Date: 5th October 2018

BHARTIYA FASHION

The Vice-President, Listing Department, National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. – C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400051 Fax – 022-26598237/38 **NSE Symbol : BIL/EQ**	The General Manager, Listing Department, BSE Limited, Floor -25, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai- 400001 Fax – 022-22722037/39/41/61 **Scrip Code: 526666**

BHARTIYA INTERNATIONAL LIMITED
38, Sector 44
Gurgaon 122 002
New Delhi Capital Region
India
T +91 124 488 8555
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E bhartiya@bhartiya.com

CIN L74899TN1987PLC111744

www.bhartiya.com

REF: ANNUAL REPORT UNDER REGULATION 34 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir/Madam,

Pursuant to the requirement under the Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find attached Annual Report in soft copy of the Company for the Financial Year 2017-18.

Kindly take the same on your record.

Thanking you,

Yours sincerely,
For Bhartiya International Ltd.

Shilpa Budhia

Shilpa Budhia
(Company Secretary)

BHARTIYA INTERNATIONAL LIMITED

BHARTIYA
FASHION

BHARTIYA INTERNATIONAL LTD.

Registered Office: 56/7, Nallambakkam Village, (Via Vandalur), Chennai, Tamil Nadu – 600048
CIN – L74899TN1987PLC111744 | Tel: +91 9551050418-21
Email: shares@bhartiya.com | Website: www.bhartiyafashion.com

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Members of Bhartiya International Ltd. will be held on **Friday**, **28th September, 2018** at **2.00 P.M.** at Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai-600 047, Tamil Nadu, to transact the following business:

ORDINARY BUSINESS

Item No 1 - Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements (Consolidated and Standalone) of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon.

Item No 2 - Declaration of Dividend

To declare Final dividend on Equity Shares for the Financial Year 2017-2018.

Item No 3 - Appointment of Director

To appoint a Director in the place of Mr. Ramesh Bhatia (DIN: 00052320), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

Item No. 4 – Amendment in Articles of Association – Affixation of Common Seal clause

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

"**RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company, the existing Article 119(i) shall be substituted with following:

Article 119(i):

The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of any one Director or Company Secretary or Chief Financial Officer or such other Officer as may be authorised by any resolution of the Board of Directors or any Committee of the Board of Directors.

Item No. 5 – Appointment of Mr. Robert Burton Moore Jr (DIN: 08108097) as Non-Executive Director

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Robert Burton Moore Jr. (DIN: 08108097), who was appointed as an Additional Director of the Company with effect from 16th April, 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company."

Item No. 6 – To approve the limit of remuneration payable to related party's appointment to any office or place of profit

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

"**RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded for payment of professional fees exceeding Rs. 2,50,000/- per month with effect from 1st July, 2018, to Mr. Robert Burton Moore Jr., (DIN 08108097), Director of the Company, who has been appointed as Consultant for Sales advisory and Marketing of the Company's business so however that the aggregate remuneration shall not exceed Rs. 10,00,000/- per month.

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

Item No. 7 – Appointment of Mr. Manoj Khattar (DIN 00694981) as Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment thereof, for the time being in force), Mr. Manoj Khattar (DIN 00694981) **,**who was appointed as an Additional Director to function in the capacity of Whole-Time Director & Chief Financial Officer(CFO) of the Company with effect from 13th August, 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Item No. 8 – Appointment of Mr. Manoj Khattar (DIN 00694981) as Whole-Time Director, designated as Whole-Time Director & CFO

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Articles of Association of the Company and subject to such sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded to the appointment of Mr. Manoj Khattar (DIN: 00694981), as Whole-Time Director of the Company for a period of five (5) years with effect from 13th August, 2018, with remuneration as detailed in the Explanatory Statement, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Manoj Khattar, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT notwithstanding anything contained herein, in any financial year during the tenure of Mr. Manoj Khattar as Whole-Time Director of the Company, the Company has no profits or inadequacy of profits, Mr. Manoj Khattar shall be entitled to receive remuneration, as salary, perquisites and allowances, as per the limits specified under Section II of Part II of Schedule V of the Companies Act, 2013 or in accordance with any statutory modification(s) thereof, unless approval / consent from the Central Government is obtained for paying in excess of the said limits of Schedule V.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board
For Bhartiya International Ltd.

Sd/-
Shilpa Budhia
Company Secretary
(M. No. : A23564)

Place: Gurugram
Date: 13th August 2018

Notes:

1. The Explanatory Statement setting out the material facts pursuant to section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. MEMBERS/ PROXIES ARE REQUESTED TO BRING THEIR ATTENDANCE SLIP ALONG WITH THEIR COPY OF ANNUAL REPORT TO THE MEETING.

3. At the 30th Annual General Meeting of the Company held on 27th September, 2017, the members approved appointment of M/s. K A S G & Co., Chartered Accountants, Gurugram (Firm Registration No 002228C), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the 35th Annual General Meeting, subject to ratification of their appointment by members at every Annual General Meeting. The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7th May, 2018, has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 31st Annual General Meeting.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

5. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Rules, 2015 with the Stock Exchanges, is provided in the end of the Notice.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

8. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 22nd September 2018 to Friday, 28th September, 2018 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares for the financial year ended 31st March, 2018, if declared at the Meeting.

9. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on 21st September, 2018.

10. In respect of shares held in the demat form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the National Securities Depository Ltd. and Central Depository Services (I) Ltd. for this purpose.

11. Members holding shares in demat form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories. The Company will not entertain any direct request from such members for change/ deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in demat form. Members may therefore give instructions regarding bank accounts, in which they wish to receive dividend, to their Depository Participants.

12. Under Section 124 of the Companies Act, 2013 (the "Act") and the applicable rules, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has transferred unpaid/unclaimed dividend upto the financial years 2009-10 to IEPF.

    The Company has been sending reminders to those members having unpaid/unclaimed dividend before transfer of such dividend to IEPF. Details of the unpaid/unclaimed dividend are also uploaded as per the requirements, on the Company's website www.bhartiyafashion.com. Members who have not encashed their dividend pertaining to the financial years beginning from 2010-11 till 2016-17 are advised to write to the Company or Mas Services Ltd., the Registrar and Share Transfer Agent of the Company, at their address, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi - 110 020, E-mail: info@masserv.com immediately, claiming dividends declared by the Company.

13. Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules 2016') amongst other things, provides for the manner of transfer of the unpaid and unclaimed dividend to the IEPF and the manner of transfer of shares, in case any dividend has not been encashed by the shareholders on such shares during the last seven consecutive years, to the designated demat account as prescribed by the IEPF Authority. As per the requirement, the Company had sent information to all the shareholders who had not claimed/encashed dividends in the last seven years intimating, amongst other things, the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid dividend for the past seven years, the Company will be required to transfer the respective shares to the IEPF demat account by the due date prescribed under the IEPF Rules 2016 and as amended from time to time. The Company has also simultaneously published notice in the leading newspaper in English and regional language having wide circulation on 24th May, 2017 and uploaded on the "Investors Section" of the website of the Company viz. www.bhartiyafashion.com, giving details of such shareholders and shares due to be transferred and in case valid claim is not received, the respective shares will be credited to the designated demat account of the Authority.

14. During the financial year 2017-18, the Company has transferred/credited 41620 shares of 352 shareholders to the demat account of Investor Education and Protection Fund Authority (IEPF Authority) in accordance with Section 124(6) of the Act read with IEPF Rules 2016, whose dividend has not been encashed on such shares during the last seven consecutive years. The details of the said shareholders whose shares have been transferred have been uploaded under "Investors Section" on the website of the Company viz. www.bhartiyafashion.com. Any person whose shares or unclaimed dividend has been transferred to IEPF may claim them pursuant to the process prescribed under IEPF Rules 2016.

    The annual report for 2017-18 along with the notice of Annual General Meeting, attendance slip and proxy form is being sent by electronic mode to all the shareholders who have registered their email ids with the Depository Participants/ Registrar and Share Transfer Agent unless where any member has requested for the physical copy. Members who have not registered their email ids, physical copies of the annual report 2017-18 along with the notice of annual general meeting, attendance slip and proxy form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website www.bhartiyafashion.com for download. Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. For any communication the shareholders may also send requests to shares@bhartiya.com.

15. The members who are holding shares in demat mode are requested to support Green initiative by registering /updating their email addresses with their Depository Participants respectively to enable us to send the documents/reports and other communications via e-mail. Members holding shares in physical mode may please write to the Company or MAS Services Ltd., our Share Transfer Agent for updation of their e-mail address at the earliest. The shareholders holding shares in physical form may use the format annexed to the Notice for registering e- mail address.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts.

17. With reference to the SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 on "Strengthening the Guidelines and Raising Industry standards", to strengthen the procedures and processes with regard to handling and maintenance of records, transfer of securities and payment of dividend/interest/redemption by the Registrar and Share Transfer Agents, Issuer Companies and Bankers to Issue. The Registrar and Share Transfer Agents (M/s. MAS Service Ltd.) have sent reminder letter on 9th July, 2018, for obtaining bank account details and PAN number of physical shareholders. Members holding shares in physical form should submit their PAN and update their bank details with the RTA of the Company.

18. Voting through Electronic Means

(i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Rules, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

(ii) The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'Insta Poll'.

(iii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

(iv) The Company has engaged the services of National Securities Depository Ltd. ("NSDL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

(v) The Board of Directors of the Company has appointed Mr. Ravi Sharma (CP No. 3666)/ Ms. Suman Pandey (CP No. 8404), Partners of RSM & Co, Practicing Company Secretaries, as Scrutinizer to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.

(vi) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 21st September, 2018

(vii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 21st September, 2018 only shall be entitled to avail the facility of remote e-voting / Insta Poll.

Any person who acquires shares of the Company and become a member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 21st September, 2018, may obtain login ID and password by sending a request at evoting@nsdl.co.in or to the Registrar & Share Transfer Agents, M/s. MAS Services Ltd. at info@masserv.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing use ID and password for casting your vote. If you have forgotten your password, you can reset the password using "Forgot User Details/Password" option available on www.evoting.nsdl.com

(viii) The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: From 9.00 a.m. (IST) on 25th September, 2018

End of remote e-voting: Up to 5.00 p.m. (IST) on 27th September, 2018

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

The Scrutinizer, after scrutinising the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.bhartiyafashion.com and on the website of NSDL https://evoting.nsdl.com. The results shall simultaneously be communicated to the Stock Exchanges.

(ix) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 28th September, 2018.

Voting electronically using NSDL e-Voting system.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

1. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

2. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

3. Your User ID details are given below:

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

4. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox.

      Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

5. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

6. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

7. Now, you will have to click on "Login" button.

8. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rsmco121@gmail.com/ contact@csrsm.com with a copy marked to evoting@nsdl.co.in.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

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

ITEM NO. 4

Though the requirement of affixing Common Seal on documents have been removed in Companies Act, 2013 but due to certain banking requirements, the Company wishes to retain the clause but for operational convenience it is proposed to amend the common seal witness clause.

Hence the Board of Directors of the Company recommends the resolution set in Item no. 4 for the amendment of the Clause in the Article of Association of the Company.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours till the Annual General Meeting.

The Board of Directors recommends passing of the Special Resolution as set out at Item No. 4 of this Notice.

Except to the extent of their shareholding, none of the Directors, Key Managerial Personnel and their relatives thereof is in

any way, concerned or interested in the proposed resolution.

ITEM NOS. 5 & 6

Based on the recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors had appointed Mr. Robert Burton Moore Jr. as an Additional Director on the Board of the Company with effect from 16th April, 2018 to hold office upto the date of the Annual General Meeting. He has earlier headed the Fashion business of the company with strategic & operational leadership. Considering his immense contribution to the business and his experience in the leather industry, it is considered beneficial in the interest of the Company to have him on the Board of the Company.

The Company has received his consent to act as Director and declaration that he is not disqualified from being appointed as a Director of the Company.

In the opinion of the Board of Directors, Mr. Robert Burton Moore Jr., the Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder.

The Company has also received notice in writing, from a member under section 160 of the Act, proposing his candidature for appointment as Director of the Company.

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

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

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

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

Mr. Robert Burton Moore Jr is interested in the resolution set out at Item Nos. 5 & 6 of the Notice, which pertains to his appointment and his holding position of office or place of profit.

The relatives of Mr. Robert Burton Moore Jr may be deemed to be interested in the resolutions set out at Item Nos. 5 & 6 of the Notice, to the extent of their shareholding interest, if any, in the Company. None of the other Directors /KMP are interested in the aforesaid resolution.

The Board accordingly recommends the resolution as set forth in Item Nos. 5 & 6 for the approval of the members.

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

ITEM NOS. 7 & 8

Mr. Manoj Khattar had joined Bhartiya Group on 30th June, 2000 in the Finance and Accounts function. Then he was appointed as the Chief Financial Officer (CFO) of the Company on 27th May, 2014 and designated as Key Managerial Personnel (KMP) for the same position. However, considering his experience and skills, it was considered appropriate to appoint him on the Board of the company.

Accordingly, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors had appointed Mr. Manoj Khattar as an Additional Director to function in the capacity of Whole-Time Director and CFO with effect from 13th August, 2018, liable to retire by rotation, subject to the approval of the Members. He shall be the designated Key Managerial Personnel for the Chief Financial Officer position only.

The Company has received his consent to act as Director and declaration that he is not disqualified from being appointed

as a Director of the Company.

The Company has also received notice in writing, from member under section 160 of the Act, proposing his candidature for the appointment as Director of the Company.

The terms and conditions for appointment of Mr. Manoj Khattar are proposed keeping in line with the objective of attracting and retaining professional with expertise and high competence on the Board. The material terms of appointment and remuneration as set out in his appointment letter are given below:-

Remuneration till 31st March, 2019 to be paid as per below:

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

Thereafter, the scope and quantum of remuneration and perquisites specified above herein may be enhanced, enlarged, widened, altered or varied by the Board of Directors upto 15% per annum at any given point of time in the light of and in conformity of the Companies Act, 2013 and or/ the rules and regulations made thereunder and/or such guidelines as may be announced by Central Government from time to time.

II. Other Benefits and Perquisites:

Incentives, Car facility, Club membership, Personal Accident and Term Life Insurance, Mediclaim Coverage, Executive health check-up, telecommunication facility, Leave Encashment etc. as per Company's policy.

III. Stock Options:

As may be granted by NRC from time to time as per ESOP Schemes of the Company.

The valuation of perquisites for inclusion in remuneration shall be as per the provisions of the Income Tax Act, 1961.

Mr. Manoj Khattar has the overall responsibility for all financial matters including capital-budgeting, planning & management, internal controls and audit.

He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.

The above may be treated as a written memorandum (abstract) setting out the terms of appointment of Mr. Manoj Khattar under Section 190 of the Companies Act, 2013.

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

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

Except Mr. Manoj Khattar, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested (financially or otherwise) in the proposed resolution(s) mentioned at item nos. 7 & 8. The Board recommends the passing of the resolution(s) as set out at item nos. 7 & 8 as Ordinary Resolution and Special Resolution respectively.

INFORMATION AS REQUIRED IN SECTION II OF PART II OF SCHEDULE V:

I. General information:	
(1) Nature of industry	Manufacture and supply of fashion apparels and accessories including intermediaries
(2) Date or expected date of commencement of commercial production	Not applicable
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
(4) Financial performance based on given indicators	For Financial year 2017-18 (Amount in Rs. Crore) a. Revenue from operations: 518.26 b. Profit/ (Loss) before tax: 20.41 c. Profit/ (Loss) after tax: 13.13
(5) Foreign investments or collaborations, if any.	Not applicable
II. Information about the appointee:	
(1) Background details	Mr. Manoj Khattar, aged 58 years has been associated with Bhartiya Group from almost 2 decades. He has headed the Finance Function and was appointed the CFO of the Company on 27th May 2014.
(2) Past remuneration	In the capacity of CFO – Rs. 9595424
(3) Recognition or awards	-
(4) Job profile and his suitability	Is responsible for all financial matters including capital-budgeting, planning & management, internal controls and audit & has over 29 years of corporate finance experience. Earlier he has served in various sectors like Consumer Durables, Heavy Chemicals
(5) Remuneration proposed	The remuneration proposed is mentioned in the explanatory statement.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by him of the enhanced business activities of the Company and the dual role/responsibility, proposed remuneration is commensurate with industry standards and Board level positions held in similar sized and similarly positioned businesses.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Manoj Khattar has held the position of CFO of the Company and is holding 20025 shares of the Company.
III. Other information:	
(1) Reasons of loss or inadequate profits	The Company has added many new divisions which will turn profitable over the years.
(2) Steps taken or proposed to be taken for improvement	Scout for business opportunities which are in sync with the business strategy of the Company.
(3) Expected increase in productivity and profits in measurable terms	Barring unforeseen circumstances, the Company hopes to increase the revenue and profits by improved margins in the current year due to contribution of business divisions added in recent years.

IV Disclosures

a) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the Directors - Mentioned above

b) Details of fixed component and performance linked incentives along with the performance criteria – Mentioned above

c) Service contracts, notice period, severance fees – 3 months

d) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable – Currently, 3340 stock options issued at a price of Rs. 50/- per share are outstanding. The same will be vested on 16th September 2018 and can be exercised over a period of 5 years.

By Order of the Board
For Bhartiya International Ltd.
Sd/
Shilpa Budhia
Company Secretary
(M. No. : A23564)

Place: Gurugram
Date: 13th August, 2018

ANNEXURE – The brief resume and other information as per Secretarial Standards and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Director seeking appointment/re-appointment is provided below:

Name of the Director	**Mr. Ramesh Bhatia**	**Mr. Robert Burton Moore Jr**	**Mr. Manoj Khattar**
DIN	00052320	0008108097	00694981
Date of Birth	09/12/1946	18/09/1950	14/08/1961
Date of Original Appointment	06/09/1987	16/04/2018	13/08/2018
Expertise in Special function areas	Business Management	Marketing expert, studied at University of Mississippi; received Taylor Medal in 1988. Headed the Fashion business with strategic & operational leadership. Was named among the 20 Most Powerful Tanners in World in Leather International Magazine, 2012.	Capital-budgeting, planning & management, internal controls and audit and other financial matters
Qualification	Science Graduate	BBA degree (Marketing and Accounts) from The University of Mississippi, Oxford, Mississippi, USA	Chartered Accountant
List of outside directorships as on 31.03.2018 (in public companies and subsidiaries of public companies)	1. Indian Exchange Ltd 2. Bhartiya Global Marketing Ltd.	-	1. J&J Leather Enterprises Ltd. 2. Bhartiya Urban Infrastructure Ltd. 3. Bhartiya Fashion Retail Ltd. 4. Bhartiya Global Marketing Ltd. 5. Bhartiya International SEZ Ltd.
Chairman/Member of the Board Committees of the Companies as on 31.03.2018	CSR Committee – Member	-	1. J&J Leather Enterprises Ltd. (Remuneration Committee -Member) 2. Bhartiya International SEZ Ltd. (Audit Committee - Member Nomination and Remuneration Committee – Chairman)
No. of shares held	340250	-	20025
Relationship with other directors and KMP	-	Nil	Nil
Last salary drawn	2500 *	58,76,625**	95,95,424

** Sitting fees for attending Meeting of the Board*

*** In the capacity of CEO of the Company*

ROUTE MAP OF AGM VENUE



ANNEXURE
E-COMMUNICATION REGISTRATION FORM
(Exclusively meant for Shareholders holding shares in physical form)

To,
MAS Services Ltd.
T-34, 2nd Floor,
Okhla Industrial Area,
Phase-II, New Delhi - 110 020
E-mail: info@masserv.com

To,
Company Secretary
Bhartiya International Ltd.,
56/7, Nallambakkam Village
(Via Vandalur) Chennai 600048
E-mail: shares@bhartiya.com

Name of Company: **BHARTIYA INTERNATIONAL LTD.**

Folio No. : .....

Name of 1st Registered holder: .....

Name of Joint holder(s): .....

.....

.....

E-mail ID (to be registered): .....

Please register my above e-mail ID in your records for receiving communication in electronic form from the Company.

Date: ..... **Signature: .....**

(First holder)

Note: Shareholder(s) are requested to keep the Company informed of change, if any, in the e-mail address.

BHARTIYA INTERNATIONAL LTd.

Registered Office: 56/7, Nallambakkam Village, (Via Vandalur), Chennai, Tamil Nadu – 600048
CIN – L74899TN1987PLC111744 |Tel: +91 9551050418-21
Email: shares@bhartiya.com |Website: www .bhartiyafashion.com

ELECTRONIC VOTING PARTICULARS

EVEN (e-Voting Event Number)	USER ID	PASSWORD/PIN	NO OF SHARES

The e-voting facility will be available during the following voting period:

Commencement of e-voting	**From 9.00 a.m. (IST) on 25th September, 2018**
End of e-voting	**Upto 5.00 p.m. (IST) on 27th September, 2018**

*** The cut-off date (i.e. the record date) for the purpose of e-voting is 21st September, 2018.**

---------- TEAR HERE----------

BHARTIYA INTERNATIONAL LTd.

Registered Office: 56/7, Nallambakkam Village, (Via Vandalur), Chennai, Tamil Nadu – 600048
CIN – L74899TN1987PLC111744 |Tel: +91 9551050418-21
Email: shares@bhartiya.com |Website: www .bhartiyafashion.com

ATTENDANCE SLIP

Regd. Folio No. / DP ID / Client ID : _____

Name & Address of First/Sole Shareholder : _____

No. of Shares held : _____

I hereby record my presence at the 31st Annual General Meeting of the Members of Bhartiya International Ltd, held on Friday, the 28th September, 2018 at 2.00 P.M, at Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047.

_____
Signature of Member/Proxy

Notes:

a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
b) Member/Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover **at the entrance duly filled in and signed.**

BHARTIYA INTERNATIONAL LTd.

Registered Office: 56/7, Nallambakkam Village, (Via Vandalur), Chennai, Tamil Nadu – 600048
CIN – L74899TN1987PLC111744 |Tel: +91 9551050418-21
Email: shares@bhartiya.com |Website: www .bhartiyafashion.com

PROXY FORM (MGT-11) AGM 2018

(Pursuant to Section 105(6) of the Companies Act and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Folio / DP ID-Client ID No. :
Name of the member(S) & Address :

I/We, being the member(s) of .....shares of the above named Company, hereby appoint:

(1) Name :
Address:
E-mail Id: Signature: ....., or failing him;

(2) Name :
Address:
E-mail Id: Signature: ....., or failing him;

(3) Name :
Address:
E-mail Id: Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Friday, 28th September, 2018 at 2.00 p.m., at Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Vote (Optional see Note 2) (Please mention number of shares)		
		For	Against	Abstain
ORDINARY BUSINESS				
1	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon.			
2	To declare Final dividend on Equity Shares for the Financial Year 2017-2018.			
3	To appoint a Director in place of Mr. Ramesh Bhatia (DIN: 00052320), who retires by rotation and, being eligible, offers himself for re-appointment.			
4	To ratify the appointment of Statutory Auditor in this Annual General Meeting till conclusion of next Annual General Meeting			
SPECIAL BUSINESS				
5	To amend the Articles of Association – Affixation of Common Seal clause			
6	Appointment of Mr. Robert Burton Moore Jr. (DIN: 08108097) as Non-Executive Director			
7	To approve the limit of remuneration payable to related party's appointment to any office or place of profit			
8	Appointment of Mr. Manoj Khattar (DIN 00694981) as Director			
9	Appointment of Mr. Manoj Khattar (DIN 00694981) as Whole-Time Director, designated as Whole-Time Director & CFO			

Signed this ..... day of 2018

Affix Revenue Stamp not less than Rs.0.15

Signature of Shareholder.....

Signature of Proxy holder(s) .....

Notes:

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

ANNUAL REPORT 2017-2018

ANNUAL REPORT 2017-2018 | BHARTIYA

Design-led.

Innovative.

Sustainable.

Reliable.

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ACCOUNTS OF SUBSIDIARY COMPANIES

147 BHARTIYA GLOBAL MARKETING LTD.

183 J&J LEATHER ENTERPRISES LTD.

218 BHARTIYA INTERNATIONAL SEZ LTD.

248 BHARTIYA FASHION RETAIL LTD.

272 BHARTIYA URBAN INFRASTRUCTURE LTD.

290 WORLD FASHION TRADE LTD.

300 ULTIMA S.A

304 ULTIMA ITALIA S.R.L

306 DESIGN INDUSTRY LTD.

314 DESIGN INDUSTRY CHINA LTD.

01 FROM THE CHAIRMAN

"My endeavor is profit as an outcome of 'Happiness for all'.
This in my view, is the way to create a sustainable enterprise."



It gives me great satisfaction to share that your company continues to grow and prosper. From starting as a leather outerwear company, we have transformed today into a global Apparel and Accessories group with 5 clear business verticals. While consolidating our strength in our manufacturing units, going forward our focus will be to exponentially expand our virtual manufacturing business from India, Italy, Bangladesh and China. With this, the foundation is well set and gives us ample and multifold opportunity to keep growing for the next decade.

One of my goals for the last few years has been to create a strong professional and motivated leadership. While I continue to focus at strategic level, our operations are run independently by very focused and experienced professionals at all levels. We are proud to be one of the few companies in the country involved in the business of manufacturing and supply chain of fashion products which runs independent of any operational role of the original promoters. This is hugely gratifying and a source of great strength for the company.

Many new divisions in which we have been investing in the last few years are now becoming profitable. This will create more strength and resources and enable us to invest further in growth. As salaries and cost of production in the manufacturing countries in Asia continue to rise, companies are using technology and enhancing efficiency in their production lines. We are also alive to this challenge and are taking steps to benchmark ourselves with the best in class. All our manufacturing units are fully compliant on social parameters and we are moving towards sustainable and environment friendly production methods. We also continue to remain focused in our design thinking and have created a forte in providing design solutions to all our customers and partners. This has enabled us to become a partner of choice to over 100 global fashion brands.

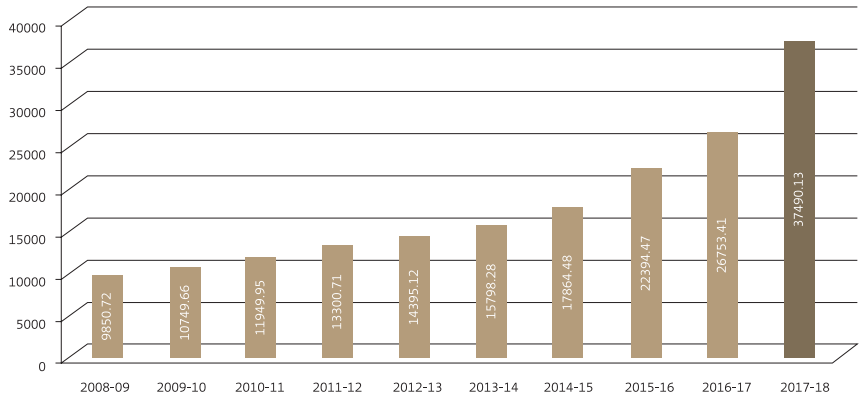
It gives me pride to share that your company has been shortlisted as a Fortune India next 500 Company for the second time this year.

My endeavor is profit as an outcome of 'Happiness for all'. This in my view, is the way to create a sustainable enterprise.

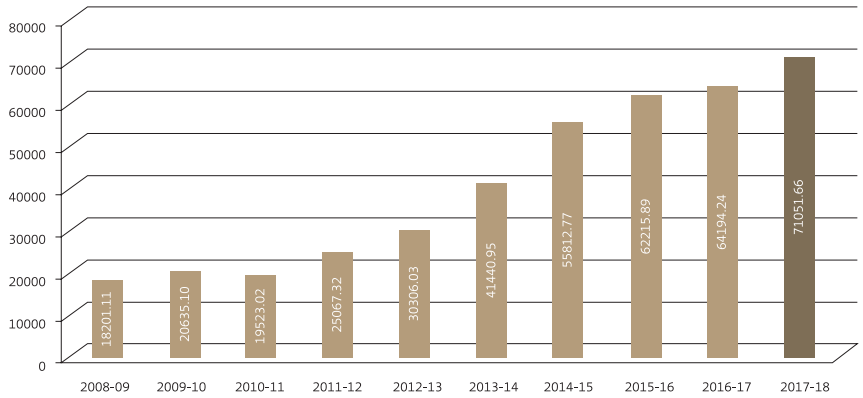
Snehdeep Aggarwal

02 PERFORMANCE HIGHLIGHTS

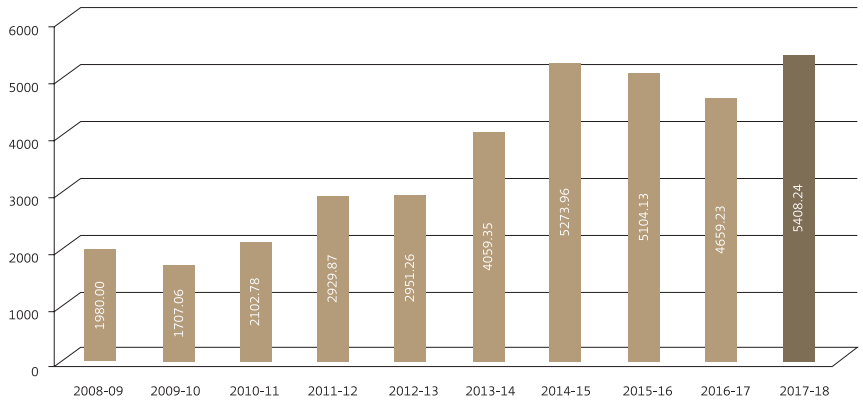
Net Worth *(Rs. in Lacs)*



Turnover *(Rs. in Lacs)*



EBITDA *(Rs. in Lacs)*



BOARD OF DIRECTORS

DIRECTORS

Snehdeep Aggarwal	Managing 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
Robert Burton Moore Jr	Additional Director
Manoj Khattar	Additional Director & CFO
Shilpa Budhia	Company Secretary

AUDITORS

KASG & Co., Gurugram

BANKERS

State Bank of India

Corporation Bank

IDBI Bank

HDFC Bank

Indusind Bank

CTBC Bank

Kotak Mahindra Bank

DBS Bank Ltd.

Axis Bank

Yes Bank

RBL 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 – 600 048 (India)

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

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

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

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

Design Industry Ltd.
Room 1104, Crawford House,
70 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: 310 008

Design Industry China Ltd.
Room 407-1, Tower 8, United Plaza,
No. 58 Qianjiang Road, Hangzhou,
China – Post Code: 310 008

03 MANAGEMENT DISCUSSION



Bhartiya International was founded in 1987 and has evolved into a global conglomerate. It currently operates five major businesses: Virtual Manufacturing, Leather Garments, Fashion Accessories, Textile Outerwear and Finished Leather. It is a vertically integrated company with design and sampling facilities in Milan, Hangzhou, Gurugram, Chennai, and Bengaluru and operations in India, Italy, Bangladesh, Switzerland and China.

Bhartiya Fashion is known for latest designs, quality production, short lead times, and sustainability and is led by experienced industry leaders in all businesses. Mr. Errol Martin, an experienced global supply chain specialist, joined us as Chief Executive Officer.

VIRTUAL MANUFACTURING

Virtual Manufacturing (VM), our sourcing business, is the fastest growing among the group. It is driven from Delhi and Milan. Delhi focuses on ladies soft woven and Milan focuses on outerwear, predominantly sourcing from China. The business is design driven, has world-class design studios in Milan and Gurugram with a team of young designers from all over the world and is expanding our sourcing capabilities.

Assessment platform was initiated last year for supply chain in order to fulfill customer specific compliance criteria's and this has enabled the VM business to work with global premium brands.

The Milan office is a major contributor to Virtual Manufacturing and continues to grow. New product categories were added this year, including denim garments for European and US markets. It has also partnered with more facilitators in Europe to grow the business. The current categories are PU and textile outerwear, ladies soft woven, kids wear, denim and, chinos, etc.

LEATHER GARMENTS

We are the largest leather garment manufacturer in India and continue to grow even bigger. This year, the key focus has been on sustainability and new product development. Our manufacturing units are following strict guidelines for sustainability and compliance requirements.

Design teams continue to innovate new products: leather skirts,

& ANALYSIS





shearling jackets, and leather pants. Dedicated merchandizing teams, sampling facility, production lines, and factories have been established for best brands and high-street retailers for many years. The manufacturing facilities are in Bengaluru and design offices in Gurugram and Milan.

FASHION ACCESSORIES

With a vision of producing high quality leather and non-leather accessories in India, our accessories business has grown multi fold. This year, the accessories business is expected to be a major contributor to the total revenue. The business is focused on design led quality products. In this respect, we have launched a dedicated world-class sampling and product development facility.

Full-time designers in Milan and Chennai develop leather and non-leather accessories and our customer base has expanded to more customers in US, Europe, and UK. This year we launched dedicated lines for belt manufacturing and this category has been growing at an exponential pace. Well-qualified industrial engineers and managers are leading production planning, raw material sourcing, operational efficiency, deliveries, and quality control.

TEXTILE OUTERWEAR

This is the second full year of operation of textile outerwear. The business is producing the highest quality products to global customers. Capitalizing on our leather relationship with global brands, the business is expanding rapidly.

The business continues to add more machines to strengthen our production facilities and has specialized designers in Milan and Bengaluru. The business added a fabric-sourcing unit in the East Asia and wash facility in Bengaluru to achieve quality production and efficiency in this business.

FINISHED LEATHER

Bhartiya has a dedicated leather tannery in Chennai, which can process 15,000 skins each day. This upstream integration enables Bhartiya to create new finishes and fashions in leather. This facility has multiplied its capacity to serve as the hub for leather sourcing and finishing. A dedicated Italian designer works on developing new leathers and organizes two leather collections per year. The research and development team develop new styles of leathers using most sustainable ways and using eco friendly chemicals.

The raw materials, including hides and skins, are sourced from New Zealand, the United Kingdom, Spain, France and Italy, as well as goat and sheep skins sourced from the Middle East and Latin America. The tannery is an LWG certified tannery.

04 OUR COMPANY



HUMAN RESOURCES

Human Resources in the organization is working round the clock to support the business to excel in terms of acquiring best talent and bringing the best practices to develop the existing talent. As it is said that empowered and energized workforce results into superior business performance, so has been witnessed in Bhartiya business too.

Since technology is the utmost need to support the people's need, the HR team innovates their portal from time-to-time to keep abreast with the changing technology and making lives easy. There has been constant changes and efforts to advance the technology piece and link it with people practices. Bhartiya also works for the benefit of the society and takes part in the CSR activities.

Overall the HR team is constantly working to develop the leadership and assist people in developing themselves to face the ever challenging and volatile business environment.

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, BENGALURU, INDIA

Located in Bengaluru, India; Bhartiya City is an inclusive and sustainable development; integrating homes, work spaces, shopping spaces, hospital, school, parks and bike paths to enliven and enrich citizens' lives. A city where local colour is celebrated and championed and Global Best Practices meet Indian culture.

Harnessing the insight into lifestyle solutions across the world, we created Bhartiya City. Conceived in partnership with our residential brand, Nikoo Homes, this is the first integrated city of its kind in India. An experienced team of professionals comprising some of the best local and international talent in the real estate development industry, with many years of combined experience have collaborated with architects and urban planners of international repute to bring their expertise to Bhartiya City.

Bhartiya's urban mixed-use hub is what binds the city and its varied districts together. Bhartiya City spreads over 125 acre and is being built around a vibrant City Centre. With shopping, hotels, a financial district, IT park, hospital and schools, the many activities and experiences are interconnected by urban spaces of differing scale and character.

Bhartiya city has seen significant progress in the past one year. Handover began last year for Nikoo Homes I and now its is inhabited by over 400 families. The construction of Nikoo Homes II that comprises 2400 homes is under construction and in full swing. The first phase of BCIT (Bhartiya Centre for Information Technology) was completed last year and phase II is under development. It is currently occupied by tenants like IBM, Infosys, Maersk, PFS southerland to name a few. The construction of the Bhartiya City Centre that comprises Retail mall, High Street, Cinema and Convention centre began last year. It spreads across 8 Lakh sq. ft and will offer over 140 brands with PVR signed up as the multiplex partner.

Last year has seen the city coming to life with people and companies moving into the city. Bhartiya City is turning out to be an upcoming destination with various events being held at the city.





DIRECTORS' REPORT

Your Directors have pleasure in presenting the 31st Annual Report and the Audited Financial Statements of the Company for the financial Year Ended 31st March, 2018.

FINANCIAL RESULTS

The consolidated and standalone financial results of the Company for the financial Year Ended 31st March, 2018 are as follows:

(Rs. in Lacs)

Particulars	Consolidated		Standalone	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Net Sales/ Income from Operations	71,051.66	64,194.24	51,825.97	47,254.75
Other Income	725.54	618.56	526.12	571.14
Total Income	71,777.20	64,812.80	52,352.09	47,825.89
Profit before Interest, Tax & Depreciation	5,408.24	4,659.23	4,392.53	3,734.13
Finance Cost	1,956.06	1,390.45	1,722.71	1,341.74
Profit before Tax & Depreciation	3,452.18	3,268.78	2,669.82	2,392.39
Depreciation	748.27	601.53	628.79	459.09
Profit Before Tax	2,703.90	2,667.25	2,041.03	1,933.31
Tax Expenses	842.61	808.95	727.94	685.21
Net Profit after Tax	1,861.30	1,858.30	1,313.09	1,248.10
Share of Net Profit/(Loss) of Associates	(118.07)	(58.54)	-	-
Net Profit	1,743.23	1,799.76	1,313.09	1,248.10
Other Comprehensive Income	3.39	(6.11)	5.70	(8.30)
Total Comprehensive Income for the Year	1,746.62	1,793.65	1,318.79	1,239.80
Paid up Equity Share Capital	1,218.13	1,174.09	1,218.13	1,174.09
Reserve (Excl. Revaluation Reserve)	36,272.00	25,579.31	24,211.22	22,624.34
Earning per Share (Basic) Rs.	14.42	15.33	10.87	10.65
Earning per Share (Diluted) Rs.	14.28	14.98	10.76	10.58
Dividend	12%	12%	12%	12%

PERFORMANCE REVIEW

On Consolidated basis, during the year under review, the Company achieved a turnover of Rs. 71051.66 Lacs as against Rs. 64194.24 Lacs in the previous year showing an increase of 10.68%. The Net Profit after taxes minority interest and share of profit/(loss) of associates was reported at Rs. 1743.23 Lacs as against Rs. 1799.76 Lacs in the previous year.

On Standalone basis, during the year under review, the Company achieved a turnover of Rs. 51825.97 Lacs as against Rs. 47254.75 Lacs in the previous year showing an increase of 9.67% The Net Profit after taxes also increased to Rs. 1313.09 Lacs as compared to Rs. 1248.11 Lacs in the previous year showing an increase of 5.20%.

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, 2018. The dividend payout is subject to approval of members at the ensuing Annual General Meeting. Together with the Dividend Distribution Tax, the total outflow on account of dividend will be approximately Rs. 1.76 Crore.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top five hundred listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Since, the Company is currently not falling under the above category, the requirement of adopting the Policy is currently not applicable to the Company.

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 of Face Value of Rs.10/- each	Total Value of Shares in Rs.
1st April, 2017	Share Capital at the beginning of the year	11740945	11,74,09,450
Add			
14th April, 2017	Equity shares allotted pursuant to conversion of Warrants	400000	40,00,000
3rd May, 2017	Equity Shares allotted pursuant to ESOP scheme	681	6,810
4th September, 2017	Equity Shares allotted pursuant to ESOP scheme	4892	48,920
8th January, 2018	Equity Shares allotted pursuant to ESOP scheme	15271	1,52,710
12th March, 2018	Equity Shares allotted pursuant to ESOP scheme	11849	1,18,490
31st March, 2018	Equity Shares allotted pursuant to ESOP scheme	7616	76,160
31st March, 2018	Share Capital at the end of the year	12181254	12,18,12,540

As on 31st March, 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

EMPLOYEES STOCK OPTION PLAN

During the year under review, the Company has granted 30,000 stock options to eligible employees of the Company based on their performance under the Employee Stock Option Plan 2013.

During the year under review, the Company has allotted 40309 equity shares of Rs. 10/- each on exercise of vested options by certain employees of the Company and its subsidiaries.

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

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

Statement Pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 as at 31st March, 2018, is set out in **Annexure A** to this Report.

FINANCIAL STATEMENTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the Year Ended on 31st March, 2018 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the Year Ended 31st March, 2018.

DETAILS AND PERFORMANCE OF SUBSIDIARY COMPANIES

Domestic Subsidiaries

Bhartiya Global Marketing Ltd.

It is a Global Marketing Company engaged in export of textile and leather garments. The total revenues of the Company was Rs. 2,831,670/- and the net loss was Rs. 1,300,451/- during the financial year 2017-18.

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.138,689,406/- and the net profit was Rs. 2,398,917/- during the financial year 2017-18.

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. 3,690,476/- and the net loss was Rs. 3,111,387/- during the financial year 2017-18.

Bhartiya Fashion Retail Ltd.
The Company had registered a profit of Rs. 754,681/- for the financial year 2017-18.

Bhartiya Urban Infrastructure Ltd.
The Company had registered a loss of Rs. 9,488/- for the financial year 2017-18.

Overseas Subsidiaries
Ultima S.A. Switzerland
The Company is engaged in marketing and selling of outwears including leather garments, accessories and textile products in Europe. The total revenues of the Company was CHF 26,840,206.87 and the net profit was CHF 709,095.28 during the financial year 2017-18.

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$ 14,129,495 and the Company has registered a net profit of HK$ 310,332 for the period ended 31st March, 2018.

Ultima Italia SRL, Italy
This company markets all fashion products including fur and leather garments in Italian market. The total revenues of the Company was Euro 2,184,835 and the net profit was Euro 15,005 during the financial year 2017-18.

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$ 97,366,751 and the net profit was HK$ 368,979.

Design Industry China Ltd., China
This company is engaged in marketing and selling of outerwear (including leather, PU Garments, fashion accessories) from China for marketing and selling in China. The total revenue of the Company was RMB Yuan 4,060,675.30 and the net loss was RMB Yuan 504,675.67.

New Subsidiary/Associate Company incorporated /dissolved during the year
During the year under review, Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. an Associate Company of Bhartiya International Ltd. has merged with Bhartiya City Developers Pvt. Ltd. and ceased to exist.

Accordingly, Bhartiya City Developers Pvt. Ltd. has become an Associate Company of Bhartiya International Ltd..

Bhartiya City Developers Pvt. Ltd. is having two wholly owned subsidiaries, namely: Milestone Buildcon Pvt. Ltd. and Bhartiya Developers Consortium Pvt. Ltd..

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

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

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

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

EXTRACT OF ANNUAL RETURN

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

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

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

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

The Annual Listing fee for the Financial Year 2018-2019 has already been paid to both the above Stock Exchanges.

DIRECTORS

Mr. Sanjay Baweja (DIN: 00232126) Independent Director of the Company stepped down from the said position with effect from 3rd October, 2017, on account of his taking new position on employment basis within the Group. The Board places on record its appreciation for contribution made by him during his tenure as Independent Director of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Ramesh Bhatia (DIN: 00052320) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors recommends his re-appointment and the matter is being placed for the approval of members at the ensuing Annual General Meeting of the Company.

Mr. Ashok Kumar Gadhok (DIN: 01254410), Whole-Time Director of the Company resigned from the Board of the Company with effect from 16th April, 2018, on account of his age, seniority and increasing personal engagements, after having served the Group for almost two decades. Your directors would like to place on record their sincere gratitude for the enormous contribution made by Mr. Ashok Kumar Gadhok as the Whole-Time Director of the Company. The Company and the Board benefitted immensely from Mr. Gadhok's vast experience, knowledge and insights.

Further, the tenure of Ms. Jaspal Sethi (DIN: 01689695) as Whole-Time Director concluded on 31st July, 2018. Due to her other important commitments, she has conveyed her inability to continue as a Director. The Company and the Board benefitted immensely from Ms. Jaspal Sethi's vast experience, knowledge and insights and your Board places on record their sincere gratitude for the enormous contribution made by her during her service.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Robert Burton Moore Jr. (DIN: 08108097) as an Additional Director on 16th April, 2018 to hold office as Non-Executive Director of the Company, subject to approval of members of the Company. He would be liable to retire by rotation.

In addition, based on the recommendation of Nomination and Remuneration Committee, Mr. Manoj Khattar (DIN:00694981) was appointed as Additional Director to function in the capacity of Whole-Time Director and Chief Financial Officer (CFO) of the Company with effect from 13th August, 2018, subject to approval of members in the ensuing Annual General Meeting. Appropriate resolutions seeking his appointment as Whole-Time Director along with the terms and conditions forms part of AGM Notice.

The Company has received notice in writing from member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Robert Burton Moore Jr. and Mr. Manoj Khattar as Director and Whole-Time Director, respectively. Mr. Manoj Khattar will hold the position of CFO(KMP) of the Company alongside the position of Whole-Time Director.

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.

Appropriate Resolutions seeking your approval for re-appointment of Mr. Ramesh Bhatia as Director, appointment of Mr. Manoj Khattar as Whole-Time Director and Mr. Robert Burton Moore Jr. as Non-Executive Director 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	Additional Director & Chief Financial Officer
3	Ms. Shilpa Budhia	Company Secretary

COMMITTEES
The Board of Directors has the following mandatory Committees:

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

The details of the composition of Committees, terms of reference and numbers of Meetings held during the Financial Year 2017-18 is provided in the Corporate Governance Report.

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 2017-18, five Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2017-18 forms part of the Corporate Governance Report. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY
Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

VIGIL MECHANISM / WHISTLE BLOWER POLICY
The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company **(www.bhartiyafashion.com).**

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 mentioned in the Notes to the Financial Statements.

All related party transactions are placed before the Audit Committee as also to the Board for approval.

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

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web link of the same is www.bhartiyafashion.com. Mr. Robert Burton Moore Jr. is obtaining professional fees for holding office or place of profit in the Company. None of the other Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS
There are no significant and material orders by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) that in the preparation of the annual accounts for the financial Year Ended 31st March, 2018, 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, 2018 and of the profit of the company for the Year Ended on that date;

(c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) that the annual accounts have been prepared on a going concern basis; and

(e) that the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDIT

At the last Annual General Meeting (AGM) held on 27th September, 2017, M/s. K A S G & Co., Chartered Accountants (Firm Registration No. 002228C) were appointed as the Statutory Auditors of the Company for an initial term of 5 years. The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7th May, 2018, has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 31st Annual General Meeting.

The Report given by M/s. K A S G &Co., Chartered Accountants, Statutory Auditors on the financial statement of the Company for the year 2017-18 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

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

COST AUDIT AND MAINTANANCE OF COST RECORD

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company for the financial year 2018-19.

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had appointed Mr. Ravi Sharma., Practicing Company Secretary, FCS NO. 4468, C. P. NO. 3666 from M/s. RSM & Co. to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is 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.

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

RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the field of education by mainly providing scholarship to the students and extending donations/fund towards construction of school.

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

ENVIRONMENT AND SAFETY

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provision of Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the Year Ended 31st March, 2018 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

Human Resources in the organization is working round the clock to support the business to excel in terms of acquiring best talent and bringing the best practices to develop the existing talent. As it is said that empowered and energized workforce results into superior business performance, so has been witnessed in Bhartiya business too.

Since technology is the utmost need to support the people's need, the HR team innovates their portal from time-to-time to keep abreast with the changing technology and making lives easy. There has been constant changes and efforts to advance the technology piece and link it with people practices.

Overall the HR team is constantly working to develop the leadership and assist people in developing themselves to face the ever challenging and volatile business environment.

PARTICULARS OF EMPLOYEES

During the financial year 2017-18, the Company had 324 employees.

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

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

Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered

office of the Company during business hours on working days upto the date of ensuing Annual General Meeting. Any member interested in obtaining such information May, write to the Company Secretary and the same will be furnished on request. The Annual Report including the aforesaid information is also available on the Company's website.

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

TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, 41620 Equity shares of face value of Rs. 10/- each of 352 Shareholders of the Company, have been transferred/ credited to the Demat account of Investor Education and Protection Fund Authority (IEPF Authority) in accordance with Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, whose dividend has not been encashed on such shares, since last seven consecutive years. The details thereof are available under 'Investor Section' on the Website of the Company viz. www.bhartiyafashion.com. Any person whose shares and/or unclaimed dividend has been transferred to the IEPF Authority May, claim the shares and/or apply for refund in respect of unclaimed dividend, as the case May, be, under the provisions of the Companies Act, 2013 and rules made thereunder.

DEMAT SUSPENSE ACCOUNT FOR UNCLAIMED SHARES

There are no unclaimed shares of the Company.

PUBLIC DEPOSIT

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

BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Reporting as required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is not applicable to your Company for the financial year ending 31st March, 2018.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial Year Ended on 31st March, 2018 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

	Snehdeep Aggarwal	**Sandeep Seth**
Gurugram, 13th August, 2018	Managing Director	Director
	DIN: 00928080	DIN: 01408624

ANNEXURE A -
ESOP DISCLOSURE

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

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

* Relevant disclosures in terms of the "Guidance note on accounting for employee share-based payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time are provided on the weblink: [www.bhartiyafashion.com]
* Diluted EPS on issue of shares in accordance with "Accounting Standard 20 - Earnings Per Share" issued by ICAI: Rs. 13.40/-

A. Details related to Employees Stock Option Plan, 2013

Name of the Scheme	Employees Stock Option Plan, 2013
Date of shareholders approval	23rd September, 2013
Total number of options approved under ESOS	400,000
Vesting requirements	The minimum vesting period shall be 1 (one) year from the date of grant and May, extend upto 4 (four) years as May, be determined by the Board/ Nomination and Remuneration Committee.
Exercise price or pricing formula	The Exercise Price per option shall be such discounted price to the Market Price of the Equity Shares of the Company as May, be determined by the Board / Nomination and Remuneration Committee.
Maximum term of options granted	The options vested should be exercise a 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. The impact of this difference on profits and on EPS of the company shall also 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. 8.12 lakhs (Previous Year lower by Rs. 313.36 lakhs). (Rs. in lakhs) **Particulars** — **FY 2017-18** Profit after tax — 1,318.79 Add: Employee compensation cost as per intrinsic value — 111.81 Less: Employee compensation cost as per fair value — 119.93 Adjusted profit after tax — 1,310.67 EPS (as reported) Basic — 10.87 Diluted — 10.76 EPS (as adjusted) Basic — 10.80 Diluted — 10.69

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

Particulars	**Year Ended 31st March, 2018**
Senior managerial personnel	30000
Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	NA
Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NA

C. The activity in the Employees Stock Option Plan during the Year Ended 31st March, 2018 is as under:

Particulars	**Year Ended 31st March, 2018**
Number of options outstanding at the beginning of the period	115,329
Number of options granted during the year	30,000
Number of options forfeited / lapsed during the year	12,016
Number of options vested during the year	39,812
Number of options exercised during the year	40,309
Number of shares arising as a result of exercise of options	40,309
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 2015450
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	93,004
Number of options exercisable at the end of the year	16,954
Weighted average exercise price and weighted average fair value of Options granted during the year for Options whose exercise price either equals or exceeds or is less than the market price of the stock. Options whose exercise price is less than the market price: - Weighted average exercise price of options - Weighted average fair value of options	 450.00 237.71

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	**16th September, 2015**	**31st December, 2015**	**3rd February, 2018**
Weighted average share price	Rs. 468.70	Rs 521.15	Rs. 463.55
Exercise price	Rs. 50.00	Rs. 50.00	Rs. 450.00
Expected volatility	29.24%	33.10%	25.71%
Option life (comprising of weighted average of vesting period and exercise period)	7 years	7 years	8 years
Expected dividends	0.21%	0.19%	0.26%
Risk free rate of return	8.17%	7.96%	7.82%

The method used and the assumptions made to incorporate the effects of expected early exercise	Historical data for early exercise of Options is not accurate / uniform, hence not considered in expected life calculations.
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over twelve months period prior to the date of grant has been considered.
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	No other feature has been considered for fair valuation of options except as mentioned in the points above.

Annexure - B
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial Year Ended on 31.03.2018
[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 Ltd. Company
v)	Address of the Regd. Office and contact details	: 56/7, Nallambakkam Village, (Via Vandalur), Chennai- 600 048 Tel: 9551050418/19/20/21
vi)	Whether listed company	: Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	: Mas Service Ltd. Okhla Industrial Area, Phase-II, New Delhi- 110 020 Phone No. 011- 26387281-83

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S.N.	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1	Leather & Textile Products	1410 and 1512	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	**Bhartiya Global Marketing Ltd.** E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74899DL1996PLC075128	Indian Subsidiary Company	100%	2(87)
2	**J & J Leather Enterprises Ltd** 56/7, Nallambakkam Village, (Via Vandalur), Chennai – 600 048	U18209TN1991PLC020874	Indian Subsidiary Company	100%	2(87)
3	**Bhartiya International SEZ. Ltd** E-52,New Manglapuri, Mandi Road, (Mehrauli), New Delhi-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	U70100TN2015PLC101707	Indian Subsidiary Company	100%	2(87)
6	**World Fashion Trade Ltd, Mauritius** Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	-	Overseas subsidiary Company	100%	2(87)
7	**Ultima S.A., Switzerland** AvenueJ-J.Rousseau-7,CH-2001, Neuchatel, Switzerland	CH-645-40960339	Overseas Subsidiary Company	100%	2(87)
8	**Ultima Italia SRL, Italy** Via Vincenzo Monti, 21 20123 Milano (MI), Italy	-	Overseas Subsidiary Company	100%	2(87)

S.N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
9	**Design Industry Ltd.** Room 1104, Crawford House, 70 Queen Road Central,Hong Kong	-	Overseas Subsidiary Company	100%	2(87)
10	**Design Industry China Ltd** Room 407-1, Tower 8, United Plaza, No. 58 Qianjiang Road, Hangzhou, China	-	Overseas Subsidiary Company	100%	2(87)
11	**Tada Mega Leather Cluster Pvt. Ltd** E-52,New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74140DL2013PTC249002	Associate Company	50%	2(6)
12	**Bhartiya City Developers Pvt. Ltd.** 56/7, Nallambakkam Village (Via Vandalur), Chennai– 600048	U45200TN2008PTC103956	Associate Company	36.77%	2(6)
13	**Bhartiya Developers Consortium Pvt. Ltd.** Plot no. 38, Sector-44, Gurugram-122002	U45201HR2005PTC036107	Associate Company	36.77%	2(6)
14	**Milestone Buildcon Pvt. Ltd.** 56/7, Nallambakkam Village (Via Vandalur), Chennai– 600048	U45201TN2005PTC112747	Associate Company	36.77%	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in share-holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter(s)									
(1) **Indian**									
a) Individual/ HUF	2102636	130000	2232636	19.02	2232636	-	2232636	18.33	(0.69)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate.	3561926	-	3561926	30.34	3561926	-	3561926	29.24	(1.10)
e) Banks / FIIs	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**5664562**	**130000**	**5794562**	**49.36**	**5794562**	**-**	**5794562**	**47.57**	**(1.79)**
(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)	**5664562**	**130000**	**5794562**	**49.36**	**5794562**	**-**	**5794562**	**47.57**	**(1.79)**
B. Public Shareholding									
1.**Institutions**									
a) Mutual Funds	-	3000	3000	0.03	-	-	-	-	(0.03)
b) Banks / FI	2200	300	2500	0.02	16253	200	16453	0.14	0.12
c) Central Govt.	-	-	-	-	39989	0	39989	0.33	0.33
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in share-holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	25000	-	25000	0.21	25705	-	25705	0.21	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	292	22700	22992	0.20	2	22500	22502	0.18	(0.02)
Sub-total (B)(1):	**27492**	**26000**	**53492**	**0.46**	**81949**	**22700**	**104649**	**0.86**	**0.40**
2. Non- Institutions									
a) Bodies Corporate.									
i) Indian	2733082	-	2733082	23.27	2966938	-	2966938	24.36	1.09
ii) Overseas	746815	-	746815	6.36	984789	-	984789	8.08	1.72
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	876796	123836	1000632	8.52	964301	81604	1045905	8.59	(0.07)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1171488	-	1171488	9.97	967982	-	967982	7.95	(2.02)
c) Others	-	-	-	-	-	-	-	-	-
(1) Trusts	-	-	-	-	-	-	-	-	-
(2) Foreign National	-	-	-	-	-	-	-	-	-
(3) Non Resident Indian	25340	-	25340	0.22	33939	1000	34339	0.28	0.06
(4) Clearing Members	15083	-	15083	0.13	22050	-	22050	0.18	0.05
(5) Hindu Undivided Family	77651	-	77651	0.66	129624	-	129624	1.06	0.40
(6) Director(s)	98600	24200	122800	1.05	98600	24200	122800	1.01	(0.04)
Sub-total (B)(2)	**5744855**	**148036**	**5892891**	**50.18**	**6168223**	**106804**	**6274427**	**51.51**	**1.33**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**5730047**	**319239**	**6049286**	**51.64**	**6250172**	**129504**	**6379076**	**52.37**	**0.73**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)*	**11436909**	**304036**	**11740945**	**100**	**12044734**	**129504**	**12173638**	**100**	**-**

* Note: 7616 Equity shares of face value of Rs. 10/ each allotted on 31st March, 2018 is not taken into account as the same was pending for listing as on 31st March, 2018.

(ii) Shareholding of Promoters

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encum-bered to total shares	No. of Shares	% of total Shares of the compa-ny	%of Shares Pledged / encum-bered to total shares	% change in share-holding during the year
1	Snehdeep Aggarwal	1143362	9.74	-	1143362	9.39	-	(0.35)
2	Ramesh Bhatia	340250	2.90	-	340250	2.79	-	(0.11)
3	Arjun Aggarwal	496150	4.23	-	496150	4.07	-	(0.16)
4	Parushini Aggarwal	7500	0.06	-	7500	0.06	-	0
5	Pawan Aggarwal	5000	0.04	-	5000	0.04	-	0
6	Kanwal Aggarwal	190374	1.62	-	190374	1.56	-	(0.06)
7	Snehdeep & Co. HUF	50000	0.43	-	50000	0.41	-	(0.02)
8	Bhartiya Global Ventures Pvt. Ltd	1850000	15.76	-	1850000	15.19	-	(0.57)
9	Bhartiya Advisory Services Pvt. Ltd	681926	5.81	-	681926	5.60	-	(0.21)
10	Bhartiya Infotech Pvt. Ltd	1000000	8.52	-	1000000	8.21	-	(0.31)
11	R.L. Bhatia Associates Pvt. Ltd	30000	0.25	-	30000	0.25	-	0
	TOTAL	**5794562**	**49.36**	-	**5794562**	**47.57**	-	**(1.79)**

(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
NO CHANGE							

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

S. N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Girish Shankarlal Dhoot	315000	2.68	315000	2.59
2	Srinivas BS	126112	1.07	126112	1.04
3	Superfine Carpets Pvt. Ltd.	613533	5.23	1236684	10.15
4	Vinod Infotech Pvt. Ltd.	115872	0.99	193888	1.59
5	Dwarkadhish Trading Pvt. Ltd.	235000	2.00	190000	1.56
6	TIMF Holdings	467000	3.98	706474	5.80
7	Karuna Ventures Pvt. Ltd.	0	0.00	400000	3.28
8	Share Point LLP	285500	2.43	285500	2.34
9	Morgan Stanley Asia (Singapore) Pte	278315	2.37	278315	2.28
10	Mangal Keshav Capital Ltd.	23173	0.20	91000	0.75

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

(v) Shareholding of Directors and Key Managerial Personnel:

S. N.	Shareholding of each Directors and each Key Management Personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Mr. Snehdeep Aggarwal**				
	At the beginning of the year	1143362	9.74	1143362	9.39
	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	9.39
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	2.79
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. Allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	340250	2.79
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
5	**Ms. Jaspal Sethi**				
	At the beginning of the year	98800	0.84	98800	0.81
	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	0.81
6	**Mr. Nikhil Aggarwal**				
	At the beginning of the year	20000	0.17	20000	0.16
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	20000	0.16
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

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
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 Seth**				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil
11	**Mr. 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
12	**Mr. Manoj Khattar**				
	At the beginning of the year	9250	0.08	9250	0.08
	Purchase of Shares - 4th April 2017	5000	0.04	14250	0.12
	Purchase of Shares - 6th April 2017	5000	0.04	19250	0.16
	Sale of Shares - 20th September 2017	(2000)	0.02	17250	0.14
	At the End of the year	-	-	17250	0.14
13	**Ms. Shilpa Budhia**				
	At the beginning of the year	Nil	Nil	1	0.00
	Allotment of shares under ESOP – 8th January 2018			357	0.003
	Sale of shares – 19th January 2018			(158)	0.001
	Sale of shares – 2nd February 2018			(100)	0.000
	Sale of shares – 5th February 2018			(100)	0
	At the End of the year	-	-	Nil	Nil

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. N.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (In Rs.)
		Mr. Snehdeep Aggarwal	Mr. A. K. Gadhok	Ms. Jaspal Sethi	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1800000	695656	1268250	3763906
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39600	8100	-	47700
	(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**	**703756**	**1268250**	**3811606**
	Ceiling as per the Act	(Ceiling as per the Act @ 10% of profits calculated under Calculated under Section 198 of the Companies Act, 2013)			

B. Remuneration to other Directors:

S. N.	Particulars of Remuneration	Name of Directors								Total Amount (in Rs.)
	Independent Directors/ Other Non-Executive Directors	Mr. A. Sahasranaman	Mr. Shashank	Mr. Sandeep Seth	Mrs. Annapurna Dixit	Mr. C. L. Handa	Mr. Nikhil Aggarwal	Mr. Ramesh Bhatia	Mr. Sanjay Baweja	
	· Fee for attending board committee meetings	10000	22500	27500	10000	25000	-	2500	5000	102500
	· Commission	-	-	-	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-	-	-	-
	Total	**10000**	**22500**	**27500**	**10000**	**25000**	**-**	**2500**	**5000**	**102500**
	Overall Ceiling as per the Act	(Ceiling as per the Act @ 10% of profits calculated under Calculated under Section 198 of the Companies Act, 2013)								

Total Managerial Remuneration is Rs. 3,914,106/- (Rupees Thirty Nine Lacs Fourteen Thousand One Hundred Six Only)

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

(Amount in Rs.)

S.N	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	1222844 178487	9595424 1020836	10818268 1199323
2.	Stock Option (balance in nos.)	400	3340	3740
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-
5.	Others, please specify			
	Total	**1401331**	**10616260**	**12017591**

VI. 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	2,576,965,009	-	-	2,576,965,009
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,131,954	-	-	1,131,954
Total (i+ii+iii)	**2,578,096,963**	**-**	**-**	**2,578,096,963**
Change in Indebtedness during the financial year				
· Addition	298,463,092	-	-	298,463,092
· Reduction	51,912,779	-	-	51,912,779
Net Change	246,550,313	-	-	246,550,313
Indebtedness at the end of the financial year				
i) Principal Amount	2,823,515,322	-	-	2,823,515,322
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,252,793	-	-	3,252,793
Total (i+ii+iii)	**2,826,768,115**	-	-	**2,826,768,115**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the Year Ended 31st March, 2018.

ANNEXURE C

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL Year Ended ON 31ST MARCH, 2018

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

The Members
Bhartiya International Ltd.
56/7, Nallambakkam Village (Via Vandalur)
Chennai, Tamil Nadu - 600 048

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year Ended on 31st March, 2018 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, 2018 according to the provisions of :–

1. The Companies Act, 2013("the Act") and Rules made thereunder as amended/modified;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   (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 July 1, 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, there was no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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

For RSM & CO.
Company Secretaries

Ravi Sharma
Partner
FCS No.4468, C. P. NO. 3666

New Delhi, 25th June, 2018

R S M & Co.
COMPANY SECRETARIES

D-63, JFF COMPLEX,
JHANDEWALAN, NEW DELHI 110 055
PHONE 011 236 238 13, 9911919008
Email.contact@csrsm.com

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

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 Ltd. 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

Dated: 25th June, 2018
Place: New Delhi

Annexure – D

Corporate Social Responsibility (CSR)

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

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR Policy, 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 2017-18, the company had mainly catered towards proving scholarship to the students and 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. 22.76 crores
4.	Prescribed CSR Expenditure (2% of the above mentioned amount)	Rs. 45.51 lakhs
5.	Details of CSR spent during the financial year (a) Total amount to be spent for the financial year; (b) Balance brought forward from previous year (c) Total amount spent (d) Amount unspent, if any;	 Rs. 45.51 lakhs Rs. 32.04 lakhs Rs. 13.25 lakhs Rs. 64.30 lakhs

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

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent : Direct
1	Scholarships to Students	Promoting Education	Bengaluru, Karnataka and Delhi NCR	Rs.1,055,500/-	Direct - Rs.1,055,500/-	Rs.1,055,500/-	Rs.1,055,500/-
2	Donation towards construction of rooms in School (Sri Krishna Vidya Mandir), in Bengaluru, a unit of Sri Lakshmi Venkatesha Prathistana, an NGO working in the Educational sector for last 30 years.	Promoting Education	Bengaluru, Karnataka	Rs. 270,000/-	Direct – Rs. 270,000/-	Rs. 270,000/	Rs. 270,000/
	TOTAL (Rs.)			**1,325,500/-**	**1,325,500/-**	**1,325,500/-**	**1,325,500/-**

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

Gurugram, 13th August, 2018

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

	Snehdeep Aggarwal	**Sandeep Seth**
Gurugram , 13th August, 2018	Managing Director	Director
	DIN: 00928080	DIN: 01408624

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, 2018, 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 2017-18, 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 composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

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

The Board of the Company consists of Ten Directors and Seven out of them are Non-Executive Directors. There are Five Independent Directors on the Board who are professionals with high credentials and actively contribute in the deliberations of the Board, covering all strategic policy matters and strategic decisions. The Board comprises of two woman Directors, One Independent and One Whole-Time Director.

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

Name	Director Identification Number	Date of Appointment	Category of Directors	No. of other Directorships	Memberships/ Chairmanships of other Committees
Mr. Snehdeep Aggarwal	00928080	07-01-1987	Managing Director	-	-
Mr. A. K. Gadhok #	01254410	01-04-1999	Executive Director (Whole-Time Director)	2	-
Ms. Jaspal Sethi*	01689695	29-06-1997	Executive Director (Whole-Time Director)	1	-
Mr. Ramesh Bhatia	00052320	06-09-1987	Non-Executive Non-Independent Director	2	-
Mr. Nikhil Aggarwal	01891082	04-10-2007	Non-Executive Non-Independent Director	-	-

Name	Director Identification Number	Date of Appointment	Category of Directors	No. of other Directorships	Memberships/ Chairmanships of other Committees
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	Non-Executive Independent Director	-	-

* Ms. Jaspal Sethi has ceased to be Director on 31st July, 2018 consequent to her completion of tenure as Whole-Time Director.
# Mr. A. K. Gadhok has resigned from the post of Whole-Time Director with effect from 16th April, 2018.
** Mr. Sanjay Baweja has resigned from the post of Director with effect from 3rd October 2017.

Notes:-

1. The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Section 8 Companies and Pvt. Ltd. Companies.

2. Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all Public Ltd. Companies (excluding Bhartiya International Ltd.) 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.

Details of Director(s) retiring and being re-appointed are given in the notice to Annual General Meeting. The brief profile of the Board Members is given on the website of the Company www.bhartiyafashion.com.

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. In compliance with the Listing Regulations, Directors of the Company do not serve as an Independent Director in more than seven listed companies.

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 2017-18, the Board met five times. The meetings were held on 14th April 2017, 29th May, 2017, 12th August, 2017, 7th December, 2017, and 13th February, 2018. 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, 2018 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	5	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	5	Present
Mr. Shashank	3	Absent
Mr. A. Sahasranaman	4	Absent
Mr. Nikhil Aggarwal	4	Absent
Ms. Annapurna Dixit	4	Absent
Mr. Sanjay Baweja	2	Absent

*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 (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

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

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

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 2017-2018

The Members of the Audit Committee met four times during the Financial Year 2017-2018. 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 27th May, 2017, 11th August , 2017, 6th December, 2017 and 12th February, 2018. 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	27.05.2017	11.08.2017	06.12.2017	12.02.2018
Mr. Sandeep Seth	P	P	P	P
Mr. Shashank	P	P	P	P
Mr. C.L. Handa	P	P	P	P

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, 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.

(iii) 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.

(iv) 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 2017-2018

The Nomination and Remuneration Committee met Seven 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	03.05.2017	22.05.2017	04.09.2017	08.01.2018	03.02.2018	12.03.2018	31.03.2018
Mr. Sandeep Seth	P	P	P	P	P	P	P
Mr. C.L.Handa	P	P	P	P	P	P	P
Mr. Shashank	P	P	P	P	P	P	P

(iii) Terms of reference

The 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 2017-2018 is as under:

Name of the Director	**Salary (Rs.)***
Mr. Snehdeep Aggarwal	18,39,600
Ms. Jaspal Sethi	12,68,250
Mr. A. K. Gadhok	7,03,756

*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 2017-2018 is as under: -

Name of the Director	**Board Meeting Fees (Rs.) ***	**Committee Meeting Fees (Rs.)***	**Total (Rs.)**
Mr. C. L. Handa	10000	15000	25000
Mr. Ramesh Bhatia	2500	-	2500
Mr. A. Sahasranaman	10000	-	10000
Mr. Shashank	7500	15000	22500
Mr. Sandeep Seth	12500	15000	27500
Mr. Nikhil Aggarwal	-	-	-
Ms. Annapurna Dixit	10000	-	10000
Mr. Sanjay Baweja	5000	-	5000

* The above amounts are exclusive of taxes.

SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2018

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

BOARD EVALUATION

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

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

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

(i) Composition

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

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

(ii) Meetings and attendance during the Financial Year 2017-2018

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

Director	26.05.2017	31.07.2017	21.11.2017	05.02.2018
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 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 34 (Thirty Four) only and all of them have been redressed/answered to the satisfaction of shareholders. There was one grievance which was pending during the previous financial year which was resolved in FY 2017-18. There was no investor grievance remained unattended or pending as on 31st March, 2018.

(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 2017-2018

Two Meetings of the Committee were held during the year.

Director	27.09.2017	31.03.2018
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

Ms. Jaspal Sethi was inducted as a member of the Share Transfer Committee on 13th February, 2018. The Share Transfer Committee comprised Mr. Snehdeep Aggarwal, Mr. A. K. Gadhok and Ms. Jaspal Sethi as members as on 31st March, 2018. However, pursuant to resignation of Mr. A. K. Gadhok from the post of Whole Time Director, Mr. Snehdeep Aggarwal and Ms. Jaspal Sethi continued as members thereafter.

(ii) Meetings and Attendance during the financial year 2017-2018

Eight Meetings of the Committee were held during the year on 28th April 2017, 31st July 2017, 12th October 2017, 31st October 2017, 20th November 2017, 4th December 2017, 8th January 2018, 3rd February, 2018. The members of the committee were present in all the Meetings.

(iii) Terms of Reference

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

(F) MANAGEMENT COMMITTEE

(i) Composition

Management Committee comprised of Mr. Snehdeep Aggarwal, Mr. A.K. Gadhok and Mr. C. L. Handa as members. Post resignation of Mr. A. K. Gadhok, Mr. Snehdeep Aggarwal and Mr. C. L. Handa continue as the members of the Committee.

(ii) Meetings and Attendance during the financial year 2017-2018

Fifteen Meetings of the Committee were held during the year on 17th April 2017, 6th May, 2017, 24th May, 2017, 22nd June 2017, 29th June 2017, 29th August 2017, 3rd October 2017, 7th November 2017, 13th

November 2017, 30th November, 2017, 3rd January, 2018, 10th January, 2018, 22nd February, 2018 23rd March 2018 and 27th, March 2018. 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.

(G) 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 19th March, 2018, 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
30th AGM	27th September, 2017	02.00 P.M.	Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047	6
29th AGM	29th September, 2016	02.00 P.M.	Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047	- -
28th AGM	21st September, 2015	11.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	-

All resolutions moved at the Annual General Meeting held on 21st September, 2015, 29th September, 2016 and 27th September, 2017 were passed though Poll (electronically and physical ballot).

No Extraordinary General Meetings were held during the last 3 years

POSTAL BALLOT

No resolution has been moved by the shareholders of the Company during the year under review by way of Postal Ballot.

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 evoting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

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

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

The Scrutinizer submits his report to the Chairman, 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 Standards.

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

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

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

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

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

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

4. 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.

5. 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.

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

7. 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.

8. 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/Dhina Suryan in Tamil), within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

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

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

(iv) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Ltd. and National Stock Exchange of India Ltd. 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.

(v) 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.

(vi) 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:** Friday, 28th September, 2018 **Time:** 02:00 p.m. **Venue:** Auditorium, National Institute of Siddha, Trichy Chennai Highway, Tambaram Sanatorium, Chennai - 600 047, Tamil Nadu

2.	**Financial Calendar for 2018-2019**	
	Financial year - April to March	
	Results for Quarter Ending 30th June, 2018	by 14th of August, 2018
	Results for Quarter Ending 30th September, 2018	by 14th of November, 2018
	Results for Quarter Ending 31st December, 2018	by 14th of February, 2019
	Year Ending 31st March, 2019	by the 30th of May, 2019
3.	**Book Closure**	Saturday the 22nd September 2018 to Friday the 28th September, 2018 (both days inclusive)
4.	**Dividend Payment Date**	On or before 27th October, 2018 if declared at Annual General Meeting on 28th September, 2018

5. Listing on Stock Exchanges & Stock Code & ISIN Details

The Company is listed at following Stock Exchanges:-

a. BSE Ltd. (Stock Code: 526666) and

b. National Stock Exchange of India Ltd. (Stock Code: Symbol-BIL, Series - BE)

The Annual listing fee for the year 2018-2019 has been duly paid to both the Stock Exchanges.

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

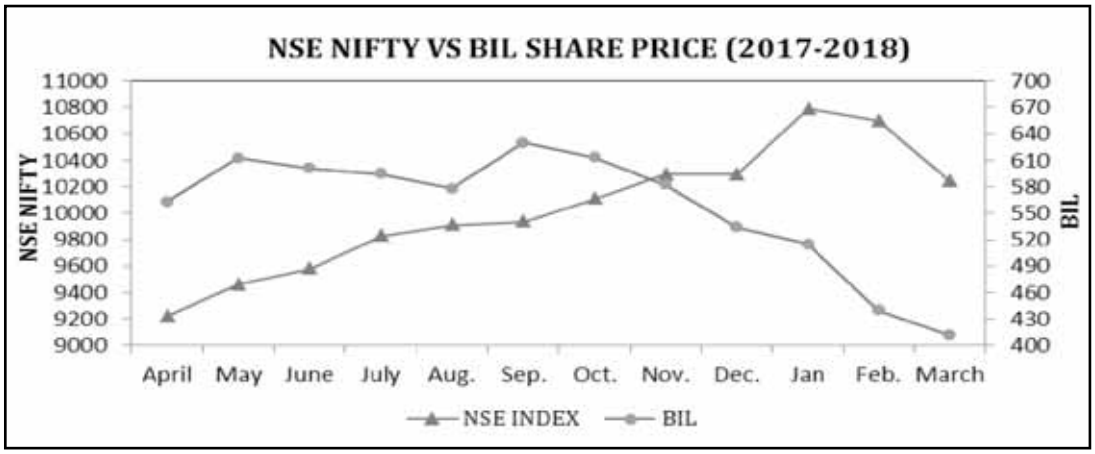
d. Demat ISIN Number with NSDL for Warrants - INE828A13037

Annual Custody Issuer fee for the financial year 2018-2019 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-17	602.35	523.50	562.93	Apr-17	9367.15	9075.15	9221.15
May,-17	670.00	554.80	612.40	May,-17	9649.60	9269.90	9459.75
Jun-17	625.95	576.10	601.03	Jun-17	9709.30	9448.75	9579.03
Jul-17	613.80	575.60	594.70	Jul-17	10114.85	9543.55	9829.20
Aug-17	609.90	546.30	578.10	Aug-17	10137.85	9685.55	9911.70
Sep-17	699.95	560.00	629.98	Sep-17	10178.95	9687.55	9933.25
Oct-17	644.90	581.05	612.98	Oct-17	10384.50	9831.05	10107.78
Nov-17	628.00	536.00	582.00	Nov-17	10490.45	10094.00	10292.23
Dec-17	568.70	499.00	533.85	Dec-17	10552.40	10033.35	10292.88
Jan-18	550.00	480.00	515.00	Jan-18	11171.55	10404.65	10788.10
Feb-18	487.00	393.00	440.00	Feb-18	11117.35	10276.30	10696.83
Mar-18	433.00	389.95	411.48	Mar-18	10525.50	9951.90	10238.70

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



7. Registrar & Share Transfer Agent : **MAS Services Ltd.**
(For both Physical & Electronic Transfer etc.)
T-34, 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 Mr. Snehdeep Aggarwal, Mr. A. K. Gadhok and Ms. Jaspal Sethi as members as on 31st March, 2018. 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, 2018 there was no Equity Share pending for Transfer, also there was no Demat Request pending as on 31st March, 2018.

9. Distribution of Shareholding as on 31st March, 2018 *

No. of Shares	Shareholders		Shareholding	
	Number	% to total	Number	% to total
Upto 500	4477	89.98	395292	3.25
501-1000	225	4.52	168281	1.38
1001-2000	84	1.69	119202	0.98
2001-3000	30	0.60	75547	0.62
3001-4000	29	0.58	103789	0.85
4001-5000	23	0.46	107145	0.88
5001-10000	44	0.88	345862	2.84
10001 & above	64	1.29	10858520	89.20
Total	**4976**	**100.00**	**12173638**	**100.00**

10. Shareholding Pattern as on 31st March, 2018

Category	No. of Share held	% of Paid up Capital
Promoters Holding	1483612	12.19
Persons acting in concert	4310950	35.41
Banks/Trusts/Financial Institutions	16453	0.14
Central Government/State Government (IEPF)	39989	0.33
NRIs/OCBs/Foreign National/FII	1067335	8.77
Indian Corporate Bodies/LLPs	2966938	24.37
Indian Public	2143511	17.61
Directors	122800	1.01
Clearing Members	22050	0.18
Total	**12173638**	**100.00**

* The above distribution schedule and Shareholding pattern does not include the details of shares allotted on 31st March, 2018 as the same was not listed on the stock exchanges.

11. Dematerialization of shares and liquidity share : As on 31st March, 2018, 98.94% of the Paid-up capital has been dematerialized.

12.	**Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**	: As on 31.03.2018, 3,00,000 warrants were outstanding. During the year, the Company had allotted 4,00,000 Equity shares to the Warrant holders who had exercised their right for conversion of warrants into Equity shares. 3,00,000 share warrants were however forfeited due to non-exercise of the right attached to the Warrants. The Company had also allotted 3,00,000 warrants to the Non-Promoter Group on preferential basis. During the year under review, the Company had also allotted 40309 equity shares under Employee Stock Option 2013 to the employees of the Company who had exercised their right to convert stock options to Equity shares. The Company had also granted 30,000 fresh stock options during the year. This results in increase in paid up Equity Capital to Rs.121,812,540/-.
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. Plot No. 38, Sector-44 Gurugram, Haryana E-mail: shares@bhartiya.com

CODE OF CONDUCT DECLARATION

Declaration

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As provided under Regulation 26 (3) of the SEBI Listing Regulations, all Board Members and Senior Management Personnel have affirmed compliance with Bhartiya International Ltd. Code of Business Conduct and Ethics for the year ended 31st March, 2018.

Sd/-
Snehdeep Aggarwal
Managing Director

Gurugram, 13th May, 2018

CEO/CFO CERTIFICATION

To

The Board of Directors

Bhartiya International Ltd.

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, 2018 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, 2018 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/-	Sd/-
	Snehdeep Aggarwal	**Manoj Khattar**
Gurugram, 25th May, 2018	Managing Director	Chief Financial Officer

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, 2018 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 Ltd. to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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

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

For K A S G & CO.
Chartered Accountants
Firm Registration No. 002228C

R B Sharma
Partner
Mem. No. 075701

Gurugram, 13th August, 2018

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 Ltd. ('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, 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the Consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

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 state of affairs(financial position), consolidated profit or loss (Consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Companies Act, 2013. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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,2018, and their consolidated profit, their consolidated cash flows and consolidated changes in equity 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. 209.99 crore as at 31st March, 2018, total revenues of Rs. 304.99 crore and net cash outflows

amounting to Rs. 5.67 crore 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.1.18 crore. These unaudited financial statements, as approved by the respective Board 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 these 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 Ind AS as specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 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,2018 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) The provision has been made in the Consolidated Financial Statement as required under the applicable law or Ind As, for material foreseeable losses, if any, on long term contracts including derivatives contracts.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

      iv) The disclosure requirement relating to holding as well as dealing in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statement. Hence, reporting under this clause is not applicable.

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

R. B. Sharma
Partner
Mem. No. 075701

Gurugram, 30th May, 2018

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,2018, we have audited the internal financial controls over financial reporting of Bhartiya International Ltd. ('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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the 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,2018, 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 **K A S G & CO.**
Chartered Accountants
Firm's Registration No. 002228C

R. B. Sharma
Partner
Mem. No. 075701

Gurugram, 30th May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH,2018

Amount in Rs.

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I Assets				
1 Non - Current Assets				
(a) Property, Plant And Equipment	**5**	**891,708,318**	792,459,264	627,001,980
(b) Capital Work-in-Progress	**5.1**	**243,273,224**	78,467,278	78,492,129
(c) Investment Property	**6**	**56,810,885**	57,901,551	58,992,217
(d) Goodwill		**2,525,000**	2,525,000	2,525,000
(e) Intangible Assets	**7**	**17,603,118**	18,757,064	6,601,104
(f) Intangible Assets under Development	**7.1**	**2,335,050**	-	13,180,000
(g) Investments Accounted for using Equity Method	**8**	**1,208,823,700**	378,212,841	384,116,828
(h) Financial Assets				
(i) Investments	**9**	**1,021**	21,126,319	817
(ii) Loans	**10**	**13,457,860**	17,148,418	11,406,571
(iii) Other Financial Assets	**11**	**49,919,030**	7,568,736	7,028,112
(i) Deferred Tax Assets		**3,566,459**	1,458,699	7,113,525
(j) Other Non-Current Assets	**12**	**71,020,572**	69,516,183	76,166,606
2 Current Assets				
(a) Inventories	**13**	**3,432,543,267**	2,803,073,117	2,531,707,819
(b) Financial Assets				
(i) Investments	**14**	**59,888,906**	35,173,570	1
(ii) Trade Receivables	**15**	**1,908,612,763**	913,116,574	899,360,568
(iii) Cash and Cash Equivalents	**16**	**270,661,714**	465,770,224	241,880,281
(iv) Bank Balances other than Cash & Cash Equivalents	**17**	**69,323,995**	77,679,419	92,350,790
(v) Loans	**18**	**57,725,222**	15,690,235	10,848,998
(vi) Others Financial Assets	**19**	**474,134,950**	214,266,158	251,881,944
(c) Current Tax Assets (net)		**15,337,446**	38,531,430	36,845,010
(d) Other Current Assets	**20**	**250,133,535**	184,003,551	165,253,056
TOTAL ASSETS		**9,099,406,035**	6,192,445,631	5,502,753,356
II Equity and Liabilities				
1 Equity				
(a) Equity Share Capital	21	**121,812,540**	117,409,450	117,138,480
(b) Other Equity	22	**3,627,200,310**	2,557,931,138	2,207,929,616
2 Liabilities				
Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	**472,839,603**	305,402,877	341,730,935
(ii) Other Financial Liabilities	24	**13,568,710**	12,515,794	11,352,606
(b) Provisions	25	**12,897,701**	8,717,877	7,971,159
(c) Other Non-Current Liabilities	26	**4,271,820**	2,559,890	3,677,766
(d) Deferred Tax Liabilities	27	**69,997,220**	65,419,427	75,282,042
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	28	**2,922,427,702**	2,296,566,214	1,834,281,566
(ii) Trade Payables	29	**1,498,643,150**	574,930,999	560,182,240
(iii) Other Financial Liabilities	30	**232,708,709**	184,100,117	264,212,990
(b) Provisions	31	**18,609,953**	10,335,511	8,886,030
(c) Other Current Liabilities	32	**79,713,679**	22,643,057	15,678,209
(d) Current Tax Liabilities (Net)		**24,714,938**	33,913,280	54,429,717
TOTAL OF EQUITY AND LIABILITIES		**9,099,406,035**	6,192,445,631	5,502,753,356
Significant Accounting Policies	4			

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For K A S G & CO.
Chartered Accountants
Firm Reg. No. 002228C

For and on behalf of the Board

R.B.Sharma	**Shilpa Budhia**	**Manoj Khattar**	**Sandeep Seth**	**Ramesh Bhatia**
Partner	Company Secretary	Chief Financial Officer	Director	Director
Mem.No. 075701			DIN: 01408624	DIN: 0052320

Gurugram, 30th May,2018

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in Rs.

Particulars	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
INCOME			
Revenue from Operations	33	**7,105,165,561**	6,419,424,431
Other Income	34	**72,554,106**	61,855,661
Total Income		**7,177,719,667**	6,481,280,092
Expenses			
Cost of Material Consumed	35	**2,458,216,889**	2,018,457,693
Purchases of Stock-in-Trade		**2,231,693,666**	2,186,995,443
Change In Inventories of Finished Goods	36	**(207,879,401)**	(86,803,780)
Employee Benefits Expense	37	**479,594,423**	453,267,316
Finance Costs	38	**195,606,318**	139,044,949
Depreciation and Amortization Expense	39	**74,827,459**	60,153,220
Other Expenses	40	**1,675,270,012**	1,443,439,994
Total Expenses		**6,907,329,366**	6,214,554,835
Profit Before Share of Net Profit/ (Loss) of Associate		**270,390,301**	266,725,257
Share of Net Profit/(Loss) of Associates		**(11,806,649)**	(5,853,988)
Profit / (Loss) Before Tax		**258,583,651**	260,871,269
Tax Expenses	41		
i Current Tax		**81,790,559**	84,548,080
ii Deferred Tax		**2,470,033**	(3,653,091)
Profit / (Loss) for the Year		**174,323,060**	179,976,280
Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss			
Remeasurements of the Defined Benefit Plans		**598,094**	(934,773)
Income Tax Relating to Above Items		**(259,170)**	323,506
Total Comprehensive Income for the Year		**174,661,984**	179,365,014
Profit Attributable To :			
Owners		**174,666,868**	180,544,270
Non-Controlling Interests		**(343,808)**	(567,990)
Other Comprehensive Income Attributable to :			
Owners		**338,241**	(611,267)
Non-Controlling Interests		**683**	-
Total Comprehensive Income Attributable to :			
Owners		**175,005,109**	179,933,004
Non-Controlling Interests		**(343,125)**	(567,990)
Earnings Per Equity Share of Face Value			
Basic (in Rs.)		**14.42**	15.33
Diluted (in Rs.)		**14.28**	14.98
Significant Accounting Policies	4		

The Accompanying Notes are an Integral Part of the Financial Statements

As per our report of even date attached

For K A S G & CO.
Chartered Accountants
Firm Reg. No. 002228C

For and on behalf of the Board

R.B.Sharma	**Shilpa Budhia**	**Manoj Khattar**	**Sandeep Seth**	**Ramesh Bhatia**
Partner	Company Secretary	Chief Financial Officer	Director	Director
Mem.No. 075701			DIN: 01408624	DIN: 0052320

Gurugram, 30th May,2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2018

A Equity Share Capital

	Notes	AMOUNT IN RS.
Balance as at 1st April, 2016		**117,138,480**
Change in Equity Share Capital during the year 2016-17	20	**270,970**
Balance as at 31st March, 2017		**117,409,450**
Change in Equity Share Capital during the year 2017-18	20	**4,403,090**
Balance as at 31st March, 2018		**121,812,540**

B Other Equity (Refer note no. 21)

Particulars	Share application money pending for allotment	Money Received Against Share Warrant	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earning	Employee Stock Options outstanding	Other Comprehensive Income(defined benefit plan)	Preferential share Warrant Forfeited	Foreign Currency Translation Reserve (FCTR)	Non-controlling Interest	Total
Balance as at 1st April, 2016		**105,000,000**	**506,165,000**	**270,129,410**	**4,621,283**	**1,264,644,716**	**22,775,346**	**(842,376)**	**8,500,000**	**11,044,250**	**15,891,987**	**2,207,929,616**
Profit for the year	-	-	-	-	-	180,544,270	-	-	-	-	(567,990)	179,976,280
Other comprehensive income for the year	-	-	-	-	-	-	-	(611,267)	-	-	-	(611,267)
Securities premium on issue of share	-	-	12,657,280		-	-	-	-	-	-	-	12,657,280
Transfer from Retained Earning	-	-		20,000,000		-	-	-	-	-	-	20,000,000
Transfer to General reserve	-	-	-	-	-	(20,000,000)	-	-	-	-	-	(20,000,000)
Employee Stock Option Reserve for the year	-	-	-	-	-	-	23,289,192	-	-	-	-	23,289,192
Share Application Money Received during the year	180,000,000	-	-	-	-	-	-	-	-	-	-	180,000,000
Dividend & Dividends distribution tax	-	-	-	-	-	(16,918,214)	-	-	-	-	-	(16,918,214)
Currency Fluctuation Reserve during the year	-	-	-	-	-	-	-	-	-	(16,818,349)		(16,818,349)
Transfer to Security premium on issue of share	-	-	-	-	-	-	(11,573,400)	-	-	-	-	(11,573,400)
Balance as at 31st March, 2017	**180,000,000**	**105,000,000**	**518,822,280**	**290,129,410**	**4,621,283**	**1,408,270,772**	**34,491,138**	**(1,453,643)**	**8,500,000**	**(5,774,099)**	**15,323,997**	**2,557,931,138**
Profit for the year	-	-	-	-	-	174,666,868	-	-	-	-	(343,125)	174,323,743
Other comprehensive income for the year	-	-	-	-	-	-	-	338,241	-	-	-	338,241

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

Particulars	Share application money pending for allotment	Money Received Against Share Warrant	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earning	Employee Stock Options outstanding	Other Comprehensive Income(defined benefit plan)	Preferential share Warrant Forfeited	Foreign Currency Translation Reserve (FCTR)	Non-controlling Interest	Total
Securities premium on issue of share	-	-	254,915,285				-	-	-	-	-	254,915,285
Transfer from Retained Earning	-	-		2,00,00,000		(20,523,336)	-	-	-	-	-	(523,336)
Transfer to General reserve	-	-		523,336			-	-	-	-	-	523,336
Employee Stock Option Reserve for the year	-	-					7,492,595	-	-	-	-	7,492,595
Transfer to Security premium on issue of share	-	-					(17,302,925)	-	-	-	-	(17,302,925)
Equity Shares issued during the year	(180,000,000)	(60,000,000)	-	-	-			-	-	-	-	(240,000,000)
Dividend & Dividends distribution tax	-	-	-	-	-	(17,370,857)				-	-	(17,370,857)
Preferential Shares warrant forfeited		(45,000,000)	-	-	-	-	-	-	45,000,000	-	-	-
Preferential Shares warrant issued during the year	-	39,075,000	-	-	-	-	-	-	-	-	-	39,075,000
Currency Fluctuation Reserve	-	-	-	-		-	-	-	-	25,380,582	-	25,380,582
Share of Associate Pr-Acquisition Profit	-	-	-	-	842,417,508	-	-	-	-	-	-	842,417,508
Capital Reserve created during the year	-	-	-	-	38,124	(38,124)	-	-	-	-	-	-
Balance as at 31st March, 2018	**-**	**39,075,000**	**773,737,565**	**310,652,746**	**847,076,915**	**1,545,005,324**	**24,680,808**	**(1,115,402)**	**53,500,000**	**19,606,483**	**14,980,872**	**3,627,200,310**

As per our report of even date attached

For K A S G & CO.
Chartered Accountants
Firm Reg. No. 002228C

For and on behalf of the Board

R.B.Sharma
Partner
Mem.No. 075701
Gurugram, 30th May,2018

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Sandeep Seth
Director
DIN: 01408624

Ramesh Bhatia
Director
DIN: 0052320

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in Rs.

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax as per Statement of Profit and Loss	**258,583,651**	260,871,270
Adjustment for :		
Share of (Profit)/Loss of Associates	**11,806,649**	5,853,988
Finance Cost	**195,606,318**	139,044,949
Depreciation and Amortisation Expenses	**74,827,459**	56,243,977
Provision for Employee Stock Option Benefits	**7,492,596**	23,289,192
Loss/(Profit) on Sale of Fixed Assets (Net)	**-**	(7,648,679)
Loss/(Profit) on Sale of Investments (Net)	**(12,106,494)**	(65,199)
Rental Income	**(26,885,759)**	(26,663,068)
Dividend Income	**(697,834)**	(101,073)
Interest Income	**(7,936,146)**	(16,105,943)
Government Grant Income	**(132,967)**	-
Net Loss/(Gain) on Investment Fair Value through Profit and Loss	**(4,921,813)**	(7,097,885)
Operating profit/(loss) before working capital changes	**495,635,660**	427,621,529
Movements in working capital:		
Increase/ (decrease) in Trade Payables	**923,712,151**	14,748,759
Increase/ (decrease) in other Financial Liabilities	**21,734,389**	(69,787,121)
Increase/ (decrease) in Other Liabilities	**55,804,440**	5,846,972
Increase/ (decrease) in Provisions	**13,052,360**	1,261,426
Decrease/ (increase) in Inventories	**(629,470,150)**	(271,365,298)
Decrease/ (increase) Trade Receivables	**(995,496,189)**	(13,756,006)
Decrease/ (increase) in Loan	**(38,344,429)**	(10,583,084)
Decrease/ (increase) in Other Current Financial Assets	**(259,868,791)**	37,615,786
Decrease/ (increase) in Other Current Assets	**(66,129,984)**	(18,750,495)
Decrease/ (increase) in other Non-Current Assets	**1,223,787**	398,441
Decrease/ (increase) in other Non-Current Financial Assets	**(42,350,294)**	(540,624)
Cash (used in) / Generated from Operations	**(520,497,050)**	102,710,285
Income tax paid (Net)	**(67,794,917)**	(106,982,130)
Currency Fluctuation Reserve Consolidation	**25,380,581**	(16,818,349)
Net Cash (used in)/ Generated from Operating Activities - (A)	**(562,911,386)**	(21,090,194)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	**(337,736,379)**	(225,064,406)
Capital Advance/Capital Creditors (Net)	**(5,691,633)**	(3,104,654)
Proceeds from Sale of Fixed Assets	**1,874,563**	13,151,381
Proceeds from Sale of Current Investments(Net)	**13,438,269**	(49,085,987)
Dividend Income on Current Investments	**697,834**	101,073
Security Deposit	**1,052,916**	1,163,188
Rental Income	**26,885,759**	26,663,068
Interest Income	**7,936,146**	16,105,943
Fixed Deposit with Bank	**8,355,424**	14,671,371
Net Cash from/ (used in) Investing Activities - (B)	**(283,187,101)**	(205,399,023)

CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)

Amount in Rs.

Particulars	**Year Ended 31st March, 2018**	**Year Ended 31st March, 2017**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings (Net)	**197,015,214**	(37,297,176)
Proceeds from Short-Term Borrowings (Net)	**625,861,488**	462,284,648
Money Received against Share Warrant / Share Application	**39,075,000**	180,000,000
Share Capital including Securities Premium	**2,015,450**	1,354,850
Interest and Processing Fees Paid (net)	**(195,606,318)**	(139,044,949)
Dividend Paid (including Dividend tax)	**(17,370,857)**	(16,918,214)
Net Cash from/ (used in) Financing Activities - (C)	**650,989,977**	450,379,159
Net increase / (decrease) in cash and Cash Equivalents - (A+B+C)	**(195,108,510)**	223,889,942
Cash and Cash Equivalents as at beginning of the year	**465,770,224**	241,880,281
Cash and Cash Equivalents as at the end of the Year	**270,661,714**	465,770,224
Components of cash and cash equivalents:		
Cash on Hand	**2,842,463**	2,799,099
Balances with scheduled banks:		
In Current Accounts	**267,819,251**	462,971,125
Cash and cash equivalents in cash flow statement	**270,661,714**	465,770,224

As per our report of even date attached

For K A S G & CO.
Chartered Accountants
Firm Reg. No. 002228C

For and on behalf of the Board

R.B.Sharma	**Shilpa Budhia**	**Manoj Khattar**	**Sandeep Seth**	**Ramesh Bhatia**
Partner	Company Secretary	Chief Financial Officer	Director	Director
Mem.No. 075701			DIN: 01408624	DIN: 0052320

Gurugram, 30th May,2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION

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

These consolidated financial statements for the Year Ended 31st March, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the Year Ended 31st March, 2017, the Company had prepared its consolidated financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

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

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

3 PRINCIPLES OF CONSOLIDATION

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, Plant and Equipment

The Group has applied for the one time transition exemption of considering the carrying cost of the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS, hence regarded thereafter as historical cost.

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

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

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

4.2 Investment Properties

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

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

4.3 Intangible Assets

Computer Software

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

Amortisation Method and Useful Life

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

4.4 Lease

Operating Lease

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

As a Lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

4.5 Inventories

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

4.6 Cash & Cash Equivalents

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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

4.7 Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

4.8 Financial Instruments

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

Financial Assets

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

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

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Debt Instruments:

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

(a) Measured at Amortised Cost:

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

(b) Measured at fair Value through Other Comprehensive Income:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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

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

Equity Instruments:

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

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

Derecognition

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

Financial Liabilities

Initial Recognition and Measurement

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Trade and Other Payable

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

Derecognition

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

Derivative Instruments

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

4.9 Provision and Contingent Liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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

4.10 Revenue Recognition

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Group retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

Revenue from Services

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

Other Operating Revenue - Export Incentives

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

Interest Income

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

Dividend Income

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

4.11 Foreign Currency Translation

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

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

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

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

4.12 Income Tax

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

Current Tax

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

Deferred Tax

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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

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

4.13 Earning Per Share

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

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

4.14 Borrowing Cost

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

4.15 Government Grants

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

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

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

4.16 Share based Payment

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

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

4.17 Critical Estimates and Judgements -

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

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

The Areas Involving Critical Estimates or Judgement are:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

5. PROPERTY, PLANT AND EQUIPMENT

Amount in Rs.

Particulars	Land Freehold	Other than Land						
		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total
Gross Carrying Amount								
Cost as at 1st April, 2016	25,570,461	355,415,574	186,970,227	17,741,231	14,848,896	19,691,010	6,764,581	627,001,980
Addition	-	27,486,364	172,973,521	5,994,888	1,693,568	7,908,926	7,346,708	223,403,975
Disposal	-	3,845,001	4,429,075	-	584,637	132,995	1,615,117	10,606,825
Balance as at 31st March,2017	**25,570,461**	**379,056,937**	**355,514,673**	**23,736,119**	**15,957,827**	**27,466,941**	**12,496,172**	**839,799,130**
Addition	12,237,983	-	110,000,353	26,928,084	9,553,065	4,378,337	4,345,371	167,443,193
Disposal	-	-	186,636	716,136	3,441,397		9,920	4,354,089
Balance as at 31st March, 2018	**37,808,444**	**379,056,937**	**465,328,390**	**49,948,067**	**22,069,495**	**31,845,278**	**16,831,623**	**1,002,888,234**
Accumulated Depreciation								
Balance as at 1 st April, 2016	-	-	-	-	-	-	-	-
Addition	-	16,847,430	19,642,934	3,511,426	4,205,960	4,349,908	3,886,331	52,443,989
Disposal	-	1,472,641	1,801,144		332,276	49,448	1,448,614	5,104,123
Balance as at 31st March, 2017	**-**	**15,374,789**	**17,841,790**	**3,511,426**	**3,873,684**	**4,300,460**	**2,437,717**	**47,339,866**
Addition		15,376,146	30,791,872	7,049,776	3,221,582	4,697,784	5,182,416	66,319,576
Disposal	-	-	25,405	-	2,454,121	-	-	2,479,526
Balance as at 31st March, 2018	**-**	**30,750,935**	**48,608,257**	**10,561,202**	**4,641,145**	**8,998,244**	**7,620,133**	**111,179,916**
Net Carrying Amount								
Balance as at 1st April,2016	25,570,461	355,415,574	186,970,227	17,741,231	14,848,896	19,691,010	6,764,581	**627,001,980**
Balance as at 31st March, 2017	25,570,461	363,682,148	337,672,883	20,224,693	12,084,143	23,166,481	10,058,455	**792,459,264**
Balance as at 31st March, 2018	**37,808,444**	**348,306,002**	**416,720,133**	**39,386,865**	**17,428,350**	**22,847,034**	**9,211,490**	**891,708,318**

5.1 Capital Work in Progress

1st April, 2016	**78,492,129**
31st March, 2017	**78,467,278**
31st March, 2018	**243,273,224**

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

5.3 The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April, 2016. The movement in carrying value of property, plant and equipment as per IGAAP is mentioned below :-

Particulars	Land	Other than Land						
	Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total
Gross Carrying Amount								
Cost as at 1st April, 2016	25,570,461	457,217,718	316,037,197	60,624,198	43,549,475	33,367,096	18,045,426	954,411,571
Addition	-	27,486,364	172,973,521	5,994,888	1,693,568	7,908,926	7,346,708	223,403,975
Disposal	-	3,845,001	4,429,075	-	584,637	132,995	1,615,117	10,606,825

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

Particulars	Land	Other than Land						
	Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total
Balance as at 31st March, 2017	**25,570,461**	**480,859,081**	**484,581,643**	**66,619,086**	**44,658,406**	**41,143,027**	**23,777,017**	**1,167,208,721**
Addition	12,237,983	-	110,000,353	26,928,084	9,553,065	4,378,337	4,345,371	167,443,193
Disposal		-	186,636	716,136	3,441,397		9,920	4,354,089
Balance as at 31st March, 2018	**37,808,444**	**480,859,081**	**594,395,360**	**92,831,034**	**50,770,074**	**45,521,364**	**28,112,468**	**1,330,297,825**
Accumulated Depreciation								
Balance as at 1st April, 2016	**-**	**101,802,144**	**129,066,970**	**42,882,967**	**28,700,579**	**13,676,086**	**11,280,845**	**327,409,591**
Addition	-	16,847,430	19,642,934	3,511,426	4,205,960	4,349,908	3,886,331	52,443,989
Disposal	-	1,472,641	1,801,144		332,276	49,448	1,448,614	5,104,123
Balance as at 31st March,2017	**-**	**117,176,933**	**146,908,760**	**46,394,393**	**32,574,263**	**17,976,546**	**13,718,562**	**374,749,457**
Addition	-	15,376,146	30,791,872	7,049,776	3,221,582	4697784	5182416	66,319,576
Disposal			25,405		2,454,121	-		2,479,526
Balance as at 31st March, 2018	**-**	**132,553,079**	**177,675,227**	**53,444,169**	**33,341,724**	**22,674,330**	**18,900,978**	**438,589,507**
Net Carrying Amount								
Balance as at 1st April, ,2016	25,570,461	355,415,574	186,970,227	17,741,231	14,848,896	19,691,010	6,764,581	**627,001,980**
Balance as at 31st March, 2017	25,570,461	363,682,148	337,672,883	20,224,693	12,084,143	23,166,481	10,058,455	**792,459,264**
Balance as at 31st March, 2018	37,808,444	348,306,002	416,720,133	39,386,865	17,428,350	22,847,034	9,211,490	**891,708,318**

6. INVESTMENT PROPERTIES

Amount in Rs.

Particulars	Land
Gross Carrying Amount	
Cost as at 1st April,2016	58,992,217
Addition	-
Disposal	-
Balance as at 31st March,2017	58,992,217
Addition	-
Disposal	-
Balance as at 31st March,2018	58,992,217
Accumulated Depreciation	
Balance as at 1 st April,2016	
Addition	1,090,666
Disposal	-
Balance as at 31st March,2017	1,090,666
Addition	1,090,666
Disposal	-
Balance as at 31st March,2018	2,181,332
Net Carrying Amount	
Balance as at 1st April,2016	58,992,217
Balance as at 31st March,2017	57,901,551
Balance as at 31st March,2018	56,810,885
Fair Value	
As at 1st April,2016	320,787,000
As at 31st March,2017	314,787,000
As at 31st March,2018	320,787,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

6.1 Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Rental income derived from investment properties	**23,104,800**	23,104,800
Direct operating expenses (including repairs and maintenance) generating rental income	**-**	-
Income arising from investment properties before depreciation	**23,104,800**	23,104,800
Depreciation	**1,090,666**	1,090,666
Income from investment properties (Net)	**22,014,134**	22,014,134

6.2 Estimation of Fair Value

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

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

7. INTANGIBLE ASSETS

Particulars	Goodwill	Computer Software	Total
Gross Carrying Amount			
Cost as at 1st April, 2016	799,508	5,801,596	6,601,104
Addition	-	14,865,282	14,865,282
Disposal	-	-	-
Balance as at 31st March,2017	**799,508**	**20,666,878**	**21,466,386**
Addition	-	6,263,270	6,263,270
Disposal	-	-	-
Balance as at 31st March,2018	**799,508**	**26,930,148**	**27,729,656**
Accumulated Depreciation			
Balance as at 1 st April,2016		-	-
Addition	11,956	2,697,366	2,709,322
Disposal	-	-	-
Balance as at 31st March,2017	**11,956**	**2,697,366**	**2,709,322**
Addition	11,120	7,406,097	7,417,217
Disposal	-	-	-
Balance as at 31st March,2018	**23,076**	**10,103,463**	**10,126,539**
Net Carrying Amount			
Balance as at 1 st April,2016	**799,508**	**5,801,596**	**6,601,104**
Balance as at 31st March,2017	**787,552**	**17,969,512**	**18,757,064**
Balance as at 31st March,2018	**776,432**	**16,826,685**	**17,603,117**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

7.1 Intangible Assets under Development

	Amount in Rs.
1st April,2016	13,180,000
31st March,2017	**-**
31st March,2018	2,335,050

7.2 The Company has elected to measure all its intangibles at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April, 2016. The movement in carrying value of intangible asset as per IGAAP is mentioned below:

Particulars	Goodwill	Computer Software	Total
Gross Carrying Amount			
Cost as at 1st April,2016	25,640,943	13,087,429	38,728,372
Addition		14,865,282	14,865,282
Disposal		-	-
Balance as at 31st March,2017	25,640,943	27,952,711	53,593,654
Addition		6,263,270	6,263,270
Disposal			-
Balance as at 31st March,2018	25,640,943	34,215,981	59,856,924
Accumulated Depreciation			
Balance as at 1 st April,2016	24,841,435	7,285,833	32,127,268
Addition	11,956	2,697,366	2,709,322
Disposal			-
Balance as at 31st March,2017	24,853,391	9,983,199	34,836,590
Addition	11,120	7,406,097	7,417,217
Disposal			
Balance as at 31st March,2018	24,864,511	17,389,296	42,253,807
Net Carrying Amount			
Balance as at 1 st April,2016	799,508	5,801,596	6,601,104
Balance as at 31st March,2017	787,552	17,969,512	18,757,064
Balance as at 31st March,2018	776,432	16,826,685	17,603,117

8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Particulars	No. of Shares/Units	As At 31St March, 2018	No. of Shares/Units	As At 31St March, 2017	No. of Shares/Units	As At 1st April, 2016
Investments in Associates (Unquoted at Cost)						
(a) Capital in Firm "Bhartiya Prakash Leather"	-	**-**		-	-	50,000
(b) Investment in Associate Company#	-	**-**	-	-	-	-
Equity Shares	34,393,260	**1,208,823,700**	16,001,865	378,212,841	11,205,000	264,106,828
Preference Shares	-	**-**	-	-	4,796,865	119,960,000
		1,208,823,700		**378,212,841**		**384,116,828**
#Particulars of Investment in Associate Company						
A) Bhartiya Urban Infrastructure & Land Development Co Pvt Ltd						
% of Ownership Interest		**-**		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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

Particulars	No. of Shares/Units	As At 31St March, 2018	No. of Shares/Units	As At 31St March, 2017	No. of Shares/Units	As At 1st April, 2016
B) Bhartiya City Developers Pvt. Ltd.						
% of ownership interest		**36.77%**				
Cost of Acquisition		**378,255,650**		-		-
Share of Pre-Acquisition Reserves & Surplus		**842,417,508**		-		-
Share of Post Acquisition Reserves & Surplus		**(11,791,415)**		-		-
Carrying Value		**1,208,881,743**		**-**		**-**
C) TADA Mega Leather Cluster Pvt. Ltd.						
% of Ownership Interest		**50.00%**		50.00%		50.00%
Cost of Acquisition		**50,000**		50,000		50,000
Share of Post Acquisition Reserves & Surplus		**(108,044)**		(92,810)		(70,343)
Carrying Value		(58,044)		(42,810)		(20,342)
Total (A+B+C)		**1,208,823,700**		**378,212,841**		**264,106,829**

8.1 The Company had invested in the Equity Shares of Bhartiya Urban infrastructure & Land Development Co. Pvt. Ltd. (Face value of Rs10/- each). During the year Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. merged with Bhartiya City Developers Pvt. Ltd. and in lieu of this, the Company received 2.15 Equity Shares (face value of Rs 10 each) of Bhartiya City Developers Pvt. Ltd. for every one Equity Share held in Bhartiya Urban infrastructure & Land Development Co. Pvt. Ltd. Consequently share of pre-acquisition reserve increased by Rs. 842,417,508/-.

9. NON-CURRENT INVESTMENTS

Particulars	As on 31st March, 2018		As on 31st March,2017		As on 1st April, 2016	
	Units (No.)	Amount (Rs.)	Units (No.)	Amount (Rs.)	Units (No.)	Amount (Rs.)
A **Investments in Mutual Funds (Unquoted)**						
At Fair value through Profit & Loss						
i) Reliance ETF Liquid BeES	**1.021**	**1,021**	0.982	982	0.817	817
ii) Birla Sun Life Equity Fund -Growth	**-**	**-**	16,698	10,836,770	-	-
iii) SBI Blue Chip Fund - Direct Plan - Growth	**-**	**-**	295,753	10,288,567	-	-
	-	**1,021**	-	21,126,319	-	817
Aggregate amount of Unquoted Investments	**-**	**1,021**	-	21,126,319	-	817
Aggregate amount of Impairment in value of unquoted Investments	**-**	**-**		-		-

10 NON-CURRENT LOAN

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured & Considered Good)			
(a) Security and Other Deposits	**9,854,916**	10,144,404	7,716,104
(b) Loans / Advances to Related Parties *(refer note no.56)*	**-**	2,823,575	3,562,772
(c) Loan to Employee	**3,602,944**	4,180,439	127,695
TOTAL	**13,457,860**	17,148,418	11,406,571

11 OTHER NON-CURRENT FINANCIAL ASSETS

(a) Other Advances	**49,919,030**	7,568,736	7,028,112
TOTAL	**49,919,030**	7,568,736	7,028,112

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

12. OTHER NON-CURRENT ASSETS

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Capital Advances	**7,647,233**	4,919,058	11,171,039
(b) Security Deposits with Govt. Authority	**9,618,463**	9,618,463	8,755,500
(c) Prepayment Lease Rent	**53,754,876**	54,978,662	56,240,067
TOTAL	**71,020,572**	69,516,183	76,166,606

13. INVENTORIES

(a) Raw Materials	**2,630,372,543**	2,124,110,684	1,919,436,308
(b) Raw Materials -in Transit	**11,462,591**	10,014,822	14,644,628
(c) Stock-in-Progress	**127,843,984**	213,962,862	229,203,403
(d)Finished Goods	**629,331,101**	425,176,659	327,499,179
(e) Stock in Trade	**33,533,048**	29,808,090	40,924,301
TOTAL	**3,432,543,267**	2,803,073,117	2,531,707,819

14. CURRENT INVESTMENTS

Particulars	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Shares (No)	Amount (Rs)	Shares (No)	Amount (Rs)	Shares (No)	Amount (Rs)
a) Investment In Equity Instrument (Quoted)						
At Fair value through Profit and Loss						
Alkyl Amines Chemicals Ltd.	4,579	2,720,155	4,579	2,071,540	-	-
Astra Microwave Products Ltd.	46,443	3,562,178	-	-	-	-
Chambal Fertilisers and Chemicals Ltd.	-	-	43,205	3,748,034	-	-
DCB Bank Ltd.	31,695	5,120,327	31,695	5,396,074	-	-
Firstsource Solutions Ltd.	-	-	69,753	2,908,700	-	-
Intellect Design Arena Ltd.	37,198	6,148,829	13,920	1,600,800	-	-
Karur Vysya Bank	6,387	641,574	-	-	-	-
Kirloskar Brothers Ltd.	7,496	2,329,007	-	-	-	-
Majesco Ltd.	5,627	2,763,701	-	-	-	-
Monte Carlo Fashions Ltd.	2,130	998,970	-	-	-	-
Navneet Education Ltd.	16,540	2,361,912	16,540	2,686,923	-	-
Persistent Systems Ltd.	3,400	2,359,770	-	-	-	-
Premier Explosives Ltd.	10,534	3,524,676	-	-	-	-
Power Mech Projects Ltd.	5,130	4,343,315	5,130	2,740,703	-	-
Praj Industries Ltd.	58,449	4,693,455	33,655	2,694,083	-	-
Pricol Ltd.	30,389	2,633,207	30,389	2,402,250	-	-
RPG Life Sciences Ltd.	8,729	3,332,732	3,346	1,500,514	-	-
Visaka Industries Ltd.	12,961	8,383,823	12,961	3,509,839	-	-
Voltamp Transformers Ltd.	3,724	3,971,274	3,724	3,914,110	-	-
		59,888,905		35,173,570		-
b) Investment In Equity Instrument (Unquoted)						
At Fair Value through Profit and Loss						
i) Sai Rayalaseema Paper Mills Ltd.	31,792	1	31,792	1	31,792	1
		1		1		1
Total (A+B)		59,888,906		35,173,570		1
Aggregate amount of Quoted Investments		59,888,905		35,173,569		-
Market Value of quoted Investments		59,888,905		35,173,569		-
Aggregate amount of unquoted Investments		1		1		1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

15. TRADE RECEIVABLES

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
(a) Trade Receivable	**1,908,612,763**	913,116,574	899,360,568
TOTAL	**1,908,612,763**	913,116,574	899,360,5678

15.1 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.

16. CASH AND CASH EQUIVALENT

a) Balances with Banks- in current A/c			
In current accounts	**267,819,251**	458,731,854	237,791,254
In deposit accounts	**-**	4,239,271	-
b) Cash on Hand	**2,842,463**	2,799,099	4,089,027
TOTAL	**270,661,714**	465,770,224	241,880,281

17. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

a) Fixed Deposit with the bank	**68,419,473**	76,827,472	91,533,681
b) Unclaimed dividend accounts	**904,522**	851,947	817,109
TOTAL	**69,323,995**	77,679,419	92,350,790

17.1 Fixed deposits of Rs. 63,877,055/- (previous year Rs 76,827,473/-) are pledged with the banks for various limits and facilities granted.

18. CURRENT LOAN

(Unsecured & Considered Good)			
(a) Security and Other Deposits	**6,313,297**	4,479,640	7,211,224
(b) Other Advances	**95,431**	-	33,903
(c) Loan to employee	**51,316,494**	11,210,595	3,603,871
TOTAL	**57,725,222**	15,690,235	10,848,998

19. OTHER CURRENT FINANCIAL ASSETS

a) Export incentive receivable	**93,101,621**	87,256,848	127,368,656
b) Insurance claim receivable	**19,561,305**	22,461,696	36,832
c) Vat/GST Receivable	**360,522,879**	97,711,497	99,433,310
d) Other Advance	**949,145**	6,428,492	4,655,723
e) Derivatives-foreign exchange forward contract	**-**	407,625	20,387,423
TOTAL	**474,134,950**	214,266,158	251,881,944

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

20. Other Current Assets

a) Advances with suppliers	**226,012,362**	153,411,890	143,826,403
b) Prepaid Expenses	**17,801,422**	26,615,483	17,577,245
c) Security Deposit with Govt. Authority	**-**	290,630	862,963
d) Mat credit Entitlement	**1,578,329**	1,434,524	1,434,524
e) Other Advances	**2,990,622**	989,620	290,625
f) Prepayment lease rent	**1,750,800**	1,261,404	1,261,296
TOTAL	**250,133,535**	184,003,551	165,253,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

21. SHARE CAPITAL

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised Share Capital			
a) 20,000,000 (31st March,2017: 20,000,000 1st April,2016: 20,000,000) Equity Shares of Rs.10/- each	**200,000,000**	200,000,000	200,000,000
b) 500,000 (31st March, 2017: 500,000 1st April, 2016: 5,00,000) Preference Shares of Rs.100/- each	**50,000,000**	50,000,000	50,000,000
	250,000,000	250,000,000	250,000,000
Issued, Subscribed & Paid up :			
a) 12,181,254 (31st March,2017: 11,740,945 1st April,2016: 11,713,848) Equity Shares of Rs.10/- each fully paid Up.	**121,812,540**	117,409,450	117,138,480
	121,812,540	117,409,450	117,138,480

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

Particulars	As at 31st March, 2018 No. of Shares	As at 31st March, 2018 Amount (Rs.)	As at 31st March, 2017 No. of Shares	As at 31st March, 2017 Amount (Rs.)
Shares outstanding at the beginning of the year	**11,740,945**	**117,409,450**	11,713,848	117,138,480
Shares Issued during the year	**440,309**	**4,403,090**	27,097	270,970
Shares outstanding at the end of the year	**12,181,254**	**121,812,540**	11,740,945	117,409,450

21.2 The details of Shareholders holding more than 5% shares

Name of the share holders	As at 31st March, 2018 No. of Shares	As at 31st March, 2018 % of Holding	As at 31st March, 2017 No. of Shares	As at 31st March, 2017 % of Holding	As at 1st April, 2016 No. of Shares	As at 1st April, 2016 % of Holding
(a) Snehdeep Aggarwal	**1,143,362**	**9.39**	1,143,362	9.74	1,143,362	9.76
(b) Bharitya Infotech Pvt. Ltd.	**1,000,000**	**8.21**	1,000,000	8.52	1,000,000	8.54
(c) Bhartiya Global Ventures Ltd.	**1,850,000**	**15.19**	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 Advisory Services Pvt. Ltd.	**681,926**	**5.60**	681,926	5.81	681,926	5.82
(f) Timf Holdings	**706,474**	**5.80**	-	-	-	-
(g) Morgan Stanlay Asia (Singapore) PTE	-	**-**	278,315	2.37	745,315	6.36
(h) Superfine Carpets Pvt.Ltd.	**1,236,684**	**10.15**	613,533	5.23	-	-

21.3 Shares Reserved for issue under options

Particulars	As at 31st Mar, 2018 No. of Shares	As at 31st Mar, 2017 No. of Shares	As at 1st April, 2016 No. of Shares
a) Under 2013 employee stock option plan : Equity share of Rs.10/-each, at an exercise price of Rs.50/- per share	93,004	115,329	164,650
b) Preferential Share Warrant issued on 2nd January, 2016 convertible into equity at a price of Rs.600/-	-	700,000	700,000
c) Preferential Share warrant issued on 14th April, 2017 convertible into equity at a price of Rs.521/	300,000	-	-

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

Amount in Rs.

Particulars	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014
Shares issued during the period of five Years immediately preceding thr reporting date on exercise of option granted under the employee stock option Plan (ESOP) wherein part considertion was received in form of employee services.	40,309	27,097	-	-	-

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

21.6 4,00,000 Equity Shares of Rs. 10/- each at a premium of Rs 590/- each issued to non-promoters on conversion of preferential Share Warrants.

21.7 During the Year, the company has alloted 40,309 Equity share of Rs.10/- each fully paid to its employees under Employee stock option plan (ESOP 2013).

22 **Other Equity**

Particulars	Share application money pending for allotment	Money Received Against Share Warrant	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earning	Employee Stock Options outstanding	Other Comprehensive Income(defined benefit plan)	Preferential share Warrant Forfeited	Foreign Currency Translation Reserve (FCTR)	Non-controlling Interest	Total
Balance as at 1st April, 2016		**105,000,000**	**506,165,000**	**270,129,410**	**4,621,283**	**1,264,644,716**	**22,775,346**	**(842,376)**	**8,500,000**	**11,044,250**	**15,891,987**	**2,207,929,616**
Profit for the year						180,544,270					(567,990)	179,976,280
Other comprehensive income for the year	-	-	-	-	-	-	-	(611,267)	-	-	-	(611,267)
Securities premium on issue of share	-	-	12,657,280	-	-	-	-	-	-	-	-	12,657,280
Transfer from Retained Earning	-	-	-	20,000,000				-	-	-	-	20,000,000
Transfer to General reserve	-	-	-	-	-	(20,000,000)		-	-	-	-	(20,000,000)
Employee Stock Option Reserve for the year	-	-	-	-	-	-	23,289,192	-	-	-	-	23,289,192
Share Application Money Received during the year	180,000,000	-	-	-	-	-	-	-	-	-	-	180,000,000
Dividend & Dividends distribution tax	-	-	-	-	-	(16,918,214)	-	-	-	-	-	(16,918,214)
Currency Fluctuation Reserve during the year	-	-	-	-	-	-	-	-	-	(16,818,349)	-	(16,818,349)
Transfer to Security premium on issue of share	-	-	-	-	-	-	(11,573,400)	-	-	-	-	(11,573,400)
Balance as at 31st March, 2017	**180,000,000**	**105,000,000**	**518,822,280**	**290,129,410**	**4,621,283**	**1,408,270,772**	**34,491,138**	**(1,453,643)**	**8,500,000**	**(5,774,099)**	**15,323,997**	**2,557,931,138**
Profit for the year	-	-	-	-	-	174,666,868			-	-	(343,125)	174,323,743
Other comprehensive income for the year	-	-	-	-	-	-	-	338,241	-	-	-	338,241
Securities premium on issue of share	-	-	254,915,285	-	-	-	-		-	-	-	254,915,285
Transfer from Retained Earning	-	-	-	-	-	(523,336)	-	-	-	-	-	(523,336)
Transfer to General reserve	-	-	-	523,336	-	-	-	-	-	-	-	523,336

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Share application money pending for allotment	Money Received Against Share Warrant	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earning	Employee Stock Options outstanding	Other Comprehensive Income(defined benefit plan)	Preferential share Warrant Forfeited	Foreign Currency Translation Reserve (FCTR)	Non-controlling Interest	Total
Employee Stock Option Reserve for the year	-	-	-		-	-	7,492,595		-	-	-	7,492,595
Transfer to Security premium on issue of share	-	-	-	-	-	-	(17,302,925)	-	-	-	-	(17,302,925)
Equity Shares issued during the year	(180,000,000)	(60,000,000)	-	-	-	-	-	-	-	-	-	(240,000,000)
Dividend & Dividends distribution tax	-		-	-	-	(17,370,857)	-	-	-	-	-	(17,370,857)
Preferential Shares warrant forfeited	-	(45,000,000)	-	-	-	-	-	-	45,000,000	-	-	-
Preferential Shares warrant issued during the year	-	39,075,000	-	-	-	-	-	-		-	-	39,075,000
Currency Fluctuation Reserve	-	-	-	-	-	-	-	-		25,380,582	-	25,380,582
Share of Associate	-	-	-	-	842,417,508	-	-	-			-	842,417,508
Pre-Acquisition Profit												
Capital Reserve created during the year	-	-	-	-	38,124	(38,124)	-	-	-	-	-	-
Balance as at 31st March, 2018	**-**	**39,075,000**	**773,737,565**	**290,652,746**	**847,076,915**	**1,565,005,324**	**24,680,808**	**(1,115,402)**	**53,500,000**	**19,606,483**	**14,980,872**	**3,627,200,310**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

23. NON-CURRENT BORROWING

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
- Term Loans from Banks	**465,822,876**	305,045,025	340,375,249
- Vehicle Loans from Banks	**7,016,727**	357,852	1,355,686
TOTAL	**472,839,603**	305,402,877	341,730,935

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

	Nature of Security	Terms of Repayment
23.1	Term Loans from HDFC Bank, balance outstanding amounting to Rs 485.33 lacs (31st March,2017 Rs. 647.11 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 10.20 % p.a. as at year end (previous year - 10.70%)
23.2	Term Loans from HDFC Bank, subsequent disbursement, balance outstanding amounting to Rs 110.52 lacs (31st March,2017 Rs. 147.36) 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 10.20 % p.a. as at year end (previous year - 10.65%)
23.3	Term Loans from HDFC Bank, balance outstanding amounting to Rs 630.00 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	The loan is repayable in 20 quarterly Installment starting from November, 2017. Last installment due in August, 2022. Rate of Interest 9.1% p.a. as at year end (Previous Year Nil)
23.4	Term Loans from HDFC Bank, balance outstanding amounting to Rs 2346.00 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	Repayable in 40 Quarterly Installment starting from October, 2018. Last installment due in May, 2028. Rate of Interest 9.1 % p.a. as at year end (Previous Year Nil.)
23.5	Term Loans from HDFC Bank, balance outstanding amounting to Rs 231.65 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	The loan is repayable in 19 quarterly Installment starting from February 2018. Last installment due in August, 2022. Rate of Interest 9.1% p.a. as at year end (Previous Year Nil)
23.6	Term Loan from Axis Bank, balance outstanding amounting to Rs. 180.00 Lacs (31st March, 2017 Rs. 360.00 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, Banglore, 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 9.00 % p.a. as at year end (previous year - 10.30% p.a.)
23.7	Term Loan from Yes Bank, balance outstanding amounting to Rs. 500.00 Lacs (31st March, 2017 Rs. Nil) is secured by exclusive charge on the immovable property situated at Khasra No 1,2,3 in Akkampeta Village and Khasra No. 287 & 288 Kadlauru Village, Tada Mandal, Nellore District, Andhra Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repayable in 20 Quarterly Installment starting from June, 2018. Last installment due in March, 2023. Rate of interest 10.00 % p.a. as at year end (previous year - Nil.)
23.8	Term Loans from Indus Ind Bank, balance outstanding amounting to Rs 229.01 lacs (31st March,2017 is Rs. Nil) is secured by exclusive charge on the machinery financed by the bank and Corporate Guarantee of ultimate holding company	Repayable in 61 Monthly Installment starting from March, 2018. Last installment due in March, 2023. Rate of Interest 10.40 % p.a. as at year end (Previous Year Nil.)
23.9	Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

24 OTHER NON-CURRENT FINANCIAL LIABILITIES

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Security Deposit with Related Parties	**13,568,710**	12,515,794	11,352,606
TOTAL	**13,568,710**	12,515,794	11,352,606

25 NON-CURRENT PROVISION

(a) Provision for Employees Benefit	**12,897,701**	8,717,877	7,971,159
TOTAL	**12,897,701**	**8,717,877**	7,971,159

26 OTHER NON-CURRENT LIABILITY

(a) Government Grant	**2,978,113**	-	-
(b) Advance Lease Rent	**1,293,707**	2,559,890	3,677,766
TOTAL	**4,271,820**	**2,559,890**	3,677,766

27 DEFERRED TAX LIABILITY (NET)

a) Deferred tax Liabilities			
Related to Fixed Assets	**69,997,220**	65,419,427	75,282,042
TOTAL	**69,997,220**	**65,419,427**	75,282,042

28 CURRENT BORROWING

Secured			
a) Working Capital Loans From Banks	**2,922,427,702**	2,296,566,214	1,834,281,566
TOTAL	**2,922,427,702**	2,296,566,214	1,834,281,566

28.1 Working Capital Facilities are secured against hypothecation of stocks of raw - materials, stock in process, finished goods, Other Current Assets, Specified Immovable property, Movable Fixed Assets, Lien on Fixed Deposits, Exports Bills and Personal Guarantee of Director.

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

29 TRADE PAYABLE

(a) Payable	**1,498,643,150**	574,930,999	560,182,240
TOTAL	**1,498,643,150**	574,930,999	560,182,240

29.1 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.

30 OTHER CURRENT FINANCIAL LIABILITIES

(a) Current Maturities of Long-Term Debt	**81,365,669**	51,787,181	52,756,298
(b) Interest Accrued	**9,180,919**	6,946,199	9,182,721
(c) Unpaid Dividend	**732,263**	851,948	817,109
(d) Due to Employee	**58,188,345**	30,567,153	36,668,955
(e) Expenses Payable	**31,645,755**	58,688,419	110,867,573
(f) Statutory Dues Payable	**16,148,067**	12,923,503	22,731,118
(g) Capital Payables	**8,641,069**	11,604,527	20,961,162
(h) Other Payable	**6,491,950**	10,731,187	10,228,054
(i) Derivatives-Foreign Exchange forward Contract	**20,314,672**	-	-
TOTAL	**232,708,709**	184,100,117	264,212,990

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

31 PROVISIONS — **Amount in Rs.**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Provision for Employees benefits	**18,609,953**	10,335,511	8,886,030
TOTAL	**18,609,953**	10,335,511	8,886,030

32 OTHER CURRENT LIABILITIES

(a) Advance from Customer	**78,448,928**	21,481,421	14,621,259
(b) Advance Lease Rent	**1,264,751**	1,161,636	1,056,950
TOTAL	**79,713,679**	22,643,057	15,678,209

33 REVENUE FROM OPERATIONS

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Sales of products		
(a) Sales Manufactured Goods	**4,006,194,018**	3,343,517,077
(b) Sales Stock-in-Trade	**2,744,185,538**	2,570,013,458
Other Operating Revenues		
(a) Export Incentives	**297,516,213**	322,887,642
(b) Foreign Exchange Gain	**57,269,792**	183,006,254
TOTAL	**7,105,165,561**	6,419,424,431

34 OTHER INCOME

(a) Interest Income on Loan & Advances	**7,936,146**	16,105,942
(b) Dividend income from Current Investments	**697,834**	101,073
(c)Other Non Operating Income		
- Profit on Sale of Current Investments(Net)	**12,106,494**	65,199
- Rental Income	**26,885,759**	26,663,068
- Profit on Sale of Fixed Assets	**-**	7,648,679
- Other Income	**20,006,060**	4,173,815
- Net Gain on re-measurement of investment through Profit & Loss Account	**4,921,813**	7,097,885
TOTAL	**72,554,106**	61,855,661

35 COST OF MATERIALS CONSUMED

Opening Stock	**2,222,404,478**	2,037,915,276
Add : Purchases	**2,876,386,943**	2,184,579,099
	5,098,791,421	4,222,494,375
Less : Closing Stock	**2,641,835,133**	2,222,404,478
Excise Duty	**1,260,601**	18,367,796
MATERIALS CONSUMED	**2,458,216,889**	2,018,457,693
	-	

36 CHANGE IN INVENTORIES OF FINISHED GOODS

(a) Opening Stock	**454,984,749**	368,180,969
(b) Closing Stock	**662,864,150**	454,984,749
Decrease/(Increase)	**(207,879,401)**	(86,803,780)

37 EMPLOYEE BENEFIT EXPENSES

(a) Salary & Allowances	**419,366,144**	386,786,760
(b) Contribution to Provident & Other Fund	**27,301,082**	26,210,236
(c) Staff Welfare Expenses	**25,434,601**	16,981,128
(d) Employee Stock Option Plan	**7,492,596**	23,289,192
TOTAL	**479,594,423**	453,267,316

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

38 FINANCE COST — **Amount in Rs.**

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
(a) Interest Expense	**181,279,561**	120,909,781
(b) Borrowing Cost	**14,326,757**	18,135,168
TOTAL	**195,606,318**	139,044,949

39 DEPRECIATION AND AMORTISATION

(a) Depreciation on Property Plant and Equipment	**66,319,576**	52,443,989
(b) Depreciation on Intangible Assets	**7,417,217**	2,709,322
(c) Depreciation on Investment on Properties	**1,090,666**	1,090,666
(d) Preliminary Expenses	**-**	3,909,243
TOTAL	**74,827,459**	60,153,220

40 OTHER EXPENSES

(I) Manufacturing Expenses		
(a) Fabrication Charges	**997,713,242**	879,553,745
(b) Other Manufacturing Expenses	**28,212,368**	14,378,331
(c) Freight & Cartage	**10,282,428**	10,212,139
(II) Selling & Administrative Expenses		
(a) Legal And Professional Charges	**114,722,662**	98,764,142
(b) Power & Fuel	**32,652,078**	26,223,649
(c) Bank Charges	**35,495,129**	44,787,050
(d) Repair & Maintenance		
- Building	**1,322,423**	2,698,811
- Plant & Machinery	**12,245,424**	10,872,843
- Others	**29,720,207**	2,279,732
(e) Communication	**12,264,956**	13,431,165
(f) Rates Taxes & Duties	**6,788,582**	6,466,048
(g) Insurance	**8,714,890**	5,217,167
(h) Rent	**35,728,389**	27,853,390
(i) Travelling & Conveyance	**136,540,603**	123,412,576
(j) Freight on Exports	**65,323,386**	47,780,998
(k) Commission, Brokerage & Discount	**48,382,865**	24,749,363
(l) Loss on Sale /Discard of Fixed Assets	**478,384**	1,120,646
(m) Misc. Expenses	**61,623,001**	69,745,914
(n) Expenditure towards CSR activities	**1,325,500**	675,254
(o) Directors Meeting Fees	**376,862**	92,222
(p) Packing Expenses	**31,534,301**	24,299,036
(q) Bad Debts	**150,267**	5,172,863
(r) Auditors Remuneration	**3,672,065**	3,652,911
TOTAL	**1,675,270,012**	1,443,439,995

41 TAX EXPENSES

I) Current Tax		
(a) Current Tax on taxable income for the year	**81,790,559**	84,548,080
II) Deferred Tax		
(a) Related To Capital Assets Relating to origination and reversal of temporary differences	**2,470,033**	(3,653,091)
(b) Related to Brought forward Capital losses	**-**	-
Income tax expenses reported in statement of profit and loss	**84,260,592**	80,894,989
Effective Income Tax Rate	**32.59%**	31.01%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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

Amount in Rs.

Particulars	**Year Ended 31st March, 2018**	**Year Ended 31st March, 2017**
Accounting Profit Before Tax	**258,583,651**	260,871,270
Statutory Income Tax Rate (%)	**34.608**	34.608
Computed Tax Expenses	**89,490,630**	90,282,329
Tax In Respect of Earlier Years	**4,975,960**	5,056,381
Unabsorbed Capital Loss	**1,458,699**	-
Long Term Capital Gain Exempt for Taxation	**(2,786,636)**	(773,416)
Lower Tax on Capital Gain	**(896,312)**	(1,890,864)
Income Exempt From Taxation	**(241,507)**	(34,979)
Non Taxable/ Differential Tax Rate of Subsidiaries	**(11,798,806)**	(13,025,485)
Impact of Share of Profit/(Loss) of Associates	**4,086,045**	2,025,948
Deduction Under Section 24 of Income Tax Act	**(1,630,621)**	(2,039,003)
Non-Deductible Expenses for Tax Purpose	**1,603,140**	1,294,078
Income tax charge to statement of profit and loss account	**84,260,592**	80,894,989

42. CONTINGENT LIABILITIES

Particulars		**As at 31st March, 2018**	**As at 31st March, 2017**
i)	Letter of Credit / Import Bills outstanding -	**30,315,084**	55,065,322
ii)	Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
	- Ultima S A	**718,231,200**	688,052,975
	- World Fashion Trade Ltd.	**22,806,000**	22,699,250
iii)	Bill Discounted with Bank	**138,720,756**	-
iv)	Other Guarantee given by bank -with Corporation Bank	**4,467,345**	4,061,849
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.	**170,427,000**	164,266,000
vi)	Karnataka Vat Demand Under dispute	**5,659,787**	5,659,787
vii)	TNVAT demand under dispute	**52,531,621**	52,531,621
viii)	Corporate Guarantee executed by the subsidiary company to bank against facilities granted by bank to parent company	**240,000,000**	240,000,000
42.1 Capital and other Commitments			
i)	Estimated value of contract remaining to be executed on capital Account and not provided for	**2,044,641**	8,139,832
ii)	Commitments under import of capital goods at concessional rate of custom duty.	**17,950,128**	17,866,094

43. EMPLOYEE BENEFITS PLANS

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

a) Defined Contribution Plans

Particulars	**Year Ended 31st March, 2018**	**Year Ended 31st March, 2017**
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident Fund*	**15,951,540**	15,056,438
b) Employees State Insurance Corporation	**270,502**	20,337

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

b) Defined benefit Plans

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

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

Amount in Rs.

Principal Assumptions	**Gratuity**	
	As at 31st March, 2018	**As at 31st March, 2017**
Expected Return on Plan Assets	**7.88%**	7.26%
Discount Rate	**7.88%**	7.26%
Salary Increase Rate	**6.00%**	6.00%
Employee Turnover	**5.00%**	5.00%
In Service Mortality	**IALM (2006-08)**	IALM (2006-08)

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

Current services cost	**4,185,947**	4,322,250
Net interest expenses	**418,264**	433,549
Past services cost	**2,463,902**	-
Components ot defined benefit costs recognised in profit or Loss	**7,068,113**	4,755,799
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/ losses on obligation for the year	**(949,719)**	1,485,540
Return on Plan Assets	**351,625**	(550,767)
Net(Income)/Expenses for the Year Ended recognized in OCI	**(598,094)**	934,773

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

Present Value of defined benefit obligation	**35,745,158**	27,573,841
Fair Vale of Plan Asset	**(22,847,457)**	(18,855,964)
Net Liability arising from defined benefit obligation	**12,897,701**	8,717,877

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

Opening Defined Obligation	**27,573,841**	22,162,222
Interest Cost	**1,761,382**	1,538,993
Current Service Cost	**4,185,947**	4,322,250
Past Service Cost	**2,463,902**	-
Benefits Paid	**(137,945)**	(1,163,738)
Actuarial (Gains)/ Losses	**(101,969)**	714,114
Closing Defined Benefit Obligation	**35,745,158**	27,573,841

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

Opening fair Value of Plan Assets *	**18,855,964**	14,191,063
Interest Income	**1,343,118**	1,105,444
Contribution by the Employee	**3,000,000**	3,008,690
Return on Plan Assets excluding Interest Income	**(351,625)**	550,767
Closing Fair Value of Plan Assets	**22,847,457**	18,855,964

* Fund managed by the approved insurance company Kotak Life Insurance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

Particulars	Gratuity	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Investment with insurer	**100.00%**	100.00%

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2018 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	**(1,849,353)**	2,477,121
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	**2,039,507**	(1,791,247)
Effect of Increase/decrease in employee turnover by 1% on Defined benefit obligations	**241,789**	(282,628)

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2017 is as follows:

Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	**(1,733,758)**	2,002,149
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	**2,007,382**	(1,768,474)
Effect of Increase/decrease in employee turnover by 1% on Defined benefit obligations	**65,803**	(87,276)

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

44. EARNING PER SHARE

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Profit/(loss) for the year	**175,005,109**	179,933,004
No. of share at the beginning of the year (A)	**11,740,945**	11,713,848
Equity alloted during the year	**440,309**	27,097
Weighted average shares (B)	**393,320**	26,418
Weighted average shares outstanding (nos.) (A+B)	**12,134,265**	11,740,266
Effect of diluted number of share		
Add:- Employee stock option plan	**50,596**	96,485
Add:- Convertible preferential share warrant	**72,123**	175,000
Weighted average number of equity share for diluted earning per share	**12,256,985**	12,011,751
Basic earning per share	**14.42**	15.33
Diluted earning per share	**14.28**	14.98

45. OPERATING LEASE

(a) Assets taken on lease

The company has taken certain premises under various operating lease agreements. Future minimum lease payments under non cancellable operating leases in the aggregate and for each of the following year.

Particulars	As at 31st March, 2018	As at 31st March, 2017
Not later than One Year	**100,000**	1,300,000
Later than One Year and not later than Five Years	**400,000**	400,000
Later than Five Years	**3,500,000**	3,600,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(b) Assets given on lease

The company has given assets under operating lease agreement . Future minimum lease payments under non cancellable operating leases in the aggregate and for each of the following year.

Particulars	As at 31st March, 2018	As at 31st March, 2017
Not later than one year	**25,235,280**	25,235,280
Later than one year and not later than five years	**15,497,640**	40,732,920
Later than five years	**-**	-

46. EXPORT PROMOTION CAPITAL GOODS (EPCG)

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

47. EMPLOYEE STOCK OPTION PLAN

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

On 28th January, 2014 – 50,000 stock options.
On 16th September, 2015 – 1,55,800 stock options
On 31st December, 2015 – 8,850 stock options
On 3rd February, 2018 – 30,000 stock options

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

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

Grant Date	3rd February, 2018			
Vesting Tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting Date	3rd February,2019	3rd February,2020	3rd February,2021	3rd February,2022
Percentage of Vesting	10.00	20.00	30.00	40.00
Exercise Price (in Rs.)	450.00	450.00	450.00	450.00

Grant Date	31st December, 2015		
Vesting Tranche	Vesting I	Vesting II	Vesting III
Vesting Date	31st December, 2016	31st December, 2017	31st December, 2018
Percentage of Vesting	33.00	33.00	34.00
Exercise Price (in Rs.)	50.00	50.00	50.00

Grant Date	16th September, 2015		
Vesting Tranche	Vesting I	Vesting II	Vesting III
Vesting Date	16th September, 2016	16th September, 2017	16th September, 2018
Percentage of Vesting	33.00	33.00	34.00
Exercise Price (in Rs.)	50.00	50.00	50.00

Grant Date	28th January, 2014	
Vesting Tranche	Vesting I	Vesting II
Vesting Date	1st February, 2015	1st March, 2015
Percentage of Vesting	50.00	50.00
Exercise Price (in Rs.)	156.00	156.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

The Company uses the fair value for determination of the employee stock compensation expense.
The activity in the Employees Stock Option Plan during the Year Ended 31st March, 2018 is as under:

Particulars	Year Ended 31st March, 2018
Number of options outstanding at the beginning of the period	**115,329**
Number of options granted during the year	**30,000**
Number of options forfeited / lapsed during the year	**12,016**
Number of options vested during the year	**39,812**
Number of options exercised during the year	**40,309**
Number of shares arising as a result of exercise of options	**40,309**
Money realized by exercise of options (INR), if scheme is implemented directly by the company (Rs.)	**20,15,450**
Loan repaid by the Trust during the year from exercise price received	**N.A.**
Number of options outstanding at the end of the year	**93,004**
Number of options exercisable at the end of the year	**16,954**

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	16th September, 2015	31st December, 2015	3rd February, 2018
Weighted Average Share Price	Rs. 468.70	Rs 521.15	**Rs. 463.55**
Exercise Price	Rs. 50.00	Rs. 50.00	**Rs. 450.00**
Expected Volatility	29.24%	33.10%	**25.71%**
Option Life (Comprising of Weighted Average of Vesting Period and Exercise Period)	7 years	7 years	**8 years**
Expected Dividends	0.21%	0.19%	**0.26%**
Risk Free Rate of Return	8.17%	7.96%	**7.82%**

48. EVENT OCCURRING AFTER BALANCE SHEET DATE

The board of Directors has recommended Equity dividend of Rs.1.20/- per share (Previous year Rs.1.20/-) for the financial year 2017-18.

49. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Gross amount required to be spent	**4,551,172**	3,878,848
(b) Amount spent:		
(i) Construction/Acquisition of any Asset	**-**	-
(ii) On purpose other than (i) above	**1,325,500**	675,254

50. EXPENSES CAPITALISED DURING THE YEAR

The company has incurred following expenses as pre-operative expenses through Capital-Work-in-Progress

Salaries,Allowances and bonus	**19,800,000**	16,500,000
Legal and professional expenses	**1,074,375**	2,869,142
Finance cost	**-**	7,384,273

51. FAIR VALUE MEASUREMENT

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

The following Methods and Assumptions were used to estimate the Fair Values:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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

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

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

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

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

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

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

Particulars	**As at 31st March, 2018**			
	Carrying Amount	**Level of Input used in**		
		Level 1	**Level 2**	**Level 3**
Financial Assets				
At Amortised Cost				
Trade Receivable	1,908,612,763	-	-	1,908,612,763
Cash & Cash Equivalents	270,661,714	-	-	270,661,714
Other Bank Balance	69,323,995	-	-	69,323,995
Loans	71,183,082	-	-	71,183,082
Other Financial Assets	524,053,980	-	-	524,053,980
At FVTPL				
Investments	59,889,927	59,889,927	-	-
Other Financial Assets	-	-	-	-
Financial Liabilities				
At Amortised cost				
Borrowings	3,395,267,304	-	-	3,395,267,304
Trade Payables	1,498,643,150	-	-	1,498,643,150
Other Financial Liabilities	225,962,747	-	-	225,962,747
At FVTPL				
Other Financial Liabilities	20,314,672	-	20,314,672	-

Particulars	**As at 31st March, 2017**			
	Carrying Amount	**Level of Input used in**		
		Level 1	**Level 2**	**Level 3**
Financial Assets				
At Amortised Cost				
Trade Receivable	913,116,574	-	-	913,116,574
Cash & Cash Equivalents	465,770,224	-	-	465,770,224
Other Bank Balance	77,679,419	-	-	77,679,419
Loans	32,838,653	-	-	32,838,653
Other Financial Assets	221,427,269	-	-	221,427,269
At FVTPL				
Investments	56,299,889	56,299,889	-	-
Other Financial Assets	407,625	-	407,625	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	As at 31st March, 2017			
	Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3
Financial Liabilities				
At Amortised cost				
Borrowings	2,601,969,091	-	-	2,601,969,091
Trade Payables	574,930,999	-	-	574,930,999
Other Financial Liabilities	196,615,911	-	-	196,615,911
At FVTPL				
Other Financial Liabilities	-	-	-	-

Particulars	As at 1st April,2016			
	Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	899,360,567	-	-	899,360,567
Cash & Cash Equivalents	241,880,281	-	-	241,880,281
Other Bank Balance	92,350,790	-	-	92,350,790
Loans	22,255,569	-	-	22,255,569
Other Financial Assets	238,522,633	-	-	238,522,633
At FVTPL				
Investments	818	818	-	-
Other Financial Assets	20,387,423	-	20,387,423	-
Financial Liabilities				
At Amortised Cost				
Borrowings	2,176,012,501	-	-	2,176,012,501
Trade Payables	560,182,240	-	-	560,182,240
Other Financial Liabilities	275,565,595	-	-	275,565,595
At FVTPL				
Other Financial Liabilities	-	-	-	-

52. 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	**86.49%**	2,542,934,405	**70.725%**	131,879,083
Subsidiary				
Indian Subsidiaries				
Bhartiya Global Marketing Ltd	**1.19%**	34,987,502	**-0.482%**	(898,581)
J&J Leather Enterprises Ltd	**1.68%**	49,297,405	**1.159%**	2,162,013
Bhartiya International SEZ. Ltd	**4.63%**	136,014,183	**-1.665%**	(3,105,209)
Bhartiya Fashion Retail Ltd	**-0.04%**	(1,124,989)	**0.405%**	754,681
Bhartiya Urban Infrastructure Ltd.	**0.01%**	286,372	**-0.005%**	(9,488)
Foreign Subsidiaries	**0.00%**		**0.000%**	
World Fashion Trade Ltd.	**-0.24%**	(7,046,180)	**1.382%**	2,576,809
Design Industry China Ltd.	**-0.06%**	(1,753,867)	**-2.606%**	(4,858,567)
Ultima S. A.	**14.58%**	428,562,124	**25.910%**	48,314,845
Ultima Italia SRL	**5.84%**	171,791,392	**2.790%**	5,203,320
Design Industry Ltd., Hong Kong	**0.46%**	13,649,429	**2.791%**	5,204,407
Sub Total		3,367,597,776		187,223,314
Inter-company Elimination & Consolidation Adjustments	**-14.54%**	(427,398,622)	**-0.405%**	(754,681)
Grand Total		2,940,199,154		186,468,633
Non-Controlling Interest in Subsidiaries		(14,980,872)		343,125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Name of the Entities	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount in Rs	As a % of Consolidated Profit	Amount in Rs
Share of Profit in Associates		808,813,699		(11,806,649)
		3,734,031,981		175,005,109

53. RELATED PARTY DISCLOSURES AS PER IND AS 24

a) Name of Related Parties & Nature of Relationship:

	Country	Ownership Interest
i) Associate Parties		
Bhartiya City Developers Pvt. Ltd.	India	36.77%
Tada Mega Leather Cluster Pvt Ltd.	India	50%
ii) Executive Directors		
Snehdeep Aggarwal		Managing Director
Jaspal Sethi		Whole Time Director
A.K .Gadhok		Whole Time Director (Resigned from 18.04.2018)
iii) Non-Executive Directors		
Ramesh Bhatia		Director
C.L. Handa		Independent Director
Sandeep Seth		Independent Director
Shashank		Independent Director
A. Sahasranaman		Independent Director
Annapurna Dixit		Independent Director
Sanjay Baweja		Independent Director (Resigned from 03.10.2017)
Amrishpal Singh		Director
Manoj Khattar		Director
Nikhil Aggarwal		Director
Walter willi Zwahlen		Director

iv) Enterprises owned or significantly influenced by Executive Directors or their relatives

Itopia Management Services (India) Pvt. Ltd.
Parushni Interior Designs Pvt. Ltd.

v) Relatives of Executive Directors with whom transactions have taken place

Kanwal Aggarwal
Arjun Aggarwal

vi) Trust (Post Employment Benefit Plan)

Bhartiya International Ltd. Employees Group Gratuity Scheme

b) Transactions during the year with Related Parties :

Particulars	2017-18	2016-17
1. Ticketing		
Itopia Management Services (India) Pvt. Ltd	**8,791,849**	22,595,993
2. Salaries		
Snehdeep Aggarwal	**1,839,600**	1,839,600
Jaspal Sethi	**1,268,250**	1,174,200
A.k. Gadhok	**703,756**	750,288
Arjun Aggarwal	**-**	275,000
Amrishpal Singh	**300,000**	300,000
Nikhil Aggarwal	**8,672,329**	8,618,920
Walter Willi Zwahlen	**8,111,337**	9,565,718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	2017-18	2016-17
3. Lease Rent Paid		
Kanwal Aggarwal	**80,000**	480,000
4. Lease Rent Received		
Bhartiya City Developers Pvt Ltd	**21,304,800**	21,304,800
Parushni Interior Designs Pvt Ltd	**1,800,000**	1,800,000
5. Legal and Professional Fees		
Itopia Management Services (India) Pvt. Ltd	**150,000**	-
6. Purchase of Fixed Asset		
Parushni Interior Designs Pvt. Ltd.	**768,160**	-
7. Sitting Fee		
Ramesh Bhatia	**2,778**	2,778
C.L. Handa	**29,999**	25,555
Sandeep Seth	**32,777**	25,555
Shashank	**26,277**	24,444
A. Sahasranaman	**11,112**	5,556
Annapurna Dixit	**11,112**	5,556
Sanjay Baweja	**5,556**	2,778
8. Contribution to Gratuity Trust		
Bhartiya International Ltd. Employees Group Gratuity Scheme	**3,000,000**	3,000,000
c) Balances Outstanding at the Year End:		
1. Loan Given		
Tada Mega Leather Cluster Pvt. Ltd.	**-**	2,823,575
2. Advance Paid		
Bhartiya City Developers Pvt. Ltd.	**-**	37,660
3. Expenses/Other Payables		
Itopia Management services(India) Pvt. Ltd.	**506,032**	1,757,848
Kanwal Aggarwal		36,000
Amrishpal Singh	**25,000**	25,000
4. Security Deposit (Received)		
Bhartiya City Developers Pvt. Ltd.	**15,978,600**	15,978,600
Parushni Interior Designs Pvt. Ltd.	**150,000**	150,000

54. FIRST-TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Group has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the Year Ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

i) Deemed Cost for Property, Plant and Equipment and Intangible Assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

ii) Investments in Subsidiaries and Associates

The Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

i) Reconciliation of Balance sheet as at 1st April, 2016 (Transition Date).
ii) Reconciliation of Balance sheet as at 31st March, 2017.
iii) Reconciliation of Total Comprehensive Income for the Year Ended 31st March, 2017.
iv) Adjustments to Statement of Cash Flows.

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

54.1 **Reconciliation of Balance sheet as at 1st April, 2016**

Particulars			Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS as at 1st April, 2016
I	**Assets**					
	1 Non - Current Assets					
	(a)	Property, Plant and Equipment	M,N	743,008,958	(116,006,978)	627,001,980
	(b)	Capital Work-in-Progress		78,492,129		78,492,129
	(c)	Investment Property	N		58,992,217	58,992,217
	(d)	Goodwill		2,525,000	-	2,525,000
	(e)	Intangible assets		6,601,104	-	6,601,104
	(f)	Intangible Assets under Development		13,180,000	-	13,180,000
	(g)	Investments accounted for using equity method		384,116,828	-	384,116,828
	(h)	Financial Assets				
		(i) Investments	C	817	-	817
		(ii) Loans	D	12,191,167	(784,596)	11,406,571
		(iii) Other financial Assets		7,028,112	-	7,028,112
	(i)	Deferred tax assets (net)	P	2,681,255	4,432,270	7,113,525
	(j)	Other Non-Current Assets	M	19,926,539	56,240,067	76,166,606
	2 Current Assets					
	(a)	Inventories		2,531,707,819	-	2,531,707,819
	(b)	Financial Assets				
		(i) Investments	C	386,273	(386,272)	1
		(ii) Trade Receivables		899,360,568	-	899,360,568
		(iii) Cash and Cash Equivalents		241,880,281	-	241,880,281
		(iv) Bank Balances Other Than Cash & Cash Equivalents		92,350,790	-	92,350,790
		(v) Loans		10,848,998	-	10,848,998
		(vi) Others Financial Assets	G,J	155,458,441	96,423,503	251,881,944
	(c)	Current Tax Assets (Net)	P	-	36,845,010	36,845,010

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS as at 1st April, 2016
(d) Other Current Assets	D	245,163,655	(79,910,599)	165,253,056
TOTAL ASSETS		**5,446,908,734**	**55,844,622**	**5,502,753,356**
II **Equity and Liabilities**				
1 **Equity**				
(a) Equity Share Capital		117,138,480	-	117,138,480
(b) Other Equity	O	2,122,308,267	85,621,349	2,207,929,616
2 Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	A	342,354,629	(623,694)	341,730,935
(ii) Other financial liabilities	H	16,087,320	(4,734,714)	11,352,606
(b) Provisions	K	15,123,280	(7,152,121)	7,971,159
(c) Other non-current liabilities	H	-	3,677,766	3,677,766
(d) Deferred Tax Liabilities (Net)	P	36,602,583	38,679,459	75,282,042
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		1,834,281,566	-	1,834,281,566
(ii) Trade payables		560,182,240	-	560,182,240
(iii) Other financial liabilities		264,212,990	-	264,212,990
(b) Provisions	B	123,996,120	(115,110,090)	8,886,030
(c) Other Current Liabilities (Net)	H	14,621,259	1,056,950	15,678,209
(d) Current Tax Liabilities (Net)	P	-	54,429,717	54,429,717
Total of Equity and Liabilities		**5,446,908,734**	**55,844,622**	**5,502,753,356**

54.2 Reconciliation of Balance sheet as at 31st March, 2017

Particulars	Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS as at 31st March, 2017
I **Assets**				
1 Non - Current Assets				
(a) Property, Plant and Equipment	M,N	901,556,079	(109,096,815)	792,459,264
(b) Capital Work-in-Progress		78,467,278	-	78,467,278
(c) Investment Property	N	-	57,901,551	57,901,551
(d) Goodwill		2,525,000	-	2,525,000
(e) Intangible assets	M	18,749,040	8,024	18,757,064
(f) Investments accounted for using equity method		378,212,841	-	378,212,841
(h) Financial Assets				
(i) Investments	C	20,000,817	1,125,502	21,126,319
(ii) Trade receivables				
(ii) Loans	D	18,321,276	(1,172,858)	17,148,418
(iii) Other financial Assets		7,568,736		7,568,736
(i) Deferred tax assets (net)	P	-	1,458,699	1,458,699
(j) Other Non-Current Assets	M	14,537,521	54,978,662	69,516,183
2 Current Assets				
(a) Inventories		2,803,073,117	-	2,803,073,117
(b) Financial Assets				
(i) Investments	C	29,587,459	5,586,111	35,173,570
(ii) Trade Receivables		913,116,574	-	913,116,574
(iii) Cash and Cash Equivalents		465,770,224	-	465,770,224

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS as at 31st March, 2017
(iv) Bank Balances other than cash & Cash Equivalents		77,679,419	-	77,679,419
(v) Loans		15,690,235	-	15,690,235
(vi) Others Financial Assets	G,J	170,139,920	44,126,238	214,266,158
(c) Current Tax Assets (Net)	P	-	38,531,430	38,531,430
(d) Other Current Assets	D	283,684,713	(99,681,162)	184,003,551
Total Assets		**6,198,680,249**	**(6,234,618)**	**6,192,445,631**
II **Equity and Liabilities**				
1 **Equity**				
(a) Equity Share Capital		117,409,450		117,409,450
(b) Other Equity	O	2,502,641,112	55,290,026	2,557,931,138
2 Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	A	305,654,526	(251,649)	305,402,877
(ii) Trade Payables				
(ii) Other Financial Liabilities	H	16,237,320	(3,721,526)	12,515,794
(b) Provisions	K	15,375,366	(6,657,489)	8,717,877
(c) Other Non-Current Liabilities	H	-	2,559,890	2,559,890
(d) Deferred Tax Liabilities (Net)	P	44,052,003	21,367,424	65,419,427
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		2,296,566,214	-	2,296,566,214
(ii) Trade Payables		574,930,999	-	574,930,999
(iii) Other Financial Liabilities		184,100,117	-	184,100,117
(b) Provisions	B	120,231,721	(109,896,210)	10,335,511
(c) Other Current Liabilities (Net)	H	21,481,421	1,161,636	22,643,057
(d) Current Tax Liabilities (Net)	P		33,913,280	33,913,280
Total of Equity and Liabilities		**6,198,680,249**	**(6,234,618)**	**6,192,445,631**

54.3 Reconciliation of statement of profit and loss for the Year Ended 31st March,2017

Particulars	Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS Year Ended 31st March, 2017
INCOME				
Revenue from Operations	F,I,J	6,459,047,478	(39,623,047)	6,419,424,431
Other Income	C,D,H	38,097,922	23,757,739	61,855,661
Total Income		6,497,145,400	(15,865,308)	6,481,280,092
EXPENSES				
Cost of material consumed	F	1,984,574,067	33,883,626	2,018,457,693
Purchases of Stock-in-Trade		2,186,995,443	-	2,186,995,443
Change in Inventories of Finished Goods		(86,803,780)	-	(86,803,780)
Employee Benefits Expense	L,F	451,900,685	1,366,631	453,267,316
Finance Costs	A,E,H	137,615,952	1,428,997	139,044,949
Depreciation and Amortization Expense	M	62,333,601	(2,180,381)	60,153,220
Other Expenses	D,J	1,447,803,331	(4,363,337)	1,443,439,994
Total Expenses		**6,184,419,299**	**30,135,536**	**6,214,554,835**
Profit before Share of Net Profit/ (Loss) of Associate		312,726,101	(46,000,842)	266,725,257
Share of net profit/(Loss) of associates		(5,853,988)		(5,853,988)
Profit/ (Loss) Before Tax		**306,872,113**	-	**260,871,269**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS Year Ended 31st March, 2017
Exceptional Items		-		-
Profit / (Loss) Before Tax		306,872,113	(46,000,842)	260,871,269
Tax Expenses				
i Current tax		84,548,080	-	84,548,080
ii Deferred tax	P	10,130,674	(13,783,765)	(3,653,091)
Profit / (Loss) for the year		212,193,359	(32,217,079)	179,976,280
Other Comprehensive Income				
Items that will not be Reclassified to profit or Loss				
Remeasurements of the defined benefit plans	K	-	(934,773)	(934,773)
Income tax relating to above items	P		323,506	323,506
Total Comprehensive Income for the Year		212,193,359	(611,267)	179,365,014
Profit Attributable to :				
Owners		212,761,349	-	180,544,270
Non-controlling Interests		(567,990)	-	(567,990)
Other Comprehensive income Attributable to :				
Owners		-		(611,267)
Non-Controlling Interests		-		-
Total Comprehensive Income Attributable to:				
Owners		-		179,933,004
Non-controlling Interests		-		(567,990)

Reconciliation of Equity

Particulars	Notes	As at 31st March,2017	As at 1st April,2016
Equity as per previous GAAP		2,319,726,565	2,118,554,760
Share application money pending for allotment as part of Equity		180,000,000	-
Money received against Share Warrant as part of total Equity		105,000,000	105,000,000
Non controlling interest considered as part of total Equity		15,323,997	15,891,987
Adjustment :			
Effective interest rate computation of borrowing outstanding	A	251,647	623,694
Impact of discounting of provisions	K,L	6,279,216	7,152,121
Reversal of proposed dividend and dividend tax	B	16,957,350	16,918,214
Other Export incentive (Focus License)	J	43,718,613	76,036,080
Fair value of investment	C	6,711,611	(386,273)
Impact of measuring derivative contract at fair value	G	407,625	20,387,423
Tax Adjustment	P	(19,036,036)	(35,109,910)
Total Equity as per Ind AS		**2,675,340,588**	**2,325,068,096**

54.4 Reconciliation of Income Statement

Particulars	Notes	Year Ended 31st March, 2017
Net Profit(Loss) as per previous GAAP (Indian GAAP)		**212,761,349**
Other Export incentive (Focus License)		(32,317,467)
Impact of measuring derivative contract at fair value	G	(19,979,798)
Fair value of investment	C	7,097,884
Reclassification of actuarial (gain)/loss arising in respect of defined benefit plan to other comprehensive income	L	(450,648)
Employee Stock Option Plan	E	(2,457,889)
Effective interest rate computation of borrowing outstanding	A	(372,047)
Tax Adjustments	P	15,651,620
Total Comprehensive income as reported under Ind AS		**179,933,004**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

54.5 The following explains the material adjustments made while transition from previous accounting standards to IND AS

A. Borrowings

Under the previous GAAP, transaction costs incurred towards origination of borrowing were charged to the profit and loss as and when incurred. As required under the IND AS 109 these costs have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method.

B Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

C Fair Valuation of Investment

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under IND AS, these investments are required to be measured at fair value through statement of profit and loss and changes in fair value are recognised in statement of profit and loss.

D Security Deposits

Under the previous GAAP, interest free security deposits were recorded at their transaction value. Under IND AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under IND AS. Difference between amortised value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as prepaid lease rent and recognised as expenses uniformly over the lease period. Interest income, measured by the effective interest rate method is accrued. The effect of these is reflected in total equity and / or profit or loss,as applicable.

E Employee Stock Option Expenses

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled share based plan has been recognised based on the fair value of the Options as at the grant date.

F Excise Duty

Under the previous GAAP, revenue from sale of goods was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty expense is charged to Statement of Profit and Loss . There is no impact in the total equity and profit.

G Derivative Instruments - Foreign Exchange Forward Contracts

Under Previous GAAP, unrealised net loss on foreign exchange forward contracts, if any, as at each Balance Sheet date was provided for. Under Ind AS, foreign exchange forward contracts are mark-to-market as at Balance Sheet date and unrealised net gain or loss is recognised in profit and loss statement.

H Non-Current Liabilities Security Deposit

Under Previous GAAP, non-current security deposit liabilities were recognised on undiscounted basis. Ind AS requires such liabilities to be recognised at present value (discounted value) where the effect of time value of money is material. This led to a decrease in the value of non-current liabilities on the date of transition which was shown as prepaid lease rent . Ind AS also provides that where discounting is used, the carrying amount of the liability increases in each period to reflect the passage of time. This increase is recognised as finance cost. The interest cost on unwinding of discount and impact of change in discount rate has been recognised in the Statement of Profit and Loss under 'Rental costs' and 'finance cost' respectively for the Year Ended 31st March, 2017.

I Revenue from Sale of Goods

Under Previous GAAP, revenue were recognised net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after deduction of any discounts, any taxes or duties collected on behalf of the government except excise duty. Discounts given include rebates and price reductions which have been reclassified from 'Commission Brokerage & Discount ' within other expenses under Previous GAAP and netted from revenue under Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

J Other Export Incentive (Focus License)
Other Export incentives were accounted for on actual receipt basis. Ind AS requires these incentives be accounted for in the year of export.

K Non-Current Provisions
Under Previous GAAP, non-current provisions were recognised on undiscounted basis. Ind AS requires such provisions to be recognised at present value (discounted value) where the effect of time value of money is material. This led to a decrease in the value of non-current provisions as on 1st April,2016 which was recognised in retained earning . Subsequently, the present value is increased to reflect passage of time by recognising finance cost.

L Employee Benefit Plan
Under the previous GAAP, actuarial gains and losses on employee defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.

M Lease Hold Land
Under the previous GAAP, long term leasehold land were recognised in property,plant and equipment .Under Ind AS all leasehold land are considered as operating lease. Consequently depreciation is decreased and rent expenses increase.

N Property given on Lease
Building given on lease were recognised in property, plant and equipment .Ind AS requires such building given on lease were re-classified to investment property from property,plant and equipment.

O Retained Earnings
Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

P Tax Impact
Tax adjustments include deferred tax impact on account of differences between Previous GAAP and IND AS.

55. Financial Risk Management

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

Credit Risk

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

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

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Less than 6 month	1,719,220,521	836,099,057
More than 6 month	189,392,242	77,017,517

Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Maturity Profile of Financial Liabilities

Particulars	As at 31st March, 2018			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	3,105,460,516	242,142,458	129,030,000	3,476,632,973
Trade Payable	1,498,643,150	-	-	1,498,643,150
Other current liabilities	164,911,750	-	-	164,911,750
Particulars	**As at 31st March. 2017**			
	0-1 year	**1-5 year**	**Beyond 5 year**	**Total**
Borrowing (Including current maturity of long term borrowing	2,348,234,562	152,972,880	152,430,000	2,653,637,442
Trade Payable	574,930,999	-	-	574,930,999
Other current liabilities	144,947,560	-	-	144,947,560

Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that May, result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest Rate Risk

Particulars	As at 31st March. 2018	As at 31st March. 2017
Total Borrowings	3,476,632,973	2,653,637,442
% of Borrowings out of above bearing variable rate of interest	81.21%	83.65%

Interest Rate Sensitivity:

A change of 100 bps in interest rates would have following Impact on profit before tax

Particulars	As at 31st March. 2018	As at 31st March. 2017
100 bp increase would decrease the profit before tax by	25,842,732	21,523,184
100 bp decrease would Increase the profit before tax by	25,842,732	21,523,184

Foreign Currency Risk Management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at 31st March.2018		As at 31st March.2017	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	6,942,806	34,816,463	3,103,525	27,052,344
EURO	3,224,456	11,760,078	3,696,546	5,352,046
GBP	2,699,577	2,323,634	2,584,548	2,099,202
HKD	40,403,532	8,799,707	15,417,194	3,193,536
RMB	706,295	904,985	1,549,463	1,246,174
CHF	12,641,742	12,269,765	7,089,890	4,130,757

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Foreign Currency Sensitivity

The following table details the Company's sensitivity to a 5% change in rupee value against the relevant foreign currencies, which is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end.

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	22,616,191	(22,616,191)	13,166,706	(13,166,706)
EURO	12,929,100	(12,929,100)	12,770,087	(12,770,087)
GBP	12,378,237	(12,378,237)	10,523,890	(10,523,890)
HKD	16,773,526	(16,773,526)	6,433,595	(6,433,595)
RMB	365,225	(365,225)	729,255	(729,255)
CHF	43,067,887	(43,067,887)	22,931,895	(22,931,895)
Foreign Currency Monetary Liabilities				
USD	(113,432,036)	113,432,036	114,769,571	(114,769,571)
EURO	(47,166,143)	47,166,143	18,489,179	(18,489,179)
GBP	(10,661,541)	10,661,541	8,547,636	(8,547,636)
HKD	(3,653,198)	3,653,198	1,332,663	(1,332,663)
RMB	(467,968)	467,968	586,512	(586,512)
RMB	(41,800,636)	41,800,636	13,360,728	(13,360,728)
Impact on Profit or Loss as at the end of reporting year	**(109,051,354)**	**109,051,354**	**223,641,716**	**(223,641,716)**

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Other Price Risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Other Price Risk Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	As at 31st March. 2018	As at 31st March. 2017
Impact on Profit before tax	393.60	531.85
BSE Sensex 30- Increase 5%	19.68	26.59
BSE Sensex 30- Decrease 5%	(19.68)	(26.59)

As per our report of even date attached

For K A S G & CO.
Chartered Accountants
Firm Reg. No. 002228C

For and on behalf of the Board

R.B.Sharma
Partner
Mem.No. 075701

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Sandeep Seth
Director
DIN: 01408624

Ramesh Bhatia
Director
DIN: 0052320

Gurugram, 30th May,2018

CONSOLIDATED FINANCIAL SUMMARY

Rs. in Lacs

PARTICULARS	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Equity Share Capital	727.88	786.38	786.38	866.38	946.38	1046.38	1106.38	1106.38	1121.38	1171.38	1174.09	1218.13
Reserves & Surplus	7557.50	8778.76	8915.05	9584.10	10597.23	12007.26	13113.65	14518.27	16276.96	20014.16	25579.31	36272.00
Net Worth	8955.38	9565.14	9850.72	10749.66	11949.95	13300.71	14395.12	15798.28	17864.48	22394.47	26753.41	37490.13
Capital Employed	14123.44	12239.03	12418.81	12951.37	12908.50	14613.58	17572.83	19521.88	21582.50	26468.25	30699.56	43225.88
Gross Fixed Assets	2859.23	2918.21	4633.08	4935.44	6857.03	7926.79	8907.95	9591.43	10428.12	12109.72	7735.88	11683.91
Net Fixed Assets	1791.85	1674.52	3191.73	3246.21	4906.96	5729.65	6557.74	6888.19	7316.30	8412.82	9501.10	12142.56
Export Sales including Export Incentives	15167.78	16312.22	18201.11	20635.10	19523.02	25067.32	30306.03	41440.95	55812.77	62215.89	64194.24	71051.66
Other Income	217.02	333.03	(151.61)	(3.93)	246.16	231.92	315.73	351.49	333.80	378.91	618.56	725.54
Total Income	15384.80	16645.25	18049.50	20631.17	19769.18	25299.24	30621.76	41792.44	56146.57	62600.50	64812.80	71777.20
EBDIT	1265.34	1620.19	1980.00	1707.06	2102.78	2929.87	2951.26	4059.35	5299.22	5104.13	4659.23	5408.24
Depreciation	195.85	189.87	204.16	251.54	281.25	288.70	323.63	395.46	630.24	604.98	601.53	748.27
EBIT	1069.49	1430.31	1775.83	1455.52	1821.53	2641.17	2627.63	3663.88	4668.98	4499.15	4057.70	4659.97
Profit before Tax	720.63	1018.44	572.28	858.66	1001.60	1609.53	1442.25	2096.56	2953.65	3192.93	2667.25	2703.91
Tax Expenses	241.60	238.39	291.43	357.53	337.68	453.79	433.40	646.96	839.46	920.88	808.95	842.61
Net Profit After Tax	479.03	780.05	280.85	501.13	663.92	1155.74	1008.85	1449.60	2114.19	2272.05	1858.30	1861.30
Non Controlling Interest	-	-	(0.72)	(0.61)	(0.34)	8.72	(3.73)	(1.45)	14.26	(7.22)	(5.68)	(3.43)
Share in Profit and Loss of Associates	82.93	141.50	59.13	42.40	26.38	1.82	1.29	0.78	0.44	192.22	(58.54)	(118.07)
Net Profit	396.10	638.55	222.43	459.34	637.88	1145.19	1013.87	1451.83	2100.37	2471.48	1799.76	1743.23
Equity Dividend (%)	15.00	15.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	12.00	12.00	12.00
EPS (Basic) Rs.	5.81	8.12	2.83	5.82	7.36	11.39	9.35	13.12	18.83	21.69	15.33	14.42
EPS(Diluted) Rs.	5.68	8.12	2.83	5.52	7.15	11.39	9.31	13.06	18.50	21.48	14.98	14.28

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Bhartiya International Ltd.

Report on the Standalone Financial Statements
We have audited the accompanying standalone financial statements of Bhartiya International Ltd. ('the Company'), which comprise the balance sheet as at 31st March,2018, the statement of profit and loss (including other comprehensive income),the cash flow statement and statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income, cash flows and changes in equity 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 there under. 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 including IND AS specified under section 133 of the Act, of the state of affairs of the Company as at 31st March, 2018 and its profit (including other comprehensive income) ,its cash flows and statement of changes in equity for the year ended on that date.

Other Matter
The audited standalone financial statement for the year ended 31st March, 2017, was carried out and reported by Sushil Poddar & co., vide their unmodified audit report dated 29th May, 2017,whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the standalone financial statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The standalone financial 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 Ind AS as specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March,2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March,2018 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 has made provision as required under the applicable law or Ind As, for material foreseeable losses, if any, on long term contracts including derivatives contracts.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv) The disclosure requirement relating to holding as well as dealing in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statement. Hence, reporting under this clause is not applicable.

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

R. B. Sharma
Partner
Mem. No. 075701

Gurugram, 30th May, 2018

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,2018, we report that:

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company, except for a building acquired in earlier year having a carrying value of 18.50 Lacs as at 31st March, 2018.

ii. The physical verification of inventory excluding stocks with third parties and in transit has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, duty of excise, GST, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

(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	56,59,787	F.Y 2009-2010 & 2010-2011	Karnataka Appellate Tribunal, Bengaluru
Tamil Nadu VAT	5,25,21,621	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, money raised by way of 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. In our opinion all transactions with the related parties are in compliance with section 177 and 188 of Act, Where applicable, and the requisite details have been disclosed in the financial statement etc., as required by the applicable Ind As.

xiv. The Company has complied with the provisions of Section 42 of the Companies Act, 2013 in respect of the allotment of shares/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 **K A S G & CO.**
Chartered Accountants
Firm's Registration No. 002228C

R. B. Sharma
Partner
Mem. No. 075701

Gurugram, 30th May, 2018

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Bhartiya International Ltd. ("the Company") as of 31st March,2018 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,2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

R. B. Sharma
Partner
Mem. No. 075701

Gurugram, 30th May, 2018

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

Amount in Rs.

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I **Assets**				
1 Non - Current Assets				
(a) Property, Plant and Equipment	4	**796,490,847**	742,264,808	568,672,637
(b) Capital Work-in-Progress	4.1	**201,868,609**	60,410,337	78,492,129
(c) Investment Property	5	**56,810,885**	57,901,551	58,992,217
(d) Intangible Assets	6	**15,817,329**	17,940,088	5,777,741
(e) Intangible Assets under Development	6.1	**2,335,050**	-	13,180,000
(f) Investments in Subsidiaries, Associate and Joint Venture	7	**657,608,353**	657,608,353	605,339,593
(g) Financial Assets				
(i) Investments	8	**1,021**	21,126,319	817
(ii) Loans	9	**6,913,843**	9,944,529	51,064,775
(iii) Other financial Assets	10	**7,568,736**	7,568,736	7,028,112
(h) Deferred Tax Assets (Net)		**-**	1,458,699	4,432,270
(i) Other Non-Current Assets	11	**71,020,572**	69,516,183	76,166,606
2 Current Assets				
(a) Inventories	12	**3,270,857,403**	2,647,289,259	2,364,760,842
(b) Financial Assets				
(i) Investments	13	**59,888,905**	35,173,569	1
(ii) Trade Receivables	14	**959,043,451**	576,234,687	574,449,078
(iii) Cash and Cash Equivalents	15	**56,514,558**	224,180,616	41,434,856
(iv) Bank Balances other than Cash & Cash Equivalents	16	**64,781,577**	77,679,420	92,350,790
(v) Loans	17	**34,029,263**	15,744,260	17,231,112
(vi) Others Financial Assets	18	**465,368,374**	214,542,080	247,189,389
(c) Current Tax Assets (Net)		**4,973,665**	35,468,609	35,533,830
(d) Other Current Assets	19	**224,580,703**	179,999,097	168,722,143
TOTAL ASSETS		**6,956,473,144**	5,652,051,200	5,010,818,938
II **Equity and Liabilities**				
1 **Equity**				
(a) Equity Share Capital	20	**121,812,540**	117,409,450	117,138,480
(b) Other Equity	21	**2,421,121,865**	2,262,433,684	1,950,997,936
2 Liabilities				
Non - current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	**371,172,458**	305,402,875	341,608,725
(ii) Other Financial Liabilities	23	**14,052,791**	13,001,189	11,839,207
(b) Provisions	24	**8,629,164**	5,761,211	5,426,150
(c) Other Non-Current Liabilities	25	**3,789,170**	2,075,808	3,192,370
(d) Deferred Tax Liabilities (Net)	26	**68,538,521**	67,633,502	75,282,042
3 Current Liabilities				
(a) **Financial Liabilities**				
(i) Borrowings	27	**2,823,515,322**	2,219,893,778	1,810,107,941
(ii) Trade Payables	28	**832,803,324**	431,557,839	389,900,666
(iii) Other Financial Liabilities	29	**185,338,203**	167,662,448	227,352,426
(b) Provisions	30	**22,008,270**	9,212,525	8,387,591
(c) Other Current Liabilities (Net)	31	**73,222,568**	16,093,611	15,677,003
(d) Current Tax Liabilities (Net)		**10,468,948**	33,913,280	53,908,401
Total of Equity and Liabilities		**6,956,473,144**	5,652,051,200	5,010,818,938
Significant Accounting Policies	3			

The accompanying notes are an integral part of the financial Statements

As per our report of even date attached

For K A S G & CO.
Chartered Accountants
Firm Reg. No. 002228C

For and on behalf of the Board

R.B.Sharma	**Shilpa Budhia**	**Manoj Khattar**	**Sandeep Seth**	**Ramesh Bhatia**
Partner	Company Secretary	Chief Financial Officer	Director	Director
Mem.No. 075701			DIN: 01408624	DIN: 0052320

Gurugram, 30th May,2018

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in Rs.

Particulars	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
INCOME			
Revenue from Operations	32	**5,182,596,658**	4,725,474,731
Other Income	33	**52,611,883**	57,114,020
Total Income		**5,235,208,541**	4,782,588,751
EXPENSES			
Cost of material consumed	34	**2,452,822,831**	2,008,916,425
Purchases of Stock-in-Trade		**706,259,084**	876,375,199
Change in Inventories of Finished Goods	35	**(204,134,737)**	(98,009,164)
Employee Benefits Expense	36	**346,104,702**	331,711,806
Finance Costs (Interest)	37	**172,270,519**	134,173,667
Depreciation and Amortisation Expense	38	**62,879,427**	45,908,796
Other expenses	39	**1,494,903,525**	1,290,180,930
Total Expenses		**5,031,105,351**	4,589,257,659
Profit / (Loss) Before Tax for the Year		**204,103,190**	193,331,092
Tax Expenses	40		
i Current Tax		**70,731,520**	72,756,381
ii Deferred Tax		**2,062,237**	(4,235,868)
Profit / (Loss) for the year		**131,309,433**	124,810,579
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
Re-measurements of the defined benefit plans		**871,131**	(1,268,791)
Income Tax relating to above items		**(301,481)**	439,103.19
Total Comprehensive Income for the Year		**131,879,083**	123,980,891
Earnings Per Equity Share of Face Value			
Basic (in Rs.)		**10.87**	10.65
Diluted (in Rs.)		**10.76**	10.58
Significant Accounting Policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For K A S G & CO.
Chartered Accountants
Firm Reg. No. 002228C

For and on behalf of the Board

R.B.Sharma	**Shilpa Budhia**	**Manoj Khattar**	**Sandeep Seth**	**Ramesh Bhatia**
Partner	Company Secretary	Chief Financial Officer	Director	Director
Mem.No. 075701			DIN: 01408624	DIN: 0052320

Gurugram, 30th May,2018

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A Equity Share Capital

Particulars	Notes	Amount in Rs.
Balance as at 1st April, 2016		117,138,480
Change in Equity Share Capital during the Year 2016-17	20.1	270,970
Balance as at 31st March, 2017		117,409,450
Change in Equity Share Capital during the Year 2017-18	20.1	4,403,090
Balance as at 31st March, 2018		121,812,540

B Other Equity (Refer Note 21)

Particulars	Share Application Money Pending Allotment	Money Received against Share Warrants	Securities Premium Reserve	General Reserve	Retained Earnings	Employee Stock Options Outstanding	Preferential Share Warrant Forfeited	Other Comprehensive Income (defined benefit plan)	Total
Balance as at 1st April, 2016	**-**	**105,000,000**	**506,165,000**	**259,851,233**	**1,049,548,733**	**22,775,346**	**8,500,000**	**(842,376)**	**1,950,997,936**
Profit for the year	-	-	-	-	124,810,579				124,810,579
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(829,688)	(829,688)
Securities premium on issue of share	-	-	12,657,280	-	-	-	-	-	12,657,280
Employee Stock option reserve for the year	-	-	-	-		23,289,192	-	-	23,289,192
Share Application Money received during the year	180,000,000	-	-	-		-	-	-	180,000,000
Dividend & Dividends Distribution Tax	-	-	-	-	(16,918,214)	-	-	-	(16,918,214)
Transfer to Security premium on issue of share	-	-	-	-		(11,573,400)			(11,573,400)
Balance as at 31st March, 2017	**180,000,000**	**105,000,000**	**518,822,280**	**279,851,233**	**1,137,441,097**	**34,491,138**	**8,500,000**	**(1,672,064)**	**2,262,433,684**
Profit for the year	-	-	-	-	131,309,433	-	-		131,309,433
Other comprehensive income for the year	-	-	-	-		-	-	569,650	569,650
Securities premium on issue of share			254,915,285	-	-				254,915,285
Employee Stock option reserve for the year	-	-	-	-	-	7,492,595	-	-	7,492,595
Transfer to Security premium on issue of share	-	-	-	-	-	(17,302,925)	-	-	(17,302,925)
Equity share issued during the year	(180,000,000)	(60,000,000)	-	-	-	-	-	-	(240,000,000)
Dividend & Dividends Distribution Tax	-	-	-	-	(17,370,857)	-	-	-	(17,370,857)
Preference Share warrants Forfeited	-	(45,000,000)	-	-	-	-	45,000,000	-	-
Preference Share warrants Issued During the Year	-	39,075,000	-	-	-	-	-	-	39,075,000
Transfer from Retained Earning	-	-	-	20,000,000	-	-	-	-	20,000,000
Transfer to General reserve	-	-	-	-	(20,000,000)	-	-	-	(20,000,000)
Balance as at 31st March, 2018	**-**	**39,075,000**	**773,737,565**	**299,851,233**	**1,231,379,673**	**24,680,808**	**53,500,000**	**(1,102,414)**	**2,421,121,865**

As per our report of even date attached

For K A S G & CO.
Chartered Accountants
Firm Reg. No. 002228C

For and on behalf of the Board

R.B.Sharma
Partner
Mem.No. 075701

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Sandeep Seth
Director
DIN: 01408624

Ramesh Bhatia
Director
DIN: 0052320

Gurugram, 30th May,2018

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in Rs.

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax as per Statement of Profit and Loss	**204,103,190**	193,331,092
Adjustment for :		
Finance Cost	**172,270,519**	134,173,667
Depreciation and Amortisation Expenses	**62,879,427**	45,673,846
Loss/(Profit) on Sale of Fixed Assets (Net)	**478,384**	(7,648,679)
Loss/(Profit) on Sale of Investments (Net)	**(12,106,494)**	(65,199)
Rental Income	**(25,584,445)**	(26,661,862)
Dividend Income	**(697,834)**	(101,073)
Interest Income	**(7,413,604)**	(15,515,830)
Government Grant Income	**(132,967)**	-
Provision for Employee Stock Option Benefits	**7,492,596**	23,289,192
Net Loss/(Gain) on Investment Fair Value through Profit and Loss	**(4,921,813)**	(7,097,885)
Operating profit/(loss) before working capital changes	**396,366,959**	339,377,269
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	**401,245,485**	41,657,174
Increase/ (decrease) in Other Financial Liabilities	**20,639,214**	(50,333,344)
Increase/ (decrease) in Other Liabilities	**55,864,206**	(699,953)
Increase/ (decrease) in Provisions	**16,534,829**	(108,796)
Decrease/ (increase) in Inventories	**(623,568,144)**	(282,528,417)
Decrease/ (Increase) Trade Receivables	**(382,808,764)**	(1,785,609)
Decrease/ (Increase) in Non-Current Loan	**(15,254,320)**	42,607,098
Decrease/ (Increase) in Other Current Financial Assets	**(250,826,294)**	32,647,309
Decrease/ (Increase) in Other Current Assets	**(44,581,607)**	(11,276,954)
Decrease/ (Increase) in Other Non-Current Assets	**1,223,786**	398,442
Decrease/ (Increase) in Other Non-Current Financial Assets	**-**	(540,624)
Cash (Used in) / Generated from Operations	**(425,164,649)**	109,413,595
Income tax paid (Net)	**(63,680,908)**	(92,686,280)
Net Cash (used in)/ Generated from Operating Activities - (A)	**(488,845,557)**	16,727,315
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	**(255,597,350)**	(204,578,607)
Capital Advance/Capital Creditors (Net)	**(5,691,633)**	(3,104,654)
Proceeds From Sale of Fixed Assets	**544,684**	13,151,381
Proceeds From Sale of Current Investments(Net)	**13,438,269**	(101,404,747)
Dividend Income on Current Investments	**697,834**	101,073
Security Deposit	**1,051,602**	1,161,982
Rental Income	**25,584,445**	26,661,862
Interest Income	**7,413,604**	15,515,830
Fixed Deposit with Bank	**12,897,843**	14,671,370
Net cash from/ (used in) Investing Activities - (B)	**(199,660,702)**	(237,824,510)

STANDALONE STATEMENT OF CASH FLOW (CONTD.)

Amount in Rs.

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings (Net)	**65,769,583**	(36,205,850)
Proceeds from Short-Term Borrowings (Net)	**603,621,545**	409,785,836
Money Received against Share Warrant / Share Application	**39,075,000**	180,000,000
Share Capital including Securities Premium	**2,015,450**	1,354,850
Interest and Processing Fees Paid (Net)	**(172,270,519)**	(134,173,667)
Dividend Paid (Including Dividend Tax)	**(17,370,857)**	(16,918,214)
Net cash from/ (used in) financing activities - (C)	**520,840,202**	403,842,955
Net increase / (Decrease) in cash and Cash Equivalents - (A+B+C)	**(167,666,058)**	182,745,760
Cash and Cash Equivalents as at beginning of the Year	**224,180,616**	41,434,856
Cash and Cash Equivalents as at the end of the year	**56,514,558**	224,180,616
Components of Cash and Cash Equivalents:		
Cash on in Hand	**1,466,314**	1,572,718
Balances with scheduled banks:		
In Current Accounts	**55,048,244**	222,607,898
Cash and Cash Equivalents in Cash Flow Statement	**56,514,558**	224,180,616

As per our report of even date attached

For K A S G & CO.
Chartered Accountants
Firm Reg. No. 002228C

For and on behalf of the Board

R.B.Sharma	**Shilpa Budhia**	**Manoj Khattar**	**Sandeep Seth**	**Ramesh Bhatia**
Partner	Company Secretary	Chief Financial Officer	Director	Director
Mem.No. 075701			DIN: 01408624	DIN: 0052320

Gurugram, 30th May,2018

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Bhartiya International Ltd. ('the Company') is a Public Ltd. Company with domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on leading stock exchange in India. The Company has its registered office at Chennai and its corporate office at Gurugram, Haryana. The Company is in the business of manufacturing and trading of leather products & textile products.

2 BASIS OF PREPARATION

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

These financial statements for the Year Ended 31st March, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the Year Ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant and Equipment

The Company has applied for the one time transition exemption of considering the carrying cost of the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS, hence regarded thereafter as historical cost.

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

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

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

3.2 Investment Properties

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

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

3.3 Intangible Assets

Computer Software

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

Amortisation Method and Useful Life

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

3.4 Lease

Operating Lease

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

3.5 Investment In Subsidiaries and Associates

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April,2016.

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

3.6 Inventories

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

3.7 Cash & Cash Equivalents

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

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

3.8 Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

3.9 Financial instruments

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

Financial Assets

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

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

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Debt Instruments:

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

(a) Measured at Amortised Cost:

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

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

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

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

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

Equity Instruments:

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

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

Derecognition

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Financial Liabilities

Initial Recognition and Measurement

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Trade and Other Payable

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

Derecognition

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

Derivative Instruments:

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

3.10 Provision and Contingent Liabilities

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

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

3.11 Revenue Recognition

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

Revenue from Services

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

Other operating revenue - Export Incentives

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

3.15 Borrowing Cost

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

3.16 Government Grants

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

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

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

3.17 Share Based Payment

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

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

3.18 Critical Estimates and Judgements -

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

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

The areas involving critical estimates or judgement are:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

4. PROPERTY,PLANT AND EQUIPMENT

Amount in Rs.

Particulars	LAND		OTHER THAN LAND						
	Freehold	Lease hold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total
Gross Carrying Amount									
Cost as at 1st April, 2016	22,324,670	-	327,654,122	164,980,606	15,796,270	12,543,734	18,853,518	6,519,717	568,672,637
Addition	-	-	27,486,364	172,194,928	5,001,624	1,693,568	7,454,028	7,152,105	220,982,617
Disposal	-	-	2,372,360	2,627,931	-	252,361	83,547	166,503	5,502,702
Balance as at 31st March, 2017	**22,324,670**	**-**	**352,768,126**	**334,547,603**	**20,797,894**	**13,984,941**	**26,223,999**	**13,505,319**	**784,152,552**
Addition	-	-	3,141,673	86,533,585	2,948,889	9,489,370	3,813,101	4,031,720	109,958,338
Disposal	-	-	-	186,636	-	3,239,753	-	-	3,426,389
Balance as at 31st March,2018	**22,324,670**	**-**	**355,909,799**	**420,894,552**	**23,746,783**	**20,234,558**	**30,037,100**	**17,537,039**	**890,684,501**
Accumulated Depreciation									
Balance as at 1 st April,2016	-	-	-	-	-	-	-	-	-
Addition	-		11,475,010	16,923,906	2,931,752	2,656,897	4,188,102	3,712,077	41,887,744
Disposal	-	-	-	-	-	-	-	-	-
Balance as at 31st March,2017	**-**	**-**	**11,475,010**	**16,923,906**	**2,931,752**	**2,656,897**	**4,188,102**	**3,712,077**	**41,887,744**
Addition			11,797,820	27,673,719	2,890,525	2,821,881	4,472,499	5,052,787	54,709,231
Disposal	-	-	-	25,405	-	2,377,916	-	-	2,403,321
Balance as at 31st March,2018	**-**	**-**	**23,272,830**	**44,572,220**	**5,822,277**	**3,100,862**	**8,660,601**	**8,764,864**	**94,193,654**
Net Carrying Amount									
Balance as at 1st April,2016	22,324,670	-	327,654,122	164,980,606	15,796,270	12,543,734	18,853,518	6,519,717	**568,672,637**
Balance as at 31st March,2017	22,324,670	-	341,293,116	317,623,697	17,866,142	11,328,044	22,035,897	9,793,242	**742,264,808**
Balance as at 31st March,2018	22,324,670	-	332,636,969	376,322,332	17,924,506	17,133,696	21,376,499	8,772,175	796,490,847

4.1 Capital Work in Progress

1st April,2016	**78,492,129**
31st March,2017	**60,410,337**
31st March,2018	**201,868,609**

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

4.3 The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April, 2016. The movement in carrying value of property, plant and equipment as per IGAAP is mentioned below :-

Particulars	LAND		Other than Land						
	Freehold	Lease hold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total
Gross Carrying Amount									
Cost as at 1st April, 2016	22,324,670	-	385,834,281	228,088,449	27,426,924	29,749,035	29,862,729	16,124,758	739,410,846
Addition	-	-	27,486,364	172,194,928	5,001,624	1,693,568	7,454,028	7,152,105	220,982,617
Disposal	-	-	3,845,001	4,429,075	-	584,637	132,995	1,615,117	10,606,825
Balance as at 31st March,2017	**22,324,670**	**-**	**409,475,644**	**395,854,302**	**32,428,548**	**30,857,966**	**37,183,762**	**21,661,746**	**949,786,638**
Addition			3,141,673	86,533,585	2,948,889	9,489,370	3,813,101	4,031,720	109,958,338
Disposal			-	186,636	-	3,239,753	-	-	3,426,389
Balance as at 31st March,2018	**22,324,670**	**-**	**412,617,317**	**482,201,251**	**35,377,437**	**37,107,583**	**40,996,863**	**25,693,466**	**1,056,318,587**
Accumulated Depreciation									
Balance as at 1 st April,2016	-		58,180,158	63,107,843	11,630,654	17,205,302	11,009,211	9,605,041	170,738,209
Addition	-		11,475,010	16,923,906	2,931,752	2,656,897	4,188,102	3,712,077	41,887,744
Disposal	-	-	1,472,641	1,801,144	-	332,276	49,448	1,448,614	5,104,123
Balance as at 31st March,2017	**-**	**-**	**68,182,527**	**78,230,605**	**14,562,406**	**19,529,923**	**15,147,865**	**11,868,504**	**207,521,830**
Addition			11,797,820	27,673,719	2,890,525	2,821,881	4,472,499	5,052,787	54,709,231
Disposal			-	25,405	-	2,377,916	-	-	2,403,321
Balance as at 31st March,2018	**-**	**-**	**79,980,347**	**105,878,919**	**17,452,931**	**19,973,888**	**19,620,364**	**16,921,291**	**259,827,740**
Net Carrying Amount									
Balance as at 1 st April,2016	22,324,670	-	327,654,123	164,980,606	15,796,270	12,543,733	18,853,518	6,519,717	**568,672,637**
Balance as at 31st March,2017	22,324,670	-	341,293,117	317,623,697	17,866,142	11,328,043	22,035,897	9,793,242	**742,264,808**
Balance as at 31st March,2018	22,324,670	-	332,636,970	376,322,332	17,924,506	17,133,695	21,376,499	8,772,175	**796,490,847**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

5. INVESTMENT PROPERTIES

Amount in Rs.

Particulars	Amount
Gross Carrying Amount	
Cost as at 1st April,2016	58,992,217
Addition	
Disposal	
Balance as at 31st March,2017	58,992,217
Addition	
Disposal	
Balance as at 31st March,2018	58,992,217
Accumulated Depreciation	
Balance as at 1 st April,2016	
Addition	1,090,666
Disposal	
Balance as at 31st March,2017	1,090,666
Addition	1,090,666
Disposal	
Balance as at 31st March,2018	2,181,332
Net Carrying Amount	
Balance as at 1 st April,2016	58,992,217
Balance as at 31st March,2017	57,901,551
Balance as at 31st March,2018	56,810,885
Fair Value	
As at 1 st April,2016	274,902,000
As at 31st March,2017	268,902,000
As at 31st March,2018	274,902,000

5.1 Particulars	Year Ended 31st March,2018	Year Ended 31st March,2017
Rental Income derived from Investment Properties	**23,104,800**	23,104,800
Direct Operating Expenses (including Repairs and Maintenance) Generating Rental Income	**-**	-
Income arising from Investment Properties before Depreciation	**23,104,800**	23,104,800
Depreciation	**1,090,666**	1,090,666
Income from Investment Properties (Net)	**22,014,134**	22,014,134

5.2 Estimation of Fair Value

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

6. INTANGIBLE ASSETS

Amount in Rs.

Particulars	Computer Software	Total
Gross Carrying Amount		
Cost as at 1st April,2016	5,777,741	5,777,741
Addition	14,857,782	14,857,782
Disposal	-	-
Balance as at 31st March,2017	20,635,523	20,635,523
Addition	4,956,770	4,956,770
Disposal		
Balance as at 31st March,2018	25,592,293	25,592,293
Accumulated Depreciation		
Balance as at 1 st April,2016	-	-
Addition	2,695,435	2,695,435
Disposal		
Balance as at 31st March,2017	2,695,435	2,695,435
Addition	7,079,529	7,079,529
Disposal	-	-
Balance as at 31st March,2018	9,774,964	9,774,964
Net Carrying Amount		
Balance as at 1 st April,2016	5,777,741	5777741
Balance as at 31st March,2017	17,940,088	17940088
Balance as at 31st March,2018	15,817,329	15817329

6.1 Intangible Assets under Development

1st April,2016	-	13,180,000
31st March,2017	-	**-**
31st March,2018	-	2,335,050

6.2 The Company has elected to measure all its intangibles at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April, 2016. The movement in carrying value of intangible asset as per IGAAP is mentioned below:

Particulars	Computer Software	Total
Gross Carrying Amount		
Cost as at 1st April,2016	12,451,838	12,451,838
Addition	14,857,782	14,857,782
Disposal	-	-
Balance as at 31st March,2017	27,309,620	27,309,620
Addition	4,956,770	4,956,770
Disposal	-	-
Balance as at 31st March,2018	32,266,390	32,266,390
Accumulated Depreciation		
Balance as at 1 st April,2016	6,674,097	6,674,097
Addition	2,695,435	2,695,435
Disposal	-	-
Balance as at 31st March,2017	9,369,532	9,369,532
Addition	7,079,529	7,079,529
Disposal	-	-
Balance as at 31st March,2018	16,449,061	16,449,061
Net Carrying Amount		
Balance as at 1 st April,2016	5,777,741	5,777,741
Balance as at 31st March,2017	17,940,088	17,940,088
Balance as at 31st March,2018	15,817,329	15,817,329

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

7. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE

Amount in Rs.

Particulars	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Shares (Nos)	Amount (Rs.)	Shares (Nos)	Amount (Rs.)	Shares (Nos)	Amount (Rs.)
A INVESTMENTS IN SUBSIDIARIES						
i. Equity Instrument at cost (Unquoted)						
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	4,999,020	49,990,200
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	12,069,230	120,692,300
Equity Shares of Rs. 10/- each, fully paid in Bhartiya Fashion Retail Ltd.	**500,000**	**5,000,000**	500,000	5,000,000	50,000	500,000
Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban Infrastructure Ltd.	**50,000**	**500,000**	50,000	500,000	50,000	500,000
Equity Shares in Ultima S.A. Switzerland (having par value of SFR 1,000/-)	**1,000**	**33,785,508**	1,000	33,785,508	1,000	33,785,508
Equity Shares in World Fashion Trade Ltd. (having par value of $ 1/-)	**709,000**	**47,813,540**	709,000	47,813,540	1,000	44,780
Total (A)		**257,781,548**		257,781,548		205,512,788
B INVESTMENTS IN ASSOCIATES						
i. Equity Instrument at Cost (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 Bhartiya City Developers Pvt. Ltd.	**34,393,260**	**399,960,000**	-	-	-	-
3 Equity Shares of Rs. 10 each, fully paid in Tada Mega Leather Cluster Pvt. Ltd.	**5,000**	**50,000**	5,000	50,000	5,000	50,000
		400,010,000		400,010,000		280,050,000
ii) In Preference Shares at Cost (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 (B)		**400,010,000**		**400,010,000**		**400,010,000**
Total (A+B)		**657,791,548**		**657,791,548**		**605,522,788**
Aggregate amount of unquoted Investments before impairment		**657,791,548**		**657,791,548**		**605,522,788**
Less: Provision for diminution in Value of Investment		**183,195**		**183,195**		**183,195**
Aggregate amount of unquoted Investments after impairment		**657,608,353**		**657,608,353**		**605,339,593**

7.1 The Company had invested in the Equity Shares of Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. (face value of Rs. 10/- each). During the year Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. merged with Bhartiya City Developers Pvt. Ltd. and in lieu of this, the Company received 2.15 Equity Shares (face value of Rs 10 each) of Bhartiya City Developers Pvt. Ltd. for every one Equity Share held in Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

8. NON-CURRENT INVESTMENTS

Amount in Rs.

Particulars	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Units (No.)	Amount (Rs.)	Units (No.)	Amount (Rs.)	Units (No.)	Amount (Rs.)
A **Investments in Mutual Funds (Unquoted)**						
At Fair value through Profit and loss						
i) Reliance ETF Liquid BeES	**1.021**	**1,021**	0.982	982	0.817	817
ii) Birla Sun Life Equity Fund -Growth	**-**	**-**	16,698	10,836,770	-	-
iii) SBI Blue Chip Fund - Direct Plan - Growth	**-**	**-**	295,753	10,288,567	-	-
	-	1,021	-	21,126,319	-	817
Aggregate amount of unquoted Investments	**-**	**1,021**	-	21,126,319	-	817
Aggregate amount of impairment in value of unquoted Investments	**-**	**-**	-	-	-	-

9. NON-CURRENT LOAN

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured & Considered Good)			
(a) Security and Other Deposits	**3,413,024**	3,033,134	1,319,423
(b) Loans / Advances to Related Parties	**-**	2,823,575	49,745,352
(refer note no. 55)			
(c) Loan to Employee	**3,500,820**	4,087,820	-
TOTAL	**6,913,843**	9,944,529	51,064,775

10. OTHER NON CURRENT FINANCIAL ASSETS

(a) Other Advances	**7,568,736**	7,568,736	7,028,112
TOTAL	**7,568,736**	7,568,736	7,028,112

11. OTHER NON CURRENT ASSETS

(a) Capital Advances	**7,647,233**	4,919,058	11,171,039
(b) Security Deposits With Govt. Authorities	**9,618,463**	9,618,463	8,755,500
(c) Prepayment Lease Rent	**53,754,876**	54,978,662	56,240,067
TOTAL	**71,020,572**	69,516,183	76,166,606

12. INVENTORIES

(a) Raw Materials	**2,509,918,407**	2,124,038,380	1,887,474,289
(b) Raw Materials -In transit	**11,462,591**	10,014,822	14,644,628
(c) Stock-in-Progress	**88,214,392**	48,239,450	103,591,817
(d) Finished Goods	**629,231,990**	425,097,253	327,088,089
(e) Consumable store	**32,030,023**	39,899,354	31,962,019
TOTAL	**3,270,857,403**	2,647,289,259	2,364,760,842

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

13. CURRENT INVESTMENTS

Amount in Rs.

Particulars	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Shares (No)	Amount (Rs)	Shares (No)	Amount (Rs)	Shares (No)	Amount (Rs)
a) Investment In Equity Instrument (Quoted)						
At Fair value through Profit and Loss						
Alkyl Amines Chemicals Ltd.	**4,579**	**2,720,155**	4,579	2,071,540	-	-
Astra Microwave Products Ltd.	**46,443**	**3,562,178**	-	-	-	-
Chambel Fertilisers And Chemicals Ltd.	**-**	**-**	43,205	3,748,034	-	-
DCB Bank Ltd.	**31,695**	**5,120,327**	31,695	5,396,074	-	-
Firstsource Solutions Ltd.	**-**	**-**	69,753	2,908,700	-	-
Intellect Design Arena Ltd.	**37,198**	**6,148,829**	13,920	1,600,800	-	-
Karur Vysya Bank	**6,387**	**641,574**	-	-	-	-
Kirloskar Brothers Ltd.	**7,496**	**2,329,007**	-	-	-	-
Majesco Ltd.	**5,627**	**2,763,701**	-	-	-	-
Monte Carlo Fashions Ltd.	**2,130**	**998,970**	-	-	-	-
Navneet Education Ltd.	**16,540**	**2,361,912**	16,540	2,686,923	-	-
Persistent Systems Ltd.	**3,400**	**2,359,770**	-	-	-	-
Premier Explosives Ltd.	**10,534**	**3,524,676**	-	-	-	-
Power Mech Projects Ltd.	**5,130**	**4,343,315**	5,130	2,740,703	-	-
Praj Industries Ltd.	**58,449**	**4,693,455**	33,655	2,694,083	-	-
Pricol Ltd.	**30,389**	**2,633,207**	30,389	2,402,250	-	-
RPG Life Sciences Ltd.	**8,729**	**3,332,732**	3,346	1,500,514	-	-
Visaka Industries Ltd.	**12,961**	**8,383,822**	12,961	3,509,837	-	-
Voltamp Transformers Ltd.	**3,724**	**3,971,274**	3,724	3,914,110	-	-
		59,888,904		35,173,568		-
b) Investment In Equity Instrument (Unquoted)						
At Fair value through Profit and Loss						
i) Sai Rayalaseema Paper Mills Ltd.	**31,792**	**1**	31,792	1	31,792	1
		1		1		1
Total (A+B)		**59,888,905**		35,173,569		1
Aggregate amount of Quoted Investments		**59,888,904**		35,173,568		-
Market Value of quoted Investments		**59,888,904**		35,173,568		-
Aggregate amount of unquoted Investments		**1**		1		1

14. TRADE RECEIVABLES

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
(a) Trade Receivable	**785,855,697**	498,817,346	568,644,211
(b) Receivable from Related Parties	**173,187,754**	77,417,341	5,804,867
TOTAL	**959,043,451**	576,234,687	574,449,078

14.1 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.

15. CASH AND CASH EQUIVALENT

a) Balances with Banks			
In current accounts	**55,048,244**	222,607,898	37,990,977
b) Cash in on Hand	**1,466,314**	1,572,718	3,443,879
TOTAL	**56,514,558**	224,180,616	41,434,856

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

16 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Fixed Deposit with the bank	**63,877,055**	76,827,473	91,533,681
b) Unpaid dividend account	**904,522**	851,947	817,109
TOTAL	**64,781,577**	77,679,420	92,350,790

16.1 Fixed deposits of Rs. 63,877,055/- (previous year Rs 76,827,473/-) are pledged with the banks for various limits and facilities granted.

17 Current Loan

(Unsecured & Considered Good)			
(a) Security and Other Deposits	**6,313,297**	4,333,596	6,414,565
(b) Loans / Advances to related parties (refer note no.55)	**8,449,766**	1,926,354	1,780,411
(c) Loan to employee	**19,266,200**	9,484,310	9,036,136
TOTAL	**34,029,263**	15,744,260	17,231,112

18 Other Current Financial Assets

a) Export incentive receivable	**93,101,620**	87,256,848	127,368,656
b) Insurance claim receivable	**18,862,024**	22,461,696	-
c) Vat/ GST Receivable	**352,496,415**	104,259,626	99,433,310
d) Other Advance	**908,315**	156,285	-
e) Derivatives-foreign exchange forward contract	**-**	407,625	20,387,423
TOTAL	**465,368,374**	214,542,080	247,189,389

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

19. Other Current Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Advances with suppliers	**207,703,654**	152,900,780	152,302,345
b) Prepaid Expenses	**14,566,907**	24,534,108	14,010,314
c) Security Deposit with Govt. Authority	**-**	290,630	862,963
d) Other Advances	**1,048,619**	1,012,175	285,225
e) Prepayment lease rent	**1,261,523**	1,261,404	1,261,296
TOTAL	**224,580,703**	179,999,097	168,722,143

20. SHARE CAPITAL

Authorised Share Capital			
a) 20,000,000 (31st March,2017: 20,000,000 1st April,2016: 20,000,000) Equity Shares of Rs. 10/- each	**200,000,000**	200,000,000	200,000,000
b) 500,000 (31st March, 2017: 500,000 1st April,2016: 5,00,000) Preference Shares of Rs. 100/- each	**50,000,000**	50,000,000	50,000,000
	250,000,000	250,000,000	250,000,000
Issued, Subscribed & Paid up :			
a) 12,181,254 (31st March,2017: 11,740,945 1st April,2016: 11,713,848) equity shares of Rs.10/- each fully paid Up.	**121,812,540**	117,409,450	117,138,480
	121,812,540	117,409,450	117,138,480

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

Amount in Rs.

Particulars	As at 31st March, 2018 No. of Shares	As at 31st March, 2018 Amount(Rs.)	As at 31st March, 2017 No. of Shares	As at 31st March, 2017 Amount(Rs.)
Shares outstanding at the beginning of the year	**11,740,945**	**117,409,450**	11,713,848	117,138,480
Shares Issued during the year	**440,309**	**4,403,090**	27,097	270,970
Shares outstanding at the end of the year	**12,181,254**	**121,812,540**	11,740,945	117,409,450

20.2 The details of Shareholders holding more than 5% shares

Name of the share holders	As at 31st March, 2018 No. of Shares	As at 31st March, 2018 % of Holding	As at 31st March, 2017 No. of Shares	As at 31st March, 2017 % of Holding	As at 1st April, 2016 No. of Shares	As at 1st April, 2016 % of Holding
(a) Snehdeep Aggarwal	**1,143,362**	**9.39**	1,143,362	9.74	1,143,362	9.76
(b) Bharitya Infotech Pvt. Ltd.	**1,000,000**	**8.21**	1,000,000	8.52	1,000,000	8.54
(c) Bhartiya Global Ventures Pvt. Ltd.	**1,850,000**	**15.19**	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 Advisory Services Pvt. Ltd.	**681,926**	**5.60**	681,926	5.81	681,926	5.82
(f) Timf Holdings	**706,474**	**5.80**	-	-	-	-
(g) Morgan Stanlay Asia (Singapore) PTE	-	**-**	-	-	745,315	6.36
(h) Superfine Carpets Pvt. Ltd.	**1,236,684**	**10.15**	613,533	5.23	-	-

20.3 Shares Reserved for Issue under Options

Particulars	As at 31st March, 2018 No. of Shares	As at 31st March, 2017 No. of Shares	As at 1st April, 2016 No. of Shares
a) Under 2013 employee stock option plan : Equity share of Rs.10/-each, at an exercise price of Rs.50/- per share	93,004	115,329	164,650
b) Preferential Share warrant issued on 2nd January,2016 convertible into equity at a price of Rs.600/-	-	700,000	700,000
c) Preferential Share warrant issued on 14th April,2017 convertible into equity at a price of Rs.521/	300,000	-	-

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

Particulars	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014
Shares issued during the period of five Years immediately preceding the reporting date on exercise of option granted under the employee stock option Plan (ESOP) wherein part consideration was received in form of employee services.	40,309	27,097	-	-	-

20.5 The Company has only one class of equity shares having a par values of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. 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.

20.6 4,00,000 Equity Shares of Rs.10/- each at a premium of Rs.590/- each issued to non-promoters on conversion of preferential Share Warrants.

20.7 During the Year, the company has alloted 40,309 Equity share of Rs.10/- each fully paid to its employees under Employee Stock Option Plan (ESOP 2013).

21 OTHER EQUITY

Amount in Rs.

Particulars	Share Application Money Pending Allotment	Money Received against Share Warrants	Securities Premium Reserve	General Reserve	Retained Earnings	Employee Stock Options Outstanding	Preferential share Warrant Forfeited	Other Comprehensive Income (defined benefit plan)	Total
Balance as at 1st April, 2016	**-**	**105,000,000**	**506,165,000**	**259,851,233**	**1,049,548,733**	**22,775,346**	**8,500,000**	**(842,376)**	**1,950,997,936**
Profit for the year	-	-	-	-	124,810,579	-	-	-	124,810,579
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(829,688)	(829,688)
Securities premium on issue of share	-	-	12,657,280	-	-	-	-	-	12,657,280
Transfer from Retained Earning	-	-	-	20,000,000	-	-	-	-	20,000,000
Transfer to General reserve	-	-	-	-	(20,000,000)	-	-	-	(20,000,000)
Employee Stock option reserve for the year	-	-	-	-	-	23,289,192	-	-	23,289,192
Share Application Money received during the year	180,000,000	-	-	-	-	-	-	-	180,000,000
Dividends & Dividends Distribution Tax		-	-	-	(16,918,214)	-	-	-	(16,918,214)
Transfer to Security premium on issue of share		-	-	-	-	(11,573,400)	-	-	(11,573,400)
Balance as at 31st March, 2017	**180,000,000**	**105,000,000**	**518,822,280**	**279,851,233**	**1,137,441,097**	**34,491,138**	**8,500,000**	**(1,672,064)**	**2,262,433,684**
Profit for the year	-	-	-	-	131,309,433	-	-		131,309,433
Other comprehensive income for the year	-	-	-	-	-	-	-	569,650	569,650
Securities premium on issue of share	-	-	254,915,285	-	-	-	-	-	254,915,285
Transfer from Retained Earning	-	-	-	20,000,000	-	-	-	-	20,000,000
Transfer to General reserve	-	-	-	-	(20,000,000)	-	-	-	(20,000,000)
Employee Stock option reserve for the year	-	-	-	-	-	7,492,595	-	-	7,492,595
Transfer to Security premium on issue of share	-	-	-	-	-	(17,302,925)	-	-	(17,302,925)
Equity share issued during the year	(180,000,000)	(60,000,000)	-	-	-	-	-	-	(240,000,000)
Dividend & Dividends Distribution Tax	-	-	-	-	(17,370,857)	-	-	-	(17,370,857)
Preference Share warrants Forfeited	-	(45,000,000)	-	-	-	-	45,000,000	-	-
Preference Share warrants Issued During the Year	-	39,075,000	-	-	-	-		-	39,075,000
Balance as at 31st March,2018	**-**	**39,075,000**	**773,737,565**	**299,851,233**	**1,231,379,673**	**24,680,808**	**53,500,000**	**(1,102,414)**	**2,421,121,865**

21.1 The Company has allotted 300,000 warrants to non-promoter on 14 April,2017 on preferential basis, convertible into equity share 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.511/-with in a period of 18 months from the date of allotment .Against this the company has received Rs.130.25/-per warrant.

21.2 300,000 warrants issued to non-promoter on 2nd January, 2016 has been forfeited during the year due to non-exercise of option by the warrant holder within the time line of 18 months from the date of allotment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

22. NON-CURRENT BORROWING

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
- Term Loans from Banks	**364,155,732**	304,793,374	339,751,555
- Vehicle Loans from Banks	**7,016,726**	609,501	1,857,170
TOTAL	**371,172,458**	305,402,875	341,608,725

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

	Nature of Security	Terms of Repayment
22.1	Term Loans from HDFC Bank, balance outstanding amounting to Rs 485.33 lacs (31st March,2017 Rs. 647.11 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 Instalment starting from December, 2016. Last instalment due in March, 2021. Rate of interest 10.20 % p.a. as at year end (previous year - 10.70%)
22.2	Term Loans from HDFC Bank, subsequent disbursement, balance outstanding amounting to Rs 110.52 lacs (31st March,2017 Rs. 147.36) 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 Instalment starting from December, 2016. Last instalment due in March, 2021. Rate of interest 10.20 % p.a. as at year end (previous year - 10.65%)
22.3	Term Loans from HDFC Bank, balance outstanding amounting to Rs 630 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	The loan is repayable in 20 quarterly Instalment starting from November, 2017. Last Instalment due in August, 2022. Rate of Interest 9.1% p.a. as at year end (Previous Year Nil)
22.4	Term Loans from HDFC Bank, balance outstanding amounting to Rs 2346 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	Repayable in 40 Quarterly Instalment starting from October, 2018. Last Instalment due in May, 2028. Rate of Interest 9.1 % p.a. as at year end (Previous Year Nil.)
22.5	Term Loans from HDFC Bank, balance outstanding amounting to Rs 231.65 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	The loan is repayable in 19 quarterly Instalment starting from February, 2018. Last Instalment due in August, 2022. Rate of Interest 9.1% p.a. as at year end (Previous Year Nil)
22.6	Term Loan from Axis Bank, balance outstanding amounting to Rs. 180 Lacs (31st March, 2017 Rs. 360 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, Bengaluru, 562106 and personal guarantee of one of the Director	The Loan is repayable in 15 Quarterly Instalment starting from September 2015. Last instalment due in June, 2019. Rate of interest 9.00 % p.a. as at year end (previous year - 10.30% p.a.)
22.7	Term Loan from Yes Bank, balance outstanding amounting to Rs. 500 Lacs (31st March, 2017 Rs. Nil) is secured by exclusive charge on the immovable property situated at Khasra No 1,2,3 in Akkampeta Village and Khasra No 287 & 288 Kadlauru Village, Tada Mandal, Nellore District, Andhra Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repayable in 20 Quarterly Instalment starting from June, 2018. Last instalment due in March, 2023. Rate of interest 10.00 % p.a. as at year end (previous year - Nil.)
22.8	Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
23.	**OTHER NON-CURRENT FINANCIAL LIABILITIES**			
	(a) Security Deposit with related parties	**14,052,791**	13,001,189	11,839,207
	TOTAL	**14,052,791**	13,001,189	11,839,207
24.	**NON-CURRENT PROVISION**			
	(a) Provision for Employees benefit	**8,629,164**	5,761,211	5,426,150
	TOTAL	**8,629,164**	5,761,211	5,426,150
25.	**OTHER NON-CURRENT LIABILITY**			
	(a) Government Grant	**2,978,113**	-	-
	(b) Advance Lease Rent	**811,057**	2,075,808	3,192,370
	TOTAL	**3,789,170**	2,075,808	3,192,370
26.	**DEFERRED TAX LIABILITIES**			
	a) Deferred tax Liabilities			
	Related to Fixed Assets	**68,538,521**	67,633,502	75,282,042
	TOTAL	**68,538,521**	67,633,502	75,282,042
27.	**CURRENT BORROWING**			
	Secured			
	- Working Capital Loans From Banks	**2,823,515,322**	2,219,893,778	1,810,107,941
	TOTAL	**2,823,515,322**	2,219,893,778	1,810,107,941

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

28.	**TRADE PAYABLE**			
	(a) Payable	**664,755,524**	282,796,836	387,556,282
	(b) Payable to related parties *(refer note no 55)*	**168,047,800**	148,761,003	2,344,384
	TOTAL	**832,803,324**	431,557,839	389,900,666

28.1 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.

29.	**OTHER CURRENT FINANCIAL LIABILITIES**			
	(a) Current maturities of long -term debt	**81,365,669**	51,668,351	52,408,405
	(b) Interest Accrued	**9,180,919**	6,946,199	9,182,721
	(c) Unpaid dividend	**732,263**	851,948	817,109
	(d) Due to employee	**24,424,824**	28,640,679	29,203,513
	(e) Expenses payable	**27,703,929**	55,420,796	107,488,870
	(f) Statutory Dues Payable	**10,518,723**	11,290,531	6,657,370
	(g) Capital Creditors	**8,641,069**	11,604,527	20,961,162
	(h) Other Payable	**2,456,135**	1,239,418	633,276
	(i) Derivatives-foreign exchange forward contract	**20,314,672**	-	-
	TOTAL	**185,338,203**	167,662,448	227,352,426

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
30. PROVISIONS			
(a) Provision for Employee benefits	**22,008,270**	9,212,525	8,387,591
TOTAL	**22,008,270**	9,212,525	8,387,591
31. OTHER CURRENT LIABILITIES			
(a) Advance from Customer	**71,957,817**	14,933,288	14,621,259
(b) Advance Lease Rent	**1,264,751**	1,160,322	1,055,744
TOTAL	**73,222,568**	16,093,611	15,677,003

32. REVENUE FROM OPERATIONS

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Sales of products		
(a) Sales Manufactured goods	**4,059,517,551**	3,287,026,240
(b) Stock-in-trade	**762,874,629**	945,237,113
Other Operating Revenues		
(a) Export Incentives	**297,516,213**	322,887,642
(b) Foreign Exchange Gain	**62,688,265**	170,323,736
TOTAL	**5,182,596,658**	4,725,474,731
33. OTHER INCOME		
(a) Interest Income from loan & advances	**7,413,604**	15,515,830
(b) Dividend Income from current investment	**697,834**	101,073
(c) Other non operating income		
- Profit on sale of Current Investments(Net)	**12,106,494**	65,199
- Rental Income	**25,584,445**	26,661,862
- Profit on Sale of Fixed Assets	**-**	7,648,679
- Other Income	**1,887,694**	23,492
- Net Gain on measurement of investment throughout Profit & loss Account	**4,921,813**	7,097,885
TOTAL	**52,611,884**	57,114,020
34 COST OF MATERIALS CONSUMED		
Opening Stock	**2,222,192,006**	2,037,672,753
Add : Purchases	**2,870,995,637**	2,175,067,882
	5,093,187,643	4,212,740,635
Less : Closing Stock	**2,641,625,413**	2,222,192,006
Add : Excise Duty	**1,260,601**	18,367,796
TOTAL	**2,452,822,831**	2,008,916,425
35. CHANGE IN INVENTORIES OF FINISHED GOODS		
(a) Opening Stock	**425,097,253**	327,088,089
(b) Closing Stock	**629,231,990**	425,097,253
Decrease/(Increase)	**(204,134,737)**	(98,009,164)
36. EMPLOYEE BENEFIT EXPENSES		
(a) Salary & Allowances	**298,022,334**	274,709,579
(b) Contribution to Provident & Other Fund	**23,161,862**	18,717,848
(c) Staff Welfare Expenses	**17,427,910**	14,995,187
(d) Employee Stock Option Plan	**7,492,596**	23,289,192
TOTAL	**346,104,702**	331,711,806

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

37. FINANCE COST

Amount in Rs.

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
(a) Interest Expense- Net	**157,943,762**	117,015,531
(b) Borrowing Cost	**14,326,757**	17,158,136
TOTAL	**172,270,519**	134,173,667

38. DEPRECIATION AND AMORTISATION

(a) Depreciation on Property Plant and Equipment	**54,709,232**	41,887,745
(b) Depreciation on Intangible Assets	**7,079,529**	2,695,435
(c) Depreciation on Investment Property	**1,090,666**	1,090,666
(d) Preliminary Expenses	**-**	234,950
TOTAL	**62,879,427**	45,908,796

39. OTHER EXPENSES

(I) Manufacturing Expenses		
(a) Fabrication Charges	**942,395,002**	814,347,465
(b) Other Manufacturing Expenses	**25,732,073**	13,012,248
(c) Freight & Cartage	**10,282,428**	10,212,139
(II) Selling & Administrative Expenses		
(a) Legal And Professional Charges	**42,320,378**	41,701,630
(b) Power & Fuel	**17,149,233**	15,318,543
(c) Bank Charges	**32,310,343**	29,333,406
(d) Repair & Maintenance		
- Building	**1,322,423**	2,152,301
- Plant & Machinery	**6,582,831**	4,558,043
- Others	**23,818,304**	14,511,791
(e) Communication	**8,784,404**	11,014,067
(f) Rates Taxes & Duties	**1,837,244**	3,556,099
(g) Insurance	**5,286,598**	3,871,919
(h) Rent	**13,185,972**	13,191,898
(i) Travelling & Conveyance	**119,421,185**	104,580,470
(j) Freight on Exports	**56,100,839**	41,757,436
(k) Commission, Brokerage & Discount	**112,040,101**	104,863,392
(l) Loss on Sale /Discard of Fixed Assets	**478,384**	1,120,646
(m) Misc. Expenses	**42,802,822**	31,627,677
(n) Expenditure towards CSR activities	**1,325,500**	675,254
(o) Directors Meeting Fees	**119,611**	92,222
(p) Packing Expenses	**31,534,301**	24,299,036
(q) Bad Debts	**73,549**	4,383,248
TOTAL	**1,494,903,525**	1,290,180,930

40. TAX EXPENSES

I) Current Tax		
Current Tax on taxable income for the year	**70,731,520**	72,756,381
II) Deferred Tax		
Relating to origination and reversal of temporary differences	**2,062,237**	(4,235,868)
Income tax expenses reported in statement of profit and loss	**72,793,757**	68,520,513
Effective Income Tax Rate	**35.67%**	35.44%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

Amount in Rs.

Particulars	**Year Ended 31st March, 2018**	**Year Ended 31st March, 2017**
Accounting Profit Before Tax	**204,103,190**	193,331,092
Statutory Income Tax Rate (%)	**34.608**	34.608
Computed Tax Expenses	**70,636,032**	66,908,024
Tax In Respect of Earlier Years	**4,975,960**	5,056,381
Unabsorbed Capital Loss	**1,458,699**	-
Long Term Capital Gain Exempt for Taxation	**(2,786,636)**	(773,416)
Lower Tax on Capital Gain	**(896,312)**	(1,890,864)
Income Exempt From Taxation	**(241,507)**	(34,979)
Deduction Under Section 24 of Income Tax Act	**(1,495,514)**	(2,038,711)
Non-deductible Expenses for Tax Purpose	**1,143,034**	1,294,078
Income Tax Charge to Statement of Profit and Loss Account	**72,793,757**	68,520,513

40.2 Deferred Tax Assets /(Liability)

Opening Balance	**(66,174,803)**	(70,849,772)
Add: Difference in Books Value and Written Down Value as per Income Tax	**(7,775,111)**	(8,385,460)
Add: Effect of Unabsorbed Capital Loss	**(1,458,699)**	(2,973,571)
Add: Tax Income /(expense) on Other Timing Differences	**6,870,092**	16,034,000
Closing Balance	**(68,538,521)**	(66,174,803)

41. CONTINGENT LIABILITIES

Particulars		**As at 31st March, 2018**	**As at 31st March, 2017**
i)	Letter of Credit / Import Bills outstanding -	**30,315,084**	55,065,322
ii)	Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
	- Ultima S A	**718,231,200**	688,052,975
	- World Fashion Trade Ltd.	**22,806,000**	22,699,250
iii)	Bill Discounted with Bank	**138,720,756**	-
iii)	Other Guarantee given by bank -with corporation Bank	**4,467,345**	4,061,849
iv)	Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima SA, Ultima Italia Srl & World Fashion Trade Ltd.	**170,427,000**	164,266,000
v)	Karnataka VAT Demand Under dispute	**5,659,787**	5,659,787
vii)	TN VAT demand under dispute	**52,531,621**	52,531,621

42. CAPITAL AND OTHER COMMITMENTS

i)	Estimated value of contract remaining to be executed on capital Account and not provided for	**2,044,641**	8,139,832
ii)	Commitments under import of capital goods at concessional rate of custom duty.	**17,950,128**	17,866,094

43. EMPLOYEE BENEFITS PLANS

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

a) Defined Contribution Plans

Particulars	**Year Ended 31st March, 2018**	**Year Ended 31st March, 2017**
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident fund*	**15,877,386**	15,056,438
b) Employees State Insurance Corporation	**259,287**	7,130

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

b) Defined Benefit Plans

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

i) The Principal Assumptions used for the purposes of the Actuarial Valuations were as follows:

Amount in Rs.

Principal Assumptions	Gratuity	
	As at 31st March, 2018	As at 31st March, 2017
Expected Return on Plan Assets	**7.88%**	7.26%
Discount Rate	**7.88%**	7.26%
Salary Increase Rate	**6.00%**	6.00%
Employee Turnover	**5.00%**	5.00%
In Service Mortality	**IALM (2006-08)**	IALM (2006-08)

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

Particulars	Gratuity	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Current Services Cost	**4,041,113**	3,216,806
Net Interest Expenses	**418,264**	433,549
Past Services Cost	**2,417,652**	-
Components of Defined Benefit Costs Recognised In Profit or Loss	**6,877,029**	3,650,355
Re-measurement on the Net Defined Benefit Liability:		
Actuarial (Gains)/ Losses on Obligation for the Year	**(1,222,756)**	1,819,558
Return on Plan Assets	**351,625**	(550,767)
Net (Income)/Expenses for the Year Ended recognized in OCI	**(871,131)**	1,268,791

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

Present Value of defined benefit obligation	**31,120,901**	24,261,455
Fair Vale of Plan Asset	**(22,491,737)**	(18,500,244)
Net Liabilities arising from defined benefit obligation	**8,629,164**	5,761,211

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

Opening Defined Obligation	**24,261,455**	19,261,493
Interest Cost	**1,761,382**	1,538,993
Current Service Cost	**4,041,113**	3,216,806
Past Service Cost	**2,417,652**	-
Benefits Paid	**(137,945)**	(1,575,395)
Actuarial (Gains)/ Losses	**(1,222,756)**	1,819,558
Closing Defined Benefit Obligation	**31,120,901**	24,261,455

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

Opening fair Value of Plan assets *	**18,500,244**	13,835,343
Interest Income	**1,343,118**	1,105,444
Contribution by the Employee	**3,000,000**	3,008,690
Return on Plan Assets excluding Interest Income	**(351,625)**	550,767
Closing fair Value of Plan assets	**22,491,737**	18,500,244

*Fund managed by the approved insurance company Kotak Life Insurance

Investment with Insurer	**100.00%**	100.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2018 is as follows:

Amount in Rs.

Particulars	Increase Effect	Decrease Effect
Effect of Increase/Decrease in discount rate by 1% on Defined Benefit Obligations	(1,986,625)	2,276,534
Effect of Increase/Decrease in salary escalation by 1% on Defined Benefit obligations	2,007,386	(1,813,723)
Effect of Increase/Decrease in employee turnover by 1% on Defined Benefit Obligations	241,789	(282,628)

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2017 is as follows:

Effect of Increase/decrease in discount rate by 1% on Defined Benefit Obligations	(1,733,758)	2,002,149
Effect of Increase/decrease in salary escalation by 1% on Defined Benefit Obligations	2,007,382	(1,768,474)
Effect of Increase/decrease in employee turnover by 1% on Defined Benefit Obligations	65,803	(87,276)

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

44. EARNING PER SHARE

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Profit/(loss) for the year	**131,879,083**	123,980,891
No. of share at the beginning of the year (A)	**11,740,945**	11,713,848
Equity alloted during the year	**440,309**	27,097
Weighted average shares (B)	**393,320**	26,418
Weighted average shares outstanding (nos.) (A+B)	**12,134,265**	11,740,266
Effect of diluted number of share		
Add:- Employee stock option plan	**50,596**	96,485
Add:- Convertible preferential share warrant	**72,123**	175,000
Weighted average number of equity share for diluted earning per share	**12,256,985**	12,011,751
Basic earning per share	**10.87**	10.65
Diluted earning per share	**10.76**	10.58

45. OPERATING LEASE

(a) Assets taken on lease

The company has taken certain premises under various operating lease agreements. Future minimum lease payments under non cancellable operating leases in the aggregate and for each of the following year.

Particulars	As at 31st March, 2018	As at 31st March, 2017
Not later than one year	**100,000**	1,300,000
Later than one year and not later than five years	**400,000**	400,000
Later than five years	**3,500,000**	3,600,000

(b) Assets given on lease

The company has given assets under operating lease agreement . Future minimum lease payments under non cancellable operating leases in the aggregate and for each of the following year.

Not later than one year	**25,235,280**	25,235,280
Later than one year and not later than five years	**15,497,640**	40,732,920
Later than five years	**-**	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

46. EXPORT PROMOTION CAPITAL GOODS (EPCG)

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

47. EMPLOYEE STOCK OPTION PLAN

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

On 28th January, 2014 – 50,000 Stock Options.
On 16th September, 2015 – 1,55,800 Stock Options
On 31st December, 2015 – 8,850 Stock Options
On 3rd February, 2018 – 30,000 Stock Options

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

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

Amount in Rs.

Grant Date	**3rd February, 2018**			
Vesting Tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting Date	3rd February,2019	3rd February,2020	3rd February,2021	3rd February,2022
Percentage Of Vesting	10.00	20.00	30.00	40.00
Exercise Price (In Rs.)	450.00	450.00	450.00	450.00

Grant date	**31st December, 2015**		
Vesting tranche	Vesting I	Vesting II	Vesting III
Vesting date	31st December, 2016	31st December, 2017	31st December, 2018
Percentage of vesting	33.00	33.00	34.00
Exercise Price (in Rs.)	50.00	50.00	50.00

Grant Date	**16th September, 2015**		
Vesting Tranche	Vesting I	Vesting II	Vesting III
Vesting Date	16th September, 2016	16th September, 2017	16th September, 2018
Percentage of Vesting	33.00	33.00	34.00
Exercise Price (In Rs.)	50.00	50.00	50.00

Grant Date	**28th January, 2014**	
Vesting Tranche	Vesting I	Vesting II
Vesting Date	1st February, 2015	1st March, 2015
Percentage of Vesting	50.00	50.00
Exercise Price (In Rs.)	156.00	156.00

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

The activity in the Employees Stock Option Plan during the Year Ended 31st March, 2018 is as under:

Amount in Rs.

Particulars	**Year Ended 31st March, 2018**
Number of options outstanding at the beginning of the period	**115,329**
Number of options granted during the year	**30,000**
Number of options forfeited / lapsed during the year	**12,016**
Number of options vested during the year	**39,812**
Number of options exercised during the year	**40,309**
Number of shares arising as a result of exercise of options	**40,309**
Money realized by exercise of options (INR), if scheme is implemented directly by the company (Rs.)	**20,15,450**
Loan repaid by the Trust during the year from exercise price received	**NA**
Number of options outstanding at the end of the year	**93,004**
Number of options exercisable at the end of the year	**16,954**

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	**16th September, 2015**	**31st December, 2015**	**3rd February, 2018**
Weighted Average Share Price (Rs.)	468.70	521.15	**463.55**
Exercise Price (Rs.)	50.00	50.00	**450.00**
Expected Volatility (%)	29.24	33.10	**25.71**
Option Life (Comprising of Weighted Average Of Vesting Periodand Exercise Period)	7 years	7 years	**8 years**
Expected Dividends (%)	0.21	0.19	**0.26**
Risk Free Rate of Return (%)	8.17	7.96	**7.82**

48. EVENT OCCURING AFTER BALANCE SHEET DATE

The board of Directors has recommended Equity dividend of Rs.1.20/- per share (Previous year Rs.1.20/-) for the financial year 2017-18.

49. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
(a) Gross amount required to be spent	**4,551,172**	3,878,848
(b) Amount spent:		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purpose other than (i) above	**1,325,500**	675,254
(c) Administrative expenses	**-**	-

50. SEGMENT REPORTING DISCLOSURE

The company primarily operates in the Fashion apparels and accessories segment. The Fashion apparels and accessories segment includes Leather products, Textiles products and intermediaries .

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 "Operating Segments".

51. PAYMENT TO AUDITOR (INCLUDED IN LEGAL AND PROFESSIONAL CHARGES)

Audit Fees	**1,000,000**	1,000,000
Ltd. Review	**375,000**	375,000
Tax Audit	**-**	100,000
Reimbursement of Expenses	**100,000**	80,000
Certification	**4,200**	14,600

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

52. EXPENSES CAPITALISED DURING THE YEAR

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

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017
Salaries,Allowances and bonus	**19,800,000**	16,500,000
Legal and professional expenses	**1,074,375**	2,869,142
Finance cost	**-**	7,384,273

53. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

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

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

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

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

Particulars	As at 31st March,2018			
	Carrying Amount	Level of Input Used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised cost				
Trade receivable	959,043,451	-	-	959,043,451
Cash & cash equivalents	56,514,558	-	-	56,514,558
Other bank balance	64,781,577	-	-	64,781,577
Loans	10,316,806	-	-	10,316,806
Other financial assets	472,937,110	-	-	472,937,110
At FVTPL				
Investments	59,889,927	59,889,927	-	-
Other financial assets	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

Particulars	As at 31st March,2018			
	Carrying Amount	Level of Input Used in		
		Level 1	Level 2	Level 3
Financial Liabilities				
At Amortised Cost				
Borrowings	3,194,687,780	-	-	3,194,687,780
Trade Payables	832,803,324	-	-	832,803,324
Other Financial Liabilities	179,076,322	-	-	179,076,322
At FVTPL				
Other Financial Liabilities	20,314,672	-	20,314,672	-

Particulars	As at 31st March,2017			
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	576,234,687	-	-	576,234,687
Cash & Cash Equivalents	224,180,616	-	-	224,180,616
Other Bank Balance	77,679,420	-	-	77,679,420
Loans	15,744,260	-	-	15,744,260
Other Financial Assets	214,134,455	-	-	214,134,455
At FVTPL				
Investments	35,173,570	35,173,570	-	-
Other Financial Assets	407,625	-	407,625	-
Financial Liabilities				
At Amortised Cost				
Borrowings	2,525,296,653	-	-	2,525,296,653
Trade Payables	431,557,839	-	-	431,557,839
Other Financial Liabilities	180,663,636	-	-	180,663,636
At FVTPL				
Other Financial Liabilities	-	-	-	-

Particulars	As at 1st April,2016			
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	574,449,078	-	-	574,449,078
Cash & Cash Equivalents	41,434,856	-	-	41,434,856
Other Bank Balance	92,350,790	-	-	92,350,790
Loans	68,295,887	-	-	68,295,887
Other Financial Assets	233,830,078	-	-	233,830,078
At FVTPL				
Investments	818	818	-	-
Other Financial Assets	20,387,423	-	20,387,423	-
Financial Liabilities				
At Amortised Cost				
Borrowings	2,151,716,667	-	-	2,151,716,667
Trade Payables	389,900,666	-	-	389,900,666
Other Financial Liabilities	239,191,633	-	-	239,191,633
At FVTPL				
Other Financial Liabilities	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

54. RELATED PARTY DISCLOSURES AS PER IND AS 24

a) Name of Related Parties & Nature of Relationship:	Country	Ownership Interest
i) Subsidiary Companies :		
Bhartiya Global Marketing Ltd.	India	100%
J&J Leather Enterprises Ltd.	India	100%
Bhartiya International SEZ Ltd	India	88.95%
Bhartiya Fashion Retail Ltd.	India	100%
Bhartiya Urban Infrastructure Ltd.	India	100%
World Fashion Trade Ltd.	Mauritius	100%
Ultima S.A.	Switzerland	100%
Ultima Italia SRL	Italy	100%
Design Industry Ltd.	Hong Kong	100%
Design Industry China Ltd.	China	100%
ii) Associate Parties :		
Bhartiya City Developers Pvt. Ltd.	India	36.77%
Tada Mega Leather Cluster Pvt Ltd.	India	50%
iii) Executive Directors:		
Snehdeep Aggarwal		Managing Director
Jaspal Sethi		Whole Time Director
A.K .Gadhok		Whole Time Director (Resigned from 18.04.2018)
iv) Non-Executive Directors		
Ramesh Bhatia		Director
C.L. Handa		Independent Director
Sandeep Seth		Independent Director
Shashank		Independent Director
A. Sahasranaman		Independent Director
Annapurna Dixit		Independent Director
Sanjay Baweja		Independent Director (Resigned from 03.10.2017)
v) Enterprises owned or significantly influenced by Executive Directors or their relatives :		
Itopia Management Services (India) Pvt. Ltd.		
Parushni Interior Designs Pvt. Ltd.		
vi) Relatives of Executive Directors with whom transactions have taken place:		
Kanwal Aggarwal		
Arjun Aggarwal		
vii) Trust (Post Employment Benefit Plan)		
Bhartiya International Ltd. Employees Group Gratuity Scheme		

Amount in Rs.

Particulars	2017-18	2016-17
b) Transactions during the year with Related Parties :		
1. Sales		
World Fashion Trade Ltd	**30,030,480**	24,270,742
Ultima S.A.	**102,447,989**	66,238,997
Ultima Italia SRL	**-**	433,094
Design Industry Ltd.	**539,340,669**	201,531,041

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	2017-18	2016-17
2. Purchase / Job Work		
Ultima Italia SRL	**80,579**	112,312
J & J Leather Enterprises Ltd	**138,664,974**	123,087,870
Ultima S.A.	**18,558,023**	-
Design Industry China Ltd.	**1,135,089**	3,328,978
3. Ticketing		
Itopia Management Services (India) Pvt. Ltd	**8,791,849**	22,543,748
4. Salaries		
Snehdeep Aggarwal	**1,839,600**	1,839,600
Jaspal Sethi	**1,268,250**	1,174,200
A.k.Gadhok	**703,756**	750,288
Arjun Aggarwal	**-**	275,000
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	**80,000**	480,000
6. Commission Expenses		
Ultima Italia SRL	**65,184,022**	58,004,163
World Fashion Trade Ltd	**-**	27,104,169
7. Lease Rent Received		
Bhartiya City Developers Pvt Ltd	**21,304,800**	21,304,800
Parushni Interior Designs Pvt Ltd	**1,800,000**	1,800,000
8. Service Charges Paid		
Bhartiya International SEZ Ltd.	**3,690,476**	2,815,172
Bhartiya Fashion Retail Ltd.	**6,000,000**	1,675,000
9. Investment in Equity Shares		
World Fashion Trade Ltd.	**-**	47,768,760
10. Legal and Professional Fees		
Itopia Management Services (India) Pvt. Ltd	**150,000**	-
11. Purchase of Fixed Asset		
Parushni Interior Designs Pvt. Ltd	**768,160**	-
12. Sitting Fee		
Ramesh Bhatia	**2,778**	2,778
C.L. Handa	**29,999**	25,555
Sandeep Seth	**32,777**	25,555
Shashank	**26,277**	24,444
A. Sahasranaman	**11,112**	5,556
Annapurna Dixit	**11,112**	5,556
Sanjay Baweja	**5,556**	2,778
13. Contribution to Gratuity Trust		
Bhartiya International Ltd. Employees Group Gratuity Scheme	**3,000,000**	3,000,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	2017-18	2016-17
c) Balances Outstanding at the Year End:		
1. Loan Given		
Tada Mega Leather Cluster Pvt. Ltd.	**-**	2,823,575
2. Advance Paid		
Ultima S.A.	**8,312,986**	1,150,000
Bhartiya Fashion Retail Ltd.	**136,780**	738,694
Bhartiya City Developers Pvt. Ltd.	**-**	37,660
3. Advance with suppliers		
J & J Leather Enterprises Ltd.	**6,491,111**	6,548,129
Design Industry China Ltd.	**11,330**	1,965
4. Trade Receivable		
Designs Industry Ltd.	**169,405,833**	42,980,195
World Fashion Trade Ltd.	**3,781,921**	23,340,558
Ultima S. A.	**-**	11,096,588
5. Security Deposit (Paid)		
Bhartiya Global Marketing Ltd.	**500,000**	500,000
6. Trade Payables		
Bhartiya International SEZ. Ltd.	**4,225,314**	4,633,425
Ultima Italia SRL	**156,721,467**	113,628,693
World Fashion Trade Ltd.	**7,101,019**	30,498,885
7. Expenses/Others Payables		
Itopia Management Services (India) Pvt. Ltd.	**506,032**	1,757,848
Kanwal Aggarwal		36,000
8. Security Deposit (Received)		
Bhartiya City Developers Pvt. Ltd.	**15,978,600**	15,978,600
Parushni Interior Designs Pvt. Ltd.	**150,000**	150,000
9. Advance for Supplies		
Ultima S.A.	**59,714,748**	-
10. Standby Letter of Credit (SBLC) Issued by Company Bankers		
World Fashion Trade Ltd.	**22,806,000**	22,699,250
Ultima S.A.	**718,231,200**	688,052,975
11. Corporate Guarantee given by Company		
World Fashion Trade Ltd., Ultima Italia Srl and Ultima S.A.	**170,427,000**	164,266,000

55. FIRST-TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the Year Ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i) Deemed Cost for Property, Plant and Equipment and Intangible Assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

ii) Investments in Subsidiaries and Associates

The Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

i) Reconciliation of Balance sheet as at 1st April, 2016 (Transition Date).

ii) Reconciliation of Balance sheet as at 31st March, 2017.

iii) Reconciliation of Total Comprehensive Income for the Year Ended 31st March, 2017.

iv) Adjustments to Statement of Cash Flows.

55.1 The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

55.2 Reconciliation of Balance sheet as at 1st April, 2016

Amount in Rs.

Particulars	Notes to First Time Adoption	Regrouped Previous GAAP	Ind AS Adjustment	As per Ind AS as at 1st April, 2016
I **Assets**				
1 Non - Current Assets				
(a) Property, Plant and Equipment	M,N	684,679,615	(116,006,978)	568,672,637
(b) Capital Work-in-Progress		78,492,129	-	78,492,129
(c) Investment Property	N	-	58,992,217	58,992,217
(d) Intangible Assets		5,777,741	-	5,777,741
(e) Intangible Assets under Development		13,180,000	-	13,180,000
(f) Investments in Subsidiaries, Associate, and Joint Venture		605,339,593	-	605,339,593
(g) Financial Assets				
(i) Investments	C	817	-	817
(ii) Loans	D	51,551,376	(486,601)	51,064,775
(iii) Other Financial Assets		7,028,112	-	7,028,112
(h) Deferred Tax Assets (Net)	P	-	4,432,270	4,432,270
(i) Other Non-Current Assets	M	19,926,540	56,240,066	76,166,606
2 Current Assets		-	-	
(a) Inventories		2,364,760,842	-	2,364,760,842
(b) Financial Assets				
(i) Investments	C	386,273	(386,272)	1
(ii) Trade Receivables		574,449,078	-	574,449,078
(iii) Cash and Cash Equivalents		41,434,856	-	41,434,856

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

Particulars	Notes to First Time Adoption	Regrouped Previous GAAP	Ind AS Adjustment	As per Ind AS as at 1st April, 2016
(iv) Bank Balances Other Than Cash & Cash Equivalents		92,350,790	-	92,350,790
(v) Loans		17,231,112	-	17,231,112
(vi) Others Financial Assets	G,J	150,765,886	96,423,503	247,189,389
(c) Current Tax Assets (Net)	P	-	35,533,830	35,533,830
(d) Other Current Assets	D	245,590,136	(76,867,993)	168,722,143
TOTAL ASSETS		4,952,944,896	57,874,042	5,010,818,938
II **EQUITY AND LIABILITIES**				
1 **Equity**				
(a) Equity Share Capital		117,138,480	-	117,138,480
(b) Other Equity	O	1,864,714,866	86,283,070	1,950,997,936
2 LIABILITIES				
Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	A	342,232,419	(623,694)	341,608,725
(ii) Other Financial Liabilities	H	16,087,320	(4,248,113)	11,839,207
(b) Provisions	K	12,578,271	(7,152,121)	5,426,150
(c) Other Non-Current Liabilities	H	-	3,192,370	3,192,370
(d) Deferred Tax Liabilities (Net)	P	36,602,583	38,679,459	75,282,042
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		1,810,107,941	-	1,810,107,941
(ii) Trade Payables		389,900,666	-	389,900,666
(iii) Other Financial Liabilities		227,352,426	-	227,352,426
(b) Provisions	B	121,608,665	(113,221,074)	8,387,591
(c) Other Current Liabilities (Net)	H	14,621,259	1,055,744	15,677,003
(d) Current Tax Liabilities (Net)	P	-	53,908,401	53,908,401
Total of Equity and Liabilities		4,952,944,896	57,874,042	5,010,818,938

55.3 Reconciliation of Balance Sheet as at 31st March, 2017

Amount in Rs.

Particulars	Notes to First Time Adoption	Regrouped previous GAAP	Ind AS Adjustment	As per Ind AS as at 31st March, 2017
I **Assets**				
1 Non - Current Assets				
(a) Property, Plant and Equipment	M, N	855,921,030	(113,656,222)	742,264,808
(b) Capital Work-in-Progress		60,410,337	-	60,410,337
(c) Investment Property	N	-	57,901,551	57,901,551
(d) Intangible Assets		17,940,088	-	17,940,088
(e) Intangible Assets under Development				
(f) Investments in Subsidiaries, Associate, and Joint venture		657,608,353	-	657,608,353
(g) Financial Assets				
(i) Investments	C	20,000,817	1,125,502	21,126,319
(ii) Trade Receivables				
(ii) Loans	D	11,342,105	(1,397,576)	9,944,529
(iii) Other Financial Assets		7,568,736	-	7,568,736
(h) Deferred Tax Assets (Net)	P	-	1,458,699	1,458,699
(i) Other Non-Current Assets	M	14,537,521	54,978,662	69,516,183

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

Particulars	Notes to First Time Adoption	Regrouped previous GAAP	Ind AS Adjustment	As per Ind AS as at 31st March, 2017
2 Current Assets				
(a) Inventories		2,647,289,259	-	2,647,289,259
(b) Financial Assets		-	-	
(i) Investments	C	29,587,459	5,586,110	35,173,569
(ii) Trade Receivables		576,234,687	-	576,234,687
(iii) Cash and Cash Equivalents		224,180,616	-	224,180,616
(iv) Bank Balances Other Than Cash & Cash Equivalents		77,679,420	-	77,679,420
(v) Loans		15,744,260	-	15,744,260
(vi) Others Financial Assets	G,J	170,415,842	44,126,238	214,542,080
(c) Current Tax Assets (Net)	P		35,468,609	35,468,609
(d) Other Current Assets	D	271,701,956	(91,702,859)	179,999,097
TOTAL ASSETS		5,658,162,486	(6,111,286)	5,652,051,200
II **EQUITY AND LIABILITIES**				
1 **Equity**				
(a) Equity Share Capital		117,409,450	-	117,409,450
(b) Other Equity	O	2,206,055,602	56,378,082	2,262,433,684
2 LIABILITIES				
Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	A	305,654,526	(251,651)	305,402,875
(ii) Trade Payables				
(ii) Other Financial Liabilities	H	16,237,320	(3,236,131)	13,001,189
(b) Provisions	K	12,677,885	(6,916,674)	5,761,211
(c) Other Non-Current Liabilities	H	-	2,075,808	2,075,808
(d) Deferred Tax Liabilities (Net)	P	47,961,615	19,671,887	67,633,502
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		2,219,893,778	-	2,219,893,778
(ii) Trade Payables		431,557,839	-	431,557,839
(iii) Other Financial Liabilities		167,662,448	-	167,662,448
(b) Provisions	B	118,118,735	(108,906,210)	9,212,525
(c) Other Current Liabilities (Net)	H	14,933,288	1,160,323	16,093,611
(d) Current Tax Liabilities (Net)	P	-	33,913,280	33,913,280
Total of Equity and Liabilities		5,658,162,486	(6,111,286)	5,652,051,200

55.4 Reconciliation of Statement of Profit and Loss for the Year Ended 31st March, 2017

Amount in Rs.

Particulars	Notes to First Time Adoption	Regrouped Previous GAAP	Ind AS Adjustment	As per Ind AS Year Ended 31st March, 2017
INCOME				
Revenue from Operations	F,I,J	4,765,097,778	(39,623,047)	4,725,474,731
Other Income	C,D,H	33,443,355	23,670,665	57,114,020
Total Income		4,798,541,133	(15,952,382)	4,782,588,751
EXPENSES				
Cost of Material Consumed	F	1,975,032,799	33,883,626	2,008,916,425
Purchases of Stock-in-Trade		876,375,199	-	876,375,199
Change in Inventories of Finished Goods		(98,009,164)	-	(98,009,164)
Employee Benefits Expense	L,E	330,287,266	1,424,540	331,711,806
Finance Costs (Interest)	A,E,H	132,744,670	1,428,997	134,173,667
Depreciation and Amortisation Expense		46,997,631	(1,088,835)	45,908,796

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Notes to First Time Adoption	Regrouped Previous GAAP	Ind AS Adjustment	As per Ind AS Year Ended 31st March, 2017
Other Expenses	D,I	1,294,614,418	(4,433,488)	1,290,180,930
TOTAL EXPENSES		4,558,042,819	31,214,840	4,589,257,659
Profit / (Loss) Before Tax for the Year		240,498,314	(47,167,222)	193,331,092
Tax Expenses				
i Current Tax		72,756,381	-	72,756,381
ii Deferred Tax	P	11,359,031	(15,594,899)	(4,235,868)
Profit / (Loss) for the Year		156,382,902	(31,572,323)	124,810,579
Other Comprehensive Income Items that will not be Reclassified to profit or Loss				
Re-measurements of the defined Benefit Plans	K	-	(1,268,791)	(1,268,791)
Income Tax Relating to above Items	P	-	439,103	439,103
Total Comprehensive Income for the Year		-	(32,402,011)	123,980,891

55.5 Reconciliation of Equity

Particulars	Notes	As at 31st March, 2017	As at 1st April, 2016
Equity as per previous GAAP		2,038,465,048	1,876,853,346
Share application money pending for allotment as part of Equity		180,000,000	-
Money received against Share Warrant as part of total Equity		105,000,000	105,000,000
Adjustment :			
Effective interest rate computation of borrowing outstanding	A	251,647	623,694
Impact of discounting of provisions	K,L	6,916,679	7,152,121
Reversal of proposed dividend and dividend tax	B	16,957,350	16,918,214
Other Export incentive (Focus License)	J	43,718,613	76,036,080
Fair value of investment	C	6,711,611	(386,273)
Impact of measuring derivative contract at fair value	G	407,625	20,387,423
Tax Adjustment	P	(18,585,442)	(34,448,189)
Total Equity as per Ind AS		2,379,843,131	2,068,136,416

55.6 Reconciliation of Income Statement

Amount in Rs.

Particulars	Notes	Year Endend 31st March, 2017
Net Profit/(Loss) as per previous GAAP (Indian GAAP)		**156,382,902**
Other Export incentive (Focus License)		(32,317,467)
Impact of measuring derivative contract at fair value	G	(19,979,798)
Fair value of investment	C	7,097,884
Reclassification of actuarial (gain)/loss arising in respect of defined benefit plan to other comprehensive income	L	(235,442)
Employee Stock Option Plan	E	(2,457,889)
Effective interest rate computation of borrowing outstanding	A	(372,047)
Tax Adjustments	P	15,862,747
Total Comprehensive income as reported under Ind AS		**123,980,890**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

55.7 The following explains the material adjustments made while transition from previous accounting standards to IND AS

A. Borrowings

Under the previous GAAP, transaction costs incurred towards origination of borrowing were charged to the profit and loss as and when incurred. As required under the IND AS 109 these costs have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method.

B Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

C Fair Valuation of Investment

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under IND AS, these investments are required to be measured at fair value through statement of profit and loss and changes in fair value are recognised in statement of profit and loss.

D Security Deposits

Under the previous GAAP, interest free security deposits were recorded at their transaction value. Under IND AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under IND AS. Difference between amortised value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as prepaid lease rent and recognised as expenses uniformly over the lease period. Interest income, measured by the effective interest rate method is accrued. The effect of these is reflected in total equity and / or profit or loss,as applicable.

E Employee Stock Option Expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled share based plan has been recognised based on the fair value of the Options as at the grant date.

F Excise Duty

Under the previous GAAP, revenue from sale of goods was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty expense is charged to Statement of Profit and Loss . There is no impact in the total equity and profit.

G Derivative Instruments - Foreign Exchange Forward Contracts

Under Previous GAAP, unrealised net loss on foreign exchange forward contracts, if any, as at each Balance Sheet date was provided for. Under Ind AS, foreign exchange forward contracts are mark-to-market as at Balance Sheet date and unrealised net gain or loss is recognised in profit and loss statement.

H Non-Current Liabilities Security Deposit

Under Previous GAAP, non-current security deposit liabilities were recognised on undiscounted basis. Ind AS requires such liabilities to be recognised at present value (discounted value) where the effect of time value of money is material. This led to a decrease in the value of non-current liabilities on the date of transition which was shown as prepaid lease rent . Ind AS also provides that where discounting is used, the carrying amount of the liability increases in each period to reflect the passage of time. This increase is recognised as finance cost. The interest cost on unwinding of discount and impact of change in discount rate has been recognised in the Statement of Profit and Loss under 'Rental costs' and 'finance cost' respectively for the Year Ended 31st March, 2017.

I Revenue from Sale of Goods

Under Previous GAAP, revenue were recognised net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after deduction of any discounts, any taxes or duties collected on behalf of the government except excise duty. Discounts given include rebates and price reductions which have been reclassified from 'Commission Brokerage & Discount ' within other expenses under Previous GAAP and netted from revenue under Ind AS.

J Other Export Incentive (Focus License)

Other Export incentives were accounted for on actual receipts basis. Ind AS requires these incentives be accounted for in the year of export.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

K Non-Current Provisions

Under Previous GAAP, non-current provisions were recognised on undiscounted basis. Ind AS requires such provisions to be recognised at present value (discounted value) where the effect of time value of money is material. This led to a decrease in the value of non-current provisions as on 1st April,2016 which was recognised in retained earning . Subsequently, the present value is increased to reflect passage of time by recognising finance cost.

L Employee Benefit Plan

Under the previous GAAP, actuarial gains and losses on employee defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.

M Lease hold Land

Under the previous GAAP, long term leasehold land were recognised in property,plant and equipment .Under Ind AS all leasehold land are considered as operating lease.

N Property given on Lease

Building given on lease were recognised in property,plant and equipment .Ind AS requires such building given on lease were re-classified to investment property from property,plant and equipment.

O Retained Earnings

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

P Tax Impact

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and IND AS.

56. Financial Risk Management

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

Credit Risk

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

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

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Not Due	911,929,780	445,924,953
Less than 6 month	25,720,948	108,828,984
More than 6 month	21,392,723	20,152,176

Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Maturity Profile of Financial Liabilities

Particulars	As at 31st March,2018			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	2,904,880,991	242,142,458	129,030,000	3,276,053,449
Trade Payable	832,803,324	-	-	832,803,324
Other current liabilities	118,025,325	-	-	118,025,325
Particulars	**As at 31st March,2017**			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	2,271,562,129	152,972,880	152,430,000	2,576,965,009
Trade Payable	431,557,839	-	-	431,557,839
Other Current Liabilities	128,995,281	-	-	128,995,281

Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that May, result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest Rate Risk

Particulars	As at 31st March, 2018	As at 31st March, 2017
Total Borrowings	3,276,053,449	2,576,965,009
% of Borrowings out of above bearing variable rate of interest	86.19%	86.14%

Interest Rate Sensitivity:

A change of 100 bps in interest rates would have following Impact on profit before tax

Particulars	As at 31st March, 2018	As at 31st March, 2017
100 bp increase would decrease the profit before tax by	25,842,732	21,523,184
100 bp decrease would Increase the profit before tax by	25,842,732	21,523,184

Foreign Currency Risk Management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at 31st March,2018		As at 31st March,2017	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	9,601,276	35,853,637	4,296,808	27,522,679
EURO	266,645	11,975,613	536,392	5,441,921
GBP	2,699,577	2,323,634	2,584,548	2,099,202
HKD	-	22,567	18,374	22,062

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Foreign Currency Sensitivity

The following table details the Company's sensitivity to a 5% change in rupee value against the relevant foreign currencies, which is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end

Particulars	As at 31st March,2018		As at 31st March,2017	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	31,276,155	(31,276,155)	13,931,327	(13,931,327)
EURO	1,068,901	(1,068,901)	1,852,483	(1,852,483)
GBP	12,378,237	(12,378,237)	10,519,884	(10,519,884)
HKD	-	-	7,667	(7,667)
Foreign Currency Monetary Liabilities				
USD	(116,811,149)	116,811,149	(89,249,168)	89,249,168
EURO	(48,030,593)	48,030,593	(18,805,103)	18,805,103
GBP	(10,661,541)	10,661,541	(8,550,795)	8,550,795
Other	(93,71)	9,371	(9,209)	9,209
Impact on Profit or Loss as at the end of reporting year	(130,789,361)	130,789,361	(90,302,914)	90,302,914

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Other Price Risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Other Price Risk Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

INR

Particulars	As at 31st March, 2018	As at 31st March, 2017
Impact on Profit Before Tax	393.60	531.85
BSE Sensex 30- Increase 5%	19.68	26.59
BSE Sensex 30- Decrease 5%	(19.68)	(26.59)

As per our report of even date attached

For K A S G & CO.
Chartered Accountants
Firm Reg. No. 002228C

For and on behalf of the Board

R.B.Sharma
Partner
Mem.No. 075701

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Sandeep Seth
Director
DIN: 01408624

Ramesh Bhatia
Director
DIN: 0052320

Gurugram, 30th May,2018

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	Date on which subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding Share capital& Reserves & Surplus)	Investments	Turnover	Profit /Loss before Taxation	Provision for Taxation	Profit /Loss after Taxation	% of Share holding
Bhartiya Global Marketing Ltd.	31st March, 2018	3rd January, 1996	INR	49,990,200	(9,035,203)	44,911,304	3,956,307	32,267,500	2,831,670	(1,300,451)	(401,870)	(898,581)	100
J&J Leather Enterprises Ltd.	31st March, 2018	20th March, 1999	INR	20,750,000	28,547,405	98,913,482	49,616,077	-	138,689,406	4,137,640	1,738,723	2,398,917	100
Bhartiya International SEZ Ltd.	31st March, 2018	27th February, 2007	INR	135,692,300	321,883	136,361,565	347,382	-	3,690,476	(3,111,387)	-	(3,111,387)	88.95
Bhartiya Urban Infrastructure Ltd.	31st March, 2018	6th August, 2015	INR	500,000	(213,628)	297,122	10,750	-	-	(9,488)	-	(9,488)	100
Bhartiya Fashion Retail Ltd.	31st March, 2018	26th August, 2009	INR	5,000,000	(5,370,308)	1,277,505	1,647,813	-	6,000,000	754,681	-	754,681	100
Ultima S. A	31st March, 2018	22nd July, 2002	CHF	33,785,508	383,386,759	1,253,184,975	836,012,708	169,040,646	1,783,451,235	53,991,842	6,874,607	47,117,235	100
Design Industry Ltd.	31st March, 2018	29th July, 2014	HK$	830,300	11,907,507	269,789,960	257,052,154	-	803,762,530	3,045,922	-	3,045,922	100
Design Industry China Ltd.	31st March, 2018	8th September, 2015	RMB/Yuan	2,106,521	(3,861,982)	8,369,781	10,125,242	-	39,550,975	(49,155,44)	-	(4,915,544)	100
Ultima Italia SRL	31st March, 2018	6th February, 2003	EURO	160,388,000	14,090,407	343,979,091	169,500,685	-	164,411,019	4,151,823	3,022,757	1,129,066	100
World Fashion Trade Ltd.	31st March, 2018	22nd August, 2006	HK$	47,813,540	(56,221,805)	7,8711,153	87,119,418	-	116,638,981	2,561,791	-	2,561,791	100

	CHF	HK$	Euro	RMB Yuan
Exchange rate for Balance Sheet items (except shares capital figures which are stated at invested value)	68.136	8.303	80.194	10.342
Exchange rate for Profit and Loss	66.447	8.255	75.251	9.74

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	Balance Sheet Date	Date on which the Associate was acquired	Share of Associate/Joint Venture held by the company as on year end			Description of Significant Influence	Reason why the associate/ joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance sheet	Profit/Loss for the Year	
			No.	Amount of Investment in Associate/ Joint venture	Extent of Holding				Considered in Consolidation	Not Considered in Consolidation
Tada Mega Leather Cluster Pvt. Ltd.	31st March, 2018	4th March, 2013	5000	50000	50.00%	Voting Power	Not Applicable	(58,044)	(15,234)	-
Bhartiya City Developers Pvt. Ltd. *	31st March, 2018	26th August, 2017	34393260	399960000	36.77%	Voting Power	Not Applicable	1,208,881,743	(11,791,415)	-

* The figures for Bhartiya City Developers Private Limited are figures after consolidation with its subsidiaries Bhartiya Developers Consortium Private Limited, Milestone Buildcon Private Limited and LLP - MSCK Projects LLP.

BHARTIYA

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