	(52,712)
b) Weighted average number of Equity Shares of Rs. 10/- each	382,161	50,000
c) Basic/Diluted Earning per share Rs.(a/b)	(5.85)	(1.05)

- 12.5 The deferred tax assets for the current year have not been recognised keeping in view the consideration of prudence in accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by ICAI . Company will reassess the unrecognised deferred tax asset in subsequent period having regard to the future developments.
- 12.6 No Provision for Income Tax / MAT as per the provisions of Income Tax Act, 1961 is required to be made in view of loss during the year.
- 12.7 **Related Party Disclosures**

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

a) Name of Related Parties & Nature of Relationship:**i) Holding Company:****Domestic**

Bhartiya International Ltd.

ii) Key Management Personnel:**Directors**

Manoj Khattar

C.L.Handa

NOTES (CONTD.)**iii) Transactions during the year with related parties**

	2016-2017	2015-2016
1 Service Charges received		
Bhartiya International Ltd.	1,675,000	-
vi) Balances Outstanding at the year end:		
1 Other Payable		
Bhartiya International Ltd.	738,694	-

PARTICULARS	Year Ended 31st March,2017	Year Ended 31st March,2016
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12.8 Auditor's Remuneration

Audit Fees	10,000	10,000
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12.9 Debit and credit balances are subject to their confirmation.

12.10 The details of Specified Bank Notes (SBN) and other denomination notes held and transacted during the period from November 8, 2016 to December, 30 2016, as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 is given below

PARTICULARS	SBNs*	Other denomination notes	Total
Closing cash in hand on November 8, 2016	20,500	484	20,984
Add : Permitted receipts (Bank withdrawl)	-	50,000	50,000
Less : Permitted Payments	-	88	88
Less : Amount Deposited into bank	20,500	-	20,500
Closing Cash in hand as on December 30,2016	-	50,396	50,396

As per our report of even date attached

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board

S.K. Poddar

Partner

Mem. No. 94479

New Delhi, 25th May 2017

C.L.Handa

Director

DIN: 00928283

Manoj Khattar

Director

DIN: 00694981

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2017.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2017 are as follows:

PARTICULARS	(Amount in Rs.)	
	2016-2017	2015-2016
Other Income	1,323	–
Expenditure	48,491	21,886
Profit/ (loss) for the year	(47,168)	(21,886)

PERFORMANCE REVIEW

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

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2017.

RESERVES

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

SHARE CAPITAL

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

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any subsidiary or Associate Companies.

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

The Board of Directors comprises of Mr. Manoj Khattar, Mr. Sandeep Seth and Mr. Ashok Kumar Gadhok as Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Ashok Kumar Gadhok (DIN : 01254410), Director, retires by rotation at the second Annual General Meeting and being eligible offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2016–2017, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2016–2017 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. Sandeep Seth	Mr. A. K. Gadhok
21.05.2016	Present	Present	Present
02.09.2016	Present	Absent	Present
21.12.2016	Present	Absent	Present
24.03.2017	Present	Present	Present

STATUTORY AUDITORS AND AUDITORS REPORT

M/s. Sushil Poddar & Co., Chartered Accountants (Registration No. 014969N) had been appointed as the Statutory Auditors of the Company to hold office from 1st Annual General Meeting upto 6th Annual General Meeting. Your directors have recommended their ratification in the ensuing Annual General Meeting.

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

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your company.

SECRETARIAL AUDIT

The same is not applicable to your company.

COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2017–2018.

PARTICULAR OF EMPLOYEES

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

There were no related party transactions for the financial year 2016–2017.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the loss of the company for the year ended on that date;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis; and
- e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**a) Conservation of Energy**

The same is not applicable to your company

b) Technology Absorption

The same is not applicable to your company

c) Foreign Exchange Earnings & Outgo

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

PUBLIC DEPOSIT

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

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

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

RISK MANAGEMENT

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2017 and date of the report of the Company which affects the financial position of the Company.

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

New Delhi, 27th May, 2017

A.K. Gadhok
Director
DIN: 01254410

Manoj Khattar
Director
DIN: 00694981

ANNEXURE-A
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	:	U70100TN2015PLC101707
ii) Registration Date	:	06/08/2015
iii) Name of the Company	:	Bhartiya Urban Infrastructure Ltd.
iv) Category Sub-Category of Company	:	Public Limited Company
v) Address of the Regd. Office and contact details	:	56/7, Nallambakkam Village, (Via-Vandalur) Chennai-600048 Tamil Nadu
vi) Whether listed company	:	N.A.
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya International Ltd. 56/7, Nallambakkam Village, (Via Vandalur), Chennai-600048 Tamil Nadu	L74899TN1987TNC111744	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter (s)									
1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-
c) Individuals	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	50,000	50,000	100	-	50,000	50,000	100	-
e) Banks/Fiis	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A (1)	-	50,000	50,000	100	-	50,000	50,000	100	-

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share holding during the year
	Demat	Physical	Total Total Shares	% of	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-
c) Individuals	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks/FIIS	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	-	50,000	50,000	100	-	50,000	50,000	100	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture	-	-	-	-	-	-	-	-	-
f) Capital Funds	-	-	-	-	-	-	-	-	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) FII's	-	-	-	-	-	-	-	-	-
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,000	50,000	100	-	50,000	50,000	100	-

(ii) Shareholding of Promoters

S. N.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of share	% of total Shares of the company	% Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Bhartiya International Ltd.	50,000	100	-	50,000	100	-	-
	TOTAL	50,000	100	-	50,000	100	-	-

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

S. N.	For each of Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No.of shares	% of total shares of the company
	At the beginning of the year	No Change			
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.				
	At the end of the year				

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

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

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

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

B. Remuneration to Other Directors:

S. Particulars of Remuneration N.	Name of Directors	Total Amount
1. Independent Directors Fee for attending board committee meetings Commission Others, please specify	-	-
Total (1)		
2. Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify	-	-
Total (2)	-	-
Overall Ceiling as per the Act	-	-

**C. Remuneration To Key Managerial Personnel Other Than Managing Director/Manager/Whole Time Director
(Amount in Rs.)**

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2017.

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Bhartiya Urban Infrastructure Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Bhartiya Urban Infrastructure Ltd. ('the Company'), which comprise the balance sheet as at 31st March, 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 10.08 to financial statement.

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

S.K. PODDAR
Partner
Mem. No. 094479
New Delhi, 27th May, 2017

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2017, we report that:

- i. The company does not have any fixed assets. Accordingly provisions of paragraph 3(i) of the Order is not applicable to the company.
- ii. The company does not have any Inventory. Accordingly provisions of paragraph 3(ii) of the Order is not applicable to the company.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. The company has not given any loans or guarantee/made any investments within the meaning of Section 185 & 186 of the Companies Act, 2013
- v. The Company has not accepted any deposits from the public within the meaning of Section 73,74,75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the company.
- vii. According to the information and explanations given to us and the records of the company examined by us:
 - a. According to the records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Cess. We are informed that the provision of Employees Provident Funds and Miscellaneous Provisions Act, 1956, Employees State Insurance Act, 1948 are not applicable to the company and that the operations of the company during the year, did not give rise to any liability for the Sales Tax, Excise Duty, Custom Duty, Service Tax, & Value Added Tax.
 - b. According to the information and explanations given to us, there are no dues in respect of Sale Tax/VAT, Income Tax, Service Tax, Excise Duty, Custom Duty and Cess, which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to information and explanations given to and based on our examination of the records of the company, the Company has not entered into transaction with related parties.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

S.K. PODDAR
Partner
Mem. No. 094479
New Delhi, 27th May, 2017

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Bhartiya Urban Infrastructure Ltd. ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that

a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.K. PODDAR
Partner
Mem. No. 094479
New Delhi, 27th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	Amount in Rs.	
		As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	500,000	500,000
(b) Reserves And Surplus	3	(69,054)	(21,886)
3 Current Liabilities			
(a) Other Current Liabilities	4	5,000	13,858
TOTAL		435,946	491,972
II. ASSETS			
1 Non-Current Assets			
(a) Other Non-Current Assets	5	118,200	135,086
2 Current Assets			
(a) Cash And Cash Equivalents	6	300,860	340,000
(b) Other Current Assets	7	16,886	16,886
TOTAL		435,946	491,972
Significant accounting policies	1	-	-

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
SUSHIL PODDAR & CO.
 Firm Registration No. 014969N
 Chartered Accountants

For and on behalf of the Board

S.K. Poddar
 Partner
 Mem No. 094479
 New Delhi, 27th May, 2017

A.K. Gadhok
 Director
 DIN: 01254410

Manoj Khattar
 Director
 DIN: 00694981

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2017**

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2017	Year Ended 31st March, 2016
Income:			
Revenue From Operations	-	-	
Other Income	8	1,323	-
Total Revenue		<u>1,323</u>	<u>-</u>
Expenses:			
Other Expenses	9	31,605	5,000
Depreciation and Amortization Expenses	10	16,886	16,886
Total Expenses		<u>48,491</u>	<u>21,886</u>
Profit / (Loss) before Tax		<u>(47,168)</u>	<u>(21,886)</u>
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit / (Loss) After Tax		<u>(47,168)</u>	<u>(21,886)</u>
Earnings Per Equity Share:			
(1) Basic/ Diluted		<u>(0.94)</u>	<u>(0.44)</u>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
SUSHIL PODDAR & CO.
Firm Registration No. 014969N
Chartered Accountants

For and on behalf of the Board

S.K. Poddar
Partner
Mem No. 094479
New Delhi, 27th May, 2017

A.K. Gadhok
Director
DIN.: 01254410

Manoj Khattar
Director
DIN: 00694981

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Amount in Rs.	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	(47,168)	(21,886)
Adjusted for :		
Depreciation and Amortisation Expense	16,886	16,886
Operating profit before working capital changes	(30,282)	(5,000)
<i>Movements in working capital:</i>		
Increase/ (decrease) in other liabilities	(8,858)	5,000
Cash generated from operations	(39,140)	-
Income Tax paid (Net)	-	-
Net cash (used in)/ generated from operating activities - (A)	(39,140)	-
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Other Payable	-	8,858
Preliminary Expenses incurred	-	(168,858)
Net cash from/ (used in) investing activities - (B)	-	(160,000)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	-	500,000
Net cash from/ (used in) financing activities - (C)	-	500,000
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(39,140)	340,000
Cash and Cash Equivalents - Opening Balance	340,000	-
Cash and Cash Equivalents - Closing Balance	300,860	340,000

As per our report of even date attached
SUSHIL PODDAR & CO.
 Firm Registration No. 014969N
 Chartered Accountants

For and on behalf of the Board

S.K. Poddar
 Partner
 Mem No. 094479
 New Delhi, 27th May, 2017

A.K. Gadhok
 Director
 DIN: 01254410

Manoj Khattar
 Director
 DIN: 00694981

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017**

1 SIGNIFICANT ACCOUNTING POLICIES

a) Method of Accounting

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

b) Recognition of Income and Expenditure

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

c) Misc. Expenditure

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

d) Taxes on Income

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

Amount in Rs.

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
2.0 SHARE CAPITAL		
Authorised Share Capital		
a) 5,00,000 (Previous Year 5,00,000)		
Equity Shares of Rs.10/- each	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
Issued, Subscribed & Paid Up :		
a) 50,000 (Previous Year 50,000)		
Equity Shares of Rs.10/- each, fully paid up	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

2.1 The details of Shareholders holding more than 5% shares

Name of the share holders	As at	As at	As at	As at
	31st March, 2017	31st March, 2017	31st March, 2016	31st March, 2016
	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Bharitya International Ltd.	50,000	100.00	50,000	100.00

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

PARTICULAR	As at 31st March, 2017 No. of Shares	As at 31st March, 2016 No. of Shares
Shares outstanding at the beginning of the year	50,000	-
Shares Issued during the year	-	50,000
Shares outstanding at the end of the year	<u>50,000</u>	<u>50,000</u>

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

NOTES (CONTD.)

PARTICULARS	Amount in Rs.	
	As at 31st March, 2017	As at 31st March, 2016
3 RESERVE AND SURPLUS		
(a) Surplus in statement of profit & Loss	(21,886)	-
Profit/(Loss) For the year	(47,168)	(21,886)
TOTAL	(69,054)	(21,886)
4 OTHER CURRENT LIABILITIES		
(a) Expenses Payable	5,000	13,858
TOTAL	5,000	13,858
5 OTHER NON CURRENT ASSETS		
(a) Preliminary expenses (to the extent not written off)	118,200	135,086
TOTAL	118,200	135,086
6 CASH AND CASH EQUIVALENT		
(a) Balances with banks In Current Accounts	280,670	340,000
(b) Cash on hand	20,190	-
TOTAL	300,860	340,000
7 OTHER CURRENT ASSETS		
(a) Preliminary Expenses (to be written off in next year)	16,886	16,886
TOTAL	16,886	16,886
		Amount in Rs.
PARTICULARS	Year Ended 31st March, 2017	Year Ended 31st March, 2016
8 OTHER INCOME		
MISC.Income	1,323	-
TOTAL	1,323	-
9 OTHER EXPENSES		
(a) Audit Fees	5,000	5,000
(b) Professional Charges	16,675	-
(c) Rates & Taxes	9,930	-
TOTAL	31,605	5,000
10 DEPRECIATION AND AMORTIZATION EXPENSES		
(a) Preliminary Expenses	16,886	16,886
TOTAL	16,886	16,886

NOTES (CONTD.)**NOTE 11: NOTES TO ACCOUNTS**

10.1 Contingent Liabilities :- Nil

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

10.3 Earning per share computed in accordance with the mandatory requirements of Accounting Standards No 20 issued by the Institute of Chartered Accountants of India is as under:

PARTICULARS	Year Ended 31st March, 2017	Year Ended 31st March, 2016
a) Net Profit/(loss) after tax available for equity shareholders	(47,168)	(21,886)
b) Weighted average number of Equity Shares of Rs.10/- each	50,000	50,000
c) Basic/Diluted Earning per share Rs.(a/b)	(0.94)	(0.44)

10.4 The deferred tax assets/liability for the current year have not been recognised keeping in view the consideration of prudence in accordance with the Accounting Standard 22 " Accounting for Taxes on Income" issued by ICAI . Company will reassess the unrecognised deferred tax asset in subsequent period having regard to the future developments.

10.5 No Provision for Income Tax / MAT as per the provisions of Income Tax Act, 1961 is required to be made in view of loss during the year.

10.6 Auditor's Remuneration

	Year Ended 31st March,2017	Year Ended 31st March,2016
Audit Fees	5,000	5,000

10.7 Debit and credit balances are subject to their confirmation.

10.8 The details of Specified Bank Notes (SBN) and other denomination notes held and transacted during the period from 8th November, 2016 to 30th December, 2016, as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 is given below

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand on November 8, 2016	18000	190	18190
Add :Permitted receipts (Bank withdrawl)	-	20000	20000
Less : Permitted Payments	-	-	-
Less : Amount Deposited into bank	18000	-	18000
Closing Cash in hand as on December 30,2016	-	20190	20190

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board

S.K. Poddar

Partner

Mem No. 094479

New Delhi, 27th May, 2017

A.K. Gadhok

Director

DIN: 01254410

Manoj Khattar

Director

DIN: 00694981

DIRECTORS' REPORT

The Directors have the pleasure in submitting their report and the audited financial statements for the year ended 31st March, 2017.

Principal Activity

The Company is engaged in exports and import in garments, bags and related products.

Financial Statements

The results for the year are set out in the statement of comprehensive income. The statement of financial position of the Company as at 31st March, 2017 is set out in the Balance Sheet.

Directors

The directors who held office during the year and up to the date of this report were: -

Ms. Wenjian Zhang

In accordance with the Company's Articles of Association, the director shall remain in office during the ensuing year.

Directors' Interests

At no time during the financial year or at the end of the financial year was the Company or its parent company, or fellow subsidiaries a party to any arrangements or shadow directors, if any, to enable the Directors or shadow directors, if any, to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

In the opinion of the Sole Director, no directors or shadow directors, if any, had material interests in those significant transactions, arrangements or contracts in relation to the Company's business entered into by the Company, its parent company, or fellow subsidiaries in the financial year or subsisted at any time in the financial year.

Business Review

The Company is a wholly owned subsidiary of another body corporate. Accordingly, the Company is exempted from preparing a business review.

Permitted Indemnity Provisions

Article 137 of Part I of Table A of the Predecessor Companies Ordinance, which forms part of the Company's Articles, provides that every director for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in relation to the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 358 of the Predecessor Companies Ordinance (equivalent to sections 902 to 904 of the Hong Kong Companies Ordinance) in which relief is granted to him by the Court. This permitted indemnity provision is in force during the financial year and at the time of approval of this report.

Charitable Donations

During the financial year, the Company made no charitable donations (2016: Nil).

Arrangement to Purchase shares or Debentures

There did not subsist at the end of the year arrangements to which the company was a party which enabled the directors of the company to acquire benefits by means of acquisition of shares in or debentures of the company or any other body corporate.

Management Contracts

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

Equity-Linked Arrangements

During the financial year, the Company entered into no equity-linked agreement. At the end of the financial year, the Company subsisted of no equity-linked agreement.

Auditors

The Company's Auditors, C&N Certified Public Accountants, now retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board

Wenjian Zhang
Chairperson

Hong Kong, 26th May, 2017

INDEPENDENT AUDITORS' REPORT

To The Shareholder of
World Fashion Trade Ltd.
(Incorporated in the Republic of Mauritius with limited liability)

We have audited the financial statements of the Hong Kong Representative office of World Fashion Trade Ltd. ("the Company"), which comprise the statement of financial position as at 31st March, 2017, and the statement of Comprehensive Income, statement of changes in Equity and statement of Cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31st March, 2017 and of its Profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Emphasis of Matter

Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the inherent uncertainty as to the continuation of the financial support by the company's holding company. If that support were withdrawn the company might not be able to continue in operational existence. There is, therefore, a significant level of concern as to the appropriateness of the going concern basis of preparation of financial statements. If this support is withdrawn, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets. It is not possible to quantify these potential effects. However our opinion is not qualified in this respect.

C&N Certified Public Accountants
Hong Kong, 26th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Notes	31/3/2017 HK\$	31/12/2016 HK\$
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	10	<u>6,937</u>	<u>90,188</u>
Current Assets			
Cash & Bank Balance	9	3,081,667	2,202,033
Accounts Receivable		4,241,906	7,695,365
Due from Holding Company	11	-	3,340,107
Inventories		-	389,064
Other Receivable		96,013	226,544
		<u>7,419,586</u>	<u>13,853,113</u>
Total		<u>7,426,523</u>	<u>13,943,300</u>
Current Liabilities			
Account payable		218,626	7,701,476
Accrued expenses & other liabilities		141,410	171,800
Due & Holding Company	11	2,230,646	-
Amount Due to Fellow subsidiary	11	4,005,475	5,834,295
Bank Overdraft		2,431,392	2,258,499
		<u>9,027,549</u>	<u>15,966,071</u>
Non-Current Liabilities			
Amount Due to Holding Company		-	5,476.898
		<u>-</u>	<u>5,476.898</u>
CAPITAL AND RESERVES			
Share Capital	12	5,480,570	7,730
Reserve & Surplus		(7,081,596)	(7,507,398)
		<u>(1,601,026)</u>	<u>(7,499,668)</u>
Total		<u>7,426,523</u>	<u>13,943,300</u>

For and on behalf of the Board

Wenjian Zhang
Director

STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Notes	12 Months ended 31st March, 2017 HK\$	15 Months ended 31st March, 2016 HK\$
Revenue	3	12,584,042	40,013,558
Cost of Sale		<u>(11,336,053)</u>	<u>(34,531,789)</u>
Gross Profit		1,247,989	5,481,769
Other Income	4	4,046,140	6,735,284
Operating Expenses		(4,550,048)	(11,233,452)
Finance Cost	5	(269,099)	(561,480)
Exchange Gain/(Loss)		<u>(49,180)</u>	-
Profit before Tax Expense	6	425,802	422,121
Tax Expense	8	-	-
Profit (Loss) for the year		425,802	422,121
Retained (Loss) brought forward		(7,507,398)	(7,929,519)
Retained (Loss) carried forward		<u>(7,081,596)</u>	<u>(7,507,398)</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Issed Capital HK\$	Retained Profit HK\$	Total HK\$
As at 31st December, 2014	7,730	(7,929,519)	(7,921,789)
Profit for the period 1st January to 31st March, 2016	-	422,121	422,121
As at 1st April, 2016	7,730	(7,507,398)	(7,499,668)
Issue of Shares	5,472,840	-	5,472,840
Profit for the year ended 31st March, 2017	-	425,802	425,802
As at 31st March, 2017	<u>5,480,570</u>	<u>(7,081,596)</u>	<u>(1,601,026)</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	2017 HK\$	2016 HK\$
Operating Activities		
Cash Flows From Operating Activities		
Profit after Tax	425,802	42,2121
Adjustment for:		
Interest Expenses And Bank Charges	269,099	561,480
Depreciation	83,250	108,875
Provision for Old Stock	389,064	-
Operating Profit/(Loss)	<u>1,167,215</u>	<u>1,092,476</u>
(Increase)/Decrease in Accounts Receivables	3,453,460	13,575,101
(Increase)/Decrease in Other Receivables	130,530	-
(Increase)/Decrease in Inventory	389,064	-
(Increase)/Decrease in Accounts Payables	(7,482,850)	(13,376,300)
(Increase)/Decrease in Amount due to Holding Company	5,570,753	(80,191)
(Increase)/Decrease in Amount due to Fellow Subsidiaries	(1,828,820)	581,825
Decrease in accrued expenses and other Current Liabilities	(30,390)	(5,190)
Net cash from (used in) Operating Activities	<u>1,368,962</u>	<u>1,787,721</u>
Tax Paid	-	-
Net Cash in flow from/(used in) operating Activities	<u>1,368,962</u>	<u>1,787,721</u>
Financing Activities		
Issue of Shares	5,472,840	-
Reduction in loan from Holding Company	(54,768,98)	-
Interest Expenses and Bank Charges	(269,099)	(561,480)
Increase (Decrease) Bank Overdraft	172,893	(246,377)
Net cash (used in) from Financing Activities	<u>(100,264)</u>	<u>(807,857)</u>
Net increase/in Cash and Cash Equivalents	879,634	979,863
Cash and Cash Equivalents at beginning of financial year	2,202,033	1,222,169
Cash and Cash Equivalents at end of financial year	<u>3,081,667</u>	<u>2,202,032</u>

The accompanying notes are an integral part of these financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Accounting policies and explanatory notes to the financial statements for the year ended 31st March, 2017.

1. General information

World Fashion Trade Ltd. (the Company) is an exempted company incorporated in Republic of Mauritius with limited liability and has a Branch Office in Hong Kong. Its holding company is Bhartiya International Ltd., a public limited company incorporated in India and its shares are listed on National Stock Exchange of India. The address of the Branch Office of the Company is suite 609, 6th Floor, Hong Kong Plaza, 188, Connaught Road West, Hong Kong .

The Company is engaged in Export and Imports in garments, bags and related products.

2. Basis of preparation and Accounting Policies

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, as modified by the revaluation of investment property at fair value.

Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Hong Kong Dollars, which is the Company's functional and the Company's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign Exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other income" or "other expenses".

2. Basis of preparation and Accounting Policies (cont'd)

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

Trade Receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes purchase price, taxes and duties, installation expenses, interest cost and other direct costs incurred till the date the asset is available for use. Interest incurred for constructed asset is capitalized up to the date the asset is ready for its intended use based on the weighted average rate of all borrowings. The cost of construction in progress is transferred to the appropriate asset category, when construction is complete and the asset is available for intended use.

Depreciation is charged on a straight-line basis over the estimated economic useful lives of property, plant and equipment. The estimated useful economic lives are as follows:

· Plant and Machinery	3-20 years
· Furniture & fixtures	8-10 years
· Computers	3-5 years
· Office equipment	8-15 years

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

NOTES (CONTD.)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2. Basis of preparation and Accounting Policies

Intangible Assets

Intangible assets are purchased computer software that is stated at cost less accumulated amortisation and any accumulated impairment losses. It is amortised over its estimated life of five years using the straight-line method. If there is an indication that there has been a significant change in the amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Borrowings

Borrowings are recognised initially at the transaction price and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Trade Payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Taxation

Income Tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income and retained earnings 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 liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases using 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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2. Basis of preparation and Accounting Policies (cont'd)

Taxation- Contiued

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

Deferred tax assets and liabilities 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 at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. However, the measurement of deferred tax liabilities associated with an investment property measured at fair value does not exceed the amount of tax that would be payable on its sale to an unrelated market participant at fair value at the reporting date. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Employee Benefit Obligations

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a

NOTES (CONTD.)

constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

2. Basis of preparation and accounting policies (cont'd)**Impairment of Non-Financial Assets, other than Inventories**

At each reporting date, property, plant and equipment, intangible assets, and investments in a subsidiary and an associate are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or Company of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or Company of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (Company of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and is shown net of discounts, rebates, returns, sales-related taxes.

Revenue is recognised in profit or loss provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, as follows:

Revenue from the sale of goods is recognized when the goods are delivered and the risks and rewards of ownership have been passed to the customers and consultancy charges are recognised when the services are provided.

Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Research and development costs

All research and development costs are recognised as an expense unless they form part of the cost of another asset that meets the recognition criteria.

Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

2. Basis of preparation and Accounting Policies (cont'd)**Related parties**

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) is a member of the key management personnel of the Company or of a parent of the Company;
 - (ii) has control over the Company; or
 - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) either entity is an associate or joint venture of the other entity (or of a member of a Company of which the other entity is a member).
 - (iii) both entities are joint ventures of a third entity.
 - (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant voting power in the entity.

NOTES (CONTD.)**3. Revenue**

Revenue, which is also the Company's turnover, represents the net invoiced value of services rendered, after allowances trade discounts

	31.3.2017	31.3.2016
	HK\$	HK\$
Sale of Goods	12,584,042	40,013,559
	12,584,042	40,013,559

4. Other Income

Commission Income	3,136,809	2,996,782
Service Charges	862,531	3,660,042
Other Income	46,800	78,460
	4,046,140	6,735,284

5. Finance Cost

Bank Interest	190,127	237,387
Bank charges	78,971	324,094
	269,098	561,481

6. Profit Before Tax

The following items have been recognised as expenses / (income) in determining profit before tax:

Depreciation	83,250	108,875
Auditors Remuneration	40,000	44,000
Salaries Wages & Other benefits	861,205	2,930,560
Foreign Exchange Loss/(Gain)	49,180	(45,783)

7. Directors' Remuneration, Loans and other Material Interests

The Directors received no remuneration for their services to the Company during the year (2016: Nil). There are no loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Company and its holding company. This is disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulations

8. Tax Expense

Hong Kong Profits Tax has not been provided as the entire activities are off-shore and the Profits will be exempt.

9. Cash and cash Equivalents

Cash on hand	7,730	7,730
Cash at Bank	3,073,937	2,194,303
	3,081,667	2,202,033

10. Property Plant and Equipments

	Furniture and Fixtures HK\$	Motor Vehicle HK\$	Total HK\$
Carrying Amount			
1st April, 2016	-	90,188	90,188
Additions	-	-	-
Transfer	-	-	-
Adjustment	-	-	-
Less: Depreciation for 2016-17	-	83,250	83,250
31st March, 2017	-	6,938	6,938
Accumulated Depreciation and Impairment 1st April, 2016	748,707	187,313	936,019
Annual addition	-	83,250	83,250
	748,707	270,563	1,019,269

NOTES (CONTD.)**11. Amount Due to /From Holding/Fellow Subsidiaries.**

The amounts due to/from the Holding Company and fellow subsidiaries are unsecured.

12. Share Capital

In accordance with section 135 of the Hong Kong Companies Ordinance (Cap 622), the Company's shares no longer have a par or nominal value with effect from 3th March, 2014.

13. Employee Benefit Obligation

The Company does not employ any staff in Hong Kong under the jurisdiction of the Hong Kong Employment Ordinance.

14. Commitments

	2017	2016
	HK\$	HK\$

(a) Commitments under operating leases

At the year-end, the Company had outstanding commitments under non-cancellable operating leases that fall due as follows:

Within one year	47,460	416,225
Later than one year but within five years	-	-
	47,460	416,225

Operating lease payments represent rentals payable by the Company for office premises. Leases are negotiated for a term of two years and rentals are fixed during the relevant lease periods.

15. Related Party Transaction

During the year the company had the following transaction with the related party.

Immediate Holding Company.

	2017	2016
	HK\$	HK\$
Bhartiya International Limited, India		
Commission Received	3,136,809	2,996,782
Share capital	5,472,840	-
Purchases	2,814,935	366,822
Sales	-	366,822
Other Intra Groups	Purchases	
Ultima S.A, Switzerland	525,935	5,151,689
	Service Charges	Received
Ultima S.A, Switzerland	780,000	-
Bhartiya Global Marketing Ltd., India	-	3,393,000
	Marketing and Promotion	
Ultima S.A, Switzerland	-	2,340,000
Ultima Italia Srl, Italy	-	1,104,425

16. Holding and related parties (Loans, Payables and Receivables)

NAME OF THE RELATED PARTY	BALANCE (PAYABLE)/ RECEIVABLE	BALANCE (PAYABLE)/ RECEIVABLE
	2017	2016
	HK\$	HK\$
Bhartiya International Ltd., India	(2,230,646)	- Holding Company
Ultima S.A., Switzerland	(989,000)	(117,000) Fellow Subsidiary
Bhartiya Global Marketing Ltd., india	(567,354)	(1,361,430) Fellow Subsidiary
Design Industry Ltd., Hong Kong	-	(89,544) Fellow Subsidiary
Ultima Italia srl, Italy	(2,449,120)	(4,266,320) Fellow Subsidiary

NOTES (CONTD.)**17. Immediate Parent and Ultimate Holding Company.**

At 31 March, 2017, the Company's holding company is Bhartiya International Ltd., a public limited company incorporated in India and its shares are listed on , National Stock Exchange of India. This entity produces financial statements available for public use.

18. Capital Risk Management

The Company management manage its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of cash and cash equivalents, debt and equity attributable to equity holders of the Company, comprising issued share capital, share premium and accumulated profit.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital.

19. Liquidity Risk Management

In the management of the liquidity risk, the Company monitor and maintain a level of cash and cash equivalents considered adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The contractual maturity of the Company's trade and other payables are all due within one year and the amounts due to related parties are all repayable on demand.

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report and the audited financial statements of the Company for the year ended 31st March, 2017,

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were that of design & product development , marketing and distribution of garments.

FINANCIAL RESULTS

The results of the Company's operations for the period ended 31st March, 2017 and the state of affairs as on that date are dealt with in the financial statements . The directors do not recommend the payment of a dividend for the period ended 31st March, 2017.

DIRECTORS

Mr. Watler Willi Zwahlen held the office of directorship during the year.

Director
22nd , May , 2017.

AUDITORS' REPORT

Report of the Statutory Auditors
on the limited statutory examination to the general meeting of
Ultima S.A., Neuchatel

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of Ultima S A for the period from 1st April, 2016 to 31st March, 2017.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss Law.

We conducted our examination in accordance with the Swiss Standard on the limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Neuchatel, 22nd May, 2017

Revifidu SA

F. Ruaro
(Auditor in Charge)

Christian Erard

BALANCE SHEET AS AT 31st MARCH, 2017

	31.03.2017 CHF	31.03.2016 CHF
ASSETS		
Short Term Assets		
Banks Accounts	2,693,764.09	1,752,755.00
Debtors Ultima Italia S.r.l	358,651.87	492,246.85
Other Debtors	4,324,936.38	3,471,633.23
Stock of Goods	11,767.50	14,386.00
Transitional and other Debtors	60,229.53	1,829.61
Total Short Term Assets	<u>7,449,349.37</u>	<u>5,732,850.69</u>
Fixed Assets		
Tangibles Assets		
Furniture and Computer	2,000.00	4,000.00
Financial Assets		
Rent Guaranty	10,960.05	10,958.95
Loans to Subsidiaries	184,173.31	249,481.45
Investments	2,480,930.00	2,479,970.00
Total Fixed Assets	<u>2,676,063.36</u>	<u>2,740,410.40</u>
Total Fixed Assets	<u>2,678,063.36</u>	<u>2,744,410.40</u>
TOTAL ASSETS	<u>10,127,412.73</u>	<u>8,477,261.09</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Creditors	3,998,016.36	3,353,134.05
C/a Subsidiaries	9,808.73	-
C/a Bhartiya International Ltd.	69,155.14	109,493.45
Transitional and Other Liabilities	132,740.90	110'688.90
Total Current Liabilities	<u>4,209,721.13</u>	<u>3,573,316.40</u>
Total Liabilities	<u>4,209,721.13</u>	<u>3,573,316.40</u>
Equity		
Share Capital	1,000,000.00	1,000,000.00
General Reserve	278,000.00	278,000.00
Retained Earnings	3,625,944.69	2,519,166.35
Net income of the year	1,013,746.91	1,106,778.34
Total Equity	<u>5,917,691.60</u>	<u>4,903,944.69</u>
TOTAL LIABILITIES AND EQUITY	<u>10,127,412.73</u>	<u>8,477,261.09</u>

INCOME STATEMENT 2016/2017

	2016-2017 CHF	2015-2016 CHF
Revenues		
Sales to Foreign Customers	<u>22,072,888.41</u>	<u>20,828,340.25</u>
Total Revenues	22,072,888.41	20,828,340.25
Merchandises Costs		
Costs of Goods	20,046,273.91	18,961,086.62
Variation of Stock	2,618.50	21,252.00
Total Merchandises Costs	20,048,892.41	18,982,338.62
Other Expenses		
Design and Consultancy	472,790.29	151,996.00
Administration, Rent and Directors	196,278.59	158,038.32
Audit and Lawyers	12,960.00	29,495.81
Marketing, Representation, Travel Expenses	57,384.59	131,986.30
Various administration overheads	735.52	941.38
Total Other Expenses	740,148.99	472,457.81
Result before Interests, Taxes	1,283,847.01	1,373,543.82
Provisions and Depreciation		
Result before interests, Taxes		
Financial Incomes and Charges		
Interests and Bank Fees(nets)	198,099.97	352,088.06
Exchange rate difference	(65,207.97)	(196,360.18)
Total Financial Incomes and Charges	132,892.00	155,727.88
Provisions and Depreciation		
Depreciation	2,000.00	2,000.00
Result before Taxes	1,148,955.01	1,215,815.94
Taxes		
Federal Taxes	101,729.50	94'350.00
Canton and Commune Taxes	33,478.60	14,687.60
Total Taxes	135,208.10	109,037.60
Net Income of the year	<u>1,013,746.91</u>	<u>1,106,778.34</u>

NOTES TO THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2017

PARTICULARS	31.03.2017 CHF	31.03.2016 CHF
Information1:		
Essential Investments		
Ultima Italia S.r.l (Share Capital EUR 2,000,000.)	2,438,000.00	2,438,000.00
Interest of	100.00%	100.00%
Design Industry Ltd (Share Capital HKD 100,000.)	11,900.00	11,900.00
Interest of	100.00%	100.00%
Design Industry China Ltd (Share Capital CNY 203,686.40)	31,030.00	30,070.00
Interest of	100.00%	100.00%

No other mention required by art 663b CO

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

PARTICULARS	31.03.2017 CHF	31.03.2016 CHF
Profit available to the Annual General Meeting		
Retained earnings at the beginning of the Year	<u>3,625,944.69</u>	<u>2,519,166.35</u>
	3,625,944.69	2,519,166.35
Net Income of the Year	<u>1,013,746.91</u>	<u>1,106,778.34</u>
	<u>4,639,691.60</u>	<u>3,625,944.69</u>
Proposal of Board of Directors		
Attribution to General Reserve	-	-
Carried Forward	<u>4,639,691.60</u>	<u>3,625,944.69</u>
	4,639,691.60	3,625,944.69

AUDITORS' REPORT

We have prepared the financial statements, which have been prepared as per the norms and accountability principles established in Italy.

The statement of accounts complies the information provided by you and also includes the adjustments and classifications as indicated by you, in accordance with Italian accountability standards and generally accepted accountability principles.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as 31st March, 2017 and of the results of its operation for the period ended on the date

Dr. Enrico Cantoni

18th May, 2017

BALANCE SHEET AS AT 31 MARCH, 2017
(EXPRESSED IN EURO)

ASSETS	As At 31 March, 2017	As At 31 March, 2016
Fixed Assets, net of depreciation	260,811	99,816
CURRENT ASSETS		
Inventories	419,362	485,546
Accounts receivables	2,830,791	2,493,785
Deposits	4,332	4,331
Cash at bank	325,031	89,338
TOTAL ASSETS	3,840,327	3,172,816
LIABILITIES		
Share Capital	2,000,000	2,000,000
Loan from Holding Co.	125,377	125,377
Profit/(-Loss) for the previous years	153,176	139,227
Profit/(-Loss) for the period	7,525	13,949
Loan from banks	747,463	-
CURRENT LIABILITIES		
Accounts payable and accrued exp.	565,876	690,002
Other Creditors	240,910	204,261
TOTAL LIABILITIES	3,840,327	3,172,816

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31 MARCH, 2017
(EXPRESSED IN EURO)

	2016-2017	2015-2016
INCOME		
Sales	1,955,649	1,929,264
TOTAL INCOME	1,955,649	1,929,264
COSTS AND EXPENSES		
Costs of goods sold	473,908	540,666
Selling, General and Administrative	1,372,379	1,266,856
Depreciation	44,188	47,847
Financial Charges	29,886	31,628
TOTAL COSTS	1,920,361	1,886,997
Profit/(-Loss) before Taxes	35,288	42,267
Taxes	27,763	28,318
Taxes previous years		
Profit/(-Loss) for the period	7,525	13,949

DIRECTORS' REPORT

The Directors have the pleasure in submitting their report and the audited financial statements for the year ended 31st March, 2017.

Principal Activity

The Company is engaged in the export and Import of garments, bags and related products. The company is also rendering consultancy services.

Financial Statements

The results for the year are set out in the statement of comprehensive income. The statement of financial position of the Company as at 31st March, 2017 is set out in the Balance Sheet.

Directors

The directors who held office during the year and up to the date of this report is: - Walter Willi Zwahlen

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

Directors' Interests

At no time during the financial year or at the end of the financial year was the Company or its parent company, or fellow subsidiaries a party to any arrangements or shadow directors, if any, to enable the Directors or shadow directors, if any, to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

In the opinion of the Directors, no directors or shadow directors, if any, had material interests in those significant transactions, arrangements or contracts in relation to the Company's business entered into by the Company, its parent company, or fellow subsidiaries in the financial year or subsisted at any time in the financial year.

Business Review

The Company is a wholly owned subsidiary of another body corporate. Accordingly, the Company is exempted from preparing a business review.

Permitted Indemnity Provisions

Article 137 of Part I of Table A of the Predecessor Companies Ordinance, which forms part of the Company's Articles, provides that every director for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in relation to the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 358 of the Predecessor Companies Ordinance (equivalent to sections 902 to 904 of the Hong Kong Companies Ordinance) in which relief is granted to him by the Court. This permitted indemnity provision is in force during the financial year and at the time of approval of this report.

Charitable Donations

During the financial year, the Company made no charitable donations (2016: Nil).

Arrangement to Purchase Shares or Debentures

There did not subsist at the end of the year arrangements to which the company was a party which enabled the directors of the company to acquire benefits by means of acquisition of shares in or debentures of the company or any other body corporate.

Management Contracts

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

Equity-linked Arrangements

During the financial year, the Company entered into no equity-linked agreement. At the end of the financial year, the Company subsisted of no equity-linked agreement.

Auditors

The Company's auditors, C&N Certified Public Accountants, now retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board

Honk Kong, 26th May, 2017

Chairman

INDEPENDENT AUDITORS' REPORT

To The Shareholder of
Design Industry Ltd.
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Design Industry Ltd. ("the Company"), which comprise the statement of financial position as at 31st March, 2017, and the statement of Comprehensive Income, statement of changes in Equity and statement of Cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31st March, 2017 and of its Profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

C&N Certified Public Accountants

Hong Kong, 26th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Note No.	31-03-2017 HK\$	31-03-2016 HK\$
Revenue	3	37,074,932	60,921,599
Cost of Sales		<u>(31,714,884)</u>	<u>(57,008,449)</u>
Gross Profit		5,360,048	3,913,150
Other Revenue	4	47	29
Operating Expenses		<u>(4,993,045)</u>	<u>(3,121,124)</u>
Finance Cost		<u>(167,433)</u>	<u>(340,589)</u>
Profit before Tax Expense	5	199,617	451,466
Tax Expense	7	-	-
Profit for the year		199,617	451,466
Retained Profit brought forward		<u>865,525</u>	<u>414,059</u>
Retained Profit carried forward		1,065,142	865,525

The accompanying notes are in an integral part of these financial statements

STATEMENT OF BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	31-03-2017 HK\$	31-03-2016 HK\$
CURRENT ASSETS			
Cash & Bank Balances		758,495	4,645,715
Accounts Receivable		7,220,739	4,627,705
Due from Fellow Subsidiary		-	89,544
		<u>7,979,234</u>	<u>9,362,964</u>
CURRENT LIABILITIES			
Accounts Payable		301,611	28,850
Accrued Expenses		78,435	-
Due to Holding/Ultimate Company		4,559,448	7,510,589
Due to Fellow Subsidiaries		1,874,598	858,000
		<u>6,814,092</u>	<u>8,397,439</u>
CAPITAL AND RESERVES			
Issued Capital	9	100,000	100,000
Reserves & Surplus		1,065,142	865,525
		<u>1,165,142</u>	<u>965,525</u>
TOTAL		7,979,234	9,362,964

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board

Walter Willi Zwahlen

Director

Hong Kong, 26 May, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Issued Capital HK\$	Retained Profits HK\$	Total HK\$
As at 1st April, 2015	100,000	414,059	514,059
Profit for the year ended 31st March, 2016	-	451,466	451,466
As at 1st April, 2016	100,000	865,525	965,525
Profit for the year ended 31st March, 2017	-	199,617	199,617
As at 31st March, 2017	100,000	1,065,142	1,165,142

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Note	2017 HK\$	2016 HK\$
Operating Activities			
Cash flows from Operating Activities			
Profit after Tax		199,617	451,466
Adjustment for:			
Interest Expense		167,433	340,588
Interest Income		(47)	(29)
Operating Profit/(loss) before Reinvestment of Capital		367,003	792,025
(Increase)/decrease in Accounts Receivables		(2,593,034)	(98,169)
Increase/(decrease) in dues to Holding/ Fellow Subsidiary		(1,844,999)	951,600
Increase/(decrease) in accounts payables & Accrued Charges		351,196	2,534,702
Net cash from/(used in) Operating Activities		(3,719,834)	4,180,158
Tax Paid		-	-
Net Cash inflow from/(used in) Operating Activities		(3,719,834)	4,180,158
Cash flow from Investing Activities			
Bank Interest Received		47	29
		47	29
Financing Activities			
Interest Paid		(167,433)	(340,588)
Net Cash (used in)/from Financing Activities		(167,433)	(340,588)
Net Increase in Cash and Cash Equivalents		(3,887,220)	3,839,599
Cash & Cash Equivalents at beginning of Financial Year		4,645,715	806,116
Cash & Cash Equivalents at end of Financial Year		758,495	4,645,715

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Accounting policies and explanatory notes to the financial statements for the year ended 31st March, 2017.

1. General Information

Design Industry Limited (the Company) is a limited company incorporated in Hong Kong. Its ultimate holding company is Bhartiya International Ltd., a public limited company incorporated in India and its shares are listed on National Stock Exchange of India. Its immediate holding company is Ultima SA, a private company incorporated in Switzerland. The address of the registered office of the Company 609, 6th Floor, Hong Kong Plaza, 188, Connaught Road West, Hong Kong.

The Company is engaged in the export and Import in garments, bags and related products. The company is also rendering consultancy services.

2. Basis of preparation and Accounting Policies

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, as modified by the revaluation of investment property at fair value.

Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Hong Kong Dollars, which is the Company's functional and the Company's presentation currency.

(b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other income" or "other expenses".

2. Basis of Preparation and Accounting Policies (cont'd)

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

Trade Receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangible Assets

Intangible assets are purchased computer software that is stated at cost less accumulated amortisation and any accumulated impairment losses. It is amortised over its estimated life of five years using the straight-line method. If there is an indication that there has been a significant change in the amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Borrowings

Borrowings are recognised initially at the transaction price and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

NOTES (CONTD.)**Trade Payables**

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2. Basis of Preparation and Accounting Policies (cont'd)**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income and retained earnings 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 liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases using 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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax assets and liabilities 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 at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. However, the measurement of deferred tax liabilities associated with an investment property measured at fair value does not exceed the amount of tax that would be payable on its sale to an unrelated market participant at fair value at the reporting date. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Employee Benefit Obligations

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2. Basis of Preparation and Accounting Policies (cont'd)**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Impairment of Non-Financial Assets, other than Inventories

At each reporting date, property, plant and equipment, intangible assets, and investments in a subsidiary and an associate are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or Company of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

NOTES (CONTD.)

If an impairment loss subsequently reverses, the carrying amount of the asset (or Company of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (Company of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and is shown net of discounts, rebates, returns, sales-related taxes.

Revenue is recognised in profit or loss provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, as follows:

Revenue from the sale of goods is recognized when the goods are delivered and the risks and rewards of ownership have been passed to the customers and consultancy charges are recognised when the services are provided.

2. Basis of Preparation and Accounting Policies (cont'd)**Borrowing Costs**

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

Research and Development Costs

All research and development costs are recognized as an expense unless they form part of the cost of another asset that meets the recognition criteria.

Dividend Distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are approved by the Company's shareholders.

Related Parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) is a member of the key management personnel of the Company or of a parent of the Company;
- (ii) has control over the Company; or
- (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) either entity is an associate or joint venture of the other entity (or of a member of a Company of which the other entity is a member).
- (iii) both entities are joint ventures of a third entity.
- (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a) (i) has significant voting power in the entity.

NOTES (CONTD.)**3. Revenue**

Revenue, which is also the Company's turnover, represents the net invoiced value of goods after allowances trade discounts and consultancy charges

	2017	2016
	HK\$	HK\$
Sale of Goods	34,344,932	60,921,599
Consultancy Charges	2,730,000	-
	<u>37,074,932</u>	<u>60,921,599</u>

4. Other Income

Interest	47	29
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5. Profit Before Tax

The following items have been recognised as expenses (income) in determining profit before tax:

Consultancy Charges	2,776,961	714,730
Auditors' Remuneration	18,000	22,000

6. Directors' Remuneration, Loans and other Material Interests

The Directors received no remuneration for their services to the Company during the year (2016: Nil). There are no loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Company and its holding company. This is disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulations

7. Tax Expense

Hong Kong Profits Tax has not been provided as the entire activities are off-shore and the Profits will be exempt.

8. Loans from Holding/ Fellow Subsidiary

The amounts due to/from the Holding Company and fellow subsidiaries are unsecured.

9. Share Capital

In accordance with section 135 of the Hong Kong Companies Ordinance (Cap 622), the Company's shares no longer have a par or nominal value with effect from 3rd March, 2014.

10. Related Party Transactions

During the year, the Company had the following transactions with related parties:

	Purchases	
	2017	2016
	HK\$	HK\$
Immediate holding company		
Ultima SA	7,806,401	27,763,254
Ultimate Holding Company		
Bhartiya International Ltd.	23,522,907	29,243,920

11. Holding and related parties (Loans, Payables and Receivables)

Name of the Related Party	Balance		
	(Payable)/ Receivable 2017 HK\$	(Payable)/ Receivable 2016 HK\$	
Ultima S. A.	(390,000)	(1,092,663)	Holding Company
Bhartiya International Ltd.	(4,169,448)	(6,417,926)	Ultimate Holding Company
Ultima Italia. S.R.L.	(1,874,598)	(858,000)	Fellow Subsidiary Company
World Fashion Trade Ltd.	-	89,544	Fellow Subsidiary Company

NOTES (CONTD.)**12. Immediate Parent and Ultimate Controlling Party**

At 31st March, 2017, the Company's ultimate holding company is Bhartiya International Ltd., a public limited company incorporated in India and its shares are listed on National Stock Exchange of India. Company's immediate holding company is Ultima SA., a private company incorporated in Switzerland. This entity does not produce financial statements available for public use.

13. Capital Risk Management

The Company management manage its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of cash and cash equivalents, debt and equity attributable to equity holders of the Company, comprising issued share capital, share premium and accumulated profit.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital.

14. Liquidity Risk Management

In the management of the liquidity risk, the Company monitor and maintain a level of cash and cash equivalents considered adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The contractual maturity of the Company's trade and other payables are all due within one year and the amounts due to related parties are all repayable on demand.

AUDITORS' REPORT

To
The shareholders of
Design Industry China Ltd.

We have audited the accompanying consolidated balance sheet of Design Industry China Ltd. and its subsidiaries as of 31st March, 2017 and the related consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the during 1st April, 2016 to 31st March, 2017, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Standards for Business Enterprises and China Accounting System for Business Enterprises. This responsibility includes: (i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; (ii) selecting and applying appropriate accounting policies; and (iii) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing for Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company and of the Group as of 31st March, 2017, and of its financial performance and its cash flows for the during 1st April, 2016 to 31st March, 2017 in accordance with the Accounting Standards for Business Enterprises and China Accounting System for Business Enterprises.

Jinxin Certified Public Accountants:

Hangzhou Jinxin Certified Public Accountants Co., Ltd. Registered in P. R.China

9th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Design Industry China Ltd.

Monetary unit: RMB Yuan

Assets	Note No.	Ending Balance	Beginning Balance	Liabilities & Owner's Equity	Note No.	Ending Balance	Beginning Balance
Current Assets:				Current Liabilities:			
Monetary funds	1	39,249.14	324,969.81	Short-term loans	33		
Trading financial assets	2			Trading financial liabilities	34		
Bills Receivable	3			Notes payable	35		
Accounts receivable	4	1,466,927.57	795,534.98	Accounts payable	36	1,161,524.14	604,342.38
Advances paid	5	136.39		Advances received	37	1,966.36	
Interest receivable	6			Employee compensation payable	38		
Dividend receivable	7			Taxes and rates payable	39	84,002.67	89,025.06
Other receivable	8	7,245.93	3,300.00	Interest payable	40		
Inventories	9	7,681.11		Dividend payable	41		
Non-current assets due within one year	10			Other payable	42	647.00	31,743.00
Other current assets	11	36,040.00	54,060.00	Non-current liabilities due within one year	43		
Sub-total of Current Assets	12	1,557,280.14	1,177,864.79	Other current liabilities	44		
Non-Current Assets:							
Available-for-sale financial assets	13			Sub-total of Current Liabilities	45	1,248,140.17	725,110.44
Hold-to maturity investments	14			Non Current Liabilities:			
Long-term receivables	15			Long-term borrowings	46		
Long-term equity investments	16			Bonds payable	47		
Investment properties	17			Long-term payables	48		
Fixed assets cost	18	5,527.28		Special payables	49		
Less:Accumulated depreciation	19			Estimated liabilities	50		
Fixed assets	20	5,527.28		Defferd tax liabilities	51		
Construction in Progress	21			Other non-current liabilities	52		
Construction materials	22			Sub-total of Non-Current Liabilities	53		
Disposal of fixed assets	23						
Capitalized biological assets	24			Total Liabilities	54	1,248,140.17	725,110.44
Intangible assets	25			Owner's Equity:			
Development expenditure	26			Paid-in capital	55	203,686.40	203,686.40
Goodwill	27			Capital surplus	56		
Long-term prepayments	28			less: treasury stock	57		
Deferred tax assets	29			Surplus reserves	58		
Other non-current assets	30			Undistributed profit	59	110,980.85	249,067.95
Sub-total of Non-Current Assets	31	55,27.28		Total Owner's Equity	60	314,667.25	452,754.35
Total Assets	32	1,562,807.42	1,177,864.79	Total Liabilities & Owner's Equity	61	1,562,807.42	1,177,864.79

INCOME STATEMENT FOR THE YEAR 1ST APRIL, 2016 TO 31ST MARCH, 2017

Design Industry China Ltd.

Monetary unit: RMB Yuan

Items	Note No.	Current Period Cumulative	Preceding Period Comparative
I. Revenue from Operations	1	4,978,298.77	4,563,572.60
Revenue from main operations	2	4,978,298.77	4,563,572.60
Revenue from other operations	3		
II. Cost of Operations	4	5,136,926.44	4,248,487.63
Cost of main operations	5	3,820,993.73	3,652,260.47
Cost of other operations	6		
Taxes and subcharge for operations	7	26,019.23	19,832.80
Selling Expenses	8		
General & Administrative Expenses	9	1,287,235.23	576,193.77
Financial Expenses	10	2,678.25	200.59
Assets Impairment Loss	11		
Add: Gain/loss on changes of fair value (or less: losses)	12		
Investment income (or less: losses)	13		
Including: investment income from associates and joint venture	14		
III. Operating Profit	15	-158,627.67	315,084.97
Add: Non-Operating Revenue	16		
Less: Non-Operating Expenditure	17		4,563.58
Including: Net loss on disposal of Non-Current Assets	18		
IV. Profit Before Tax	19	-158,627.67	310,521.39
Less: Income Tax	20	9,796.33	61,453.44
V. Net Profit	21	-168,424.00	249,067.95

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEAR 1ST APRIL, 2016 TO 31ST MARCH, 2017

Design Industry China Ltd.

Monetary unit: RMB Yuan

Items	Note No.	Current year	Last year	Item	Note No.	Current year	Last year
Paid-in Capital	1	203,686.40	-	Reserve fund	29		
Beginning balance	2		203,686.40	Enterprise expansion fund	30		
Increase in the current year	3			Transfer-in from statutory public welfare fund	31		
Including: Transfer-in from capital surplus	4			Decrease in current year	32		
Transfer-in from surplus reserve	5			Including: Recovery of losses	33		
Transfer-in from distributon of profit	6			Conversion into capital (or stock)	34		
Additional capital (or stock)	7			Distribution of cash dividend or profit	35		
Decrease in the current year	8			Distribution of stock dividend	36		
Ending balance	9	203,686.40	203,686.40	Ending balance	37		
				Including: Statutory surplus resevre	38		
Capital Surplus	10			Reserve Fund	39		
Beginning balance	11			Enterprise expansion fund	40		
Increase in the current year	12			National support funds			
Including: premium on capital (or stock)	13			Statutory Public Welfare Fund	41		
Reserve of donated non-cash assets	14			Beginning balance	42		
Receipt of cash donations	15			Increase in current year	43		
Equity investment reserve	16			Including: Amount appropriated from net income	44		
Transfer-in from government appropriations	17			Decrease in current year	45		
Foreign curreny capital translation difference expenditures	18			Including: collective welfare	46		
Other capital surplus	19			Ending balance	47		
Decrease in the current year	20			Undistributed Profit	48		
Including: Conversion into capital (or stock)	21			Undistributed profit at the beginning of the year	49	249,067.95	249,067.95
Ending balance	22			Net income (or losses) for the year	50	-168,424.00	
Statutory and Discretionary Surplus Reserves	23			Profit distribution for the year	51		
Beginning balance	24			Surplus reserve	52		
Increase in current year	25			Other	53	30,336.90	
Including: Amount appropriated from net income	26			Undistributed profit/losses at the end of the year	54	110,980.85	249,067.95
Including: Statutory surplus reserve	27						
Discretionary surplus reserve	28						

CASH FLOW STATEMENT FOR THE YEAR 1ST APRIL, 2016 TO 31ST MARCH, 2017

Design Industry China Ltd.

Monetary Unit: RMB Yuan

Item	Note No.	Current Period Cumulative	Item	Note No.	Current Period Cumulative
I. Cash Flow from Operating Activities:			Supplement Information		
Cash receipts from sale of goods or rendering of services	1	5,099,873.43	Reconciliation of net profit to cash flow from operating activities:		
Cash receipts from taxes and rates refunds	2		I. Net Profit	32	-168,424.00
Other cash receipts relating to operating activities	3		Add: Impairment loss of assets	33	
Total Cash Inflow from Operating Activities	4	5,099,873.43	Depreciation of fixed assets, oil&gas assets & capitalized biological assets	34	2,260.72
Cash paid for goods and services	5	3,890,309.23	Amortization of intangible assets	35	
Cash paid to and on behalf of employees	6	650,659.47	Amortization of long-term prepayments	36	
Cash payments of taxes and rates	7	224,736.95	Deferred expenses loss (or less:gains)	37	
Other cash payments relating to operating activities	8	610,798.32	Decrease of accrued expenses (or less: increase)	38	
Total Cash Outflows from Operating Activities	9	5,376,503.97	Loss on disposal of fixed assets, intangible assets & other long-term assets (or less: gains)	39	18,020.00
Net Cash Flow from Operating Activities	10	-276,630.54	Fixed assets retirement loss (or less: gains)	40	
II. Cash Flow from Investing Activities			Financial expenses (or less:gains)	41	2,678.25
Cash received from return of investments	11		Investment losses (or less: gains)	42	
Cash received from return on investments	12		Decrease of deferred tax assets(or less: increase)	43	
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	13		Decrease in inventories (or less: increase)	44	-7,681.11
Total Cash receipts relating to investing activities	14		Decrease in operating receivables (or less: increase)	45	-673,372.16
Total Cash Inflow from Investing Activities	15		Increase in operating payables (or less: increase)	46	553,656.19
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	16	7,788.00	Others	47	-3,768.43
Cash paid for acquiring investments	17		Net Cash Flow from Operating Activities	48	-276,630.54
Other cash payments relating to investing activities	18		II. Significant Investing and Financing Activities not related to Cash Receipts and Payments	49	
Total Cash Outflow from Investing Activities	19	7,788.00	Conversion of debt into capital	50	
Net Cash Outflows from Investing Activities	20	-7,788.00	Convertible company bonds due within one year	51	
III. Cash Flow from Financing Activities			Fixed Assets acquired under finance leases	52	
Cash received from investment by others	21		III. Net Changes of Cash and Cash Equivalents	53	
Cash received from borrowings	22		Cash at the end of the period	54	39,249.14
Other cash receipts relating to financing activities	23		Less: cash at the beginning of the period	55	324,969.81
Total Cash Inflows from Financing Activities	24		Add: cash equivalents at the end of the period	56	
Cash repayments of borrowings	25		Less: cash equivalents at the beginning of the year	57	
Cash paid for distribution of dividends or profits and for interest expenses	26		Net Increase of Cash and Cash Equivalents	58	-285,720.67
Other cash payments relating to financing activities	27				
Total Cash Outflows from Financing Activities	28				
Net Cash Outflows from Financing Activities	29				
IV. Effect of Foreign Exchange Rate Changes on Cash & Cash Equivalents	30	-1,302.13			
V. Net Increase in Cash and Cash Equivalents	31	-276,630.54			

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 1ST APRIL, 2016 TO 31ST MARCH, 2017

I. Company Profile

Design Industry China Ltd. is a Ltd. Liability Company (Sole Foreign Corporation). The Company obtained a business license (No.330100400054292) from People's Government of Hangzhou on 21st May, 2015 issued by Hangzhou Municipal Administration of Industry and Commerce of the PRC. The registered capital is RMB 200,000.00. ULTIMA SA contributed USD 32,000.00 on 9th September, 2015. Corporation registers: Room 407-1, Tower 8, United Plaza, No.58 Qianjiang Road, Hangzhou, China. Legal representative: Feng Guobin.

on 23rd December, 2016 the company changed business licence (the unified social credit code no. 913301003221707740) from Hangzhou Municipal Market Supervision Bureau.

Scope of business: the wholesale, retail, import and export of clothing, textile, suitcases & leather ware, art ware (except cultural relics), daily provisions. (Commodities that don't involve trade management commodity of China but involve quota, license management commodity, should be made application in accordance with the national relevant regulations.) (Any project that needs to be approved by law can only be carried out after getting approval by relevant authorities.)

II. Basis of Preparation

The financial statements are prepared on an ongoing basis. According to the actual transactions and events, the principal accounting policies adopted in the preparation of the financial statements are in conformity with Accounting Standards for Business Enterprises-Basic Standard issued in 2006 and other specific accounting standards.

III. Statement of Compliance

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises, and present truly and completely information as financial position, results of operations and cash flows of the Company.

IV. Significant Accounting Policies and Estimates Adopted by the Company

(I) Fiscal Year

The financial year has been based on Gregorian calendar which starts on 1st April and ends on the next year 31st March.

(II) Bookkeeping Base Currency

The Company takes Renminbi (RMB) yuan as its book keeping base currency.

(III) Accounting Measurement Attribute

The Company adopts the historical cost basis for accounting measurements. The financial assets and financial liabilities which are measured at their fair values, of which the variation is recorded into the profits and losses of the current period, financial assets available for sale, and derivative financial instruments are measured at their fair values; investment real estates are measured at the cost model, the fair value model will only be applied for measurement when the company has got concrete evidence signifying that the fair value of investment real estates could be obtained continuously and reliably; inventory, fixed assets and other assets on acquisition, which its payment delayed longer than normal payment condition, should be measured at the present value of the payment; other assets with impairment are measured at the recoverable amount, the amount of overage on assets is determined at replacement cost; the asset inventory surplus is measured at replacement cost.

There is no change about calculation nature of statement items during current reporting period.

(IV) Recognition Criteria of Cash and Cash Equivalents

Cash equivalents refer to short term, (generally refers to the purchase date due within 3 months) highly liquid investments that readily convert to cash and that are subject to an insignificant risk of changes in value.

(V) Foreign Currency Translation

Transactions denominated in foreign currency are translated into RMB yuan at the spot exchange rate published by People's Bank of China at the transaction date. For ending balances of various foreign currency accounts, foreign currency monetary items are translated at the spot exchange rate at the balance sheet date with difference, included in profit or loss of the period; non-monetary items carried at historical costs are translated at the spot exchange rate at the transaction date; non-monetary items carried at fair value in foreign currency are reported at the spot exchange rate at the date when the fair value was determined, with difference included in the profit or loss arising from change in fair value.

NOTES (CONTD.)**(VI) Provision for bad and doubtful debts**

The provision for bad and doubtful debts is estimated by management based on individual accounts receivable which show signs of uncollectibility. Provision for other receivables is determined based on their specific nature and management's estimate of their collectability.

(VII) Inventories

1. Inventories include finished products or goods held for sale in the ordinary course of business, work in process in the process of production, and materials or supplier etc. to be consumed in the production process or in the rendering of services.
2. Raw materials purchased, checked and accepted into storage are recorded at the standard cost; dispatched from storage are accounted for with standard cost method; finished products (self-made semi-finished products) accepted into storage are recorded at the standard cost; dispatched from storage are accounted for with standard cost method. The standard cost is adjusted to the actual cost according to the cost variance of inventories dispatched from storage at the end of the period.
3. At the balance sheet date, inventories are measured at the lower of cost or net realizable value; Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses; the net realizable value of a material inventory to be processed is the estimated selling price of the finished goods made of the material minus the prospective costs, selling expenses and taxes upon completion under normal production and management; in case the price of part of an inventories is agreed in the contract but the other parts under the same item is not agreed in the contract by the date of balance sheet, the net realizable value shall be confirmed separately and compared with the corresponding costs to confirm the amount of inventory revaluation reserve.
4. Perpetual inventory method is adopted.
5. Low value consumables are amortized upon the first usage.

(IX) Principle of Revenue Recognition**1. Sale of Goods**

Revenue recognition from the sale of goods takes place when: (1) significant risks and rewards of ownership of the goods is transferred to the buyer; (2) the entity retains neither continuing managerial involvement of ownership nor effective control over the goods sold; (3) the amount of revenue can be measured reliably; (4) it is probable that the economic benefits of the transaction will flow to the entity; (5) the costs of the transaction incurred and to be incurred can be measured reliably.

2. Revenue from Providing Labour Services

If an enterprise can, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labor services it provides (the amount of revenue can be measured in a reliable way; the relevant economic benefits are likely to flow into the enterprise; the schedule of completion under the transaction can be confirmed in a reliable way; and the costs incurred or to be incurred in the transaction can be measured in a reliable way), it shall recognize the revenue from providing services employing the percentage-of-completion method.

If an enterprise cannot, on the date of the balance sheet, measure the result of a transaction concerning the providing of labour services in a reliable way, it shall be conducted in accordance with the following circumstances, respectively: If the cost of labour services incurred is expected to be compensated, the revenue from the providing of labour services shall be recognized in accordance with the amount of the cost of labour services incurred, and the cost of labour services shall be carried forward at the same amount; or if the cost of labour services incurred is not expected to compensate, the cost incurred should be included in the current profits and losses, and no revenue from the providing of labour services may be recognized.

3. Revenue from allowing others to use the Company's Assets

Revenue arising from use by others of assets is recognized when: it is probable that economic benefits associated with the transaction will flow to the entity, and the amount of the revenue can be measured reliably. Interest income is recognized based on the length of time for which the entity's cash is used by others and the effective interest rate; and royalties are recognized according to the period and method of charging as specified in relevant contract or agreement.

NOTES (CONTD.)**(X) Deferred Tax Assets/ Deferred Tax Liabilities**

1. Deferred tax assets or deferred liabilities are calculated and recognized based on the difference between the carrying value and tax base of assets and liabilities (and the difference of the carrying value and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.
2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which it is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any concrete evidence showing that it is likely to acquire a sufficient amount of taxable income in a future period to offset against the deductible temporary difference, the deferred tax assets unrecognized in prior periods is recognized.
3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed, if it is unlikely to obtain sufficient taxable income to offset against the benefit of the deferred tax asset, the carrying amount of the deferred tax assets is written down. And such write-down is subsequently reversed where it becomes probable that sufficient taxable income will be available.
4. Companies current tax and deferred income taxes as income tax expenses or income included in current period profit and loss, but does not include income generated by the following circumstances: (1) business combination; (2) transactions or matters directly listed in the owner's equity.

V. Changes of Accounting Policies and Accounting Estimates and Corrections of Prior Period Errors**1. Changes of Accounting Policies**

There have been no changes in accounting policy during the year.

2. Changes of Accounting Estimates

There have been no changes in accounting estimates during the year.

3. Corrections of Prior Period Errors

There have been no corrections of prior period errors during the year.

VI. Taxes and Rates**(I) Value-Added tax (VAT)**

Output VAT is 17% of product sales and taxable services revenue, according to tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable. Export goods enjoy the "exempt, credit and refund" policy with statutory refund rate.

(II) Urban maintenance and Construction Tax

Levied at the rate of 7% of turnover tax payables.

(iii) Education fee Surcharge

Levied at the rate of 3% of turnover tax payables.

(IV) Local Education Surcharge

Levied at the rate of 2% of turnover tax payables.

(V) Income Tax

The statutory income tax rate of the Company is 25%.

VII. Profit Distribution

According to the relevant provisions of the articles of corporation.

NOTES (CONTD.)**VIII. Notes to items of Financial Statements****(In RMB Yuan, unless otherwise stated)****1. Monetary Funds**

(1) Details (please find balance sheet note No.1)

Items	Ending Balance	Beginning Balance
Cash on hand	8,480.04	610.70
Cash in bank	30,769.10	324,359.11
Total	39,249.14	324,969.81

2. Accounts Receivable

(1) Age analysis (please find balance sheet note No.4)

Age	Ending Balance			Beginning Balance		
	Book balance	Proportion (%)	Provision for bad debts	Book balance	Proportion (%)	Provision for bad debts
Within 1 year	1,466,927.57	100		795,534.98		100

(2) No receivable corporate loans owed by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

3. Advances Paid

(1) Age analysis (please find balance sheet note No.5)

Age	Ending Balance			Beginning Balance		
	Book balance	Proportion (%)	Provision for bad debts	Book balance	Proportion (%)	Provision for bad debts
Within 1 year	136.39	100				

(2) No receivable corporate loans owed by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

4. Other Receivables

(1) Age analysis (please find balance sheet note No.8)

Age	Ending Balance			Beginning Balance		
	Book balance	Proportion (%)	Provision for bad debts	Book balance	Proportion (%)	Provision for bad debts
Within 1 year	7,245.93	100		3,300.00		100

(2) No receivables owed by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

5. Inventories (please find Balance Sheet note No.9)

Item	Ending Balance Book balance	Beginning balance Book balance
Bulk sample	7,681.11	

NOTES (CONTD.)**6. Other Current Assets (please find Balance Sheet Note No.11)**

Item	Beginning Balance	Increase	Decrease	Ending Balance
Rent	54,060.00	216,240.00	234,260.00	36,040.00
Total	54,060.00	216,240.00	234,260.00	36,040.00

7. Fixed Assets Cost (please find Balance Sheet Note No.18)**(1) Original Value**

Item	Beginning Balance	Increase	Decrease	Ending Balance
Instruments and implement		7,788.00		7,788.00

(2) Accumulated Depreciation

Item	Beginning Balance	Increase	Decrease	Ending Balance
Instruments and implement		2,260.72		2,260.72

(3) Net value

Item	Beginning Balance	Increase	Decrease	Ending Balance
Instruments and implement	5,527.28			5,527.28

(4) No Fixed Assets Depreciation Reserves.**8. Accounts Payable (please find Balance Sheet note No.36)****(1) Age analysis**

Age	Ending Balance		Beginning balance	
	Book Balance	Proportion (%)	Book Balance	Proportion (%)
Within 1 year	1,161,524.14	100	604,342.38	100

9. Advances received (please find balance sheet note No.37)**(1) Age analysis**

Age	Ending Balance		Beginning balance	
	Book Balance	Proportion (%)	Book Balance	Proportion (%)
Within 1 year	1,966.36	100		

NOTES (CONTD.)**10. Taxes and rates payable (please find balance sheet note No.39)**

Items	Ending Balance	Beginning balance
Income tax payable	9,796.33	50,668.83
value added tax payable	65,819.44	33,245.67
Tax for maintaining and building cities payable	4,609.93	2,327.20
Education fee surcharge	1,975.69	1,662.28
Local education surcharge	1317.12	805.46
Stamp tax	428.14	-
Water conservancy special fund	-	241.64
Personal income tax payable	56.02	73.98
TOTAL	<u>84,002.67</u>	<u>89,025.06</u>

11. Other payable

(1) Age Analysis (please find Balance sheet note No.42)

Age	Ending Balance			Beginning Balance		
	Book Balance	Proportion (%)	Provision for bad debts	Book Balance	Proportion (%)	Provision for bad debts
Within 1 year	647.00	100		31,743.00	100	

(2) No payable corporate loans owed by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

12. Paid-in capital

(1) Details (please find balance sheet note No.55)

Investors	Beginning Balance	Increase/Decrease	Ending Balance	Amount in original currency
ULTIMA SA	203,686.40		203,686.40	USD32,000.00

13. Undistributed profit

Details (please find balance sheet note No.59)

Retained earnings at the beginning of the year	249,067.95	-
Add: net profit for the year	-168,424.00	249,067.95
Prior year income adjustment	30,336.90	-
Retained earnings carried forward	<u>110,980.85</u>	<u>249,067.95</u>

14. Revenue from Operations (please find Income Statement Note No.1)

Items	Current Period Cumulative	Preceding Period Comparative
Revenue from main operations	4,978,298.77	4,563,572.60
Total	<u>4,978,298.77</u>	<u>4,563,572.60</u>

NOTES (CONTD.)**15. Cost of operations (please find Income Statement note No.5)**

Items	Current Period Cumulative	Preceding Period Comparative
Cost of main Operations	3,820,993.73	3,652,260.47
Total	<u>3,820,993.73</u>	<u>3,652,260.47</u>

16. Taxes & Surcharge for Operations (please find Income Statement note No.7)

Items	Current Period Cumulative	Preceding Period Comparative
Urban maintenance and construction tax	13,743.92	10,770.51
Education fee surcharge	4,615.92	4,615.92
Local education surcharge	3,077.30	3,077.30
Water conservancy special fund	1,016.06	-
Stamp Tax	1,442.23	1,369.07
Total	<u>23,895.43</u>	<u>19,832.80</u>

17. General & Administrative Expenses (please find Income Statement Note No.9)

Items:	Current Period Cumulative	Preceding Period Comparative
Staff Salaries	504,990.00	123,670.50
Social Security Funds	125,087.54	23,052.56
Employee Benefits/Welfare	13,381.93	18,246.45
Rent	234,260.00	189,180.00
Travelling Expense	109,977.23	48,931.23
Office Supplies	59,241.38	54,086.83
Car Expense	57,823.36	17,909.63
Other	182,473.79	101,116.57
Total	<u>1,287,235.23</u>	<u>576,193.77</u>

18. Finance Charges (please find Income Statement Note No.10)

Items:	Current Period Cumulative	Preceding Period Comparative
Interest exchange	-727.94	-920.41
Charge for trouble	2,104.06	1,121.00
Foregin Exchange Loss	1,302.13	-
Total	<u>2,678.25</u>	<u>200.59</u>

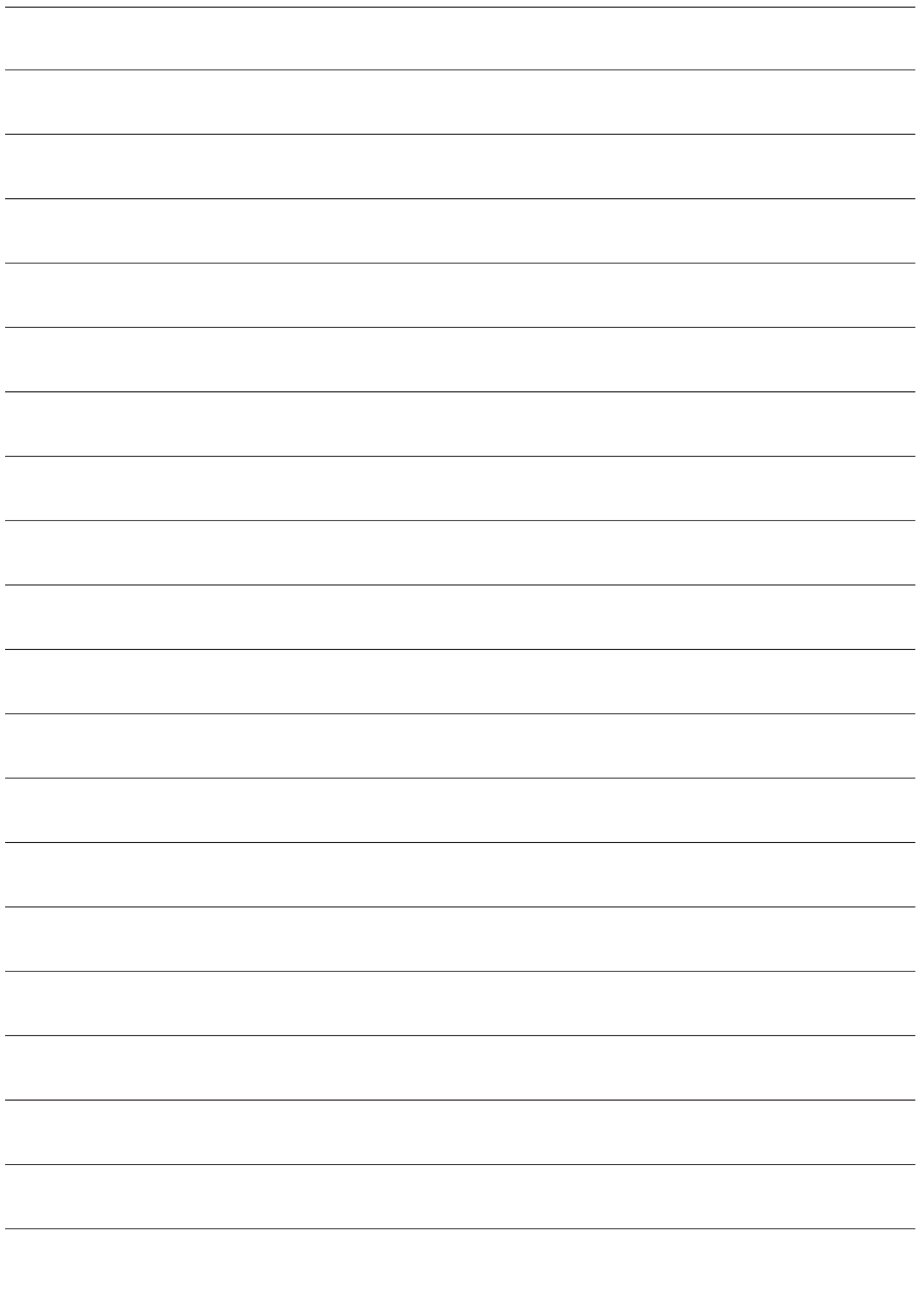
IX. Other Important Matters

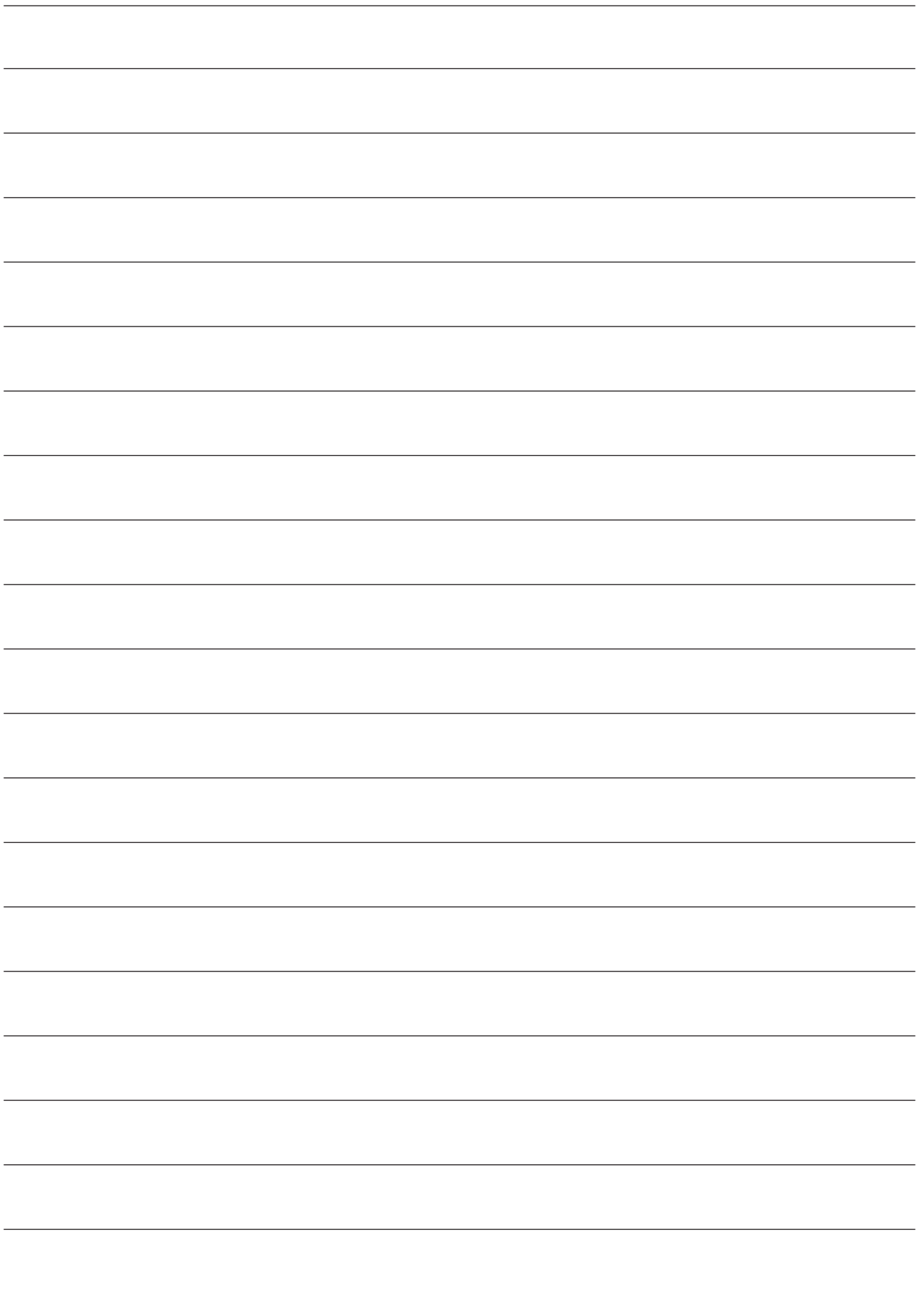
The Income Tax payable of 2016 will be confirmed according the annual income tax settlement.

This balance sheet from 1st April, to the next year 31st March, is being done for parent company only.

Design Industry China Ltd.

9th May, 2017







BHARTIYA

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