

**Date: 7<sup>th</sup> October, 2016**

The Vice-President, Listing Department, National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. – C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400051 Fax – 022-26598237/38  <b>NSE Symbol : BIL/EQ</b>	The General Manager, Listing Department, BSE Limited, Floor -25, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai- 400001 Fax – 022-22722037/39/41/61  <b>Scrip Code: 526666</b>
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LIMITED**  
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**REF: ANNUAL REPORT UNDER REGULATION 34 OF SEBI (LISTING OBLIGATIONS  
AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

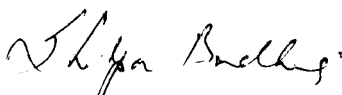
Dear Sir/Madam,

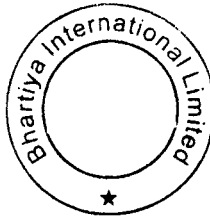
Pursuant to the requirement under the Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find attached Annual Report in soft copy of the Company for the Financial Year 2015-16.

Kindly take the same on your record.

Thanking you,

**Yours sincerely,  
For Bhartiya International Ltd.**

  
**Shilpa Budhia  
(Company Secretary)**




Encl.: a/a

ANNUAL

2015-2016

# REPORT






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

**Love, light and laughter.**

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





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## FROM THE CHAIRMAN

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

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

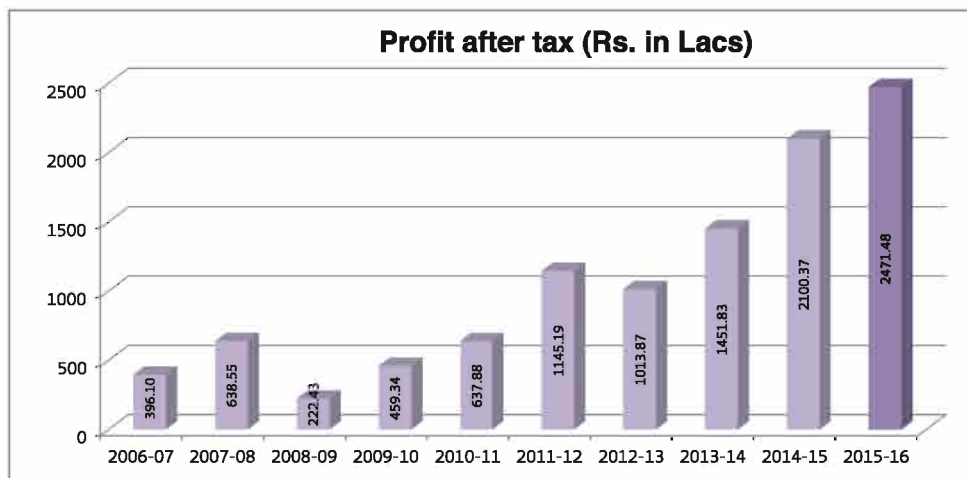
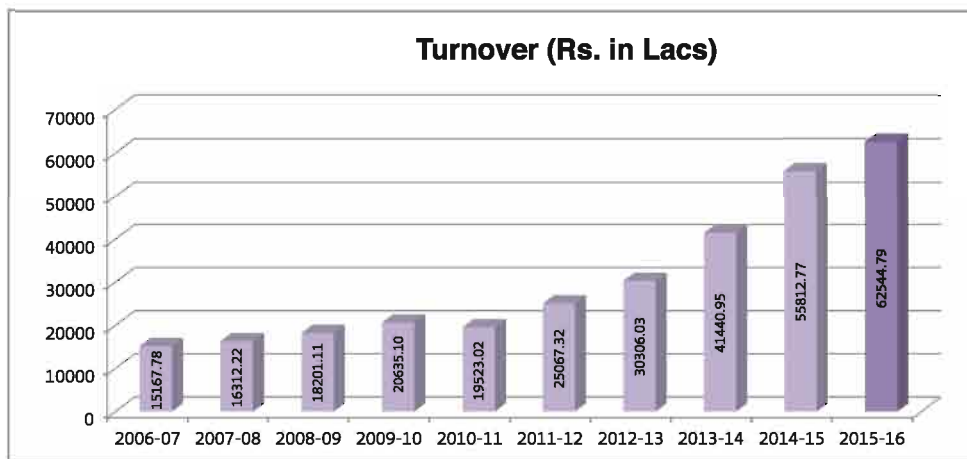
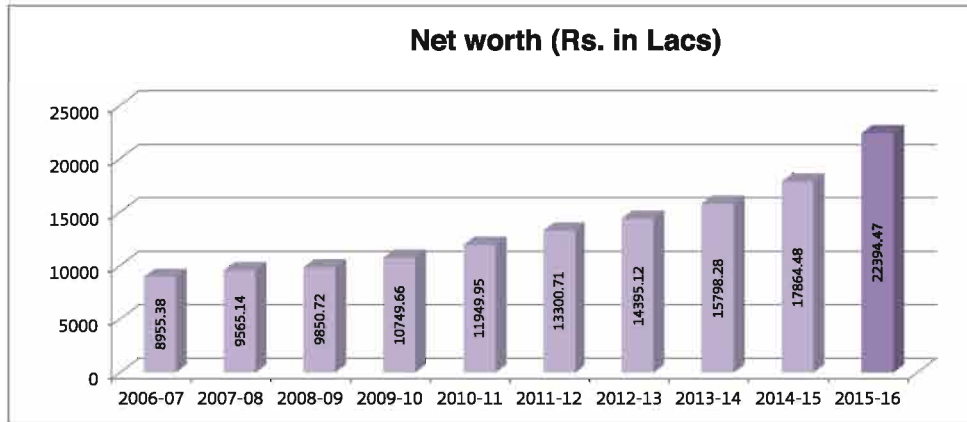
- Increase production outside India to take advantage of unique Bangladesh and China factories' competencies to supply our customers and retailers with new, innovative products.
- Establish new businesses, like our non-leather textile outerwear group, which opens up a large global market to us, and is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

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

Shehdeep Aggarwal



# PERFORMANCE HIGHLIGHTS



## BOARD OF DIRECTORS

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### *DIRECTORS*

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

### *AUDITORS*

Sushil Poddar & Co., New Delhi

### *BANKERS*

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

#### DELHI

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

#### GURGAON

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

#### BANGALORE

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

#### CHENNAI

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

#### SWITZERLAND

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

#### ITALY

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

#### HONGKONG

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

#### Design Industry Ltd.

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

#### CHINA

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

#### Design Industry China Ltd.

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

# The Bhartiya Group

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



## MANAGEMENT DISCUSSION & ANALYSIS

### LEATHER APPAREL

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

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

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

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

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

### ACCESSORIES

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

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

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

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

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

### NON-LEATHER TEXTILE OUTERWEAR

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

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

### TEXTILE

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

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

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

### INTERNATIONAL

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

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

### OVERVIEW

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

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



## OUR COMPANY

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### *HUMAN RESOURCES*

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

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

### *INTERNAL CONTROL SYSTEM*

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

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

The audit report is submitted to Audit Committee for consideration. Further, to ensure the completeness, the Risk and

Control Matrix is maintained for the process audited. With the endeavor to strengthen the internal control mechanism and accuracy of reporting, Company is in the process of implementing an ERP specific to the fashion industry.

### *RISK MANAGEMENT*

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

### *CAUTIONARY STATEMENT*

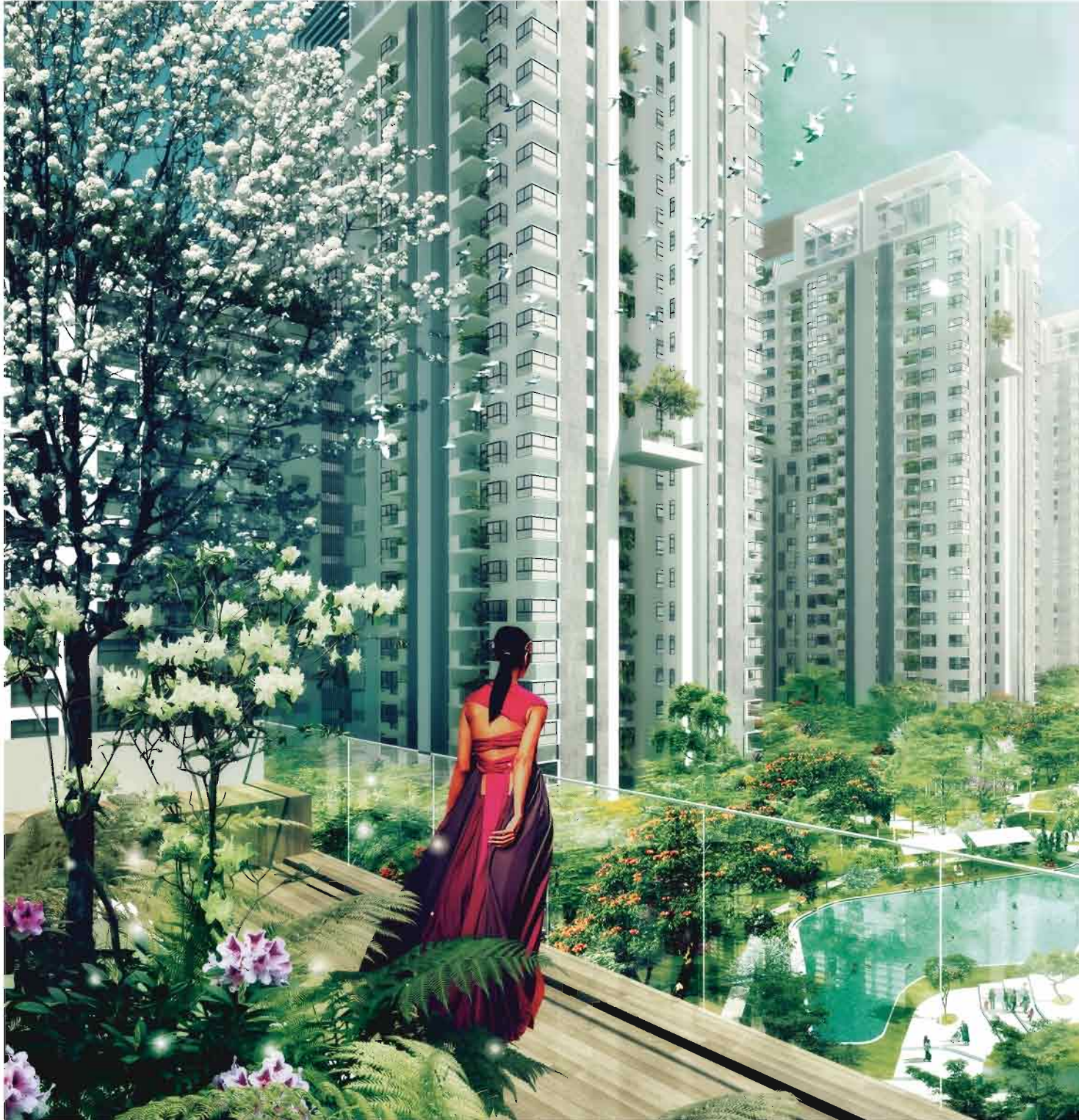
All the statements and assertions in this report regarding the projections, estimates and outlook are subject to current market situations and expected effects of future events on current and developing circumstances. Results may vary due to a number of factors, which could effect the Company's business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



# NIKOO HOMES II

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

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









## DIRECTORS' REPORT

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

### FINANCIAL RESULTS

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

(Rs. in Lacs)

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

### PERFORMANCE REVIEW

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

### DIVIDEND

Your Directors have recommended a Dividend of Rs.1.20/- per paid-up equity share of Rs. 10/- each (i.e. @ 12%) for the Financial Year ended 31st March, 2016. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

### RESERVES

During the period under review an amount of rupees two crores has been transferred to Reserves of the Company.

### SHARE CAPITAL

During the year under review, the following changes had taken place in the share capital of the Company:

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

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

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

## **EMPLOYEES STOCK OPTION PLAN**

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

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

Disclosures as required under clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the 'SEBI Guidelines') as at 31st March, 2016, are set out in Annexure A to this Report.

## **CONSOLIDATED FINANCIAL STATEMENTS**

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

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

## **DETAILS AND PERFORMANCE OF SUBSIDIARY COMPANIES**

### **Bhartiya Global Marketing Limited**

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

### **J&J Leather Enterprises Ltd.**

This company is a tannery to support our leather garments and accessories business through conversion of wet blue leather into finished leather. The total revenues of the Company was Rs. 11,89,93,700/- and the net profit was Rs. 93,162/- during the financial year 2015-16.

### **Bhartiya International SEZ Ltd.**

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

### **Bhartiya Fashion Retail Ltd.**

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

### **Ultima S.A. Switzerland**

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

### **World Fashion Trade Limited, Mauritius**

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

### **Ultima Italia SRL, Italy**

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

**Design Industry Limited, Hongkong**

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

**New Subsidiary/Associate Company incorporated /dissolved during the year**

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

**Bhartiya Urban Infrastructure Limited**

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

**Design Industry China Limited, China**

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

**BIL Group LLC, USA**

This company was liquidated during the year under review.

**CORPORATE GOVERNANCE**

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

**MANAGEMENT DISCUSSION & ANALYSIS**

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

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

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

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

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

**CASH FLOW STATEMENT**

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

**EXTRACT OF ANNUAL RETURN**

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

**DIRECTORS**

During the year under review, there is no change in the Board of Directors of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Nikhil Aggarwal, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

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

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

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

### KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

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

### BOARD EVALUATION

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

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

### NUMBER OF MEETINGS OF THE BOARD

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

### COMMITTEES

The Board of Directors has the following mandatory Committee

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

The details of the composition of Committees, terms of reference and numbers of Meetings held during the Financial Year 2015-16 is provided in the Corporate Governance Report.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

### WHISTLE BLOWER POLICY

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

### NOMINATION AND REMUNERATION POLICY

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

## RELATED PARTY TRANSACTIONS

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

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

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web link of the same is [www.bhartiyafashion.com](http://www.bhartiyafashion.com).

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit of the company for the year ended on that date;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis; and
- (e) that the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## STATUTORY AUDIT

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

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

## COST AUDIT

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

## SECRETARIAL AUDIT

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

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

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

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

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

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

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

## **RISK MANAGEMENT**

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

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

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the area of rural development and promoting health care and sanitation. These projects are in accordance with the Schedule VII of the Companies Act, 2013 and the Company's CSR Policy. The report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as Annexure – D forming part of this report.

## **ENVIRONMENT AND SAFETY**

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

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

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

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

## **HUMAN RESOURCES**

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

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

## **PARTICULARS OF EMPLOYEES**

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

During the financial year 2015–16, the Company had 299 employees.

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended 31st March, 2016 is given as a separate Annexure to this Report.

The above Annexure is not being sent along with this report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who wish to obtain these particulars may write to the Company Secretary at the registered office of the Company. The aforesaid Annexure is also available for inspection by Members at the registered office of the Company, 21 days before the 29th Annual General Meeting and upto the date of the ensuing Annual General Meeting during the business hours on working days.

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

## **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

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

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 21st September 2015 (date of last Annual General Meeting) on the Ministry of Corporate Affairs' website.

## **PUBLIC DEPOSIT**

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

## **BUSINESS RESPONSIBILITY REPORTING**

The Business Responsibility Reporting as required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is not applicable to your Company for the financial year ending 31st March, 2016.

## **MATERIAL CHANGES AND COMMITMENTS**

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

## **ACKNOWLEDGEMENTS**

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

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

**For and on behalf of the Board**

New Delhi, 25<sup>th</sup> May, 2016

**Snehdeep Aggarwal**  
Managing Director  
DIN. 00928080

**Ramesh Bhatia**  
Director  
DIN. 00052320

## ANNEXURE-A ESOP DISCLOSURE

Statement Pursuant to Clause 12 of 'Disclosure in the Directors' Report' of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and as per rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 Pursuant to the Resolution passed by the shareholders in their Annual General Meeting held on 23rd September, 2013, the Nomination and Remuneration Committee of the Directors have granted Stock Options to eligible employees during the financial year 2015-16. The details of the Stock Option granted are given below:

Sr. No.	Description	Remarks										
A	Options granted	164650										
B	Pricing formula	Discount to the market price on the date of issue of options										
C	Option vested	Nil										
D	Options exercised	Nil										
E	Total number of Ordinary Shares arising as a result of exercise of Options	Nil										
F	Options lapsed	Nil										
G	Variation of terms of Options	Not Applicable										
H	Money realized by exercise of Options	Nil										
I	Total number of Options in force	164650										
J	Details of Options granted to											
	i) Senior managerial personnel	54950										
	ii) Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	Nil										
	iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil										
K	Diluted Earnings per Share (EPS) pursuant to issue of Ordinary Shares on Exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share.'	12.84										
L	Where the company calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of options and the impact of the difference on profits and EPS of the Company	The Company has calculated the employee compensation cost using the intrinsic value of the stock options measured by a difference between the intrinsic value of the underline equity shares at the grant date and exercise price. Had the compensation cost be determined in a manner consistent with the fair valuation method, the employee compensation cost would have been higher by Rs. 50.33 lakhs & proforma profit after tax would have been lower by Rs. 50.33 lakhs. On a proforma basis the basic and diluted EPS would have been Rs. 12.52 and Rs. 12.40 per share.										
M	Weighted average exercise price and weighted average fair value of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise Price – Rs. 50/- per Equity share Weighted Average Fair Value of Options is – Rs. 436.34/-										
N	A description of the method and significant assumption used during the year to estimate the fair values of Options	The Company has used the Black-Scholes model for computation of fair valuation. Significant assumptions used at the time of grant are as under: <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Dividend Yield</td> <td style="text-align: right;">0.21%</td> </tr> <tr> <td>Expected Life (No. of years)</td> <td style="text-align: right;">7</td> </tr> <tr> <td>Risk Free Interest Rate (%)</td> <td style="text-align: right;">8.16%</td> </tr> <tr> <td>Volatility (%)</td> <td style="text-align: right;">29.45%</td> </tr> <tr> <td>Weighted Average Contractual Life (No. of years)</td> <td style="text-align: right;">7</td> </tr> </table>	Dividend Yield	0.21%	Expected Life (No. of years)	7	Risk Free Interest Rate (%)	8.16%	Volatility (%)	29.45%	Weighted Average Contractual Life (No. of years)	7
Dividend Yield	0.21%											
Expected Life (No. of years)	7											
Risk Free Interest Rate (%)	8.16%											
Volatility (%)	29.45%											
Weighted Average Contractual Life (No. of years)	7											



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

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

**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN : L74899DL1987PLC026607
- ii. Registration Date : 07.01.1987
- iii. Name of the Company : Bhartiya International Limited
- iv. Category Sub-Category of Company : Public Limited Company
- v. Address of the Regd. Office : E-52, New Manglapuri, Mandi Road,  
and contact details (Mehrauli), New Delhi-110 030
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details : Mas Services Ltd.  
of Registrar and Transfer Agent, if any Okhla Industrial Area, Phase-II, New Delhi-110 020  
Phone No. 011-26387281-83

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. N.	Name and Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1	<b>Bhartiya Global Marketing Ltd.</b> E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74899DL1996PLC075128	Indian Subsidiary Company	100%	2(87)
2	<b>J &amp; J Leather Enterprises Ltd.</b> 56/7, Nallambakkam Village (Via Vandalur), Chennai-600 048	U18209TN1991PLC020874	Indian Subsidiary Company	100%	2(87)
3	<b>Bhartiya International SEZ. Ltd.</b> E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74999DL2007PLC159827	Indian Subsidiary Company	88.95%	2(87)
4	<b>Bhartiya Fashion Retail Ltd.</b> E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U17120DL2009PLC193608	Indian Subsidiary Company	100%	2(87)
5	<b>Bhartiya Urban Infrastructure Ltd.</b> 56/7, Nallambakkam Village (Via Vandalur), Chennai- 600048	U70100TN2015PLC101707	Indian Subsidiary Company	100%	2(87)
6	<b>World Fashion Trade Ltd., Mauritius</b> Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	-	Overseas Subsidiary Company	100%	2(87)

S. N.	Name and Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
7	<b>Ultima S.A., Switzerland</b> Avenue J-J. Rousseau-7, CH-2001, Neuchatel, Switzerland	CH-645-40960339	Overseas Subsidiary Company	100%	2(87)
8	<b>Ultima Italia SRL, Italy</b> Branch : Via Dei Tigli, 4, 26010, Casaleto, Vaprio (CR), Italy	-	Overseas Subsidiary Company	100%	2(87)
9	<b>Design Industry Ltd.</b> Room 1104, Crawford House, 70, Queens Road Central, Central Hong Kong	-	Overseas Subsidiary Company	100%	2(87)
10	<b>Design Industry China Ltd</b> Room 407-1, Tower 8, United Plaza, No. 58 Qianjiang Road, Hangzhou, China	-	Overseas Subsidiary Company	100%	2(87)
11	<b>Tada Mega Leather Cluster Pvt. Ltd.</b> E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74140DL2013PTC249002	Associate Company	50%	2(6)
12	<b>Bhartiya Urban Infrastructure &amp; Land Development Co. Pvt. Ltd.</b> 56/7, Nallambakkam Village (Via Vandalur), Chennai-600 048	U45201TN2006PTC103429	Associate Company	29.60%	2(6)
13	<b>Bhartiya Prakash Leather</b> C-20, Pamposh Enclave, Greater Kailash, Part-I, New Delhi-110048	-	Associate Party	Significant Influence (Partner Capital)	2(6)

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoter(s)</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2102636	-	2102636	18.76	2102636	-	2102636	17.95	(0.81)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate.	3061926	-	3061926	27.30	3561926	-	3561926	30.41	3.11
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>5164562</b>	<b>-</b>	<b>5164562</b>	<b>46.06</b>	<b>5664562</b>	<b>-</b>	<b>5664562</b>	<b>48.36</b>	<b>2.30</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(2):-A</b>									
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>5164562</b>	<b>-</b>	<b>5164562</b>	<b>46.06</b>	<b>5664562</b>	<b>-</b>	<b>5664562</b>	<b>48.36</b>	<b>2.30</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	3000	3000	0.03	-	3000	3000	0.03	-
b) Banks / FI	1812	300	2112	0.02	4516	300	4816	0.04	0.02
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	750611	26600	777211	6.93	745609	26600	772209	6.59	(0.34)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>752423</b>	<b>29900</b>	<b>782323</b>	<b>6.98</b>	<b>750125</b>	<b>29900</b>	<b>780025</b>	<b>6.66</b>	<b>(0.32)</b>
<b>2. Non- Institutions</b>									
a) Bodies Corporate.									
i) Indian	2953308	8600	2961908	26.41	3059093	8600	3067693	26.19	(0.22)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	747628	130032	877660	7.83	762896	126539	889435	7.59	(0.24)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1015565	-	1015565	9.06	950802	-	950802	8.12	(0.94)
c) Others									
(1) Trusts	5	-	5	-	5	-	5	-	-
(2) Foreign National	50000	-	50000	0.45	20000	0	20000	0.17	(0.28)
(3) Non Resident Indian	32811	130000	162811	1.45	19348	130000	149348	1.27	(0.18)
(4) Clearing Members	7375	-	7375	0.07	7998	-	7998	0.07	0.00
(5) Hindu Undivided Family	68839	-	68839	0.60	61180	-	61180	0.52	(0.08)
(6) Director(s)	98600	24200	122800	1.09	98600	24200	122800	1.05	(0.04)
<b>Sub-total(B)(2)</b>	<b>4974131</b>	<b>292832</b>	<b>5266963</b>	<b>46.96</b>	<b>4979922</b>	<b>289339</b>	<b>5269261</b>	<b>44.98</b>	<b>(1.98)</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>5726554</b>	<b>322732</b>	<b>6049286</b>	<b>53.94</b>	<b>5730047</b>	<b>319239</b>	<b>6049286</b>	<b>51.64</b>	<b>(2.30)</b>
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total(A+B+C)</b>	<b>10891116</b>	<b>322732</b>	<b>11213848</b>	<b>100.00</b>	<b>11394609</b>	<b>319239</b>	<b>11713848</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

S. N.	Share holder's Name	Share holding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Snehdeep Aggarwal	1143362	10.20	–	1143362	9.76	–	(0.44)
2	Ramesh Bhatia	340250	3.03	–	340250	2.90	–	(0.13)
3	Arjun Aggarwal	496150	4.42	–	496150	4.24	–	(0.18)
4	Parushini Aggarwal	7500	0.07	–	7500	0.06	–	(0.01)
5	Pawan Aggarwal	5000	0.04	–	5000	0.04	–	0.00
6	Kanwal Aggarwal	60374	0.54	–	60374	0.52	–	(0.02)
7	Snehdeep & Co. Huf	50000	0.45	–	50000	0.43	–	(0.02)
8	Bhartiya Global Holdings Pvt .Ltd	1350000	12.04	–	1850000	15.79	–	3.75
9	Bhartiya Finstock Pvt.Ltd	681926	6.08	–	681926	5.82	–	(0.26)
10	Bhartiya Infotech Pvt. Ltd	1000000	8.92	–	1000000	8.54	–	(0.38)
11	R.L. Bhatia Associates Pvt. Ltd	30000	0.27	–	30000	0.26	–	(0.01)
	<b>TOTAL</b>	<b>5164562</b>	<b>46.06</b>	<b>–</b>	<b>5664562</b>	<b>48.36</b>	<b>–</b>	<b>2.30</b>

## (iii) Change in Promoters' Shareholding

S. N.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Bhartiya Global Holdings Pvt. Ltd</b>				
	At the beginning of the year	1350000	12.04	1350000	12.04
	Allotment of Equity Shares pursuant to conversion of warrants (14th December, 2015)	–	–	500000	4.47
	<b>At the End of the year</b>	<b>–</b>	<b>–</b>	<b>1850000</b>	<b>15.79</b>

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

S. N.	Particulars For Each of the Top 10 Shareholders	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Spirit Impex Pvt. Ltd	1200000	10.70	1200000	10.24
2	Morgan Stanley Asia (Singapore) PTE	745315	6.65	745315	6.36
3	Appreal Holding Pvt. Ltd	387356	3.45	387356	3.31
4	Share Point Pvt. Ltd	285500	2.55	285500	2.44
5	Dwarkadhish Trading Pvt. Ltd	240000	2.14	240000	2.05
6	Superfine Carpets Pvt. Ltd	168300	1.50	168300	1.44
7	Arvinder Kaur	130000	1.16	130000	1.11
8	Vinod Infotech Private Limited	–	–	112108	0.96
9	Ishaan Metals Private Limited	110784	0.99	107728	0.92
10	Zealous Financial Services Private Limited	–	–	107000	0.91

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

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

S. N.	Shareholding of each Directors and each key Management Personal	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Snehdeep Aggarwal</b>				
	At the beginning of the year	1143362	10.20	1143362	9.76
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	1143362	9.76
2	<b>Mr. A.K.Gadhok</b>				
	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	<b>Mr. Ramesh Bhatia</b>				
	At the beginning of the year	340250	3.03	340250	2.90
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	340250	2.90

S. N.	Shareholding of each Directors and each key Management Personal	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No.of shares	% of total shares of the company
4	<b>Ms. Annapurna Dixit</b>				
	At the beginning of the year	4000	0.04	4000	0.03
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g.allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	4000	0.03
5	<b>Ms. Jaspal Sethi</b>				
	At the beginning of the year	98800	0.88	98800	0.84
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	98800	0.84
6	<b>Mr. Nikhil Aggarwal</b>				
	At the beginning of the year	20000	0.18	20000	0.17
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	20000	0.17
7	<b>Mr. Shashank</b>				
	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	<b>Mr. A. Sahasranaman</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	Nil	Nil
9	<b>Mr. C. L. Handa</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	–	–	Nil	Nil

S. N.	Shareholding of each Directors and each key Management Personal	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	<b>Mr. Sandeep Seth</b>				
	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	<b>Mr. Manoj Khattar</b>				
	At the beginning of the year	20050	0.18	20050	0.17
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	-	-	20050	0.17
12	<b>Ms. Shilpa Budhia</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year	-	-	Nil	Nil

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. N.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (in Rs.)
		Mr. Snehdeep Aggarwal	Mr. A.K. Gadhok	Ms. Jaspal Sethi	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1800000	960888	1140000	3900888
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39600	-	32400	72000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>1839600</b>	<b>960888</b>	<b>1172400</b>	<b>3972888</b>
	Ceiling as per the Act	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)			

**B. Remuneration to other Directors:**

S.No	Particulars of Remuneration	Name of Directors							Total Amount (in Rs.)
		Mr. A. Sahasranaman	Mr. Shashank	Mr. Sandeep Seth	Mrs. Annapurna Dixit	Mr. C. L. Handa	Mr. Nikhil Aggarwal	Mr. Ramesh Bhatia	
	• Fee for attending board committee meetings	16668	23889	31111	11112	26111	-	8334	117225
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>16668</b>	<b>23889</b>	<b>31111</b>	<b>11112</b>	<b>26111</b>	<b>-</b>	<b>8334</b>	<b>117225</b>
	Overall Ceiling as per the Act	(Ceiling as per the Act @ 10% of profits calculated under Section 198 of the Companies Act, 2013)							

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

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

(Amount in Rs.)

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

**VI. INDEBTEDNESS**

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

Amount in Rs.

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

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

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



**ANNEXURE C****FORM MR-3****SECRETARIAL AUDIT REPORT****[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

To  
The Members of  
M/s. Bhartiya International Ltd.  
E-52, New Manglapuri, Mandi Road,  
Mehrauli, New Delhi-110030

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

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2015 and ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Bhartiya International Limited ("the Company") for the financial year ended on 31st March, 2016, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period); and

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not applicable to the Company during audit period).
- vi. I have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India
- ii. The Listing Agreements entered into by the Company with the BSE Limited and the National Stock Exchange of India Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that

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

Adequate notice is given to all the directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting. The decisions are carried out after obtaining approval of members of the Board and the same is recorded in the Minutes.

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

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

I further report that during the audit period the Company has passed following special resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. though the Notice for the first five special resolution was issued in February 2015:

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

New Delhi, 25<sup>th</sup> May, 2016

**K. Ravichandran**  
ACS 12838  
CP 3207

## ANNEXURE D

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Projects covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct
2	Construction of village roads	Rural Development Projects	Nallambakkam Village nearby Lord Amman Temple, Chennai	Rs. 22,35,316/-	Direct - Rs. 22,35,316/-	Rs. 22,30,645/-	Rs. 22,30,645/-
3	Painting of walls and supply of electrical fittings	Promoting education	Nallambakkam School, Chennai	Rs. 1,73,306/-	Direct - Rs. 1,73,306/-	Rs. 1,73,306/-	Rs. 1,73,306/-
4	Installation of new RO plants and repair of existing ones	Safe Drinking water	Rathnamangalam School and Nallambakkam School, Chennai	Rs. 1,04,911/-	Direct - Rs. 1,04,911/-	Rs. 1,04,911/-	Rs. 1,04,911/-
5	Development of Drainage systems and maintenance of toilets	Promoting health care including preventive health care and sanitation	Rathnamangalam School and Thiruvalluvar Nagar, Chennai	Rs. 3,14,874/-	Direct - Rs. 3,14,874/-	Rs. 3,14,874/-	Rs. 3,14,874/-
6	Reconstruction and dwelling of houses destructed due to floods in Chennai	Rural Development projects (Flood relief measure)	Chennai	Rs. 11,86,216/-	Direct - Rs. 11,86,216/-	Rs. 11,86,216/-	Rs. 11,86,216/-
7.	Scholarships to students	Promoting Education	Bangalore	Rs. 6,60,000/-	Direct - Rs. 6,60,000/-	Rs. 6,60,000/-	Rs. 6,60,000/-
	<b>TOTAL</b>			<b>Rs. 47,63,998/-</b>	<b>Rs. 47,63,998/-</b>	<b>Rs. 47,63,998/-</b>	<b>Rs. 47,63,998/-</b>

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

Not applicable

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

Chairman and Managing Director  
New Delhi, 25th May, 2016

Chairman of CSR Committee

## **ANNEXURE E**

### **ANNEXURE TO DIRECTORS' REPORT**

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

**a. Conservation of Energy**

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

**b. Technology Absorption**

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

**c. Foreign Exchange Earnings & Outgo**

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

**For and on behalf of the Board**

New Delhi, 25<sup>th</sup> May, 2016

**Snehdeep Aggarwal**  
Managing Director  
DIN. 00928080

**Ramesh Bhatia**  
Director  
DIN. 00052320

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

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

The detailed Corporate Governance Report of BIL is as follows:

### BOARD OF DIRECTORS

#### a. Composition of the Board

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

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

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

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

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

**Notes:-**

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

**c. Number of Board Meetings:**

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

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

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

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

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

\*Includes Meeting attended through Tele/Video Conference

**Information Supplied to the Board:**

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

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

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

#### **Post Meeting Mechanism**

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

#### **Board Support**

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

#### **Familiarization Programme for Independent Directors**

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

#### **Conflict of Interests**

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

#### **Insider Trading Code**

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



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

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

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

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

### **Code of Conduct**

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

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

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

### **Whistle Blower Policy**

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

### **COMMITTEES OF THE BOARD**

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

The Board has currently the following Committees:

#### **(A) AUDIT COMMITTEE**

##### **(i) Composition**

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

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

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

The Members of the Audit Committee met four times during the Financial Year 2015–16. The Company is in full compliance with the provisions of Regulation 18 of the SEBI Listing Regulations on gaps between any two Audit Committee meetings. The Committee met on 22nd May, 2015, 5th August, 2015, 7th November, 2015 and 8th February, 2016. The necessary quorum was present for all Meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company. The Table below provides the attendance of the Audit Committee members:

<b>Director</b>	<b>22.05.2015</b>	<b>05.08.2015</b>	<b>07.11.2015</b>	<b>08.02.2016</b>
Mr. Sandeep Seth	P	P	P	P
Mr. Shashank	A	P	P	P
Mr. C.L. Handa	P	A	P	P

**(iii) Terms of Reference**

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

**(iv) Powers of Audit Committee**

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

**(v) The role of Audit Committee includes**

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

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

## **(B) NOMINATION AND REMUNERATION COMMITTEE**

### **(i) Composition**

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

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

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

<b>Director</b>	<b>16.09.2015</b>	<b>31.12.2015</b>
Mr. Sandeep Seth	P	P
Mr. C.L.Handa	P	P
Mr. Shashank	A	P

**(iii) Terms of reference**

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

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

- k. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

The Company had granted 1,64,650 stock options to its employees during the financial year 2015–16. The details of vesting and exercise are provided elsewhere in the Report.

**(iv) Remuneration Policy**

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

Remuneration to Executive Directors for the financial year 2015–2016 is as under:

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

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

The details of sitting fees paid for attending the Board/Committee Meetings to the Non-Executive Directors for the financial year 2015–2016 is as under: –

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

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

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

**BOARD EVALUATION**

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

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

### (C) STAKEHOLDERS RELATIONSHIP COMMITTEE

#### (i) Composition

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

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

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

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

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

#### (iii) Terms of Reference

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

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

Total number of complaints/communications received during the financial year were 27 (Twenty Seven) only and all of them have been redressed/answered to the satisfaction of shareholders. There was no investor grievance remained unattended or pending as on 31st March, 2016.

### (D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### (i) Composition

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

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

Three Meetings of the Committee were held during the year.

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

**(iii) Terms of reference**

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

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

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

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

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

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

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

**(iii) Terms of Reference**

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

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

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

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

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

**(iii) Terms of Reference**

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

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

**(G) INVESTMENT COMMITTEE****(i) Composition**

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

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

No Meetings of the Committee were held during the year.

**(iii) Terms of Reference**

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

**(H) RISK MANAGEMENT COMMITTEE**

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

**MEETING OF INDEPENDENT DIRECTORS**

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

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

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

**SUBSIDIARY COMPANY**

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

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

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

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

MDA is attached separately in this Annual Report.

**I. GENERAL BODY MEETINGS**

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

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



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

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

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

Extra-Ordinary General Meeting (EGM)	Date	Time of EGM	Location	No. of Special Resolutions passed
Year 2015-16	No Meeting held			
Year 2014-15	5th June, 2014	10.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	1
Year 2013-14	No Meeting held			

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

## II. Postal Ballot

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

The Company as per the Postal Ballot notice dated February 13, 2015, duly passed Five Special Resolutions on 6th April, 2015 for the following items:

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

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

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

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

Promoter/ Public	No. of Shareheld (1)	No. of votes polled(2)	% of Votes polled on outstanding shares(3)= [(2)/(1)]*100	No. of Votes- infavour(4)	No. of Votes- against(5)	% of Votes in favour on votes polled(6)= [(4)/(2)]*100	% of Votes against on votes polled(7)= [(5)/(2)]*100
<b>Special Resolution No. - 1 : Amendment of the Main Objects Clause of the Memorandum of Association of Company</b>							
<b>Mode of Voting (Postal ballot paper)</b>							
Promoter and Promoter Group	1846150	1846150	100%	1846150	-	100%	-
Public Institutional holders	-	-	-	-	-	-	-
Public-Others	520726	520726	100%	520726	-	100%	-
<b>Total (A)</b>	<b>2366876</b>	<b>2366876</b>	<b>100%</b>	<b>2366876</b>	<b>-</b>	<b>100%</b>	<b>-</b>

Promoter/ Public	No. of Shareheld (1)	No. of votes polled(2)	% of Votes polled on outstanding shares(3)= [(2)/(1)]*100	No. of Votes- infavour(4)	No. of Votes- against(5)	% of Votes in favour on votes polled(6)= [(4)/(2)]*100	% of Votes against on votes polled(7)= [(5)/(2)]*100
<b>Mode of Voting (E-Voting)</b>							
Promoter and Promoter Group	–	–	–	–	–	–	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	6071	6071	100%	6046	25	99.58%	0.41%
<b>Total (B)</b>	<b>6071</b>	<b>6071</b>	<b>100%</b>	<b>6046</b>	<b>25</b>	<b>99.58%</b>	<b>0.41%</b>
<b>RESULT (A+B)</b>	<b>2372947</b>	<b>2372947</b>	<b>100%</b>	<b>2372922</b>	<b>25</b>	<b>99.58%</b>	<b>0.41%</b>
<b>Special Resolution No. – 2 : Amendment of Incidental or Ancillary Objects Clause of the Memorandum of Association</b>							
<b>Mode of Voting (Postal ballot paper)</b>							
Promoter and Promoter Group	1846150	1846150	100%	1846150	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	520726	520726	100%	520726	–	100%	–
<b>Total (A)</b>	<b>2366876</b>	<b>2366876</b>	<b>100%</b>	<b>2366876</b>	<b>–</b>	<b>100%</b>	<b>–</b>
<b>Mode of Voting (E-Voting)</b>							
Promoter and Promoter Group	–	–	–	–	–	–	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	6071	6071	100%	5946	125	97.94	2.06
<b>Total (B)</b>	<b>6071</b>	<b>6071</b>	<b>100%</b>	<b>5946</b>	<b>125</b>	<b>97.94</b>	<b>2.06</b>
<b>RESULT (A+B)</b>	<b>2372947</b>	<b>2372947</b>	<b>100%</b>	<b>2372822</b>	<b>125</b>	<b>99.99</b>	<b>0.01</b>
<b>Special Resolution No. – 3 : Deletion of the Other Objects Clause of the Memorandum of Association of Company</b>							
<b>Mode of Voting (Postal ballot paper)</b>							
Promoter and Promoter Group	1846150	1846150	100%	1846150	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	520726	520726	100%	520726	–	100%	–
<b>Total (A)</b>	<b>2366876</b>	<b>2366876</b>	<b>100%</b>	<b>2366876</b>	<b>–</b>	<b>100%</b>	<b>–</b>
<b>Mode of Voting (E-Voting)</b>							
Promoter and Promoter Group	–	–	–	–	–	–	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	6071	6071	100%	5946	125	97.94	2.06
<b>Total (B)</b>	<b>6071</b>	<b>6071</b>	<b>100%</b>	<b>5946</b>	<b>125</b>	<b>97.94</b>	<b>2.06</b>
<b>RESULT (A+B)</b>	<b>2372947</b>	<b>2372947</b>	<b>100%</b>	<b>2372822</b>	<b>125</b>	<b>99.99</b>	<b>0.01</b>

Promoter/ Public	No. of Shareheld (1)	No. of votes polled(2)	% of Votes polled on outstanding shares(3)= [(2)/(1)]*100	No. of Votes- infavour(4)	No. of Votes- against(5)	% of Votes in favour on votes polled(6)= [(4)/(2)]*100	% of Votes against on votes polled(7)= [(5)/(2)]*100
<b>Special Resolution No. – 4 : Amendment of the Liability Clause of the Memorandum of Association</b>							
<b>Mode of Voting (Postal ballot paper)</b>							
Promoter and Promoter Group	1846150	1846150	100%	1846150	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	520726	520726	100%	520726	–	100%	–
<b>Total (A)</b>	<b>2366876</b>	<b>2366876</b>	<b>100%</b>	<b>2366876</b>	<b>–</b>	<b>100%</b>	<b>–</b>
<b>Mode of Voting (E–Voting)</b>							
Promoter and Promoter Group	–	–	–	–	–	–	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	5821	5821	100%	5696	125	97.85	2.15
<b>Total (B)</b>	<b>5821</b>	<b>5821</b>	<b>100%</b>	<b>5696</b>	<b>125</b>	<b>97.85</b>	<b>2.15</b>
<b>RESULT (A+B)</b>	<b>2372697</b>	<b>2372697</b>	<b>100%</b>	<b>2372572</b>	<b>125</b>	<b>99.99</b>	<b>0.01</b>
<b>Special Resolution No. – 5 : Adoption of New Set of Articles of Association of the Company in pursuance to the provisions of Companies Act, 2013</b>							
<b>Mode of Voting (Postal ballot paper)</b>							
Promoter and Promoter Group	1846150	1846150	100%	1846150	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	520726	520726	100%	520726	–	100%	–
<b>Total (A)</b>	<b>2366876</b>	<b>2366876</b>	<b>100%</b>	<b>2366876</b>	<b>–</b>	<b>100%</b>	<b>–</b>
<b>Mode of Voting (E–Voting)</b>							
Promoter and Promoter Group	–	–	–	–	–	–	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	6071	6071	100%	5946	125	97.94	2.06
<b>Total (B)</b>	<b>6071</b>	<b>6071</b>	<b>100%</b>	<b>5946</b>	<b>125</b>	<b>97.94</b>	<b>2.06</b>
<b>RESULT (A+B)</b>	<b>2372947</b>	<b>2372947</b>	<b>100%</b>	<b>2372822</b>	<b>125</b>	<b>99.99</b>	<b>0.01</b>
<b>Special Resolution No. – 6 : Preferential Issue of 7,00,000 warrants to Non–Promoter Group</b>							
<b>Mode of Voting (Postal ballot paper)</b>							
Promoter and Promoter Group	1350000	1350000	100%	1350000	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	1503433	1503433	100%	1503333	100	100%	–
<b>Total (A)</b>	<b>2853433</b>	<b>2853433</b>	<b>100%</b>	<b>2853433</b>	<b>100</b>	<b>100%</b>	<b>–</b>

Promoter/ Public	No. of Shareheld (1)	No. of votes polled(2)	% of Votes polled on outstanding shares(3)= [(2)/(1)]*100	No. of Votes- infavour(4)	No. of Votes- against(5)	% of Votes in favour on votes polled(6)= [(4)/(2)]*100	% of Votes against on votes polled(7)= [(5)/(2)]*100
<b>Mode of Voting (E-Voting)</b>							
Promoter and Promoter Group	2893162	2893162	100%	2893162	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	1210	1210	100%	416	794	34%	66%
<b>Total (B)</b>	<b>2894372</b>	<b>2894372</b>	<b>100%</b>	<b>2893578</b>	<b>794</b>	<b>0.03%</b>	<b>99.97%</b>
<b>RESULT (A+B)</b>	<b>5747805</b>	<b>5747805</b>	<b>100%</b>	<b>5746911</b>	<b>894</b>	<b>99.97%</b>	<b>0.03%</b>
<b>Special Resolution No. – 7: Shifting of registered office of the Company from the Union Territory of Delhi to the state of Tamil Nadu</b>							
<b>Mode of Voting (Postal ballot paper)</b>							
Promoter and Promoter Group	1350000	1350000	100%	1350000	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	1503433	1503433	100%	1503333	100	100%	–
<b>Total (A)</b>	<b>2853433</b>	<b>2853433</b>	<b>100%</b>	<b>2853433</b>	<b>100</b>	<b>100%</b>	<b>–</b>
<b>Mode of Voting (E-Voting)</b>							
Promoter and Promoter Group	2893162	2893162	100%	2893162	–	100%	–
Public Institutional holders	–	–	–	–	–	–	–
Public–Others	1210	1210	100%	416	794	34%	66%
<b>Total (B)</b>	<b>2894372</b>	<b>2894372</b>	<b>100%</b>	<b>2893578</b>	<b>794</b>	<b>0.03%</b>	<b>99.97%</b>
<b>RESULT (A+B)</b>	<b>5747805</b>	<b>5747805</b>	<b>100%</b>	<b>5746911</b>	<b>894</b>	<b>99.97%</b>	<b>0.03%</b>

#### PROCEDURE FOR POSTAL BALLOT

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

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

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

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

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

### **Special resolution proposed to be passed by way of Postal Ballot**

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

### **DISCLOSURES**

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

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

- (ii) While preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standard was followed. The Company has followed the Accounting Standards referred to in section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.
- (iii) Company has laid down adequate procedure to inform the Board about the risk assessment and risk minimization procedures.
- (iv) There have been no instances of non-compliance by the Company on any matter related to capital markets and no penalties or strictures have been imposed by SEBI or the Stock Exchange during the last three years.
- (v) In compliance with the SEBI regulations on prevention of Insider Trading, the Company has constituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violation. Further, as per the guidelines on (Prohibition of Insider Trading) Regulations, 2015, the company has implemented a Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information.
- (vi) A Whistle Blower Policy is in place and the employees have direct access to the Audit Committee to raise their concerns.
- (vii) The Company is exposed to the risk of price fluctuation of raw materials and manages these risks proactively through inventory management and proactive vendor development practices.
- (viii) The Company has complied with all mandatory requirements of Corporate Governance as specified under Regulation 27 of the SEBI Listing Regulations.

### **MEANS OF COMMUNICATION**

- (i) The Unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulations, with the Stock Exchanges.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local language (Hindi) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- (iii) The Company's financial results and officials press releases are displayed on the Bhartiya Group's website: [www.bhartiyafashion.com](http://www.bhartiyafashion.com).
- (iv) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.

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

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

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

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

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

### **GENERAL SHAREHOLDER INFORMATION**

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

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

The Company is listed at following Stock Exchanges:–

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

The Annual listing fee for the year 2016–2017 has been duly paid to both the Stock Exchanges.

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

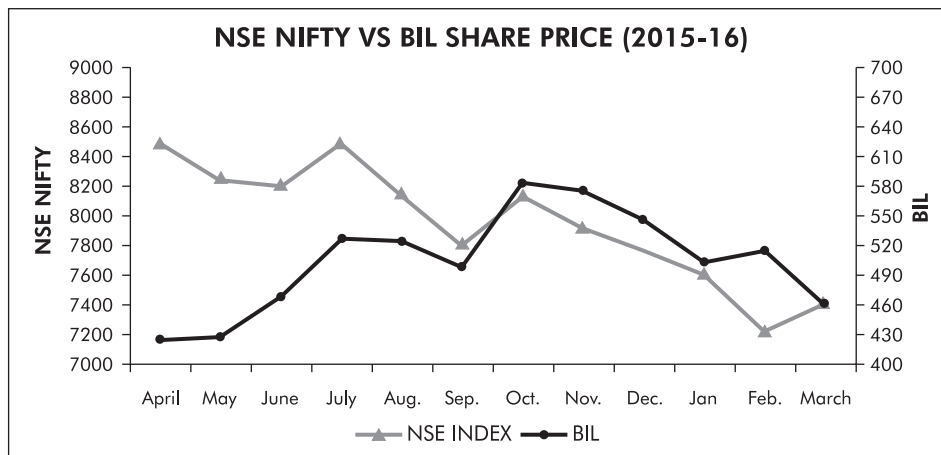
Demat ISIN Number with NSDL for Warrants – **INE828A13029**

Annual Custody Issuer fee for the financial year 2016–17 has been paid by the Company to NSDL and CDSL.

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

Months	BIL			Months	NSE Nifty		
	High (Rs.)	Low (Rs.)	Average (Rs.)		High (Rs.)	Low (Rs.)	Average (Rs.)
Apr-15	445.70	401.00	423.35	Apr-15	8844.80	8144.75	8494.78
May-15	472.75	380.00	426.38	May-15	8489.55	7997.15	8243.35
Jun-15	509.45	426.15	467.80	Jun-15	8467.15	7940.30	8203.73
Jul-15	558.00	496.50	527.25	Jul-15	8654.75	8315.40	8485.08
Aug-15	597.90	450.00	523.95	Aug-15	8621.55	7667.25	8144.40
Sep-15	543.00	452.25	497.63	Sep-15	8055.00	7539.50	7797.25
Oct-15	638.95	527.10	583.03	Oct-15	8336.30	7930.65	8133.48
Nov-15	612.80	536.95	574.88	Nov-15	8116.10	7714.15	7915.13
Dec-15	585.00	506.15	545.58	Dec-15	7979.30	7551.05	7765.18
Jan-16	564.90	438.95	501.93	Jan-16	7972.55	7241.50	7607.03
Feb-16	567.65	459.00	513.33	Feb-16	7600.45	6825.8	7213.13
Mar-16	494.90	424.50	459.70	Mar-16	7777.60	7035.10	7406.35

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



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

**: MAS Services Ltd.**  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase-II, New Delhi-110 020  
Tel. No. 26387281-83,  
Fax No. 26387384  
E-mail: [info@masserv.com](mailto:info@masserv.com)

## 8. Share Transfer System

Share transfers are processed and share certificates duly endorsed are returned within a period of seven days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Share Transfer Committee which consists of two members i.e. Mr. Snehdeep Aggarwal & Mr. A. K. Gadhok, Directors of the Company. Share transfer/ transmissions approved by the Committee are placed at the Board Meeting from time to time. Company Secretary of the Company acts as Secretary of the Committee. A summary of transfer/transmission of securities of the Company so approved by the Share Transfer Committee is placed at every Board Meeting / Stakeholders Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the said certificate with Stock Exchanges. As at 31st March, 2016 there was no Equity Share pending for Transfer, also there was no Demat Request pending as on 31st March, 2016.

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

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

**10. Shareholding Pattern as on 31st March, 2016**

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

**11. Top Ten Shareholders as on 31st March 2016**

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

- 12. Dematerialization of shares and liquidity** : As on 31st March, 2016, 97.27% of the Paid-up share capital has been dematerialized.
- 13. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity** : As on 31.03.2016, 7,00,000 warrants were outstanding. These warrants were allotted to the Non-Promoter Group on Preferential basis. During FY 2015-16, the Company had converted 5 lakh outstanding warrants to Equity shares resulting in the increased paid-up Equity capital to Rs. 11,71,38,480/-  
The Company had also granted 1,64,650 Stock Options to its employees.



**14. Plant Locations** : Bangalore and Chennai.

**15. Address for Correspondence**

: **Registered Office**

Bhartiya International Ltd.

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

Tel No.: 011 – 26808177, 26803201, 26803202, 46002100

Fax No.: 011 – 26803485

E-mail: shares@bhartiya.com

**Company Secretary and Compliance Officer**

Ms. Shilpa Budhia

Bhartiya International Ltd.

E-52, New Manglapuri, Mandi Road (Mehrauli)

New Delhi – 110 030.

Tel No.: 011 – 26808177, 26803201, 26803202, 46002100

Fax No.: 011 – 26803485

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

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

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

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L74899DL1987PLC026607.

#### **Demat Suspense Account/ Unclaimed Suspense Account**

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

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

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

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

#### **Compliance Certificate**

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

### **CODE OF CONDUCT DECLARATION**

#### **Declaration**

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

**Snehdeep Aggarwal**

Managing Director

#### **For and on behalf of the Board**

Sd/-

**Snehdeep Aggarwal**

Managing Director

DIN. 00928080

Sd/-

**Ramesh Bhatia**

Director

DIN. 00052320

New Delhi, 25<sup>th</sup> May, 2016

To  
The Board of Directors  
Bhartiya International Ltd.

### CEO/CFO CERTIFICATION

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

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief :
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2016 are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been to rectify these deficiencies.
- D. i. There has not been any significant change in internal control over financial reporting during the year under reference;
- ii. There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- iii. We are not aware of any instance during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

#### For and on behalf of the Board

Sd/-  
**Snehdeep Aggarwal**  
Managing Director

Sd/-  
**Manoj Khattar**  
Chief Financial Officer

New Delhi, 25<sup>th</sup> May, 2016

### AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The members  
Bhartiya International Limited.

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

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

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

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

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

**S. K. Poddar**  
Partner  
Mem. No. 094479  
New Delhi, 25<sup>th</sup> May, 2016

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To  
**The Board of Directors of  
 Bhartiya International Limited**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bhartiya International Limited ('the Holding Company') and its subsidiaries and associate (collectively referred to as 'the Company' or 'the Group'), comprising the consolidated balance sheet as at 31 March, 2016 the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditors' Responsibility

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of five overseas subsidiaries and one local subsidiary, whose financial statements reflect total assets of Rs. 1,031,161,630/- as at 31st March, 2016 total revenues of Rs 2,617,574,847/- and net cash in flows amounting to Rs. 17,568,492/- for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of both the associates wherein the group's share of profit aggregate Rs.19,221,828/-. These unaudited financial statements, as approved by the respective Boards of Directors of these companies, have been furnished to us by the management and our report insofar as it relates to the amounts included in respect of the associates is based solely on such approved unaudited financial statements.

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

#### **Report on Other Legal and Regulatory Requirements**

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

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

**S. K. Poddar**  
Partner  
Mem. No. 094479  
New Delhi, 25<sup>th</sup> May, 2016

## **ANNEXURE-A TO THE AUDITORS' REPORT**

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

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

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

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

#### **Auditors' Responsibility**

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

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

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

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

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

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

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

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

### **Opinion**

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

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

**S. K. Poddar**  
Partner  
Mem. No. 094479  
New Delhi, 25<sup>th</sup> May, 2016

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

Amount in Rs.

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

The accompanying notes are an integral part of the financial statements

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

For and on behalf of the Board

**S.K.Poddar**  
Partner  
Mem.No.094479

**Shilpa Budhia**  
Company Secretary

**Manoj Khattar**  
Chief Financial Officer

**Snehdeep Aggarwal**  
Managing Director  
DIN. 00928080

**Ramesh Bhatia**  
Director  
DIN. 00052320

New Delhi, 25<sup>th</sup> May, 2016

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

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

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

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

**For and on behalf of the Board**

**S.K.Poddar**  
Partner  
Mem.No.094479

**Shilpa Budhia**  
Company Secretary

**Manoj Khattar**  
Chief Financial Officer

**Snehdeep Aggarwal**  
Managing Director  
DIN. 00928080

**Ramesh Bhatia**  
Director  
DIN. 00052320

New Delhi, 25<sup>th</sup> May, 2016



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

Amount in Rs.

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

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

For and on behalf of the Board

**S.K.Poddar**  
Partner  
Mem.No.094479

**Shilpa Budhia**  
Company Secretary

**Manoj Khattar**  
Chief Financial Officer

**Snehdeep Aggarwal**  
Managing Director  
DIN. 00928080

**Ramesh Bhatia**  
Director  
DIN. 00052320

New Delhi, 25<sup>th</sup> May, 2016

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1.10 General Information

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

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Current Year	Previous Year
<b>A) Subsidiary</b>			
<b>Indian Subsidiaries</b>			
Bhartiya Global Marketing Ltd	India	100%	100%
J&J Leather Enterprises Ltd	India	100%	100%
Bhartiya International Sez Ltd	India	89%	89%
Bhartiya Fashion Retail Ltd	India	100%	100%
Bhartiya Urban Infrastructure Ltd	India	100%	–
<b>Foreign Subsidiaries</b>			
World Fashion Trade Ltd.	Mauritius	100%	100%
BIL Group LLC	USA	—	100%
Ultima SA	Switzerland	100%	100%
Ultima Italia SRL	Italy	100%	100%
Design Industry Ltd.	Hongkong	100%	100%
Design Industry China Ltd.	China	100%	–
<b>B) Associates</b>			
Bhartiya Urban Infrastructure & Land Development Co Pvt Ltd	India	29.60%	29.60%
TADA Mega Leather Cluster Pvt. Ltd.	India	50%	50%

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

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

### 1.20 SIGNIFICANT ACCOUNTING POLICIES

#### 1.21 Basis of Preparation of Financial Statements :

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

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

- vii) The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other relevants in similar circumstances. The accounting polices adopted in the preparation of financial statements are consistent with those of previous year.

### 1.22 Fixed Assets

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

### 1.23 Depreciation

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

### 1.24 Investment

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

### 1.25 Inventories

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

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

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

### 1.26 Foreign Exchange Transactions

#### Individual Companies

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

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

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

#### For Consolidation

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

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

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

### 1.27 Revenue Recognition

#### Sale of Goods

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

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

### Export Incentive

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

### Dividend

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

### 1.28 Retirement Benefits

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

### 1.29 Taxation

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

### 1.30 Government Grants

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

### 1.31 Derivative Financial Instruments and Hedge Accounting

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

### 1.32 Use of Estimates

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

### 1.33 Impairment of Assets

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

### 1.34 Provisions Contingent Liabilities and Contingent Assets

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

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

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

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
<b>2.0 SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
a) 20,000,000 (Previous Year 20,000,000) Equity Shares of Rs. 10/- each	200,000,000	200,000,000
b) 500,000 (Previous Year 500,000) Preference Shares of Rs. 100/- each	50,000,000	50,000,000
	<b>250,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed &amp; Paid up :</b>		
a) 1,17,13,848 (Previous Year 1,12,13,848) equity shares of Rs.10/- each fully paid Up.	117,138,480	112,138,480
	<b>117,138,480</b>	<b>112,138,480</b>

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

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

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

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

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

**2.4** 5,00,000 equity shares of Rs.10/- each at a premium of Rs. 230/- each issued to promoters on conversion of preferential Share Warrants.

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

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

**3.1** Foreign currency transactions are translated as per the accounting policy referred to in note no.1.26 foreign exchange gain/loss on account of income and expenditure in consolidation is included in the profit and loss, and foreign exchange fluctuation credit of Rs. 80,93,771/- (Previous year debit of Rs. 3,07,56,067/-) on account of consolidation of assets and liabilities of subsidiaries have been transferred to Currency Fluctuation Reserve account.

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

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

- 4.1** The Company has allotted 700,000 warrants to non-promoter company on 2nd January, 2016 on preferential basis, convertible into equity shares of Rs. 10/- each fully paid up. The holders of warrants have a right to apply one equity share of Rs. 10/- each at a premium of Rs. 590/- with in a period of 18 months from the date of allotment. Against this the company has received Rs. 150/- per warrant.

**5 LONG TERM BORROWINGS**  
**Secured**

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

- 5.1** Term Loan from Allahabad Bank, balance outstanding amounting to Rs.139.61 lacs (31st March, 2015 Rs. 418.95 lacs) is secured by first parri passu charge (with Axis Bank) on specific land, building and machinery of the project created out of the Term loan and personal guarantee of one of the Director.  
The loan is repayable in fifteen equal quarterly installments starting from April, 2013. Last installment due in Jan 17. Rate of interest 13.20% p.a. as at year end (Previous Year 13.75 % p.a.)
- 5.2** Term Loans from IDBI Bank, balance outstanding amounting to Rs 701.05 lacs (31st March, 2015 Rs. 728.83 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.  
The loan is repayable in 180 monthly Installment starting from Feb 2013. Last installment due in Feb 2028. Rate of Interest 11.00 % p.a. as at year end (Previous Year 12.25 % p.a.)
- 5.3** Term Loans from IDBI Bank, balance outstanding amounting to Rs 1799.93 lacs (31st March, 2015 Rs. 1873.71 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.  
Repayable in 161 monthly Installment starting from June 14. Last installment due in Nov 2027. Rate of Interest 11.00 % p.a. as at year end (Previous Year 12.50% p.a.)
- 5.4** Term Loan from Axis Bank, balance outstanding amounting to Rs. 545.69 Lacs (31st March, 2015 Rs. 585 lacs) is secured by exclusive charge over the fixed assets funded out of it. Exclusive charge by way of Equitable Mortgage over the immovable property situated at plot No 69, 3rd Road, 1st Phase, Jigani industrial Area, Part of Sy No 588 & 590 Jigani, Anekai Taluk, Bangalore, 562106 and personal guarantee of one of the Director  
The Loan is repayble in 15 Quarterly Installment starting from September, 2015. Last installment due in June, 2019. Rate of interest 10.65 % p.a. as at year end (previous year – 12.25% p.a.)
- 5.5** Term Loans from HDFC Bank, balance outstanding amounting to Rs 728.00 lacs (31st March, 2015 Rs. Nil) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.  
The Loan is repayble in 18 Quarterly Installment starting from December, 2016. Last installment due in March, 2021. Rate of interest 10.70 % p.a. as at year end (previous year – N/A)
- 5.6** Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.

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

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
<b>6 OTHER LONG TERM LIABILITIES</b>		
(a) Security Deposit from related parties (refer note no 30.09)	15,978,600	15,978,600
<b>TOTAL</b>	<b>15,978,600</b>	<b>15,978,600</b>
<b>7 LONG TERM PROVISIONS</b>		
(a) Provision for employees benefit Provision for Gratuity	15,123,280	13,966,170
<b>TOTAL</b>	<b>15,123,280</b>	<b>13,966,170</b>
<b>8 SHORT TERM BORROWINGS</b>		
Secured		
– Working Capital Loans From Banks	1,829,398,011	1,674,980,039
<b>TOTAL</b>	<b>1,829,398,011</b>	<b>1,674,980,039</b>
<b>8.1</b> Working Capital facilities are secured against hypothecation of stocks of raw – materials, stock in process, finished goods, Other Current assets specified immovable property, movable fixed assets, lien on fixed deposits, exports bills and personal guarantees of Directors.		
<b>8.2</b> Foreign documentary bills discounted with banks have been shown as a contingent liability. The same are secured against the export bills and the personal guarantees of Directors.		
<b>8.3</b> Working Capital facilities in overseas subsidiaries are secured against Corporate Guarantee / SBLC of Bhartiya International Limited .		
<b>9 TRADE PAYABLE</b>		
(a) Payable	432,335,275	426,217,333
(b) Acceptance	266,448,980	111,390,602
<b>TOTAL</b>	<b>698,784,255</b>	<b>537,607,935</b>
<b>10 OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of Long Term Borrowings	52,408,405	52,712,522
(b) Unclaimed Dividend	817,109	968,223
(c) Statutory Dues Payable	21,466,542	22,918,891
(d) Other Current Liabilities	71,053,826	193,105,188
<b>TOTAL</b>	<b>145,745,882</b>	<b>269,704,824</b>
<b>11 SHORT TERM PROVISIONS</b>		
(a) Provision for Employees Benefits	8,886,030	6,620,853
(b) Provision for Income Tax	97,670,560	72,868,083
(c) Proposed Dividend	14,056,618	11,213,848
(d) Tax on Proposed Dividend	2,861,596	2,282,876
<b>TOTAL</b>	<b>123,474,804</b>	<b>92,985,660</b>



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

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

## 12 FIXED ASSETS

Amount in Rs.

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

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

(Amount in Rs.)

PARTICULARS	Gross Block			Depreciation			Balance As at 31st March, 2015	
	Balance As at 1st April, 2014	Additions/ Adjustments during the year	Deduction/ Retirement during the year	Balance As at 31st March, 2015	Retained Earning For the year	For the year		Deduction/ adjustments during the year
<b>Tangible Assets :</b>								
Own Assets :								
Land	25,570,461	-	-	25,570,461	-	-	-	25,570,461
Lease Hold Land	30,000,000	30,000,000	-	60,000,000	-	624,136	-	58,278,303
Building	432,467,669	6,725,277	-	439,192,946	-	16,955,776	-	347,360,616
Machinery	247,015,970	36,681,454	-	283,697,424	-	21,668,765	-	174,724,629
Vehicles	45,441,634	5,378,666	6,412,757	44,407,543	78,332	4,759,406	4,824,000	18,679,591
Furniture	69,193,387	2,553,999	14,467,597	57,279,789	1,755,030	6,900,745	13,765,994	37,534,201
Office Equipments	31,965,646	2,208,527	7,636,681	26,537,092	3,597,369	4,351,219	7,280,275	19,745,588
Computers	11,306,377	3,759,962	2,700,630	12,365,709	1,047,106	4,042,032	2,700,630	17,114,201
<b>Total (A)</b>	<b>892,960,744</b>	<b>87,307,885</b>	<b>31,217,665</b>	<b>949,050,964</b>	<b>6,588,760</b>	<b>59,302,079</b>	<b>28,570,899</b>	<b>282,238,380</b>
<b>Intangible Assets :</b>								
Computer Software	5,017,282	3,153,301	223,216	7,947,367	279,475	2,558,929	223,216	3,833,429
Goodwill	25,640,943	-	-	25,640,943	-	922,881	-	811,464
<b>Total (B)</b>	<b>30,658,225</b>	<b>3,153,301</b>	<b>223,216</b>	<b>33,588,310</b>	<b>279,475</b>	<b>3,481,810</b>	<b>223,216</b>	<b>4,644,893</b>
<b>Capital work in Progress</b>								
Capital work in Progress	31,995,649	43,826,859	25,103,911	50,718,597	-	-	-	50,718,597
<b>Total (C)</b>	<b>31,995,649</b>	<b>43,826,859</b>	<b>25,103,911</b>	<b>50,718,597</b>	-	-	-	<b>50,718,597</b>
Intangible Assets Under Development								
Intangible Assets Under Development	3,528,300	5,925,500	-	9,453,800	-	-	-	9,453,800
<b>Total (D)</b>	<b>3,528,300</b>	<b>5,925,500</b>	-	<b>9,453,800</b>	-	-	-	<b>9,453,800</b>
<b>Total (A+B+C+D)</b>	<b>959,142,918</b>	<b>140,213,545</b>	<b>56,544,792</b>	<b>1,042,811,671</b>	<b>6,868,235</b>	<b>62,783,889</b>	<b>28,794,115</b>	<b>311,181,797</b>

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

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

PARTICULARS	Amount in Rs.			
	No. of Shares/Units	As at 31st March, 2016	No. of Shares/Units	As at 31st March, 2015
<b>13 NON CURRENT INVESTMENTS</b>				
<b>Trade Investments (Unquoted at Cost)</b>				
(a) Capital in Firm " Bhartiya Prakash Leathers"		<b>50,000</b>		50,000
(b) Investment in Associate Company				
Equity Shares #	<b>11,205,000</b>	<b>264,106,828</b>	11,205,000	244,885,000
Preference Shares	<b>4,796,865</b>	<b>119,960,000</b>	4,796,865	119,960,000
(c) Other Investment				
Indra Vikas Patra	-	<b>6,500</b>	-	6,500
	-	<b>384,123,328</b>		<b>364,901,500</b>
<b>Non Trade Investments</b>				
<b>(a) Investments in Mutual Funds (Quoted)</b>				
1. Goldman Sachs Liquid Exchange Trade Scheme	<b>0.82</b>	<b>817</b>	60,245	603,233
		<b>817</b>		<b>603,233</b>
<b>Gross Total</b>		<b>384,124,145</b>		<b>365,504,733</b>
<b>#Particulars of Investment in Associate Company</b>				
<b>Name of Associate Company</b>				
<b>A) Bhartiya Urban Infrastructure &amp; Land Development Co. Pvt Ltd</b>		<b>29.60%</b>		29.60%
Cost of Acquisition		<b>280,000,000</b>		280,000,000
Share of post acquisition Reserves & Surplus		<b>(15,872,829)</b>		(35,115,920)
Carrying Value		<b>264,127,171</b>		<b>244,884,080</b>
<b>B) TADA Mega Leather Cluster Pvt. Ltd.</b>		<b>50%</b>		50%
Cost of Acquisition		<b>50,000</b>		50,000
Share of post acquisition Reserves & Surplus		<b>(70,343)</b>		(49,080)
Carrying Value		<b>(20,343)</b>		<b>920</b>

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

Amount in Rs.

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

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

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

Amount in Rs.

PARTICULARS	NO OF SHARES/UNITS	As at 31 <sup>st</sup> March, 2016	NO OF SHARES/UNITS	As at 31 <sup>st</sup> March, 2015
<b>ii) In Equity Shares Unquoted, fully paid up</b>				
1 SAI RAYALASEEMA PAPER MILLS LTD	31,792	386,273	31,792	386,273
<b>Total</b>		<u>386,273</u>		<u>386,273</u>
<b>Grand Total</b>		<u>386,273</u>		<u>10,420,094</u>
<b>Less:- Provision for diminution in the value of Investments</b>		-		162,924
<b>TOTAL CURRENT INVESTMENTS</b>		<u>386,273</u>		<u>10,257,170</u>
Aggregate amount of quoted Investments		-		9,870,895
Market value of quoted Investments		-		12,399,828
Aggregate amount of unquoted Investments		386,273		386,273
<b>17 INVENTORIES</b>				
As Valued and Certified by the management				
(a) Raw Materials		2,037,915,276		1,591,886,164
(b) Finished Goods		368,180,969		222,378,804
(c) Work In Progress		125,611,586		123,569,426
<b>TOTAL</b>		<u>2,531,707,831</u>		<u>1,937,834,394</u>
<b>18 TRADE RECEIVABLES</b>				
(a) Unsecured, considered good		892,966,392		914,690,944
<b>TOTAL</b>		<u>892,966,392</u>		<u>914,690,944</u>
<b>18.1</b> 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.				
<b>19 CASH AND CASH EQUIVALENT</b>				
(a) Balances with Banks				
- In Current Accounts		238,345,979		256,583,449
- In Fixed Deposits		91,533,680		93,438,161
(b) Cash on Hand		4,351,469		5,567,506
<b>TOTAL</b>		<u>334,231,128</u>		<u>355,589,116</u>

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

**19.2** Fixed Deposits of Rs. 9,15,33,680/- (previous year Rs 5,33,75,585/-) are pledged with the banks for various limits and facilities granted.



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

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

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

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

**30.2 CAPITAL AND OTHER COMMITMENTS**

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

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

**30.4 Disclosures as required under Schedule III to the Companies Act, 2013, of the enterprises consolidated as Subsidiary/ Associates :**

Name of the Entities	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated net Assets	Amount in Rs.	As a % of Consolidated Profit	Amount in Rs.
<b>Parent :</b>				
Bhartiya International Ltd	87.87%	1,981,853,346	65.00%	147,677,665
<b>Subsidiary</b>				
<b>Indian Subsidiaries</b>				
Bhartiya Global Marketing Ltd	1.91%	43,135,846	-0.56%	(1,282,514)
J&J Leather Enterprises Ltd	1.91%	43,184,987	0.04%	93,164
Bhartiya International Sez Ltd	6.40%	144,395,294	-2.87%	(6,528,814)



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

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

**30.5 Earning Per Share (EPS)**

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)****30.9 Related party disclosures**

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

**a) Name of Related Parties & Nature of Relationship:**

<b>1 Associated Parties :</b>	Bhartiya Prakash Leather Bhartiya Urban Infrastructure & Land Development Co Pvt Ltd Bhartiya City Developers Pvt. Ltd Tada Mega Leather Cluster Pvt Ltd.
<b>2 Key Management Personnel :</b>	Snehdeep Aggarwal Jaspal Sethi A.K .Gadhok Manoj Khattar Shilpa Budhia
<b>3 Board of Directors :</b>	Ramesh Bhatia C.L.Handa A. Sahasranaman Shashank Madan Mohan Sandeep Seth Nikhil Aggarwal Annapurna Dixit Walter Willi Zwahlen A.P.S. Narag
<b>4 Relatives of Key Management Personnel</b>	Kanwal Aggarwal Arjun Aggarwal
<b>5 Enterprises owned or significantly influenced by Key management personnel or their relatives</b>	Itopia Management Services (India ) Pvt. Ltd.

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

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

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

**30.10 SEGMENT INFORMATION****a) Business Segments**

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

**b) Geographic Segments**

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

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

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

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

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

**For and on behalf of the Board**

**S.K.Poddar**

Partner

Mem.No.094479

**Shilpa Budhia**

Company Secretary

**Manoj Khattar**

Chief Financial Officer

**Snehdeep Aggarwal**

Managing Director

DIN. 00928080

**Ramesh Bhatia**

Director

DIN. 00052320

New Delhi, 25<sup>th</sup> May, 2016

## CONSOLIDATED FINANCIAL SUMMARY

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

## INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To,  
The Members of  
Bhartiya International Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bhartiya International Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

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

### Auditor's Responsibility

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

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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

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

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

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

## ANNEXURE-A TO THE AUDITORS' REPORT

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

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 13 on fixed assets to the financial statements, are held in the name of the Company, except for a building acquired in earlier year having a carrying value of 18.50 Lacs as at 31st March, 2016.
- ii. The physical verification of inventory excluding stocks with third parties and in transit has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has granted unsecured loans/advances to two companies covered in the register maintained under Section 189 of the Act. There are no firms /LLPs/ other parties covered in the register maintained under Section 189 of the Act.
  - (a) In respect of the aforesaid loans/advances the terms and conditions under which such loans/advances were granted are not prejudicial to the Company's interest.
  - (b) In respect of the aforesaid loans/advances the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly paragraph 3(iii)(a) of the order is not applicable to the company in respect of repayment of the principal amount
  - (c) In respect of the aforesaid loans /advances there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, duty of excise, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- (b) Following are the amounts which are disputed and not paid by the Company:

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



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

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

**S. K. Poddar**  
Partner  
Mem. No. 094479  
New Delhi, 25<sup>th</sup> May, 2016

## ANNEXURE - B TO THE AUDITORS' REPORT

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

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

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

### Opinion

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

for **Sushil Poddar & Co.**

Chartered Accountants

Firm Registration No. 014969N

**S. K. Poddar**

Partner

Mem. No. 094479

New Delhi, 25<sup>th</sup> May, 2016

## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2016

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

The accompanying notes are an integral part of the financial statements

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

For and on behalf of the Board

**S.K.Poddar**  
Partner  
Mem.No.094479

**Shilpa Budhia**  
Company Secretary

**Manoj Khattar**  
Chief Financial Officer

**Snehdeep Aggarwal**  
Managing Director  
DIN. 00928080

**Ramesh Bhatia**  
Director  
DIN. 00052320

New Delhi, 25<sup>th</sup> May, 2016

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

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

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

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

**For and on behalf of the Board**

**S.K.Poddar**  
Partner  
Mem.No.094479

**Shilpa Budhia**  
Company Secretary

**Manoj Khattar**  
Chief Financial Officer

**Snehdeep Aggarwal**  
Managing Director  
DIN. 00928080

**Ramesh Bhatia**  
Director  
DIN. 00052320

New Delhi, 25<sup>th</sup> May, 2016

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

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

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

For and on behalf of the Board

**S.K.Poddar**  
Partner  
Mem.No.094479

**Shilpa Budhia**  
Company Secretary

**Manoj Khattar**  
Chief Financial Officer

**Snehdeep Aggarwal**  
Managing Director  
DIN. 00928080

**Ramesh Bhatia**  
Director  
DIN. 00052320

New Delhi, 25<sup>th</sup> May, 2016

## STANDALONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### 1.0 SIGNIFICANT ACCOUNTING POLICIES:

**a) Method of Accounting**

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

**b) Use of Estimates**

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

**c) Fixed Assets**

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

**d) Depreciation**

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

**e) Inventories**

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

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

**f) Foreign Exchange Transactions**

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

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

c) Investments in Overseas Subsidiary is carried at the original rupee cost.

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

**g) Retirement Benefits**

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

**h) Borrowing Costs**

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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****i) Revenue Recognition****Sale of Goods**

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

**Export Incentive**

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

Other export incentives are accounted for on actual receipt basis.

**Dividend**

Dividend Income is recognised when the right to receive the dividend is established.

**j) Investment**

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

**k) Taxation**

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

**l) Government Grants**

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

**m) Impairment of Assets**

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

**n) Provisions, Contingent Liabilities and Contingent Assets**

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

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

**o) Employee Share Based Payments**

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

**p) Derivative Financial Instruments and Hedge Accounting**

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

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

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
<b>2.0 SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
a) 20,000,000 (Previous Year 20,000,000) Equity Shares of Rs.10/- each	<b>200,000,000</b>	200,000,000
b) 500,000 (Previous Year 500,000) Preference Shares of Rs.100/- each	<b>50,000,000</b>	50,000,000
	<b>250,000,000</b>	250,000,000
<b>Issued, Subscribed &amp; Paid up :</b>		
a) 1,17,13,848 (Previous Year 1,12,13,848) equity shares of Rs.10/- each fully paid Up.	<b>117,138,480</b>	112,138,480
	<b>117,138,480</b>	112,138,480

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

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

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

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

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

**2.4** 5,00,000 Equity shares of Rs. 10/- each at a premium of Rs 230/- each issued to promoters on conversion of preferential Share Warrants.



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

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

**3.1 Note on ESOP**

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

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

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

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

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

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

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

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

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

- 4.1** The Company has allotted 700,000 warrants to non-promoter company on 2nd January, 2016 on preferential basis, convertible into equity shares of Rs. 10/- each fully paid up. The holders of warrants have a right to apply one equity share of Rs. 10/- each at a premium of Rs. 590/- with in a period of 18 months from the date of allotment. Against this the company has received Rs. 150/- per warrant.

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

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
<b>5 LONG TERM BORROWINGS</b>		
<b>Secured</b>		
– Term Loans from Banks	<b>340,375,249</b>	309,995,660
– Vehicle Loans from Banks	<b>1,857,170</b>	3,233,987
<b>TOTAL</b>	<b>342,232,419</b>	313,229,647
<b>5.1</b> Term Loan from Allahabad Bank, balance outstanding amounting to Rs.139.61 lacs (31st March, 2015 Rs. 418.95 lacs) is secured by first parri passu charge (with Axis Bank) on specific land, building and machinery of the project created out of the Term loan and personal guarantee of one of the Director. The loan is repayable in fifteen equal quarterly installments starting from April, 2013. Last installment due in January 17. Rate of interest 13.20% p.a. as at year end (Previous Year 13.75 % p.a.)		
<b>5.2</b> Term Loans from IDBI Bank, balance outstanding amounting to Rs 701.05 lacs (31st March, 2015 Rs. 728.83 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director. The loan is repayable in 180 monthly Installment starting from February, 2013. Last installment due in February, 2028. Rate of Interest 11.00 % p.a. as at year end (Previous Year 12.25 % p.a.)		
<b>5.3</b> Term Loans from IDBI Bank, balance outstanding amounting to Rs 1799.93 lacs (31st March, 2015 Rs. 1873.71 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director. Repayable in 161 monthly Installment starting from June, 2014. Last installment due in November, 2027. Rate of Interest 11.00 % p.a. as at year end (Previous Year 12.50% p.a.)		
<b>5.4</b> Term Loan from Axis Bank, balance outstanding amounting to Rs. 545.69 Lacs (31st March, 2015 Rs, 585 Lacs) is secured by exclusive charge over the fixed assets funded out of it. Exclusive charge by way of Equitable Mortgage over the immovable property situated at plot No 69, 3rd Road, 1st Phase, Jigani industrial Area, Part of Sy No 588 & 590 Jigani, Anekai Taluk, Bangalore, 562106 and personal guarantee of one of the Director. The Loan is repayble in 15 Quarterly Installment starting from September, 2015. Last installment due in June, 2019. Rate of interest 10.65 % p.a. as at year end (previous year – 12.25% p.a.)		
<b>5.5</b> Term Loans from HDFC Bank, balance outstanding amounting to Rs 728.00 lacs (31st March, 2015 Rs. Nil) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director. The Loan is repayble in 18 Quarterly Installment starting from December, 2016. Last installment due in March, 2021. Rate of interest 10.70 % p.a. as at year end (previous year – N.A)		
<b>5.6</b> Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.		
<b>6 DEFERRED TAX LIABILITY (NET)</b>		
a) Deferred tax Assets Related to Capital Lossess	<b>(4,432,270)</b>	(4,637,414)
b) Deferred tax Liabilites Related to Fixed Assets	<b>41,034,853</b>	37,208,931
<b>TOTAL</b>	<b>36,602,583</b>	32,571,517
<b>7 OTHER LONG TERM LIABILITIES</b>		
(a) Security Deposit from related parties (refer note no 32.14)	<b>15,978,600</b>	15,978,600
<b>TOTAL</b>	<b>15,978,600</b>	15,978,600
<b>8 LONG TERM PROVISIONS</b>		
(a) Provision for Employees benefit	<b>12,578,271</b>	11,212,708
<b>TOTAL</b>	<b>12,578,271</b>	11,212,708

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

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
<b>9 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
– Working Capital Loans From Banks	<b>1,810,107,942</b>	1,553,869,143
<b>TOTAL</b>	<b>1,810,107,942</b>	1,553,869,143
<b>9.1</b> 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.		
<b>9.2</b> Foreign documentary bills discounted with Banks have been shown as a contingent liability.The same are secured against the export bills and the personal guarantee of Director.		
<b>10 TRADE PAYABLE</b>		
(a) Payable	<b>125,578,400</b>	175,894,245
(b) Payable to related parties (refer note no 32.14)	<b>9,884,272</b>	2,667,339
(c) Acceptance	<b>266,448,980</b>	111,390,602
<b>TOTAL</b>	<b>401,911,652</b>	289,952,186
<b>10.1</b> 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.		
<b>11 OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of Long Term Borrowings	<b>52,408,405</b>	52,250,193
(b) Unclaimed Dividend	<b>817,109</b>	968,223
(c) Due to Employees	<b>29,203,513</b>	21,289,708
(d) Temporary Book Overdraft	<b>49,909</b>	–
(e) Expenses Payable	<b>106,859,712</b>	149,411,565
(f) Statutory Dues Payable	<b>6,657,370</b>	10,198,609
(g) Other Payables	<b>15,947,812</b>	9,012,999
(h) Interest Accrued but not due	<b>9,182,721</b>	3,792,486
(i) Capital Payables	<b>8,944,867</b>	1,021,245
<b>TOTAL</b>	<b>230,071,418</b>	247,945,028
<b>12 SHORT TERM PROVISIONS</b>		
(a) Provision for Employees Benefits	<b>8,387,591</b>	6,339,314
(b) Provision for Income Tax	<b>96,302,860</b>	66,720,836
(c) Proposed Dividend	<b>14,056,618</b>	11,213,848
(d) Tax on Proposed Dividend	<b>2,861,596</b>	2,282,876
<b>TOTAL</b>	<b>121,608,665</b>	86,556,874

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

## 13 FIXED ASSETS

Amount in Rs.

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

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

Amount in Rs.

PARTICULARS	Gross Block			Depreciation			Balance as at 31 <sup>st</sup> March, 2015	
	Balance as at 1 <sup>st</sup> April, 2014	Additions/ Adjustments during the year	Deduction/ Retirement during the year	Balance as at 31 <sup>st</sup> March, 2015	Adjustment to Retained Earnings	For the year		Deduction/ adjustments during the year
<b>Tangible Assets :</b>								
Own Assets :								
Land	22,324,670	-	-	22,324,670	-	-	-	22,324,670
Lease hold land	30,000,000	30,000,000	-	60,000,000	1,097,561	624,136	-	58,278,303
Building	361,669,030	6,356,589	-	368,025,619	46,623,731	8,964,444	-	312,437,444
Machinery	163,955,238	34,086,113	-	198,041,351	37,167,856	12,762,504	-	148,000,068
Vehicles	33,613,097	2,844,283	6,066,387	30,390,993	17,620,480	2,752,106	4,494,948	14,513,355
Furniture	37,279,075	1,782,873	14,467,597	24,594,351	17,468,506	3,047,079	13,765,994	8,498,308
Office Equipments	29,324,601	1,921,312	7,636,681	23,609,232	6,961,297	4,034,353	7,280,275	16,519,263
Computers	9,701,135	3,700,262	2,700,630	10,700,767	3,242,199	3,962,901	2,700,630	5,494,332
<b>Total (A)</b>	<b>687,866,846</b>	<b>80,691,432</b>	<b>30,871,295</b>	<b>737,686,983</b>	<b>130,181,630</b>	<b>36,147,523</b>	<b>28,241,847</b>	<b>144,311,402</b>
<b>Intangible Assets :</b>								
Computer Software	4,381,691	3,153,301	223,216	7,311,776	1,131,467	2,436,814	223,216	3,782,281
<b>Total (B)</b>	<b>4,381,691</b>	<b>3,153,301</b>	<b>223,216</b>	<b>7,311,776</b>	<b>1,131,467</b>	<b>2,436,814</b>	<b>223,216</b>	<b>3,782,281</b>
<b>Capital work in Progress</b>								
Capital work in Progress	31,995,649	43,826,859	25,103,911	50,718,597	-	-	-	50,718,597
<b>Total (C)</b>	<b>31,995,649</b>	<b>43,826,859</b>	<b>25,103,911</b>	<b>50,718,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,718,597</b>
<b>Intangible Assets under Development</b>								
Intangible Assets under Development	3,528,300	5,925,500	-	9,453,800	-	-	-	9,453,800
<b>Total (D)</b>	<b>3,528,300</b>	<b>5,925,500</b>	<b>-</b>	<b>9,453,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,453,800</b>
<b>Total (A+B+C+D)</b>	<b>727,772,486</b>	<b>133,597,092</b>	<b>56,198,422</b>	<b>805,171,156</b>	<b>131,313,097</b>	<b>38,584,337</b>	<b>28,465,063</b>	<b>147,840,897</b>

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

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

PARTICULARS	Amount in Rs.			
	No. of Shares/Units	As at 31 <sup>st</sup> March, 2016	No. of Shares/Units	As at 31 <sup>st</sup> March, 2015
<b>14 NON CURRENT INVESTMENTS</b> (at cost unless otherwise specified)				
<b>A) Trade Investments :</b>				
<b>i) In Equity Shares of Subsidiary Companies - Unquoted</b>				
1 Equity share of Rs. 10/- each, fully paid in Bhartiya Global Marketing Ltd.	4,999,020	49,990,200	4,999,020	49,990,200
2 Equity Shares of Rs. 10/- each, fully paid in Bhartiya International Sez Ltd.	12,069,230	120,692,300	12,069,230	120,692,300
3 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Fashion Retail Ltd.	50,000	500,000	50,000	500,000
4 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban Infrastructure Ltd.	50,000	500,000	–	–
5 Equity Shares in Ultima S.A. Switzerland (having par value of SFR 1,000)	1,000	33,785,508	1,000	33,785,508
6 Equity Shares in World Fashion Trade Ltd. (having par value of \$ 1)	1,000	44,780	1,000	44,780
7 Member's Contribution in B I L Group LLC	–	–	–	69,914,747
<b>Total Investments in Subsidiary Companies</b>		<b>205,512,788</b>		<b>274,927,535</b>
<b>ii) In Equity Shares of Associate Companies – Unquoted</b>				
1 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban infrastructure & Land Development Co. Pvt. Ltd.	11,200,000	280,000,000	11,200,000	280,000,000
2 Equity Shares of Rs. 10/- each, fully paid in Tada Mega Leather Cluster Pvt. Ltd.	5,000	50,000	5,000	50,000
<b>iii) In Preference Shares of Associate Companies–Unquoted</b>				
1 Compulsory Convertible Preference Shares of Rs 10/- each, fully paid in Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.	4,796,865	119,960,000	4,796,865	119,960,000
<b>Total investments in Associate Companies</b>		<b>400,010,000</b>		<b>400,010,000</b>
<b>iv) Government Securities &amp; Others Unquoted</b>				
1 Indra Vikas Patra	–	6,500	–	6,500
<b>Total Investments in Government Securities &amp; Others</b>		<b>6,500</b>		<b>6,500</b>
<b>TOTAL TRADE INVESTMENTS (A)</b>		<b>605,529,288</b>		<b>674,944,035</b>

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

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



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

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

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

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

PARTICULARS	Amount in Rs.	
	As at 31st March, 2016	As at 31st March, 2015
<b>19 TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
(a) Outstanding over six months	<b>26,312,380</b>	18,236,426
(b) Others	<b>541,742,541</b>	497,499,599
<b>TOTAL</b>	<b>568,054,921</b>	515,736,025
<b>19.1</b> 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.		
<b>20 CASH AND CASH EQUIVALENT</b>		
(a) Balances with Banks		
– In Current Accounts	<b>38,808,084</b>	67,484,881
– In Fixed Deposits	<b>91,533,680</b>	93,438,161
(b) Cash on Hand	<b>3,443,882</b>	4,198,888
<b>TOTAL</b>	<b>133,785,646</b>	165,121,930
<b>20.1</b> Balances with banks Includes Unclaimed Dividend of Rs. 8,17,109/- (Previous year Rs. 9,68,223/-)		
<b>20.2</b> Fixed deposits of Rs. 9,15,33,680/- (previous year Rs 5,33,75,585/-) are pledged with the banks for various limits and facilities granted.		
<b>21 SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
(a) Loans/Advances to Related Parties (refer note no 32.14)	<b>22,585,277</b>	23,848,462
(b) Advances with Suppliers	<b>126,018,309</b>	124,061,919
(c) Advance Income Tax	<b>77,928,289</b>	35,468,308
(d) Vat Receivable	<b>99,433,310</b>	65,654,096
(e) Prepaid Expenses	<b>13,996,147</b>	7,030,895
(f) Security & Other Deposits	<b>14,454,915</b>	3,739,512
(g) Advance to Staff	<b>9,004,521</b>	8,551,233
(h) Advance for Capital Goods	<b>22,414,825</b>	13,446,171
(i) Export Incentive Receivable	<b>51,332,576</b>	118,283,523
(j) Other Advances	<b>928,945</b>	59,525
<b>TOTAL</b>	<b>438,097,114</b>	400,143,644
<b>21.1</b> The company's claim of drawback amounting to Rs. 33.63 lacs has been disputed by the Commissioner of Customs (Exports ) with the Joint Secretary (RA), Ministry of Finance, Department of Revenue, Government of India New Delhi, against the favorable order in Appeal by the Commissioner of Customs (Appeals). The management is confident for the recovery of the said amount and hence has not made any provision for bad & doubtful debts against this.		

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

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

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

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

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

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

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

**32.02 CONTINGENT LIABILITIES**

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

**32.03 CAPITAL AND OTHER COMMITMENTS**

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

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

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

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

**32.10 AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND**

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

**32.11 VALUE OF IMPORTED & INDIGENOUS RAW MATERIAL AND CONSUMABLE CONSUMED**

	Current Year		Previous Year	
	% of Consumption	Value of Consumption. Rs.	% of Consumption	Value of Consumption. Rs.
Indigenous	44	918,484,023	39	828,021,310
Imported	56	1,177,873,192	61	1,315,299,281
	100	2,096,357,215	100	2,143,320,591

**32.12 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 :**

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

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

	As at 31st March, 2016	Maximum Balance during the year
<b>(1) Loans /Advances Given</b>		
<i>Subsidiary Company :</i>		
a) World Fashion Trade Ltd, Mauritius	46,921,777 (44,067,517)	46,921,777 (44,697,861)
b) J & J Leather Enterprises Ltd	15,000,000 (15,000,000)	15,000,000 (15,000,000)
<i>Assoicate Company :</i>		
a) Tada Mega Leather Cluster Pvt. Ltd.	2,823,575 (2,823,575)	2,823,575 (2,823,575)

The above loans/advances have been given for business purpose.

**(2) Standby Letter of credit issued by company bankers against facilities granted by that bank**

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

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

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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****32.14 Related Party Disclosures**

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

**a) Names of Related Parties & Description of Relationship:****i) Subsidiary Companies :****Domestic**

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

**Overseas**

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

**ii) Associate Parties :**

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

**iii) Key Management Personnel:**

Snehdeep Aggarwal  
Jaspal Sethi  
A.K .Gadhok

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

Itopia Management Services (India) Pvt. Ltd.

**v) Relatives of Key Management Personnel :**

Kanwal Aggarwal  
Arjun Aggarwal

**vi) Transactions during the year with related parties**

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



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

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

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

	2015-2016	2014-2015
<b>3 Expenses/Others Payables</b>		
Ultima Italia SRL	103,775,470	106,659,415
World Fashion Trade Ltd.	28,011,361	34,470,516
Bhartiya City Developers Pvt. Ltd.	-	87,509
Snehdeep Aggarwal	-	43,258
Kanwal Aggarwal	36,000	36,000
<b>4 Advance Paid</b>		
J & J Leather Enterprises Ltd	15,000,000	15,000,000
Ultima S.A.	7,585,277	8,620,237
BIL Group LLC	-	228,225
<b>5 Trade Receivable</b>		
World Fashion Trade Ltd.	-	5,231,853
Design Industry Ltd.	54,484,529	32,807,636
Bhartiya City Developers Pvt. Ltd.	-	413,096
<b>6 Security Deposit (Paid)</b>		
Bhartiya Global Marketing Ltd.	500,000	500,000
<b>7 Security Deposit (Received)</b>		
Bhartiya City Developers Pvt. Ltd.	15,978,600	15,978,600
<b>8 Standby Letter of Credit Issued by Company Bankers</b>		
World Fashion Trade Ltd.	23,191,000	21,959,000
Ultima S.A.	714,985,700	668,694,300
<b>9 Corporate Guarantee given by Company</b>		
Ultima Italia SRL and Ultima S.A.	392,201,000	943,050,000

**32.15 SEGMENT INFORMATION****a) Business Segments:**

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

**b) Geographic Segments:**

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

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

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

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

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

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

**For and on behalf of the Board**

**S.K.Poddar**  
Partner  
Mem.No.094479

**Shilpa Budhia**  
Company Secretary

**Manoj Khattar**  
Chief Financial Officer

**Snehdeep Aggarwal**  
Managing Director  
DIN. 00928080

**Ramesh Bhatia**  
Director  
DIN. 00052320

New Delhi, 25<sup>th</sup> May, 2016

## AOC-1

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

## PART-A: SUBSIDIARIES

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

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

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

## PART-B: ASSOCIATES AND JOINT VENTURES

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

NAME OF ASSOCIATES AND JOINT VENTURES	LAST AUDITED BALANCE SHEET DATE	Share of Associate/Joint Venture held by the company as on year end			Description of Significant Influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance sheet	Profit/Loss for the Year in Rs.	
		No.	Amount of Investment in Associate/Joint venture	Extent of Holding				Considered in Consolidation	Not Considered in Consolidation
Bhartiya Prakash Leather	31st March, 2016	-	50000	50.00%	Partner's capital	considered	-	(684,743.00)	-
Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.	31st March, 2015	11200000	280000000	29.60%	Voting Power	Not Applicable	7,573,955,555*	19,243,091.00	-
Tada Mega Leather Cluster Pvt. Ltd.	31st March, 2016	5000	50000	50.00%	Voting Power	Not Applicable	(40,685.00)	(21,263)	-

\*Audited Figures ending 31st March, 2015

# **BHARTIYA**

**Bhartiya International Limited**

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