safari

ANNUAL REPORT 2018 – 2019

39TH ANNUAL GENERAL MEETING
Monday, 12th August 2019
at 2.00 p.m.
at The Gem Banquet, Podium level,
The QUBE, CTS no. 1498,
A / 2, MV Road, Marol,
Andheri (East), Mumbai 400 059.

CONTENTS

BOARD OF DIRECTORS :
Mr. Sudhir Jatia *(Chairman & Managing Director)*
Dr. Shailesh Mehta
Mr. Punkajj Lath
Mr. Dalip Sehgal
Mrs. Vijaya Sampath
Mr. Rahul Kanodia
Mr. Anujj Patodia
Mr. Piyush Goenka

CHIEF FINANCIAL OFFICER :
Mr. Vineet Poddar

COMPANY SECRETARY :
Mr. Rameez Shaikh

REGISTERED OFFICE :
302-303, A Wing, The Qube, CTS No. 1498,
A / 2, MV Road, Marol,
Andheri (East), Mumbai 400059
(T) +91-22-40381888
(F) +91-22-40381850
(E) investor@safari.in
(W) www.safaribags.com

CIN :
L25200MH1980PLC022812

FACTORY :
1701 / 2200 / 2201, GIDC Industrial Estate,
Halol 389 350, Dist Panchmahal (Gujarat)

BANKERS :
Axis Bank Ltd
Citi Bank N.A.
HDFC Bank Ltd
IndusInd Bank Ltd

AUDITORS :
M / s. Lodha & Co.
Chartered Accountants

LEGAL ADVISORS :
M / s. Vertices Partners
Advocates & Solicitors

REGISTRAR & SHARE TRANSFER AGENT :
Adroit Corporate Services Pvt. Ltd.
17-20, Jafarbhoy Industrial Estate, Makwana Road,
Marol Naka, Andheri (E), Mumbai - 400 059.
Tel.: 91-22-4227 0400, 2859 4060 / 6060
E-mail: info@adroitcorporate.com

FINANCIAL HIGHLIGHTS

(` in Lakh)

	IND AS			IGAAP	
	2018-19	2017-18	2016-17	2015-16	2014-15
A. Statement of Profit and Loss					
Revenue from Operations	**57,262.96**	41,963.64	35,116.81	28,404.01	22,079.78
Other Income	**130.53**	94.16	109.53	78.43	57.62
Total Income	**57,393.49**	42,057.80	35,226.34	28,482.44	22,137.40
Earnings Before Interest, Depreciation and Tax (EBIDTA)	**5,322.34**	4,236.33	2,500.42	1,874.06	1,256.93
Finance Cost	**447.42**	288.61	371.42	261.91	290.91
Depreciation and Amortisation expenses	**815.08**	612.80	509.76	406.50	289.05
Profit / (Loss) Before Exceptional and Extraordinanry Items	**4,059.84**	3,334.92	1,619.25	1,205.65	676.97
Exceptional and Extraordinanry Items	**-**	-	(89.06)	(5.57)	(95.90)
Profit / (Loss) Before Tax	**4,059.84**	3,334.92	1,530.19	1,200.08	581.07
Tax Expense	**1,361.81**	1,213.97	524.00	420.01	154.04
Profit/(Loss) After Tax	**2,698.03**	2,120.95	1,006.19	780.07	427.03
Dividend (including proposed dividend and Corporate Dividend Tax)*	**134.57**	134.38	99.90	59.94	47.96
Dividend %	**25.00**	25.00	20.00	12.00	10.00
B. Balance Sheet					
Share Capital	**446.51**	445.00	415.00	415.00	398.50
Reserves & Surplus	**19,547.92**	16,800.34	9,677.59	8,696.37	7,250.24
Loan Funds	**10,422.83**	5,500.16	4,186.67	5,826.32	3,298.13
Total Capital Employed	**30,417.26**	22,745.50	14,279.26	14,937.69	10,946.87
Fixed Assets	**2,894.29**	3,162.69	2,439.96	2,456.57	1,240.28
Investments	**5.00**	5.00	5.00	5.99	11.17
Cash and other bank balances	**69.33**	278.77	485.36	492.74	394.03
Net Assets (Current and Non Current)	**27,448.64**	19,299.04	11,348.94	11,982.39	9,301.39
Total Assets	**30,417.26**	22,745.50	14,279.26	14,937.69	10,946.87

** Under Ind AS, dividend including taxes are accounted for as and when declared by the Company.*

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the Members of Safari Industries (India) Limited ("Company") will be held on Monday, 12th day of August, 2019 at The Gem Banquet, Podium Level, The Qube, CTS No. 1498, A / 2, M. V. Road, Marol, Andheri (East), Mumbai - 400059 at 02:00 p.m., to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt:
   a) the audited standalone financial statements of the Company for the financial year ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon; and
   b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2019 and the Auditors Report thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Anujj Patodia (DIN: 00026458), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

SUDHIR JATIA
Chairman & Managing Director
DIN:00031969

Place: Mumbai
Date: 13th May 2019

NOTES :

i. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of Members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of the total share capital can appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Proxy form, in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before commencement of the AGM. A proxy form for the AGM is enclosed herewith.

ii. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company.

iii. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday 3rd August 2019 to Monday, 12th August, 2019 (both days inclusive) for the purpose of the ensuing AGM and payment of dividend, if declared at the AGM.

iv. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies, Act 2013 (the Act) and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and Certificate from Auditors of the Company certifying that the Safari Employee Stock Option Scheme, 2016 is being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 will be available for inspection at the AGM.

v. The dividend on Equity Shares, if approved, at the AGM will be paid to those Members whose names appear on the record of Depositories [National Securities Depository Limited and Central Depository Services (India) Limited] as at the close of business hours on Friday, 2nd August 2019 (for shares held in demat mode) and in the Register of Members of the Company (for shares held in physical mode) updated as on Friday, 2nd August 2019. The dividend declared at the AGM shall be paid within 30 days from the date of declaration.

vi. Members holding shares in physical form are requested to notify any change in their address including pin code, bank mandate, etc to the Company's Registrar and Transfer Agent, M / s. Adroit Corporate Services Pvt Ltd. Members holding shares in electronic form are requested to furnish details for change / updation to their respective Depository Participant.

vii. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID number for easy identification for attendance at the AGM.

viii. Members holding shares in the dematerialize form are requested to register / update their e-mail address with the concerned Depository Participant. Members holding shares in physical form are requested to register / update their e-mail address with the Registrar and Share Transfer Agent of the Company. Alternatively, Members may intimate the e-mail address along with their respective Client ID and DP ID / Folio No. by letter / e-mail to the Company on investor@safari.in

ix. Corporate Members are required to send to the Company a certified copy of the Board Resolution pursuant to Section 113 of the Act, authorising their representative to attend and vote at the AGM.

x. The Members / proxies / authorised representatives should bring attendance slips duly filled in and signed for attending the AGM and handover the same at the entrance of the Hall.

xi. Members desirous of obtaining any information with regards to accounts and operations of the Company are requested to write to the Company at least one week before the AGM to enable the Company to make available the required information at the AGM.

xii. Pursuant to the provisions of Section 124 of the Act as amended from time to time and / or other relevant provisions of the Act, the unclaimed dividend upto the financial year 2010-11 has been transferred to the Investor Education and Protection Fund.

xiii. Members who have not encashed the dividend warrant / demand drafts so far for the financial year ended 31st March 2015, 31st March 2016, 31st March 2017 or 31st March 2018 are requested to make their claims to the office of the Registrar & Share Transfer Agent of the Company.

xiv. As per the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules 2016), all equity shares in respect of which dividend had remained unpaid or unclaimed dividend for seven consecutive years or more has been transferred to the Investor Education& Protection Fund .

xv. As per the provisions of the Section 125 of the Act and the IEPF Rules 2016, members whose unclaimed dividend and equity shares have been transferred to IEPF may claim the refund by making application to the IEPF Authority in Form No. IEPF-5 available on the website www.iepf.gov.in.

xvi. Pursuant to SEBI circular SEBI / HO / MIRSD / DOP1 / CIR / P / 2018 / 73 dated 20th April 2018, members whose ledger folios have incomplete details with respect to PAN and / or Bank particulars are mandatorily required to furnish these details to the Company / RTA for registration in the folio. You are requested to kindly update your PAN and / or Complete Bank details so that the investments held by you are in compliance with the aforementioned circular. Form for furnishing PAN and Bank details are available on our website link: https: / / www.safaribags.com / investors-relations / intimation-to-stock-exchange / .

xvii. Electronic copy of the Notice of Annual General meeting along with Annual Report for the financial year 2018-19 is being sent to all Members whose email IDs are registered with the Company/ Depository participant for communication purpose unless a Member has requested for hard copy of the same. For Members who have not registered their email address, the Annual Report is being sent in physical mode.

xviii. Members to whom the above documents have been sent in e-mail are entitled to receive the same in physical form, upon request. The request may be sent in writing to the Registrar & Share Transfer Agent of the Company or the Company at its Registered Office or through email at info@adroitcorporate.in

xix. The Notice of the 39th AGM & the Annual Report for the financial year 2018-19 is also available on the Company's website www.safaribags.com . The Notice of the AGM is also available on the website of the National Securities Depositories Limited at www.evoting.nsdl.com, Physical copies of said documents alongwith the relevant documents referred to in the Notice and the Statement under Section 102 of the Act, will also be available for inspection at the Registered Office of the Company during business hours (10.00 am to 5.00 pm) on all working days except Saturdays, Sundays and Public Holidays upto and at the AGM.

xx. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2), in respect of the Directors seeking re-appointment at the AGM is furnished as Annexure to the Notice.

xxi. Voting through Remote e-Voting:

In accordance to the provisions of Section 108 of the Act and Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time, the Company is pleased to provide to its Members facility to exercise their right to vote on the resolutions proposed to be considered at the ensuing 39th AGM of the Company by electronic means. The Company has engaged the services of National Securities Depositories Limited ("NSDL") as the Agency to provide the remote e-voting facility. (Remote e-voting means the facility to cast votes by a Member using electronic voting system from a place other than the venue of the AGM).

The facility for voting through poll paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by Remote e-voting shall be able to exercise their right at the AGM through poll.

The Members who have cast their vote by Remote e-voting prior to the AGM can also attend the AGM but shall not be entitled to cast their vote again.

The Remote e-voting period commences on Friday, 9th August 2019 (9:00 am) and ends on Sunday, 11th August 2019 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, 5th August 2019 may cast their vote by Remote e-voting. The Remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

xxii. Process of Remote e-Voting:

Members are requested to follow the instructions below to cast their vote through Remote e-voting:

Step 1:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "Forgot User Details / Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN,your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.

Step 2:

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ninadawchat@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

xxiv. Route-map to the venue of the Meeting is provided at the end of this Notice.

ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

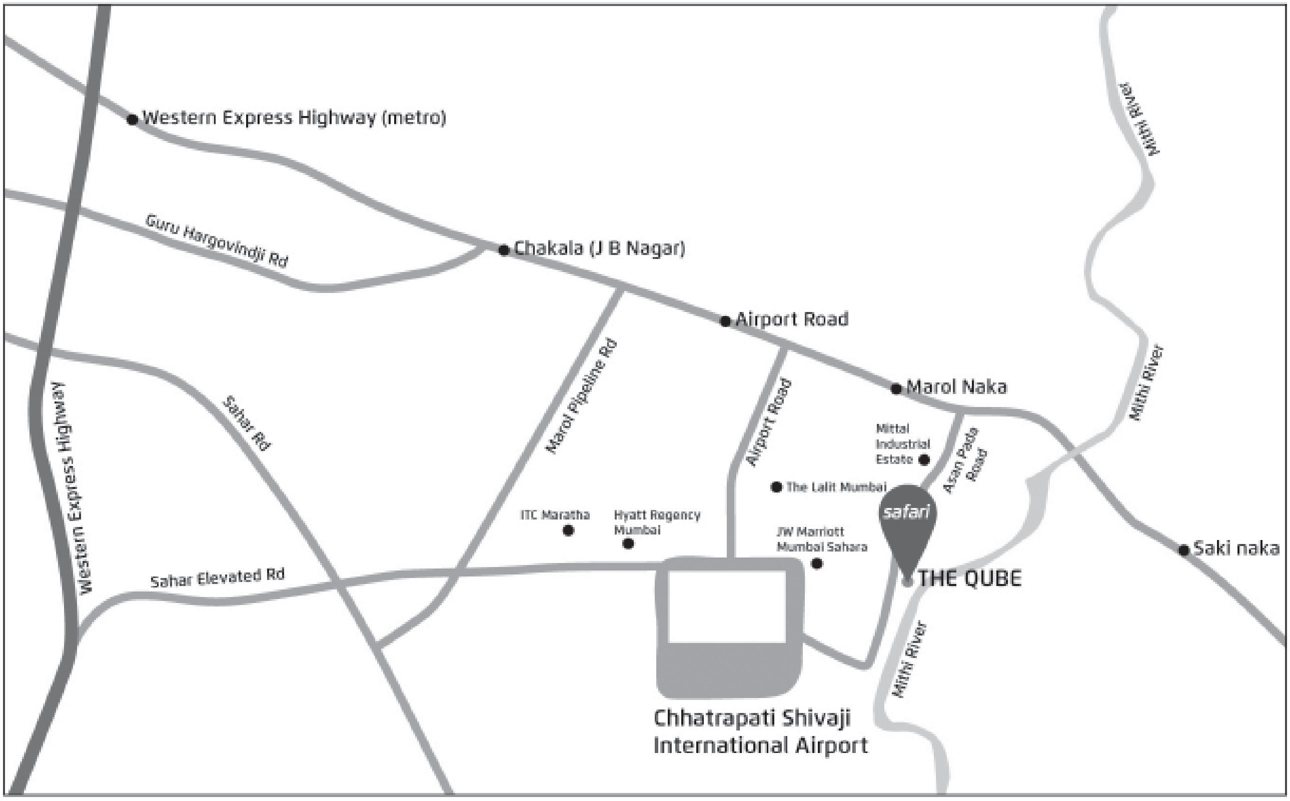
SUDHIR JATIA
Chairman & Managing Director
DIN:00031969

Place: Mumbai
Date: 13th May 2019

Additional Information of Directors recommended for re-appointment in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards on General Meeting (SS-2):

Name of Director	**Mr. Anujj Patodia**
Age	46 Years
Qualification	Commerce graduate
Experience	He has rich experience in the sphere of management and has been instrumental in the development of realty business.
Nature of expertise in specific functional areas	He is expertised in textile sector with special focus on apparel.
Terms and conditions of appointment	Appointment as Non Independent Non-Executive Director whose term of office is liable to retire by rotation.
Remuneration sought to be paid	He is entitled for receiving sitting fees and commission, if any.
Remuneration last drawn	` 0.30 lakhs in the form of sitting fees and ` 0.75 lakhs in the form of commission for FY 2018-19
Date of first appointment on the Board	18th April 2012
Equity Shares held in the Company	Nil
Relationship with other Director / s, KMP or Manager	None
Number of Board Meetings attended during the financial year 2018-19	Attended 1 out of 4 Board meeting
List of other Companies in which he holds Directorship	1. Prime Urban Development India Limited 2. Purav Trading Limited 3. Pee Dee Yarn Processors Limited 4. ATL Textile Processors Limited 5. Anjana Syntex Company Limited 6. Prime Vista Power Generation Limited 7. Prime Team3 Project Development International Pvt. Ltd. 8. Classic Yarn Processors Limited 9. Manoj Yarn Processors Limited
Chairman / Member of Committees of the Board of the other companies in which he is a Director	Nil

ROUTE MAP FOR AGM VENUE



DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Thirty Ninth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended as on 31st March 2019.

1. STATE OF AFFAIRS OF THE COMPANY:

a) FINANCIAL RESULTS:

(` in lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	**2018-19**	2017-18
Revenue from operations	**57262.96**	41963.64	**57765.20**	42,177.35
Other income	**130.53**	94.16	**130.60**	94.24
Total revenue	**57393.49**	42057.80	**57895.80**	42271.59
Expenses	**53333.65**	38722.88	**53798.65**	38889.26
Profit before tax	**4059.84**	3,334.92	**4097.15**	3,382.33
Tax expenses	**1361.81**	1,213.97	**1376.44**	1,228.51
Profit after tax	**2698.03**	2,120.95	**2720.71**	2,153.82
Other comprehensive income	**(43.91)**	(29.59)	**(43.91)**	(29.59)
Total comprehensive income for the period	**2654.12**	2,091.36	**2676.80**	2,124.23

b) PERFORMANCE REVIEW:

Standalone:

The total revenue of the Company for the financial year 2018-19 stood at ` 57393.49 lakhs as against last year's ` 42057.80 lakhs, a growth of 36.46 %. Profit before tax were at ` 4059.84 lakhs as against last year's ` 3,334.92 lakhs, a growth of 21.74 %. The total comprehensive income was ` 2654.12 lakhs as against ` 2,091.36 lakhs of the previous year.

As on 31st March 2019, the Reserves and Surplus of the Company were at ` 19547.92 lakhs.

Consolidated:

The total revenue of the Company for the financial year 2018-19 stood at ` 57895.80 lakhs as against last year's ` 42271.59 lakh, a growth of 36.96 %. Profit before tax were at ` 4097.15 lakhs as against last year's ` 3,382.33 lakhs, a growth of 21.14%. The total comprehensive income was ` 2676.80 as against ` 2,124.23 lakhs of the previous year.

Highlights on the performance of Safari Lifestyles Ltd & its contribution to the overall performance of the Company:

The total revenue of the Safari Lifestyles Ltd for the financial year 2018-19 stood at ` 1457.70 lakhs as against last year's ` 1,081.59 lakhs. Profit before tax were at ` 54.82 lakhs as against last year's `51.42 lakhs . The total comprehensive income was ` 40.19 lakhs as against ` 36.88 lakhs of the previous year.

A detailed analysis on the operations of the Company during the year under report and outlook for the current year is included in the Management Discussion and Analysis Report, forming part of this Annual Report.

DIRECTORS' REPORT (contd..)

2. DIVIDEND:

The Board of Directors are pleased to recommend for your consideration a dividend of ` 0.50 per equity share of ` 2/- each (previous year ` 0.50 per equity share of ` 2/- each) for the financial year 2018-19.

The total payout, if the dividend is approved by the Members at the Meeting will be ` 134.57 lakhs, including corporate dividend tax of ` 22.95 lakhs.

3. TRANSFER TO RESERVES:

It is not proposed to transfer any amount to reserves out of the profits earned during FY 2018-19.

4. SHARE CAPITAL:

During the year under review, Company's paid-up share capital stood increased from ` 4,45,00,000/- to ` 4,46,51,000/- due to issuance of equity shares through ESOP Allotments which were made during the year.

5. TRANSFER TO INVESTORS' EDUCATION AND PROTECTION FUND:

In accordance to the applicable provisions of Section 124 and 125 of the Companies Act, 2013 (the Act) and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments hereof, the relevant dividend amounts which remain unpaid and unclaimed for a period of seven years have been transferred to the Investor Education and Protection Fund. (Further shares in respect of which dividend has not been encashed by the Members during the last seven years, from the date of transfer to the unpaid dividend account of the Company, has been transferred to the designated Suspense Account as prescribed by the IEPF Authority during the year)

Details of the unpaid and unclaimed dividend amount lying with the Company as on 13th August 2018 have been uploaded on the Company's website (www.safaribags.com) and also on the website of the Ministry of Corporate Affairs.

6. DIRECTORS:

a) RETIREMENT BY ROTATION:

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association Mr. Anujj Patodia, Director (holding DIN: 00026458) of the Company is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment.

The aforesaid re-appointment with a brief profile and other related information of Mr. Anujj Patodia forms part of the Notice convening the ensuing AGM and the Directors recommend the same for your approval.

b) INDEPENDENT DIRECTORS:

During the year under review, declarations were received from all Independent Directors of the Company confirming that they fulfill the "criteria of independence" specified in Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms and conditions of appointment of Independent Directors are placed on the website of the Company at https://www.safaribags.com/investors-relations/toaoid/

c) KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 203 of the Act the following are the Key Managerial Personnel of the Company

Sr no.	Name	Designation
1.	Mr. Sudhir Jatia	Chairman and Managing Director
2.	Mr. Vineet Poddar	Chief Financial Officer
3.	Mr. Rameez Shaikh	Company Secretary

DIRECTORS' REPORT (contd..)

d) NOMINATION AND REMUNERATION POLICY:

The Company has adopted a Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of a Director and other matters provided under Section 178 (3) of the Act. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

The said Policy lays down the guidelines to be followed in relation to:

A. Appointment of the directors and key managerial personnel of the Company;

B. Fixation of the remuneration of the directors, key managerial personnel and other employees of the Company: and

C. Evaluation of performance of directors, key managerial personnel and other employees of the Company.

The objective of this Policy is to inter-alia:

A. Attract, recruit and retain good and exceptional talent;

B. List down the criteria for determining the qualifications, positive attributes and Independence of the Directors of the Company;

C. Ensure that the remuneration of the Directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;

D. Motivate such personnel to align their individual interests with the interests of the Company and further the interests of its stakeholders;

E. Ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and

F. Fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency and sustained long-term value creation for its stakeholders.

The Nomination and Remuneration Policy of the Company can be viewed on website of the Company at https: / / www.safaribags.com / investors-relations / policies /

e) MANNER OF FORMAL EVALUATION OF BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

During the year under review, performance evaluation of the Board as a whole and that of its Committees and Individual Directors have been carried out as per the provisions of the Act. All Independent Directors of the Company at their meeting held on 13th February 2019 have evaluated the performance of the Board as a whole, Committees of Board, the Chairman of the Company and the Non Independent Directors as per the criteria adopted by the Nomination, Remuneration and Compensation Committee and the Board.

The performance evaluation of the Board was based on various parameters such as qualification of Board Members, their diversity of experience and background, whether the Members of the Board met all applicable independence requirements, sufficient number of Board meetings and Committee meetings etc. The performance of the individual Directors was evaluated on parameters such as qualifications, experience, independence, participation in Board Meetings and Committee Meetings, etc.

The evaluation of the Independent Directors was carried out by the entire Board excluding the Independent Director being evaluated.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

f) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS DURING THE YEAR:

During the year under review, the Board of Directors have held four (4) Board meetings. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report which is annexed as **Annexure A.**

DIRECTORS' REPORT (contd..)

g) COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee of the Board of Directors of the Company comprises of the following members:

Sr no.	Name of Member	Category
1	Dr. Shailesh Mehta - Chairman	Independent
2	Mr. Punkajj Lath	Independent
3	Mr. Dalip Sehgal	Independent
4	Mr. Piyush Goenka	Non-Executive Non-Independent

Recommendations of the Audit Committee not accepted by the Board of Directors of the Company, along with the reasons thereof : None

7. CORPORATE GOVERNANCE REPORT:

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Corporate Governance Report together with a Certificate from M/s. Ninad Awachat & Associates, Practicing Company Secretaries confirming compliance thereto is enclosed with the Corporate Governance Report which is annexed as **Annexure A**.

In compliance with the requirements of Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a certificate from the Managing Director and Chief Financial Officer of the Company was placed before the Board. The same is enclosed as a part of the Corporate Governance Report.

All the Board Members and Senior Management Personnel of the Company had affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Managing Director is enclosed as a part of the Corporate Governance Report.

8. PARTICULARS OF EMPLOYEES:

The information pursuant to Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure B** and forms part of this Report.

The statement containing particulars of remuneration of employees as required under Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure C** of this Report.

In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members excluding the aforesaid **Annexure C**. This Annexure will be available on the website of the Company 21 days prior to the date of the AGM. The information is also available for inspection by the Members at the Registered Office of the Company during business hours on all working days except Saturdays, Sundays and Public Holidays up to the date of the AGM. Any Member desirous of obtaining a copy of the said Annexure may write to the Company Secretary at the Registered Office Address.

9. SAFARI EMPLOYEE STOCK OPTION SCHEME 2016:

Presently, the Company has Employee Stock Option (ESOP) Scheme namely Safari Employee Stock Option Scheme 2016 ("the Scheme") which helps the Company to retain and attract the right talent. The Nomination, Remuneration and Compensation Committee monitors the Company's ESOP scheme.

There are no changes in the Scheme and the Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

The disclosures required under the SEBI (Share Based Employee Benefits) Regulations, 2014 are available on the website of the Company at https://www.safaribags.com/investors-relations/annual-reports/

10. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013:

The Directors hereby confirm:

a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

DIRECTORS' REPORT (contd..)

c) that they have taken proper and sufficient care for the 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 fraud and other irregularities.

d) that they have prepared the annual accounts on a going concern basis.

e) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

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

11. AUDITORS:

M/s Lodha & Co., Chartered Accountants (Firm Registration No. 301051E) was appointed as Statutory Auditors of the Company for the period of five years commencing from the conclusion of 37th AGM till the conclusion of 42nd AGM of the Company.

The Auditor's Report does not contain any qualification, reservation or adverse remark.

12. INTERNAL AUDITORS:

Based on the recommendation of the Audit Committee of the Company, the Board of Directors of the Company had appointed M/ s. Moore Stephens Singhi Advisors LLP as the Internal Auditors of the Company.

13. SECRETARIAL AUDIT REPORT:

In accordance to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/ s. Ninad Awachat & Associates, Practicing Company Secretaries (Membership No. 26995 & CP No. 9668) to conduct Secretarial Audit for the financial year 2018-19.

The Report of the Secretarial Auditor is annexed hereto as **Annexure D**. The said Report does not contain any qualification, reservation or adverse remark.

14. SUBSIDIARIES:

The consolidated financial statements of the Company include the financial statements of Safari Lifestyles Ltd, the wholly owned subsidiary of the Company for the financial year 2018-19. The Financial Statements of Safari Lifestyles Limited are also placed on the website of the Company. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company Secretary of the Company at its Registered Office.

The Report on the performance and financial position of Safari Lifestyles Ltd in Form AOC-1 pursuant to first proviso to sub-section (3) of Section 129 of the Act and Rule 5 of Companies (Accounts) Rules, 2014 is annexed to this Report as **Annexure E.**

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

The Board of Directors has adopted a policy on Internal Financial Controls to ensure orderly and efficient conduct of the business of the Company including the Company's policies. The said Policy is adequate and is operating effectively.

16. RISK MANAGEMENT POLICY:

The Company has adopted a policy on Risk Management, the brief of the same is disclosed in the Corporate Governance Report annexed as **Annexure A** to this report.

17. PARTICULARS OF CONTRACTS WITH RELATED PARTIES:

All the related party transactions entered by the Company during the year under review were in the ordinary course of business, on arm's length basis and in accordance with the provisions of the Act read with the Rules

DIRECTORS' REPORT (contd..)

issued thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no material related party transactions during the year under review.

Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014

18. VIGIL MECHANISM-WHISTLE BLOWERS POLICY:

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In order to achieve the same, the Company has formulated a Whistle Blowers Policy to provide a secure environment and to encourage all employees and Directors of the Company, Members, customers, vendors and / or third party intermediaries to report unethical, unlawful or improper practices, acts or activities in the Company and to prohibit managerial personnel from taking any adverse action against those employees who report such practices in good faith.

The Policy has been uploaded on the website of the Company at https://www.safaribags.com/investors-relations/policies/

19. PARTICULARS OF LOAN, GUARANTEE & INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013:

During the year under review, the Company has not given any loans or guarantees. Details of investments made are given in Notes to the Standalone Financial Statement.

20. ANNUAL RETURN:

An extract of the Annual Return as on 31st March 2019 in terms of Section 92(3) of the Act read with rule 12(1) of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure F.**

The Annual Return for financial year 2017-18 has been uploaded on the website of the Company at https://www.safaribags.com/investors-relations/annualreturn/

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Details on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, etc. are given in the **Annexure G** hereto and forms part of this Report.

22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure H** forming part of this Annual Report.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

The Company has adopted a CSR Policy in accordance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The same is available on the website of the Company at https://www.safaribags.com/investors-relations/policies/

The composition of the CSR Committee is disclosed in the Corporate Governance Report which forms part of the Annual Report. The report on CSR activities undertaken by the Company for the year under review is annexed to this Report at **Annexure I.**

24. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The information required as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in the Corporate Governance Report that is annexed as **Annexure A**.

DIRECTORS' REPORT (contd..)

25. GENERAL:

Yours Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions / events during the year under review:

a) Details relating to deposits covered under Chapter V of the Act.

b) Change in nature of Company's business.

c) Details of significant and material orders passed by Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

d) Material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year & the date of Report.

e) No material fraud has been reported by the Auditors to the Audit Committee of the Board.

26. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the dedicated services of the employees of your Company at all levels. Further, the Directors would also like to express their gratitude for the continued support of all the stakeholders and last but not the least our valued Members, for all their support and trust reposed in the Company.

ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

SUDHIR JATIA
Chairman & Managing Director
DIN:00031969

Place: Mumbai
Date: 13th May 2019

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure A
Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine a Management's ability to make sound decisions vis-à-vis all its stakeholders - in particular, its Members, creditors, the state and employees.

We firmly believe that Board Independence is essential to bring objectivity and transparency in the management and in the dealing of the Company. We keep our governance practices under continuous review.

2. BOARD OF DIRECTORS:

(A) Composition and categories of Directors :-

The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Section 149 of the Act. The composition of the Board of Directors consists of an optimum combination of Executive and Non-Executive Directors and an optimum representation of Independent Directors as follows:

Name of Director	Category
Mr. Sudhir Jatia	Promoter, Executive and Chairman
Dr. Shailesh Mehta	Non-Executive and Independent
Mr. Punkajj Lath	Non-Executive and Independent
Mr. Dalip Sehgal	Non-Executive and Independent
Mrs. Vijaya Sampath	Non-Executive and Independent
Mr. Rahul Kanodia	Non-Executive and Independent
Mr. Anujj Patodia	Non-Executive
Mr. Piyush Goenka	Non-Executive

(B) Attendance of each Director at the Board meetings and the last Annual General Meeting ("AGM") :-

4 (Four) meetings of the Board of Directors were held during the financial year 2018-19 i.e. on 21st May 2018, 13th August 2018, 5th November 2018 and 13th February 2019.

The attendance record of all Directors is as under: -

Name of Director	No. of Board Meetings		Attendance at last AGM held on 13th August 2018
	Held	Attended	
Mr. Sudhir Jatia	4	4	Yes
Dr. Shailesh Mehta	4	4	Yes
Mr. Punkajj Lath	4	3	No
Mr. Dalip Sehgal	4	4	Yes
Mrs. Vijaya Sampath	4	4	No
Mr. Anujj Patodia	4	1	No
Mr. Rahul Kanodia	4	2	No
Mr. Piyush Goenka	4	4	YES

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

(C) Number of other Board Directors or Board Committees of which a Director is a Member or Chairperson:

Name of Director	No of other Directorship($)	Number of Memberships in Committees of other Companies (*)	Number of Chairperson in Committees of other Companies (*)
Mr. Sudhir Jatia	3	1	1
Dr. Shailesh Mehta	5	-	-
Mr. Punkajj Lath	4	1	1
Mr. Dalip Sehgal	2	3	-
Mrs. Vijaya Sampath	10	5	1
Mr. Anujj Patodia	9	-	-
Mr. Rahul Kanodia	7	2	-
Mr. Piyush Goenka	1	1	-

($) Excludes directorship in private companies, foreign companies and Section 8 companies.

(*) Only two committees, namely, Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of Listing Regulations.

All the Directors have informed the Company periodically about their Directorship and Membership on the Board / Committees of the Board of other companies.

As per the disclosures received, none of the Directors of the Company are Director in more than 10 Public Limited Companies or act as an Independent Director in more than 7 Listed Companies. Further none of the Directors hold membership in more than 10 committees or act as the Chairman of more than five committees across all public and listed companies in which he / she is a director.

Details of Directorships held by Directors in other listed entities and category of such directorship is as follows:

a) Mr. Dalip Sehgal

Sr. No	Name of Listed Entity	Category of Directorship
1	S H Kelkar and Company Limited	Independent Director

b) Mrs. Vijaya Sampath

Sr. No	Name of Listed Entity	Category of Directorship
1	Nabha Power Limited	Independent Director
2	Suzlon Energy Limited	Independent Director
3	ERIS Lifesciences Limited	Independent Director
4	Varroc Engineering Limited	Independent Director
5	Intellect Design Arena Limited	Additional Director
6	Ingersoll- Rand (India) Limited	Additional Director

c) Mr. Anujj Patodia

Sr. No	Name of Listed Entity	Category of Directorship
1	Prime Urban Development India Limited	Managing Director

d) Mr. Rahul Kanodia

Sr. No	Name of Listed Entity	Category of Directorship
1	Datamatics Global Services Limited	Whole Time Director

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

e) **None of the following director holds directorship in other listed entity:**

1. Mr. Sudhir Jatia;
2. Mr. Piyush Goenka;
3. Mr. Punkajj Lath;
4. Dr. Shailesh Mehta.

(D) Disclosure of relationships between Directors:

As on 31st March 2019, none of the Directors are related to each other. None of the Directors have any pecuniary relationship or transaction vis-à-vis the Company.

(E) Number of shares and convertible instruments held by Non- Executive Directors:

As on 31st March 2019, none of the Non- Executive Directors hold any shares or convertible instruments.

(F) Web link where details of familiarisation programmes imparted to Independent Directors is disclosed:

The Board of Directors of the Company has adopted a Familiarization Program for Independent Directors of the Company. Details of the Familiarization Program has been disclosed on the website of the Company. The same can be viewed at https: / / www.safaribags.com / investors-relations / policies /

(G) Fulfilment of the criteria to be Independent Director

In opinion of the Board, all the Independent Directors of the Company meet the requirements laid down under Section 149 of the Act and Regulation 16 of the Listing Regulations and have declared that they do not fall under any disqualifications specified thereunder.

(H) Separate Meeting of Independent Directors:

As stipulated under Section 149 of the Act read with Schedule IV pertaining to the Code of Independent Directors and Regulation 25 of Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 13th February 2019 with the following agenda:

- To review performance of the Board on different lines as stipulated in the Schedule IV of the Act and Listing Regulations as follows:
  - ➢ Performance evaluation of Non-Independent Directors;
  - ➢ Performance evaluation of Board as a whole and Committees of the Board;
  - ➢ Performance evaluation of Chairman;
  - ➢ Evaluation of flow of Information

(I) Skills/ expertise/ competence of board of directors

The Board of Directors of the Company possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

3. AUDIT COMMITTEE:

Composition and Meetings of the Audit Committee

As on 31st March 2019, the Audit Committee comprises of members as stated below. The Committee met 4 (four) times during the financial year 2018-19 i.e. on 21st May 2018, 13th August 2018, 5th November 2018 and 13th February 2019.

The Composition and attendance of members at the Committee meeting is given below:

Name of Member	Category	Number of meetings attended
Dr. Shailesh Mehta	Chairman	4 out of 4
Mr. Punkajj Lath	Member	3 out of 4
Mr. Dalip Sehgal	Member	4 out of 4
Mr. Piyush Goenka	Member	4 out of 4

The Company Secretary acts as the Secretary to the Audit Committee.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

In accordance with Listing Regulations and Section 177 of the Act, the terms of reference of the Audit Committee inter-alia include:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the Management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, etc.

4. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE:

Composition and Meetings of the Nomination, Remuneration and Compensation Committee

As on 31st March 2019, the Committee comprises of members as stated below. The Committee met 3 (three) times during the financial year 2018-19 i.e. on 21st May 2018, 5th November 2018 and 13th February 2019.

The Composition and attendance of members at the Committee meeting is given below:

Name of Member	Category	Number of meetings attended
Mr. Punkajj Lath	Chairman	2 out of 3
Dr. Shailesh Mehta	Member	3 out of 3
Mrs. Vijaya Sampath	Member	3 out of 3
Mr. Piyush Goenka	Member	3 out of 3

In accordance with Listing Regulations and Section 178 of the Act, the terms of reference of the Nomination, Remuneration and Compensation Committee inter-alia include:

A. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Employees.

B. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.

C. Devising a policy on diversity of Board of Directors;

D. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

E. Implementation, administration and superintendence of the employee stock option purchase (ESOP) Scheme and formulate the details terms and conditions of the ESOP Scheme.

F. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

G. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Performance evaluation criteria for Independent Directors of the Company:

During the year under review, performance evaluation of the Independent Directors was carried out by the entire Board excluding the Independent Director being evaluated as per the criteria adopted by the Board. The performance evaluation was evaluated on the various parameters such as Participation at Board / Committee Meetings, Relationship, Knowledge and Skill, Independence, Overall rating of Director performance.

5 REMUNERATION OF DIRECTORS:

Remuneration to Managing Director:

Mr. Sudhir Jatia was appointed as the Managing Director of the Company for a period of 3 years with effect from 18th April 2018. His remuneration includes basic salary, contribution to provident fund, gratuity, variable performance pay upto 1% of the net profits calculated as per Section 198 of the Act and perquisites (including monetary value of taxable perquisites) etc.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

The remuneration paid to Mr. Sudhir Jatia for the financial year 2018-19 is set out in Annexure F (Form No. MGT 9) to the Director's Report which forms part of this Annual Report. No stock option were issued to the Managing Director of the Company during the financial year 2018-19.

Service contract / notice period / severance fees:

As per the Employment Agreement entered into by the Company with Mr. Sudhir Jatia, Managing Director, either party can terminate the agreement by giving 6 (six) month's notice in writing to the other party. The Employment Agreement does not contain any provisions for payment of any severance fees in case of cessation of employment of the Managing Director.

Remuneration to other Directors:

During the financial year 2018-19, the other Directors were paid sitting fees of ` 30,000/- per meeting for Board Meeting, ` 20,000/- per meeting for Audit Committee and ` 10,000/- per meeting for Nomination, Remuneration and Compensation Committee meetings and Corporate Social Responsibility Committee meeting.

The remuneration paid to other Directors for the financial year 2018-19 is set out in Annexure F (Form No. MGT 9) to the Director's Report which forms part of this Annual Report.

6 STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Composition and Meetings of the Stakeholders Relationship Committee

As on 31st March 2019, the Committee comprises of members as stated below. The Committee met 21 (Twenty-one) times during the financial year 2018-19.

The Composition and attendance of members at the Committee meeting is given below:

Name of Member	Category	Number of meetings attended
Mr. Punkajj Lath	Chairman	13 out of 21
Mr. Sudhir Jatia	Member	20 out of 21
Mr. Piyush Goenka	Member	21 out of 21

Mr. Rameez Shaikh, Company Secretary acts as Compliance Officer of the Company.

The details of shareholders' complaints received and disposed of during the year under review is as follows:

Number of Complaints

Pending at the beginning of the financial year	Nil
Received during the financial year	2
Disposed off during the financial year	2
Pending at the end of the financial year	Nil

7 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :

Composition and Meetings of the CSR Committee

As on 31st March 2019, the CSR Committee comprises of members as stated below. The Committee met 3 (Thrice) times during the financial year 2018-19 i.e. on 13th August 2018, 5th November 2018 and 13th February 2019.

The Composition and attendance of members at the CSR Committee meeting is given below:

Name of Member	Category	Number of meetings attended
Mr. Sudhir Jatia	Chairman	3 out of 3
Mr. Piyush Goenka	Member	3 out of 3
Mrs. Vijaya Sampath	Member	3 out of 3

The Board of Directors of the Company has adopted a CSR Policy of the Company which was reviewed and recommended by the CSR Committee of the Company. The CSR Policy of the Company is placed on Company's website and the web link https://www.safaribags.com/investors-relations/policies/

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

8 GENERAL BODY MEETINGS:

The particulars of the last three Annual General Meetings (AGM) of the Company are given hereunder:

Financial Year	Date and Time	Venue	Special Resolution Passed if any
2015-2016	36th AGM on 12th August 2016 at 10.00 am	Hamra Banquet Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (E), Mumbai - 400 099	Yes 1. To approve and adopt the 'Safari Employee Stock Option Scheme 2016' and authorise the Board to create, issue, offer and allot equity shares, from time to time, to the employees of the Company. 2. To approve and adopt the 'Safari Employee Stock Option Scheme 2016' and authorise the Board to create, issue, offer and allot equity shares, from time to time, to the employees of the Subsidiaries of the Company.
2016-2017	37th AGM on 30th August 2017 at 2.30 pm	The Gem Banquet, Podium Level, The QUBE, CTS no. 1498, A / 2 M.V. Road, Behind Taj Flight Kitchen, Marol, Andheri (E), Mumbai - 400 059	Nil
2017-2018	38th AGM on 13th August 2018 at 2.00 pm	The Gem Banquet, Podium Level, The QUBE, CTS no. 1498, A / 2 M.V. Road, Behind Taj Flight Kitchen, Marol, Andheri (E), Mumbai - 400 059	Yes 1. Re-appointment of Mr. Sudhir Jatia (DIN 00031969) as Managing Director of the Company 2. Approval of payment of remuneration by way of Commission to Non-Executive Directors

POSTAL BALLOT:

No special resolution was passed during the financial year 2018-19 through postal ballot.

None of the business proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

10 MEANS OF COMMUNICATION:

Publication of results:

The Quarterly, Half-Yearly and Annual Financial Results of the Company are published in Business Standard (English financial national daily) and Nav Shakti (vernacular newspaper).

Website and News Releases:

All official news releases and financial results are communicated by the Company through its corporate website www.safaribags.com. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through the BSE Listing Centre.

There were no presentations made to the Institutional Investors or analysts during the financial year.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

11 GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting (AGM):

- Day, Date, Time : Monday, 12th August 2019 at 2.00 p.m.
- Venue: The Gem Banquet, Podium level, The QUBE, CTS no. 1498, A / 2 MV Road, Marol, Andheri (East), Mumbai 400 059.

Financial year: 1st April 2018 to 31st March 2019

Dividend Payment Date: On or before 11th September 2019

Listing Details: **BSE Limited**
Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

Stock Code: BSE: Scrip Code: 523025

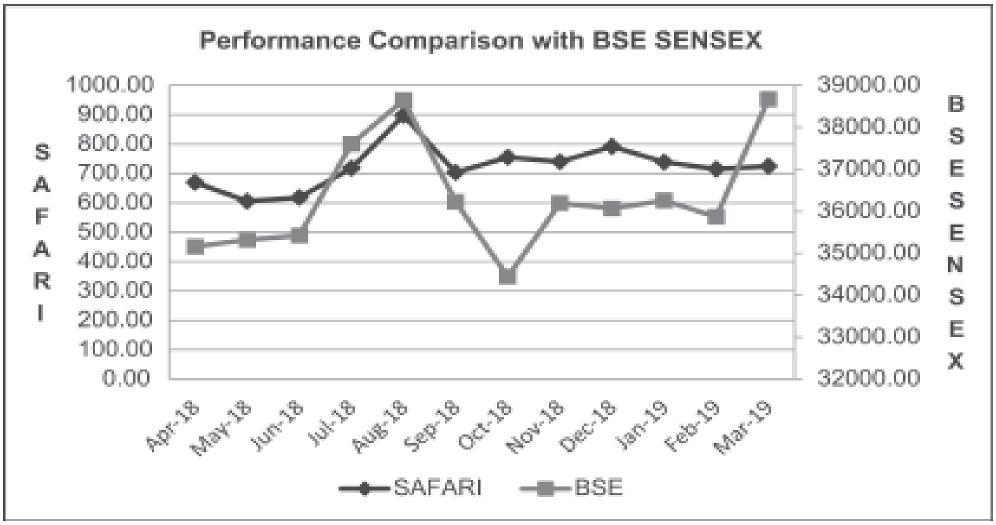
Listing Fees: The Company has paid the annual listing fees for the financial year 2018-19

Market Price data: High, Low during each month in financial year 2018-19

Month	BSE High	BSE Low
April 2018	760.00	530.00
May 2018	715.00	595.50
June 2018	650.00	580.00
July 2018	760.00	605.00
August 2018	1,005.00	713.10
September 2018	948.00	703.35
October 2018	838.80	668.20
November 2018	796.05	701.00
December 2018	829.00	710.00
January 2019	820.20	702.35
February 2019	809.00	685.25
March 2019	798.00	705.50

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Performance in comparison with BSE Sensex;



Suspension from trading: No equity shares were suspended from trading during the financial year 2018-19

Registrar and Transfer Agents:

Adroit Corporate Services Pvt. Ltd.

17-20, Jafarbhoy Industrial Estate,Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059.

(T) 91-22-4227 0400 / 91-22-2859 4060 (E) info@adroitcorporate.com

Share Transfer System:

Adroit Corporate Services Pvt. Ltd. (Adroit), Share Transfer Agent of the Company, handles share and shareholders related matters. Adroit has adequate infrastructure to process share transfer related matters. Pursuant to the proviso of regulation 40 of Listing Regulations, except in case of transmission or transposition of securities, transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.

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 Listing Regulations, and files a copy of the same with the Stock Exchange.

Distribution of shareholding as on 31st March 2019:

Shares slab	No. of Shareholders	% to total	No. of Shares	Amount in `	% to Total
upto 5,000	7,562	97.93	14,75,732	29,51,464	6.61
5001 to 10,000	78	1.01	2,82,068	5,64,136	1.26
10,001 to 15,000	25	0.32	1,69,944	3,39,888	0.76
15,001 to 20,000	16	0.21	2,05,424	4,10,848	0.92
20,001 to 25,000	11	0.14	1,98,035	3,96,070	0.89
25,001 to 50,000	10	0.13	2,36,783	4,73,566	1.06
50,001 to 1,00,000	7	0.09	2,59,079	5,18,158	1.16
1,00,000 & Above	13	0.17	1,94,98,435	3,89,96,870	87.34
Total	**7,722**	**100.00**	**2,23,25,500**	**4,46,51,000**	**100.00**

safari

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Dematerialization of Shares and Liquidity:

98.32% of shareholding was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March 2019.

The Company's shares are actively traded in the dematerialised form on BSE Limited.

Outstanding GDRs/ADRs/Warrants/Convertible Instruments, conversion date and likely impact on equity:

The Company has not issued GDRs / ADRs / Warrants or any convertible instruments.

The Company has granted stock options to its employees under the Employee Stock Option Scheme. The Company allots equity shares from time to time on exercise of stock options by the employees pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Employee Stock Option Scheme(s). As on 31st March 2019, 67,000 stock options were outstanding.

Commodity price risk or foreign exchange risk and hedging activities:

- **Risk Management Policy:**

  The Company is committed to high standards of business conduct and good risk management to:

  - Protect the Company's assets
  - Achieve sustainable business growth
  - Avoid major surprises relating to overall control environment
  - Safeguard shareholder investment
  - Ensure compliance with applicable legal and regulatory requirements.

  The Board has adopted a policy on risk management to mitigate inherent risks and help accomplish the growth plans of the Company. Accordingly, various potential risks relevant to the Company has been identified by the Audit Committee. The Board reviews the same periodically and suggests measures to mitigate and control these risks.

- **Commodity risks exposure:**

  The Company has adequate risk assessment and minimization system in place for commodities. The risks are averted by taking prudent hedging activities on foreign currency exposure and widening source base. The Company does not have material exposure of any commodity. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI / HO / CFD / CMD1 / CIR / P / 2018 / 0000000141 dated November 15, 2018.

Plant Location:

The Company's Plant is located at Plot No. 1701 / 1, 2200, 2201, GIDC Halol, Panchmahals, Gujarat.

Address for correspondence:

Registered Office:

302-303, A Wing, The Qube, CTS. 1498,
A / 2, M. V. Road, Marol, Andheri (E) Mumbai 400059
Website: www.safaribags.com
Email: investor@safari.in

Credit Ratings:

During the financial year ended 31st March 2019, the Company received following credit ratings:

Total Bank Loan Facilities	Rs. 90 Crore
Long Term rating	CRISIL A- / Positive
Short term rating	CRISIL A2+

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

12 OTHER DISCLOSURES:

(a) Materially significant related party transactions:

There were no materially significant transactions with related parties during the financial year 31st March 2019 that were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (IAS 24) has been made in the notes of the Financial Statements and in the Board Report as required under Section 134 of the Act.

(b) Details of non-compliance:

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

(c) Establishment of Vigil Mechanism, Whistle Blowers Policy:

The Company has adopted the Whistle Blowers Policy to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. No personnel has been denied access to the Audit Committee. A copy of the Whistle Blowers Policy of the Company has been put up on Company's Website and the web link is i.e. https://www.safaribags.com/investors-relations/policies/

(d) Compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all mandatory requirements as laid down in Listing Regulations. In addition, Company has adopted the following non-mandatory requirement:

- Reporting by internal auditor: The internal auditor directly reports to the audit committee of the Company.

(e) Policy determining Material Subsidiaries.

In compliance with the Regulation 16(1)(c) of Listing Regulations, the Company has formulated a policy for determining 'material' subsidiaries and such policy has been put up on the Company's website. The same can be viewed at https://www.safaribags.com/investors-relations/policies/

The Company has an unlisted Indian subsidiary viz. Safari Lifestyles Limited which is not a material subsidiary.

(f) Policy on Related Party Transactions:

In compliance with the Regulation 23(1) of Listing Regulations, the Company has formulated a policy on Related Party Transactions and such policy has been put up on the Company's website. The same can be viewed at https://www.safaribags.com/investors-relations/policies/

(g) Utilization of funds:

Not applicable

(h) Certificate on disqualification or debar of Board of Directors:

The statement relating to non-disqualification and non-debarring of Board of Directors by SEBI or Ministry of Corporate Affairs or any regulatory authority is set out as a part of Compliance Certificate on Corporate Governance issued by Practicing Company Secretary i.e. **Annexure II** of this Annual Report.

(i) Recommendation of Committee to the Board for approval:

During the financial year 2018-19, none of the recommendations of the Committees of the Board were disapproved by the Board of Directors of the Company.

(j) Fees paid to statutory auditors on consolidated basis:

Total fees for all the services paid by the Company and Safari Lifestyles Limited, wholly owned subsidiary on consolidated basis to M/s. Lodha & Co., statutory auditors of the Company and all its network firms/entities in which they are part forms part of notes to Consolidated Financial Statements of this Annual Report.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

(k) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has formed a Committee to redress complaints received regarding sexual harassment. During the year under review, following are the details of the complaints:

- No. of complaints filed : Nil
- No. of complaints disposed of : Nil
- No. of complaints pending : Nil

l) Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub - Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Company has complied with all Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

(m) Managing Director/ CFO Certification:

The Company has obtained a certificate from the Managing Director and Chief Financial Officer of the Company in respect of matters stated in Regulation 17 (8) of Listing Regulations as annexed **Annexure I** to this Report.

(n) Compliance Certificate by M/s. Ninad Awchat & Associates, Practicing Company Secretaries:

The Company has obtained a Certificate from M / s. Ninad Awchat & Associates, Practicing Company Secretaries regarding compliance of Corporate Governance as stipulated, which is annexed as **Annexure II** to this Report.

o) Code of Conduct:

The Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company by including duties of Independent Directors. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The Code of Conduct is placed on the website of the Company at https: / / www.safaribags.com / investors-relations / code-of-conduct /

A declaration signed by the Company's Managing Director for the compliance of these requirements is annexed as **Annexure III** to this Report.

ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

SUDHIR JATIA
Chairman & Managing Director
DIN:00031969

Place: Mumbai
Date: 13th May 2019

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure I
Certificate by Managing Director and Chief Financial Officer

To,

The Board of Directors,
Safari Industries (India) Limited

We, Sudhir Jatia, Managing Director and Vineet Poddar, Chief Financial Officer of Safari Industries (India) Limited, 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 2019 and to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent or 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 the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:

   (i) That there are no significant changes in internal control over financial reporting during the year;

   (ii) That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (iii) That there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate is being given to the Board pursuant to Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SUDHIR JATIA
Managing Director

VINEET PODDAR
Chief Financial Officer

Place: Mumbai
Date: 13th May 2019

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure II

Compliance Certificate on Corporate Governance

(Pursuant to Part E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of Safari Industries (India) Limited

I have examined the compliance of conditions of Corporate Governance by Safari Industries (India) Limited, ('the Company'), for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, Clause (b) to (i) of Sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management. My 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 statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in the SEBI Listing Regulations for the year ended on March 31, 2019.

On basis of written representation given by all the directors of the Company and to the best of my knowledge and belief, data and documents reviewed by me on publicly available websites, I state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

I further state that 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 **NINAD AWACHAT & ASSOCIATES**
Company Secretaries

Ninad Awachat
Proprietor
Membership No : 26995
C.P No : 9668

Place : Mumbai
Date : 13th May 2019

Annexure III

Declaration regarding compliance by the Members of Board of Directors and Senior Management Personnel with the Code of Conduct of Board of Directors and Senior Management.

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. This Code of Conduct is available on the Company's website.

I hereby declare that the all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company for the year ended 31st March 2019

SUDHIR JATIA
Chairman & Managing Director
Safari Industries (India) Limited

Place: Mumbai
Date: 13th May 2019

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure B

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: 35:1

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name & Designation	Percentage increase
Mr. Sudhir Jaitia, Managing Director	47.61%
Mr. Vineet Poddar, Chief Financial Officer	14.00%
Mr. Rameez Shaikh, Company Secretary	Since Company Secretary was appointed in February 2018, he was not eligible for increment for FY2018-19

3. The percentage increase in the median remuneration of employees in the financial year: 8.03%

4. The number of permanent employees on the rolls of company: 1355 employees

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 7.71% and is in line with the increase in the managerial remuneration;

6. The remuneration paid to the Directors, KMPs and other employees is as per the Nomination and Remuneration Policy of the company.

ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

Place: Mumbai
Date: 13th May 2019

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure D

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,

The Members,

SAFARI INDUSTRIES (INDIA) LIMITED

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

Based on my verification of the Company 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 my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ("**Financial Year**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 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 amended and named as The Securities and Exchange Board of India (Depositories and Participants)Regulations 2018 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, Overseas Direct Investment and External Commercial Borrowing were not attracted to the Company during the Financial Year under report.

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) Regulation 2011.

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued any debt securities during the Financial Year under review)

   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; (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year under review)

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the Company has not delisted its equity shares from stock exchange during the Financial Year under review)

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the Company has not bought back any of its equity shares during the Financial Year under review)

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015.

(ii) The Listing Agreement entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015).

During the period under review the Company has complied with the provisions of the Act, 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 Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 general laws, rules, regulations and guidelines. The list of major head / groups of applicable general laws, rules, regulations and guidelines are mentioned in **Annexure I**, apart from these, as per Management, there are no other laws specifically applicable to the Company.

I further report that during the audit period, there were no notable specific events / actions which took place in the Company which are required to be reported in this report

For **NINAD AWACHAT & ASSOCIATES**
Company Secretaries

Ninad Awachat
Proprietor
Membership No : 26995
C.P No : 9668

Place : Mumbai
Date : 13th May 2019

Annexure I:

1. Factories Act, 1948;
2. Employees State Insurance Act, 1948;
3. Environment (Protection) Act, 1986
4. Water (Prevention and Control of Pollution) Act, 1974
5. Air (Prevention and Control of Pollution) Act, 1981
6. Hazardous Waste (Management and Handling) Rules ,2008
7. Minimum Wages Act, 1948
8. The Employee's Provident Fund and Misc. Provisions Act, 1952;
9. The Payment of Bonus Act, 1965;
10. The Payment of Gratuity Act, 1972;
11. Legal Metrology Act, 2009;
12. Rules and Regulations of GIDC Vadodara and GIDC Halol.
13. Local Laws as applicable to various offices of the Company;
14. Act prescribed under Direct Tax and Indirect Tax

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure E
Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(` in lakhs)

Sr. No.	1
Name of the Subsidiary	Safari Lifestyles Limited
Reporting period	01-04-2018 to 31-03-2019
Reporting currency	INR
Share capital	5.00
Reserves & surplus	105.20
Total assets	435.08
Total Liabilities	324.88
Investments	Nil
Turnover	1,457.70
Profit before taxation	54.82
Provision for taxation	14.63
Profit after taxation	40.19
Proposed Dividend	Nil
% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year.: Nil

Part "B": Associates and Joint Ventures: Nil. The Company does not have any associates or joint ventures.

For and on behalf of the board of Directors

SUDHIR JATIA
Chairman & Managing Director
(DIN : 00031969)

PUNKAJ J LATH
Director
(DIN : 00172371)

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

Place: Mumbai
Date: 13th May 2019

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure F

Form No. MGT-9

Extract of Annual Return

As on Financial Year ended on 31st March 2019

[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:

1.	CIN	L25200MH1980PLC022812
2.	Registration Date	8th July 1980
3.	Name of the Company	Safari Industries (India) Limited
4.	Category / Sub-Category of the Company	Public Listed Company
5.	Address of the Registered office and contact details	302-303, A Wing, The Qube, CTS no. 1498, A / 2, MV Road, Marol, Andheri (East),Mumbai 400 059, Maharashtra. (T) +91-22-40381888 (F) +91-22-40381850 (E) investor@safari.in (W) www.safaribags.com
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Adroit Corporate Services Pvt Ltd. 19, Jafarbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059 (T) +91-22-4227 0400 / +91-22-2859 4060 (E) info@adroitcorporate.com

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:-

Sr. No.	Name and description of main products /Services	NIC Code of the Product/ service	% to total turnover of the company
1	Hard Luggage	22205	25%
2	Soft Luggage	15121	75%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1	Safari Lifestyles Ltd 302-303, A Wing, The Qube, CTS no. 1498, M. V. Road, Marol, Andheri (East), Mumbai - 400 059.	U74999MH2014PLC258983	Subsidiary	100%	2(87)

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

i) Category-wise Share Holding:

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**PROMOTERS**									
1)	**Indian**									
a)	Individual / HUF	1,05,87,500	-	1,05,87,500	47.58	1,05,87,500	-	1,05,87,500	47.42	(0.16)
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	22,73,465	-	22,73,465	10.22	22,73,465	-	22,73,465	10.18	(0.04)
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1):	1,28,60,965	-	1,28,60,965	57.80	1,28,60,965	-	1,28,60,965	57.61	(0.19)
2)	**Foreign**									
a)	NRI-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total(A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)		1,28,60,965	-	1,28,60,965	57.80	1,28,60,965	-	1,28,60,965	57.61	(0.19)
B	**PUBLIC SHAREHOLDING**									
1.	**Institutions**									
a)	Mutual funds	-	1,500	1,500	0.01	-	1,500	1,500	0.01	-
b)	Banks / FI	500	-	500	0.00	500	-	500	0.00	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FPIs / FIIs	19,41,782	-	19,41,782	8.73	22,29,138	-	22,29,138	9.98	1.25
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Alternate Investment Fund	-	-	-	-	1,22,080	-	1,22,080	0.55	0.55
i)	Others:	35,55,027	-	35,55,027	15.98	31,18,781	-	31,18,781	13.97	(2.01)
	Sub-total (B)(1):	54,97,309	1,500	54,98,809	24.70	54,70,499	1500	54,71,099	24.51	(0.21)
2.	**Non-Institutional**									
a)	Bodies Corp									
i.	Indian	6,07,675	2,500	6,10,175	2.74	6,13,876	1,000	6,14,876	0.01	0.01
ii.	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i.	Individual shareholders holding nominal share capital upto ` 1 lakh	17,92,382	5,15,110	23,07,492	10.37	19,97,604	3,71,005	23,68,609	10.61	0.24
ii.	Individual shareholders holding nominal share capital in excess of ` 1 lakh	5,59,840	-	5,59,840	2.52	5,16,201	-	5,16,201	2.31	(0.20)
c)	Others									
i.	Clearing members	5,510	-	5,510	0.02	3,792	-	3,792	0.02	(0.00)
ii.	IEPF	3,01,600	-	301600	1.36	3,24,850	-	3,24,850	1.46	0.10
iii.	Trusts	-	-	-	-	100	-	100	0.00	0.00
iv.	NRIs	1,05,109	500	1,05,609	0.47	1,63,608	500	1,64,108	0.74	0.27
	Sub-total(B)(2):	33,72,116	518110	38,90,226	17.48	36,20,031	3,72,505	39,92,536	17.88	0.40
Total Public shareholding (B)= (B)(1)+(B)(2)		88,69,425	5,25,610	93,95,035	42.20	90,90,530	3,74,005	94,64,535	42.39	0.19
C	**SHARES HELD BY CUSTODIAN FOR GDRS & ADRS**	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)		**2,1730,390**	**5,25,760**	**2,22,50,000**	**100.00**	**2,19,51,495**	**3,74,005**	**2,23,25,500**	**100.00**	**-**

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares for FV of ` 2 each	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares for FV of ` 2 each	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Sudhir Jatia	1,05,87,500	47.58	-	1,05,87,500	47.42	-	(0.16)
2.	Safari Investments Pvt Ltd	22,73,465	10.22	-	22,73,465	10.18	-	(0.04)
	Total	**1,28,60,965**	**57.80**	**-**	**1,28,60,965**	**57.61**	**-**	**(0.19)**

iii) Change in Promoters' Shareholding:

Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Mr. Sudhir Jatia				
At the beginning of the year	1,05,87,500	47.58		
Date wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (eg allotment / Allotment of shares upon exercise of conversion ransfer / bonus / sweat equity etc.):	-	-	1,05,87,500	47.42
At the end of the year	**1,05,87,500**	**47.42**	**-**	**-**
Safari Investments Private Limited				
At the beginning of the year	22,73,465	10.22		
Date wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (eg allotment / Allotment of shares upon exercise of conversion transfer / bonus / sweat equity etc.):	-	-	22,73,465	10.18
At the end of the year	**22,73,465**	**10.18**	**-**	**-**

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

iv) Shareholding pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs):

Sr. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Tano India Pvt Equity Fund II**				
	At the beginning of the year	31,50,000	14.16	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.) 04 / 05 / 2018 (sell) 11 / 05 / 2018 (sell) 27 / 07 / 2018 (sell)	- (5,000) (20,000) (4,10,000)	- 0.02 0.09 1.84	- 31,45,000 31,25,000 27,15,000	- 14.13 14.04 12.18
	At the end of the year (or on the date of separation, if separated during the year)	27,15,000	12.16		
2.	**Malabar India Fund Limited**				
	At the beginning of the year	19,01,743	8.55	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)	-	-	19,01,743	8.52
	At the end of the year (or on the date of separation, if separated during the year)	19,01,743	8.52		
3.	**Central Park Securities Holding Pvt. Ltd.**				
	At the beginning of the year	4,17,035	1.87	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)	-	-	4,17,035	1.87
	At the end of the year (or on the date of separation, if separated during the year)	4,17,035	1.87		

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Sr. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4.	**Malabar Value Fund**				
	At the beginning of the year	4,05,027	1.82	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg. allotment / transfer / bonus / sweat equity etc.) 31 / 08 / 2018 (sell) 01 / 02 / 2019 (sell)	 (4,050) (2,804)	 0.02 0.01	 4,00,977 4,03,781	 1.81 1.81
	At the end of the year (or on the date of separation, if separated during the year)	4,03,781	1.81		
5.	**Investor Education and Protection Fund**				
	At the beginning of the year	3,01,600	1.36	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.) 05 / 10 / 2018 (transfer)	23,250	0.10	3,24,850	1.46
	At the end of the year (or on the date of separation, if separated during the year)	3,24,850	1.46		
6.	**Rohinton Soli Screwvala**				
	At the beginning of the year	2,94,644	1.32	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)	-	-	2,94,644	1.32
	At the end of the year (or on the date of separation, if separated during the year)	2,94,644	1.32		
7.	**White Oak India Equity Fund**				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.) 03 / 08 / 2018 (buy) 19 / 10 / 2018 (sell)	 1,54,250 (33,310)	 0.69 0.15	 1,54,250 1,20,940	 0.69 0.54
	At the end of the year (or on the date of separation, if separated during the year)	1,20,940	0.54		

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Sr. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8.	**Anjali Bansal**				
	At the beginning of the year	1,36,696	0.61	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)				
	30 / 11 / 2018 (sell)	(1,342)	0.01	1,35,354	0.61
	07 / 12 / 2018 (sell)	(18,352)	0.08	1,17,002	0.52
	14 / 12 / 2018 (sell)	(1,500)	0.01	1,15,502	0.52
	21 / 12 / 2018 (sell)	(10,000)	0.04	1,05,502	0.47
	18 / 01 / 2019 (sell)	(3,304)	0.01	1,02,198	0.46
	08 / 02 / 2019 (sell)	(5,641)	0.03	96,557	0.43
	At the end of the year (or on the date of separation, if separated during the year)	96,557	0.43		
9.	**India Acorn Fund Ltd**				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)				
	03 / 08 / 2018 (buy)	1,31,250	0.59	1,31,250	0.59
	19 / 10 / 2018 (sell)	(16,080)	0.07	1,15,170	0.52
	At the end of the year (or on the date of separation, if separated during the year)	1,15,170	0.52		
10.	**Jatinder Agarwal**				
	At the beginning of the year	128500	0.58	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)				
	06 / 08 / 2018 (sell)	(424)	0.00	1,28,076	0.57
	10 / 08 / 2018 (sell)	(3,076)	0.01	1,25,000	0.56
	At the end of the year (or on the date of separation, if separated during the year)	1,25,000	0.56		

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

v) Shareholding of Directors and Key Managerial Personnel:

Except for Mr. Sudhir Jatia, Chairman & Managing Director, and Mr. Vineet Poddar, Chief Financial Officer, none of the other Directors or Key Managerial Personnel hold shares in the Company. Details of Mr. Sudhir Jatia and Mr. Vineet Poddar's shareholding are as follows:

Sr. No.	For Each of the Directors & Key managerial personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
A	**Mr. Sudhir Jatia - Chairman & Managing Director**				
	At the beginning of the year	1,05,87,500	47.58		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)	-	-	1,05,87,500	47.42
	At the end of the year	1,05,87,500	47.42		
B	**Mr. Vineet Poddar - Chief Financial Officer**				
	At the beginning of the year	-	-		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.) ESOP Allotment on 21st May 2018	12,000	0.05	12,000	0.05
	At the end of the year	12,000	0.05		

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

V. INDEBTEDNESS

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

(` in lakhs)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	5,500.16	-	-	5,500.16
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	20.08	-	-	20.08
Total (i +ii+ iii)	**5,520.24**	**-**	**-**	**5,520.24**
Change in indebtedness during the financial year				
Addition	3,973.49	1,001.52	-	4,975.01
Reduction	60.80	-	-	60.80
Net change	**3,912.69**	**1,001.52**	**-**	**4,914.21**
Indebtedness at the end of the financial year				
i. Principal Amount	9,422.83	1,000.00	-	10,422.83
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	10.10	1.52	-	11.62
Total (i +ii+ iii)	**9,432.93**	**1,001.52**	**-**	**10,434.45**

VI. REMUNERATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL

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

(` in lakhs)

Sr. No.	Particulars of Remuneration	Sudhir Jatia Managing Director
1.	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	71.80
	b) Value of perquisites u / s 17(2) of the Income Tax Act, 1961	5.32
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--
2.	Stock Option	–
3.	Sweat Equity	–
4.	Commission	–
	As % of profit (Performance Linked Pay)	20.00*
	Others, specify	–
5.	Others	
	Provident Fund	8.51
	Total (A)	105.63
	Ceiling as per the Act**	205.30

* *Commission to Chairman and Managing Director will be paid after the financial statements are approved by the members at the ensuing Annual General Meeting*

** *Being 5% of the net profit of the Company as calculated as per Section 198 of the Companies Act, 2013*

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

B. Remuneration to other Directors:

(` in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	**Independent Directors**	**Dr. Shailesh Mehta**	**Mr. Punkajj Lath**	**Mr. Dalip Sehgal**	**Mrs. Vijaya Sampath**	**Mr. Rahul Kanodia**	
	Fee for attending Board Committee meetings	2.30	1.90	2.00	1.80	0.60	8.60
	Commission*	6.60	4.85	5.40	5.40	1.50	23.75
	Others, please specify	–	–	–	–	–	–
	Total (1)	**8.90**	**6.75**	**7.40**	**7.20**	**2.10**	**32.35**
2	**Other Non-Executive Directors**	**Mr. Anujj Patodia**	**Mr. Piyush Goenka****				
	Fee for attending Board Committee meetings	0.30	1.20				1.50
	Commission*	0.75	–				0.75
	Others, please specify	–	–	–	–	–	–
	Total (2)	**1.05**	**1.20**				**2.25**
	Total B= (1+2)						**34.60**
	Ceiling as per the Act***						**41.06**
	Total Managerial Remuneration						**140.23**
	Overall ceiling as per the Act****						**451.66**

**Commission to Non-Executive Directors will be paid after the financial statements are approved by the members at the ensuing Annual General Meeting*

*** Mr. Piyush Goenka has waived off his entitlement to receive commission.*

**** Being 1% of the net profit as calculated as per Section 198 of the Company's Act, 2013*

***** Being 11% of the net profit as calculated as per Section 198 of the Company's Act, 2013*

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(` in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	**Company Secretary**	**Total**
		Vineet Poddar	**Rameez Shaikh**	
1.	Gross Salary			
	a Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	78.71	13.99	92.70
	b Value of perquisites u / s 17(2) of the Income Tax Act, 1961	0.40	0.32	0.72
	c Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--
2.	Stock Option	50.40	--	50.40
3.	Sweat Equity	--	--	–
4.	Commission			
	As % of profit	--	--	--
	Others, specify	–	--	--
5.	Others			
	Provident Fund	4.41	1.02	5.43
	Total	**133.92**	**15.33**	**149.25**

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

VII. Penalties/Punishment/Compounding of Offences:

No penalties or punishments were imposed on the Company or any of the Directors, Officers in default and neither were the Company, its Directors or any of its Officers in default, required to file for compounding of any offence.

ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

Place: Mumbai
Date: 13th May 2019

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure G

Statement on Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

(A) CONSERVATION OF ENERGY :

i. The steps taken or impact on conservation of energy:
   - Extruder and Thermoforming machines: Modification done to automise certain activities, leading to savings in power consumption.
   - Air compressor: Optimization of compressed air utilization resulted into better productivity at lower cost.
   - Different process optimizations / process improvements has given significant energy units saving.

ii. The steps taken by the company for utilizing alternate sources of energy: No such steps were taken during the year under review.

iii. Capital Investment on energy conservation equipment: No significant investments were made during the year under review.

(B) TECHNOLOGY ABSORPTION :

i. Efforts made in technology absorption:
   - Productivity and quality improvement, coupled with cost benefits, achieved in film ranges through better technology / Technology improvements.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution :
   - Alternate vendor development for number of components resulting into cost savings.
   - Implementation of Value engineering projects for certain components resulted into better quality, productivity and cost benefits.
   - Import substitute: Certain components developed in India leading to reduced lead time, reduced currency risks and cost savings.

iii. In case of imported technology (imported during the last three years reckoned form the beginning of the financial year): Not Applicable

iv. The expenditure incurred on Research and Development: Nil

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange used - ` 30,178.16 lakhs
Foreign exchange earned - Nil

ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

Place: Mumbai
Date: 13th May 2019

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure H
Management Discussion and Analysis

A. Industry Structure and Developments

The organised sector grew strongly during the year. This was driven by the continued shift of consumer preference from unbranded to branded products. Other structural factors driving industry growth continued such as accelerated growth in air travel, wedding season based purchasing, shortening replacement cycle and overall GDP growth.

Strong growth in the Hypermarket channel was driven by both organic and inorganic expansion in the sector via new stores and geographies. E-commerce channel continued to grow strongly with increasing digital penetration and increasing shopper maturity to make higher ticket purchases online. Good growth was seen across general trade channel, but the growth in retail channel was muted due to pressure from other channels. Canteen Stores Department is the only channel that did not witness growth during the year.

India was the fastest growing domestic air travel market globally in 2018, with 18.6% growth in the year compared to 17.3% growth in the previous year (2017). While there is a temporary drop in travel growth that is expected due to reduction in seat capacity in the airline industry, the overall outlook for the Travel & Tourism sector remains robust.

Company Development:

The Company witnessed a good growth in total revenue during the year under review, as it continues to develop into a well-diversified multi-brand, multi-channel and multi-category business. Company offers competitive & innovative range across all product categories designed specifically for the tastes and preferences of its target consumers.

Company continued its focus on building the Safari brand via launches of innovative new products and a new advertising campaign to drive visibility. The Magnum brand was strengthened with a larger product portfolio and wider channel availability.

The Genius & Genie brands that cater to teenagers & young adults segment, grew well in both the Backpack category and the newly introduced Fashion Bags category. This is in line with the company's strategic intent of addressing the complete short-haul needs of the target consumers.

The Company continued its thrust on polycarbonate and backpack product categories. It increased its polycarbonate ranges especially for the E-commerce and Hypermarkets to drive strong share growth in these high growth channels. Further, it launched a fresh new range of backpacks with a significant upgradation in terms of features, design and price. The range included several new to market concepts and was very well received across the channels and consumers.

The Company significantly increased its presence in the E-commerce and Hypermarkets with focussed marketing activities in the top E-Commerce horizontal platforms and Hypermarket chains. The Company also operates from more than 50 exclusive retail stores.

B. Opportunities and Threats

Imported Soft luggage and Backpacks are a major contributor to the sales of the Company. During the year, there was increased upwards pressure on buying costs of imported products from China due to increase in import duty and adverse exchange rate movements. The Company has started hedging its foreign exchange exposure to mitigate its risk arising out of foreign exchange fluctuations. The Company continues to leverage its increasing scale to limit sourcing cost increases. The Company is also increasing its domestic procurement of Soft luggage and Backpack categories, apart from scaling up the revenue mix from Polycarbonate Uprights produced at its plant in Halol, Gujarat.

Given rising competitive intensity, fast shifting consumer preferences and changing channel dynamics with the emergence of new age channels, to continue to outperform the market growth in the coming years is the biggest challenge. The Company's linear structure facilitates faster and better decision making which allows the Company to grab opportunities in time.

The key opportunities lie in driving strong share growth in high growth channels, to tap into the opportunities thrown open by the fast changing channel dynamics. There is an accelerating consumer shift towards E-Commerce and Hypermarkets and the Company has increased its presence and investments on these platforms. In addition, the company has launched an e-commerce enabled website of the Company viz. www.safaribags.com

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

C. Segment / Product-wise Performance

Major growth was observed in Polycarbonate Uprights, due to shifting consumer preference from Soft Luggage to more durable and premium looking hard luggage. The Company is prepared to participate and accelerate this consumer shift by introducing a wider range of Polycarbonate Uprights across all channels.

The company has also delivered strong growth in the Backpack category with a multi-brand approach including Safari, Genius and Genie, that ensures that all major demographic segments have a relevant offer.

Traditional hard luggage, made of polypropylene and two wheeled luggage are now negligible. This shift is due to change in consumer preferences towards the convenience of light and four wheeled travel products and moving away from heavier products that are difficult to navigate.

D. Outlook

Despite this competitive environment, the Company has strengthened its position in the travel lifestyle market place and is confident to grow faster than the market growth. The revenue is likely to keep growing at a steady rate due to new and better product offerings, wide spread distribution network and investments in brand building. The Company has started driving visibility for its largest brand Safari through media investments, it intends to build sustainable brand strength as a key long term driver of growth.

To meet the overall growth objectives, the Company is making significant investment to upgrade and increase its manufacturing capacity of polycarbonate luggage at its Halol Plant. The Company has increased its warehousing space by setting up two Modern Regional Distribution Centre (RDC) at Mumbai and Gurgaon. It continues to diversify its product offering with high quality, durability, functionality and innovative designs of its products across a broad range of price points and product categories. The Company is reaping benefits of implementing SAP system which has positive impact on operations and value chain. The Company have also undertaken various infrastructure improvement initiatives to lay the foundations for long term growth and take our business to next level.

However, the margins may continue to experience pressure on account of intense competition, advertisement spends, upward pressure on buying costs due to currency exchange rates and import duty, etc. To pass on these cost escalations, the company took a price increase for its certain products last year. Considering the threats, opportunities and the strengths of the Company, the key task at hand will be to make the most of the category and channel growth across all price segments and maintain margins to the best possible level without affecting volume growth. The Company will try to pass on some cost escalations through price increases and better price negotiations on purchase side.

Considering the above, the outlook for the current year looks bright, except for unfavorable impact or potential disruption, if any, on account of increasing cost, rupee depreciation, weaker consumer sentiment or other unforeseen circumstances.

E. Risks and Concerns

The Company is exposed to various risks and uncertainties which may adversely impact the Company's performance. The Company's future growth prospects and cash flow generation could be materially impacted by any of these risks or opportunities. The major risks as identified by the Company are overdependence on China for purchase of soft luggage, currency risk associated with imports, unfair competition etc.

The Company follows the Enterprise Risk Management (ERM) framework to manage and mitigate such risks which is primarily based on the integrated framework for enterprise risk management and internal controls developed by the Company.

F Internal Control Systems

M / s. Moore Stephens Singhi Advisors LLP, were appointed as the Internal Auditors of the Company to review internal controls periodically with specific reference to evaluation of the current business processes, identify gaps, inefficiencies, process exceptions and suggest action plans, verify adherence to risk mitigation plans, to review sourcing and supply chain management, plant operations / effectiveness, sales planning and distribution channels, branches of the Company, warehouse and retail operations, to provide assurance regarding various compliances by assessing the reliability of financial controls and IT controls and compliance with applicable laws and regulations. The Company has a regular check on expenses including capital expenditure. The Company has documented policies and SOPs with regards to all major activities. The Internal Auditors submit their reports to the Audit Committee quarterly. The management considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Auditors and the Audit Committee of the Company. Significant policies with changes during the year, if any, have been disclosed in the notes to the financial statement.

G Financial Performance

Sales:

The Revenue from Operations and Other Income of the Company for the year ended 31st March 2019 was at ` 573.93 Crore (Previous Year ` 420.58 Crore).

Expenditure:

The Company continued to exercise cost control by effectively implementing various cost management initiatives.

Profit:

Profit after Tax for the year under review amounted to ` 26.54 Crore (Previous Year ` 20.91 Crore).

H Human Resource Development & Industrial Relations

A note on Human Resource is provided in the Directors' Report. The Company has in place ESOP Scheme to retain and attract skilled and experienced personnel. Required talent was made available by Human Resource Department to various functions on time. Also based on well-defined training process, the Company identified the needs of training and required training was imparted to employees to improve their efficiencies and capabilities. During the year Industrial Relations remained cordial.

The employee strength as on 31st March 2019 was 1355.

I Financial ratios

Sr. No.	Particulars	2018-19	2017-18
i.	Debtors Turnover (days)	**76**	68
ii.	Inventory Turnover (days)	**98**	94
iii.	Interest Coverage Ratio	**10.07**	12.56
iv.	Current Ratio	**1.91**	2.39
v.	Debt Equity Ratio *	**0.52**	0.32
vi.	Operating Profit Margin (%)	**7.87%**	8.69%
vii.	Net Profit Margin (%)	**4.71%**	5.09%

* *Total debt of the Company has increased to fund its working capital requirement and growth plans.*

J Return on net worth

Financial Year	2018-19	2017-18
Return on net worth (%)	**14.50%**	15.53%

ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

Place: Mumbai
Date: 13th May 2019

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure I

Report on CSR Activities of the Company as per Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

   The CSR Policy adopted by the Company includes all the activities which are prescribed under Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy of the Company can be viewed on website of the Company at https: / / www.safaribags.com / investors-relations / policies /

2. The Composition of the CSR Committee:

Name of Member	**Category**
Mr. Sudhir Jatia	Chairman
Mrs. Vijaya Sampath	Member
Mr. Piyush Goenka	Member

3. Average net profit of the Company for last three financial years: ` 2,004.17 lakhs
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ` 40.08 lakhs
5. Details of CSR spent during the financial year.
   (a) Total amount to be spent for the financial year: ` 40.40 lakhs
   (b) Amount unspent, if any: Nil
   (c) Manner in which the amount spent during the financial year is detailed below. **(` in lakhs)**

Sr No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or 2) Specify the State and projects or programs was undertaken	Amount outlay (budget project or programme 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.	Tata Memorial Hospital for • Cancer care and treatment • Donation of i-STAT Alinity Machine and hiring manpower for home based palliative care services	Health Care	1) Mumbai - 2) Maharashtra	20.00	` 20.00	` 20.00	Through imple-menting agency
2.	Rotary Club of Bombay for Cancer detection camps	Health Care	1) Mumbai- 2) Maharashtra	12.50	` 12.50	` 12.50	Through implementing agency
3.	Goonj for supporting Kerala rehabilitation	Eradicating Hunger	Kerala	5.00	` 5.00	` 5.00	Through imple-menting agency

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

(` in lakhs)

Sr No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or 2) Specify the State and projects or programs was undertaken	Amount outlay (budget project or programme 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
4.	Ramana's Seva Samiti for building a new home for the rag-picker and slum girls	Setting up homes and hostels for women	1) Dehradun 2) Uttarakhand	2.90	` 2.90	` 2.90	Through implementing agency
	Total			**40.40**	**` 40.40**	**` 40.40**	

6. Reasons for not spending the amount: Not Applicable
7. Responsibility Statement: We hereby confirm that the CSR policy as approved by the Board has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with the CSR objectives.

ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

Place: Mumbai
Date: 13th May 2019

SUDHIR JATIA
Chairman & Managing Director
& Chairman of CSR Committee
DIN: 00031969

Contents of CSR Policy:

The following are the areas of emphasis for CSR activities under the CSR policy:

a) Providing facilities to communities and other sections of the society located near to the Company's Plant - Halol - Gujarat in the form of primary health care support and sanitation, promoting education especially among children, women, senior citizen;

b) Eradicating hunger, poverty and malnutrition, promoting health care including preventinve health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

c) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

d) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

e) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

f) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

g) Measures for the benefit of armed forces veterans, war widows and their dependents;

h) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;

i) Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

j) Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt;

k) Rural development projects;

l) Slum Area Development;

m) Such other activity as the Board may consider appropriate which is in line with Schedule VII of the Companies Act, 2013 as amended from time to time.

INDEPENDENT AUDITORS' REPORT

To,
The Members,
SAFARI INDUSTRIES (INDIA) LIMITED.

Opinion

We have audited the standalone financial statements of **Safari Industries (India) Limited** ("the Company"), which comprise of Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and profits, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's response
Allowance for sales returns The Company sells its products through various channels like retailers, institutions, modern trade etc. The Company makes the allowance for sales returns based on the past experience in various channels and determines the quantum of allowance which requires significant estimation and judgment. In view of the above, the matter has been determined to be a key audit matter.	**Audit procedures performed :** • Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing for sales returns. We also performed sufficient test of details as a part of our audit. • Ensured the completeness of liability recognized by evaluating the actual returns in the past. • We have also assessed the reasonableness of the estimates and judgment applied to determine the quantum of the allowance. The combination of these tests of controls and procedures performed, gave us a sufficient evidence to rely on the assessment made by the management in respect of allowance for sales returns.

Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

INDEPENDENT AUDITORS' REPORT

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

IIn connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we required to report that fact. We have nothing to report in this regard.

Management responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance(including other comprehensive income), changes in equity 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. This responsibility also includes 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; 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.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

INDEPENDENT AUDITORS' REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of ant identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

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 and records.

(c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows 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 (Account) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on records by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.

INDEPENDENT AUDITORS' REPORT

(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 the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No.- 34 to the standalone financial statements.

ii. The Company 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 Company.

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)

R. P. Baradiya
Partner
(Membership No. 044101)

Mumbai
Date : 13th May 2019

ANNEXURE A

ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGUALTORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF "THE COMPANY" FOR THE YEAR ENDED 31ST MARCH, 2019

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).

   (b) The Company has a regular programme of physical verification of its property, plant and equipment (fixed assets) by which all assets are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment (fixed assets) were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. The inventories have been physically verified by the management at reasonable intervals during the year. As per the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.

3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the investments made. The Company has not granted any loans, provided guarantees and security during the year and therefore reporting of compliance of Section 185 of the Act doesn't arise.

5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company.

6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.

7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of income tax, sales tax, goods and service tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of the dues	` in lakhs	Period to which the amount relates	Forum where dispute is pending
Gujarat Value Added Tax Act, 2003/ Central Sales Tax Act, 1956	Value Added Tax/ Central Sales Tax	200.99	2012-13	Commercial Tax Dept. Gujarat
Uttar Pradesh Value Added Tax, 2008	Value Added Tax/ Central Sales Tax	2.36	2014-15	Commercial Tax Dept. Uttar Pradesh
Uttar Pradesh Value Added Tax, 2008/ Central Sales Tax Act, 1956	Value Added Tax/ Central Sales Tax	1.32	2007-08	Commercial Tax Tribunal Uttar Pradesh

8. The Company has not defaulted in repayment of loans or borrowings to banks during the year. The Company has not taken any loans or borrowings from financial institution, government and debenture holders during the year.

9. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised. The Company has not raised any money by way of Initial public offer or further public offer (Including debt instrument) during the year.

10. 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 fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

11. According to the information and explanations given to us and based on examination of records of the Company, managerial remuneration has been paid or provided for during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. During the course of our examination of the books of accounts and other 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, all transactions with the related party are in compliance with Section 177 and 188 of the Act and the details have been disclosed as required by the applicable Ind AS in Note 36 to the Standalone Financial Statements.

14. The Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures referred to in Section 42 of the Act during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.

16. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)

Mumbai
Date : 13th May 2019

R. P. Baradiya
Partner
(Membership No. 044101)

ANNEXURE B

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

We have audited the internal financial controls over financial reporting of **Safari Industries (India) Limited** ("the Company") as of 31st March, 2019 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 Act.

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 Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has broadly, 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, 2019, 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 **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)

Mumbai
Date : 13th May 2019

R. P. Baradiya
Partner
(Membership No. 044101)

STANDALONE FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH 2019

` in lakhs

	Note no.	As at 31st March 2019	As at 31st March 2018
Assets			
Non-current assets			
Property, plant & equipment	3	**2,591.48**	2,691.75
Capital work-in-progress	5	**-**	1.12
Intangible assets	4	**302.81**	455.08
Intangible assets under development	5	**-**	14.74
Financial assets			
Investments	6	**5.00**	5.00
Other financial assets	7	**448.51**	487.17
Deferred tax assets (net)	28	**47.14**	-
Income tax assets (net)		**120.75**	-
Other non-current assets	8	**284.96**	21.06
Total non-current assets		**3,800.65**	3,675.92
Current assets			
Inventories	9	**18,582.32**	12,210.85
Financial assets			
Trade receivables	10	**14,108.41**	9,787.26
Cash and cash equivalents	11	**37.22**	47.95
Other bank balances	12	**32.11**	230.82
Other financial assets	7	**133.39**	171.54
Other current assets	8	**1,452.74**	1,291.21
Total current assets		**34,346.19**	23,739.63
Total assets		**38,146.84**	27,415.55
Equity and liabilities			
Equity			
Equity share capital	13	**446.51**	445.00
Other equity	14	**19,547.92**	16,800.34
Total equity		**19,994.43**	17,245.34
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	**142.76**	197.94
Deferred tax liabilities (net)	28	**-**	42.73
Total non-current liabilities		**142.76**	240.67
Current liabilities			
Financial liabilities			
Borrowings	15	**10,212.35**	5,242.87
Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		**248.18**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		**7,043.02**	4,111.59
Other financial liabilities	18	**131.81**	105.96
Other current liabilities	19	**219.34**	177.09
Provisions	16	**154.95**	188.91
Current tax liabilities (net)	20	**-**	103.12
Total current liabilities		**18,009.65**	9,929.54
Total equity and liabilities		**38,146.84**	27,415.55

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2019

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

` in lakhs

	Note no.	Year Ended 31st March 2019	Year Ended 31st March 2018
Income			
Revenue from operations	21	**57,262.96**	41,963.64
Other income	22	**130.53**	94.16
Total income		**57,393.49**	42,057.80
Expenses			
Cost of materials consumed	23	**7,254.32**	4,154.25
Purchases of stock-in-trade		**32,342.14**	20,310.38
Changes in inventories of work-in-progress, finished goods and stock-in-trade	24	**(6,209.39)**	(1,902.28)
Excise duty		-	272.33
Employee benefits expense	25	**6,539.00**	5,298.84
Finance costs	26	**447.42**	288.61
Depreciation and amortisation expense	3,4	**815.08**	612.80
Other expenses	27	**12,145.08**	9,687.95
Total expenses		**53,333.65**	38,722.88
Profit before tax		**4,059.84**	3,334.92
Tax expense			
Current tax	28	**1,495.32**	1,194.07
Deferred tax	28	**(89.87)**	11.84
Tax for earlier years		**(43.64)**	8.06
		1,361.81	1,213.97
Profit for the year		**2,698.03**	2,120.95
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain / (loss) on defined benefit plan		**(68.84)**	(45.54)
Tax relating to these items		**24.93**	15.95
		(43.91)	(29.59)
Total comprehensive income for the year		**2,654.12**	2,091.36
Earnings per share	33		
Basic earnings per share		**12.10**	9.92
Diluted earnings per share		**12.07**	9.89
(Face value of ` 2 each)			

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2019

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019

` in lakhs

	Year Ended 31st March 2019	Year Ended 31st March 2018
A. Cash flow from operating activities		
Profit before tax	**4,059.84**	3,334.92
Adjustments for :		
Depreciation and amortisation expense	**815.08**	612.80
Finance costs	**447.42**	288.61
Interest income	**(54.52)**	(35.81)
Gain on sale of investments classified as FVTPL	**-**	(13.61)
Loss on disposal of property, plant and equipment (net)	**46.36**	33.02
Deposits / other amounts (written back) / written off (net)	**(25.65)**	37.86
Unrealised exchange fluctuation (gain) / loss	**(30.51)**	36.02
Share based payments to employees	**86.35**	88.42
Bad debts written off / provision for doubtful debts	**50.84**	17.61
Operating profit before working capital changes	**5,395.21**	4,399.84
Adjustments for :		
Changes in working capital		
Increase in inventories	**(6,371.45)**	(2,840.25)
Increase in trade receivables	**(4,372.00)**	(3,968.05)
Increase in other bank balances	**(0.21)**	(1.90)
Decrease in other financial assets	**76.02**	289.85
Increase in other assets	**(158.47)**	(620.67)
Increase / (decrease) in trade payables	**3,228.71**	(645.92)
Increase / (decrease) in other financials liabilities	**25.73**	(152.03)
Increase / (decrease) in provisions	**(102.80)**	72.09
Increase / (decrease) in other current liabilities	**42.25**	(206.02)
Cash used in operations	**(2,237.01)**	(3,673.06)
Direct taxes paid	**(1,650.62)**	(1,131.48)
Net cash used in operating activities	**(3,887.63)**	(4,804.54)

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019

` in lakhs

	Year Ended 31st March 2019	Year Ended 31st March 2018
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital advances)	**(874.67)**	(1,540.51)
Disposal of property, plant and equipment	**14.66**	164.91
Proceeds from maturity of fixed deposits	**198.92**	56.13
Gain on sale of investments classified as FVTPL	**-**	13.61
Interest received	**55.31**	35.81
Net cash used in investing activities	**(605.78)**	(1,270.05)
C. Cash flow from financing activities		
Proceeds from shares issued on ESOP	**143.00**	-
Proceeds from shares issued on preferential basis (net of share issue expenses)	-	5,072.88
Proceeds from long term borrowings	**12.57**	238.23
Repayment of long term borrowings	**(59.38)**	(423.65)
Proceeds from short term borrowings (net)	**4,976.54**	1,418.65
Finance costs	**(455.88)**	(285.87)
Dividend paid (including corporate dividend tax)	**(134.17)**	(98.00)
Net cash generated from financing activities	**4,482.68**	5,922.24
Net decrease in cash and cash equivalents	**(10.73)**	(152.35)
Opening cash and cash equivalents	**47.95**	200.30
Closing cash and cash equivalents (refer note - 11)	**37.22**	47.95

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2019

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

` in lakhs

Equity share capital :	Balance as at 1st April 2017	Changes in equity share capital during the year 2017-18	Balance as at 31st March 2018	Changes in equity share capital during the year 2018-19	Balance as at 31st March 2019
Paid up capital (refer note 13)	415.00	30.00	445.00	1.51	446.51

Other equity :	Reserves and surplus					Items of other comprehensive income	Total
Particulars	Capital Reserve	Securities Premium	General Reserve	Equity settled share based payment reserve	Retained Earnings	Actuarial gain/(loss) on defined benefit liabilities/ (assets)	
Balance as at 1st April 2017	**11.18**	**6,768.42**	**618.80**	**23.69**	**2,300.55**	**(45.05)**	**9,677.58**
Profit for the year	-	-	-	-	2,120.95	-	2,120.95
Other comprehensive income for the year	-	-	-	-	-	(29.59)	(29.59)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**2,120.95**	**(29.59)**	**2,091.36**
On shares issued on preferential basis (net of issue expenses of ` 27.12 lakhs)	-	5,042.88	-	-	-	-	5,042.88
Dividends (including corporate dividend tax)	-	-	-	-	(99.90)	-	(99.90)
Transfer from statement of profit and loss	-	-	-	88.42	-	-	88.42
Balance as at 31st March 2018	**11.18**	**11,811.30**	**618.80**	**112.11**	**4,321.60**	**(74.64)**	**16,800.34**
Profit for the year	-	-	-	-	2,698.03	-	2,698.03
Other comprehensive income for the year	-	-	-	-	-	(43.91)	(43.91)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**2,698.03**	**(43.91)**	**2,654.12**
On shares issued on ESOP	-	141.49	-	-	-	-	141.49
Transfer from equity settled share based payment reserve (on options excercised)	-	105.01	-	(105.01)	-	-	-
Transfer from equity settled share based payment reserve (on options lapsed / cancelled)	-	-	-	(5.22)	5.22	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.38)	-	(134.38)
Transfer from statement of profit and loss	-	-	-	86.35	-	-	86.35
Balance as at 31st March 2019	**11.18**	**12,057.80**	**618.80**	**88.23**	**6,890.47**	**(118.55)**	**19,547.92**

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2019

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

1. **Corporate information:**

   Safari Industries (India) Limited ('The Company') is a public limited company domiciled in India and is incorporated under the provision of The Companies Act applicable in India. Its shares are listed on BSE Ltd. (BSE). The Company is engaged in the manufacturing and marketing of luggage and luggage accessories.

2. **Significant accounting policies:**

2.1 Basis of preparation:

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other related provisions of the Act.

The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities(including derivative instruments)
- Share based payments
- Defined Benefit and other long term employee benefits

2.2 Use of estimates and judgements:

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

2.3 Property, plant and equipment

All the items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset. Cost also includes borrowing costs for long term construction projects if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred .

Leasehold land is stated at historical cost less amounts amortised proportionate to expired lease periods.

Capital work-in-progress and pre-operative expenses during construction period

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Depreciation method, estimated useful lives and residual value:

Depreciation is provided on the straight line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.

The range of estimated useful lives of Property, Plant and Equipments are as under:

Category	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Buildings	30 / 60 Years	30 / 60 Years
Plant & Equipment*	7 - 15 Years	7 - 15 Years
Furniture & Fixture	10 Years	2 - 10 Years
Vehicles	8 - 10 Years	8 - 10 Years
Office Equipment	3 - 5 Years	3 - 5 Years

** Useful life of Plant & Equipment is determined based on the internal assessment supported by independent technical evaluation carried out by external valuers.*

The management believes that the useful life as given above, best represents the period over which the management expects to use these assets. The Company reviews the useful lives and residual value at each reporting date.

Leasehold land and leasehold improvements are amortised over the period of lease.

Assets costing up to ` 5,000 each are depreciated fully in the year of purchase.

Depreciation on the property, plant and equipment added / disposed off / discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains / (losses).

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.4 Intangible assets

Intangible assets are held on the Balance Sheet at cost less accumulated amortisation and impairment losses. Intangible assets developed or acquired with finite useful life are amortised on straight line basis over the useful life as specified below:

Category	Estimated useful life
Trademarks	5 Years
Brands	5 Years
Computer Software	3-5 Years

2.5 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal / external factors, an asset is tested for impairment. When the carrying cost of the asset exceeds its recoverable value, an impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

2.6 Inventories:

Inventories includes Raw Material, Work-in-Progress, Finished goods, Stock-in-trade, Stores and spares and Packing Materials.

Raw material, stores and spares and packing materials are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Finished goods and work-in-progress include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials / stores are credited to the respective heads. Obsolete and defective inventory are duly provided on the basis of management estimates.

Adequate allowance is made on obsolete and slow moving items.

During the year the Company has changed method of cost determination of inventory from FIFO to weighted average basis and the impact of the change in method is not material.

2.7 Revenue recognition:

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers the existence of significant financing contracts. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Sale of goods: Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. Revenue from sale of goods is net of taxes. Revenue from sale of goods includes both manufacturing and marketing of goods.

Other Income: Dividend income on investments is recognised when the right to receive dividend is established. Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest.

Contract balances

Trade receivables: A receivable represents the Company's right to an amount of consideration under the contract with a customer that is unconditional and realizable on the due date

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

2.8 Financial instruments:

1. Financial assets

(i) Initial recognition

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

(ii) Subsequent measurement

Financial assets are subsequently classified as measured at:

(a) amortised cost

(b) fair value through profit and loss (FVTPL)

(c) fair value through other comprehensive income (FVOCI)

The above classification is being determined considering the:

(a) the entity's business model for managing the financial assets.

(b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

(a) Measured at amortised cost:

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Measured at fair value through other comprehensive income (FVOCI):

Financial assets are measured at FVOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognised in the Other Comprehensive Income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

(c) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity instruments:

On initial recognition, the Company can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in Other Comprehensive Income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in statement of profit and loss when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in statement of profit and loss are included in the 'Other income' line item.

(iii) Impairment

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable information including that which is forward looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

(iv) De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

(ii) Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Loans and borrowings:

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

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

(iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.9 Derivative financial instruments:

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in statement of profit and loss.

2.10 Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.11 Foreign currency transactions:

The Company's financial statements are presented in INR which is also its functional currency.

a) Initial recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

b) Measurement of foreign currency items at the balance sheet date

Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the balance sheet date.

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

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other comprehensive income (OCI) or statement of profit and loss are also reclassified in OCI or statement of profit and loss, respectively).

2.12 Taxes on income :

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

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary difference between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

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

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

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.13 Employee benefits:

The Company has following post-employment plans:

(a) Defined contribution plans such as Provident fund

(b) Defined benefit plans such as gratuity and

(c) Compensated Absences

a) Defined contribution plan

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined contribution plan comprise of contributions to the employees' provident fund with the government and certain state plans like Employees' State Insurance and Employees' pension scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

b) Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(ii) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Re-measurement comprising

(i) Re-measurement of Actuarial (gains) / losses

(ii) Return on plan assets, excluding amount recognised in effect of asset ceiling

(iii) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in other comprehensive income. Re-measurement are not reclassified to statement of profit and loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

c) Compensated absences

The Company's liabilities for long term compensated absences is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that gave terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

2.14 Share based payment

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

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

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.15 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee - A lease is classified at the inception date as a finance lease or an operating lease. Leases where substantial portion of risk and reward of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss.

2.16 Provisions and contingencies:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

Provisions for product warranty are recognised in the year of sale based on past experience.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.17 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet and for the purpose of statement of cash flows include cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

2.18 Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Borrowing cost :

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of cost of that assets, during the period till all the activities necessary to prepare the qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.20 Exceptional items:

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional item.

2.21 Recent accounting pronouncements:

Ind AS 116 - Leases

On 30th March 2019, Ministry of Corporate affairs have notified Ind AS 116 - "Leases". Ind As 116 will replace the existing leases standards Ind As 17 - "Leases" and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a leassee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind As 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after 1st April 2019.

Ind AS 12 -"Income taxes" - Appendix C - Uncertainty over income tax treatments

On 30th March 2019, Ministry of Corporate affairs have notified Appendix C to Ind As 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits / (loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits / (loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company is evaluating the impact of the above accounting pronouncements on its financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 3 Property, plant and equipment ` in lakhs

Particulars	Lease-hold land	Build-ings	Plant and equip-ment	Furni-ture and fixtures	Vehicles	Office equip-ment	Lease-hold improv-ements	Total
Gross carrying amount								
Balance as at 1st April 2017	**6.71**	**99.23**	**1,502.49**	**334.70**	**135.95**	**174.11**	**-**	**2,253.19**
Additions	-	-	611.20	216.37	322.36	64.06	95.78	1,309.77
Deductions/ adjustment	-	-	100.94	176.32	71.52	20.25	-	369.03
Balance as at 31st March 2018	**6.71**	**99.23**	**2,012.75**	**374.75**	**386.79**	**217.92**	**95.78**	**3,193.93**
Accumulated depreciation								
Balance as at 1st April 2017	**0.09**	**5.17**	**169.54**	**99.55**	**15.32**	**53.12**	**-**	**342.79**
Additions	0.10	6.56	256.57	113.65	33.55	50.11	1.57	462.11
Deductions/ adjustment	-	-	74.53	174.48	33.79	19.92	-	302.72
Balance as at 31st March 2018	**0.19**	**11.73**	**351.58**	**38.72**	**15.08**	**83.31**	**1.57**	**502.18**
Net carrying amount as at 31st March 2018	**6.52**	**87.50**	**1,661.17**	**336.03**	**371.71**	**134.61**	**94.21**	**2,691.75**
Gross carrying amount								
Balance as at 1st April 2018	**6.71**	**99.23**	**2,012.75**	**374.75**	**386.79**	**217.92**	**95.78**	**3,193.93**
Additions	-	-	187.95	268.40	27.70	118.96	0.95	603.96
Deductions/ adjustment	-	-	68.40	30.59	20.38	9.30	-	128.67
Balance as at 31st March 2019	**6.71**	**99.23**	**2,132.30**	**612.56**	**394.11**	**327.58**	**96.73**	**3,669.22**
Accumulated Depreciation								
Balance as at 1st April 2018	**0.19**	**11.73**	**351.58**	**38.72**	**15.08**	**83.31**	**1.57**	**502.18**
Additions	0.10	73.88	334.76	98.57	51.46	66.06	18.37	643.20
Deductions/ adjustment	-	-	34.78	19.63	4.80	8.43	-	67.64
Balance as at 31st March 2019	**0.29**	**85.61**	**651.56**	**117.66**	**61.74**	**140.94**	**19.94**	**1,077.74**
Net carrying amount as at 31st March 2019	**6.42**	**13.62**	**1,480.74**	**494.90**	**332.37**	**186.64**	**76.79**	**2,591.48**

NOTE:

1. Leasehold land is under lease arrangement for a period of 99 years commencing from 1st April 1982.
2. Refer note 38 for property, plant and equipments provided as security.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 4 Intangible assets

` in lakhs

Particulars	Trademarks	Brands	Computer software	Total
Gross carrying amount				
Balance as at 1st April 2017	**0.05**	**462.71**	**47.04**	**509.80**
Additions	-	-	185.65	185.65
Deductions/ adjustment	-	-	-	-
Balance as at 31st March 2018	**0.05**	**462.71**	**232.69**	**695.45**
Accumulated amortisation				
Balance as at 1st April 2017	**0.05**	**76.86**	**12.77**	**89.68**
Additions	-	101.92	48.77	150.69
Deductions/ adjustment	-	-	-	-
Balance as at 31st March 2018	**0.05**	**178.78**	**61.54**	**240.37**
Net carrying amount as at 31st March 2018	**-**	**283.93**	**171.15**	**455.08**
Gross carrying amount				
Balance as at 1st April 2018	**0.05**	**462.71**	**232.69**	**695.45**
Additions	-	-	19.61	19.61
Deductions/ adjustment	-	-	-	-
Balance as at 31st March 2019	**0.05**	**462.71**	**252.30**	**715.06**
Accumulated amortisation				
Balance as at 1st April 2018	**0.05**	**178.78**	**61.54**	**240.37**
Additions	-	101.92	69.96	171.88
Deductions/ adjustment	-	-	-	-
Balance as at 31st March 2019	**0.05**	**280.70**	**131.50**	**412.25**
Net carrying amount as at 31st March 2019	**-**	**182.01**	**120.80**	**302.81**

Note 5 Capital work-in-progress and intangible assets under development:

` in lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Capital work in progress (plant and equipment under installation)	-	1.12
Intangible assets under development (computer software, etc. under installation)	-	14.74

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 6 Non-current investments ` in lakhs

	Quantity (in numbers)		Amount	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Trade - unquoted - at cost				
Equity instruments - wholly owned subsidiary				
Safari Lifestyles Ltd. (Equity shares of ` 10 each - fully paid up)	**50,000**	50,000	**5.00**	5.00
	50,000	50,000	**5.00**	5.00
Aggregate value of unquoted investments			**5.00**	5.00
Aggregate amount of impairment in value of investments			**-**	-

Note 7 Other financial assets ` in lakhs

Unsecured, considered good unless otherwise stated

	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Deposits for premises & others	**448.51**	487.17	**110.95**	94.00
Loans and advances to employees	**-**	-	**14.31**	10.57
Interest accrued on fixed deposits	**-**	-	**0.19**	0.98
Insurance claim receivable	**-**	-	**-**	16.09
Derivative assets (fair valuation of forward contracts)	**-**	-	**-**	45.62
Other receivables	**-**	-	**7.94**	4.28
	448.51	487.17	**133.39**	171.54

Note 8 Other assets ` in lakhs

Unsecured, considered good unless otherwise stated

	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Capital advances	**274.05**	7.09	**-**	-
Advance to suppliers / others	**-**	-	**238.92**	58.60
Prepayments	**-**	-	**48.08**	15.29
Refunds due / balances with government authorities	**10.91**	13.97	**1,162.19**	823.82
Other receivables	**-**	-	**3.55**	393.50
	284.96	21.06	**1,452.74**	1,291.21

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 9 Inventories

` in lakhs

	As at 31st March 2019	As at 31st March 2018
Raw Materials *[including goods in transit ` 855.63 lakhs (as at 31st March 2018 ` 144.57 lakhs)]*	**1,907.28**	1,747.36
Work in progress	**137.60**	263.42
Finished goods	**1,496.27**	1,284.33
Stock in trade *[including goods in transit ` 2,528.93 lakhs (As at 31st March 2018 - ` 1,048.55 lakhs)]*	**14,976.16**	8,852.89
Stores and spares	**26.00**	16.24
Packing materials	**39.01**	46.61
	18,582.32	12,210.85

Mode of valuation : refer note 2.6

Refer note 38 for Inventories hypothecated as security against certain bank borrowings.

Note 10 Trade receivable

` in lakhs

	As at 31st March 2019	As at 31st March 2018
Unsecured		
Considered good	**14,108.41**	9,787.26
Having significant increase in credit risk	**-**	-
Credit impaired	**47.29**	-
	14,155.70	9,787.26
Less: allowances for bad and doubtful debts	**47.29**	-
	14,108.41	9,787.26

Refer note 38 for trade receivables charged against certain bank borrowings.

Refer note 30 (A) for credit terms, ageing analysis and other relevant details related to trade receivables.

Note 11 Cash and cash equivalents

` in lakhs

	As at 31st March 2019	As at 31st March 2018
Balances with banks in current accounts	**34.50**	44.39
Cash on hand	**2.72**	3.56
	37.22	47.95

Note 12 Other bank balances

` in lakhs

	As at 31st March 2019	As at 31st March 2018
In deposit accounts (pledged against bank guarantees / LCs)	**25.31**	224.23
In dividend accounts	**6.80**	6.59
	32.11	230.82

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 13 Equity share capital

	As at 31st March 2019	As at 31st March 2018
		` in lakhs
Authorised :		
2,50,00,000 (as at 31st March 2018 : 2,50,00,000) equity shares of ` 2/- each	**500.00**	500.00
2,50,00,000 (as at 31st March 2018 : 2,50,00,000) unclassified shares of ` 2/- each	**500.00**	500.00
	1,000.00	1,000.00
Issued, subscribed and paid up		
2,23,25,500 (as at 31st March 2018 : 2,22,50,000) equity shares of ` 2/- each fully paid- up	**446.51**	445.00
	446.51	445.00

The reconciliation of the number of equity shares outstanding	As at 31st March 2019		As at 31st March 2018	
	Numbers	**` in lakhs**	Numbers	` in lakhs
Equity shares at the beginning of the year (face value per share ` 2)	**22,250,000**	**445.00**	20,750,000	415.00
Add :- Shares issued on ESOP (face value per share ` 2)	**75,500**	**1.51**	-	-
Add :- Shares issued on preferential basis (face value per share ` 2)	**-**	**-**	15,00,000	30.00
Equity shares at the end of the year (refer note (b) below)	**22,325,500**	**446.51**	22,250,000	445.00

(a) Terms/rights attached to Equity shares :

1) The Company has only one class of issued equity shares having a par value of ` 2 per share. Each shareholder is eligible for one vote per share held.
2) In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
3) Of the 10,587,500 equity shares held by Mr.Sudhir Jatia, Promoter & Managing Director of the Company, 12,50,000 equity shares (shares allotted to him on conversion of the share warrants) were subject to a lock-in of 3 years upto 26th February 2019 from the date of the respective trading approvals granted by the BSE Limited, in accordance with the provisions of SEBI (Issue of Capital Disclosure Requirement) Regulations 2009.

The details of shareholders holding more than 5% shares: Name of the Shareholders	As at 31st March 2019 Numbers (face Value of ` 2 each)	% of holding	As at 31st March 2018 Numbers (face Value of ` 2 each)	% of holding
Safari Investments Private Limited	2,273,465	10.18%	2,273,465	10.22%
Sudhir Mohanlal Jatia	10,587,500	47.42%	10,587,500	47.58%
Tano India Private Equity Fund II	2,715,000	12.16%	3,150,000	14.16%
Malabar India Fund Limited	1,901,743	8.52%	1,901,743	8.55%

(b) Pursuant to the approval of the shareholders of the Company vide their resolution dated 30th August 2017, the Company had sub-divided 1 share having face value of ` 10 each fully paid-up into 5 shares having face value of ` 2 each. Accordingly, 4,150,000 shares (of ` 10 each fully paid-up) at the beginning of the previous year were sub-divided into 20,750,000 shares of ` 2 each fully paid-up. For the purpose of the sub-division, the Company had fixed 25th September 2017 as the record date (ex-date 22nd September 2017).

(c) Dividend paid and proposed: Refer note 31(b)

(d) The Company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 14 Other equity

` in lakhs

Particulars	Reserves and surplus					Items of other comprehensive income	Total
	Capital reserve	Securities premium	General reserve	Equity settled share based payment reserve	Retained earnings	Actuarial gain/(loss) on defined benefit liabilities/ (assets)	
Balance as at 1st April 2017	**11.18**	**6,768.42**	**618.80**	**23.69**	**2,300.55**	**(45.05)**	**9,677.58**
Profit for the year	-	-	-	-	2,120.95	-	2,120.95
Other comprehensive income for the year	-	-	-	-	-	(29.59)	(29.59)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**2,120.95**	**(29.59)**	**2,091.36**
On issue of shares during the year (net of issue expenses of ` 27.12 lakhs)	-	5,042.88	-	-	-	-	5,042.88
Dividends (including corporate dividend tax)	-	-	-	-	(99.90)	-	(99.90)
Transfer from statement of profit and loss	-	-	-	88.42	-	-	88.42
Balance as at 31st March 2018	**11.18**	**11,811.30**	**618.80**	**112.11**	**4,321.60**	**(74.64)**	**16,800.34**
Profit for the year	-	-	-	-	2,698.03	-	2,698.03
Other comprehensive income for the year	-	-	-	-	-	(43.91)	(43.91)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**2,698.03**	**(43.91)**	**2,654.12**
On shares issued on ESOP	-	141.49	-	-	-	-	141.49
Transfer from equity settled share based payment reserve (on options excercised)	-	105.01	-	(105.01)	-	-	-
Transfer from equity settled share based payment reserve (on options lapsed / cancelled)	-	-	-	(5.22)	5.22	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.38)	-	(134.38)
Transfer from statement of profit and loss	-	-	-	86.35	-	-	86.35
Balance as at 31st March 2019	**11.18**	**12,057.80**	**618.80**	**88.23**	**6,890.47**	**(118.55)**	**19,547.92**

Purpose of the Reserves:

1. *Capital reserve: Capital reserve represents transfers from share application money (refund) account.*
2. *Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value of option on grant date and exercise price of share is transferred from equity settled share based payment reserve to securities premium at the time of exercise of options.*
3. *General reserve: The reserve is a distributable reserve maintained by the company out of transfers made from annual profits.*
4. *Equity settled share based payment reserve: The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Equity settled share based payment reserve. The same is transferred to securities premium at the time of exercise of options or to retained earnings in the event of forfeiture, non-vesting or lapse.*
5. *Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.*

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 15 Borrowings ` in lakhs

	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Measured at amortised cost				
Secured				
From banks:				
Term loans	**106.08**	137.94	-	-
Working capital loans				
Cash credit accounts	**-**	-	**4,280.20**	661.76
Demand loans	**-**	-	**2,700.00**	500.00
Buyer's credit	**-**	-	**1,783.70**	4,081.11
Others	**-**	-	**448.45**	-
From others:				
Term loans	**36.68**	60.00	-	-
Unsecured				
From banks:				
Working capital loans	**-**	-	**1,000.00**	-
	142.76	197.94	**10,212.35**	5,242.87

Notes:

Security and terms of repayment:

1) Term loans from banks for vehicles amounting to ` 150.50 lakhs (as at 31st March 2018 ` 175.88 lakhs) including current maturities of ` 44.42 lakhs (as at 31st March 2018 ` 37.94 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 years ` 44.42 lakhs; 1-2 years ` 47.21 lakhs; 2-3 years ` 32.56 lakhs; 3-4 years ` 26.31 lakhs; >4 years ` Nil.

   These loans carry interest rate ranging from 8.00% p.a. to 10.00% p.a. (31st March 2018 8.00% p.a. to 10.00% p.a.)

2) Term loans from others for vehicles amounting to ` 59.98 lakhs (as at 31st March 2018 ` 81.41 lakhs) including current maturities of ` 23.30 lakhs (as at 31st March 2018 ` 21.41 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 years ` 23.30 lakhs; 1-2 years ` 19.21 lakhs; 2-3 years ` 9.65 lakhs; 3-4 years ` 7.82 lakhs; >4 years Rs. Nil.

   These loans carry interest rate ranging from 7.99% p.a. to 9.12% p.a. (31st March 2018 7.99% p.a. to 9.12% p.a.)

3) Working capital loans of ` 9,212.35 are secured by way of first pari-passu charge on the entire current assets of the company both present and future, pari passu charge on entire moveable property, plant and equipment (fixed assets) of the company both present and future, excluding vehicles and equitable mortgage on immovable properties situated at company's Halol plant.

4) Also, refer note 38 for details of assets provided as security.

Note 16 Provisions ` in lakhs

	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits (refer note 32)	**154.95**	188.91
Total	**154.95**	188.91

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 17 Trade payables

` in lakhs

	As at 31st March 2019	As at 31st March 2018
Total outstanding dues of micro enterprises and small enterprises	**248.18**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	**7,043.02**	4,111.59
	7,291.20	4,111.59

Note:

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("the Act") is based on the information available with the company regarding the status of registration of such vendors under the Act, as per the intimation received from them on request made by the company.

` in lakhs

	As at 31st March 2019	As at 31st March 2018
1) The principal amount remaining unpaid to supplier as at the end of the accounting year	248.18	-
2) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
3) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
4) The amount of interest due and payable for the year	-	-
5) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
6) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note 18 Other financial liabilities

` in lakhs

	As at 31st March 2019	As at 31st March 2018
Current maturities of long-term debt (refer note 15)	**67.72**	59.35
Interest accrued but not due on borrowings	**11.62**	20.08
Unpaid dividend (refer note below)	**6.80**	6.59
Derivative liabilities (fair valuation of forward contracts)	**37.36**	-
Other payables	**8.31**	19.94
	131.81	105.96

There are no amounts due for the payment to Investor Education & Protection Fund, under Section 125 of the Companies Act, 2013 as at end of the year

Note 19 Other current liabilities

` in lakhs

	As at 31st March 2019	As at 31st March 2018
Advances received from customers	**-**	8.98
Statutory dues	**185.51**	137.27
Others	**33.83**	30.84
	219.34	177.09

Note 20 Current tax liabilities (net)

` in lakhs

	As at 31st March 2019	As at 31st March 2018
Provision for income tax *(Net of advance tax at 31st March 2018 ` 1,075.00 lakhs)*	**-**	103.12
	-	103.12

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 21 Revenue from operations

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Sale of products (including excise duty of ` Nil) (previous year ` 272.33 lakhs) - *refer note 43*	**57,162.21**	41,913.31
Other operating revenues		
Sale of scrap	**100.75**	50.33
	57,262.96	41,963.64

Note 22 Other income

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Interest income		
Fixed deposits	**7.04**	19.69
Current investments	**-**	15.96
Others	**47.48**	0.16
Other income		
Electricity duty refund	**41.87**	35.29
Gain on sale of investments classified as FVTPL	**-**	13.61
Amounts written back (net)	**25.65**	-
Miscellaneous income	**8.49**	9.45
	130.53	94.16

Note 23 Cost of materials consumed

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Raw materials		
Opening stock	**1,747.36**	842.55
Purchases	**6,964.73**	4,775.76
Sub-total	**8,712.09**	5,618.31
Sales	**-**	(0.81)
Closing stock	**(1,907.28)**	(1,747.36)
Sub-total	**6,804.81**	3,870.14
Processing charges, etc.	**98.83**	136.01
Raw materials consumed	**6,903.64**	4,006.15
Packing materials consumed	**350.68**	148.10
	7,254.32	4,154.25

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 24 Changes in inventories of work-in-progress, finished goods and stock in trade*

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Inventories at the beginning of the year		
Work-in-progress	**263.42**	2.54
Finished goods	**1,284.33**	1,580.39
Stock-in-trade	**8,852.89**	6,915.43
	10,400.64	8,498.36
Inventories at the end of the year		
Work-in-progress	137.60	263.42
Finished goods	1,496.27	1,284.33
Stock-in-trade	14,976.16	8,852.89
	16,610.03	10,400.64
Total Changs in inventories	**(6,209.39)**	(1,902.28)

Note 25 Employee benefits expense

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Salaries and wages	**5,859.01**	4,761.20
Contribution to provident and other funds	**382.31**	297.03
Share based payments (refer note 40)	**86.35**	88.42
Staff welfare expenses	**211.33**	152.19
	6,539.00	5,298.84

Note 26 Finance costs

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Interest expense	**369.25**	188.59
Other borrowing costs	**78.17**	100.02
	447.42	288.61

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 27 Other expenses

	` in lakhs **Year ended 31st March 2019**	Year ended 31st March 2018
Consumption of stores and spares	**8.57**	15.35
Consumption of packing materials - trading	**364.37**	325.28
Power and fuel	**354.59**	204.20
Repairs and maintenance		
Building	**34.97**	32.05
Plant and equipment	**48.94**	24.34
Others	**167.34**	167.51
Rent	**1,388.09**	1,088.54
Rates and taxes, excluding tax on income	**99.33**	121.97
Insurance	**35.01**	23.12
Postage, telegram and telephone expenses	**157.69**	137.58
Legal and professional fees	**422.47**	318.86
Deposits / other amounts written off (net)	**-**	37.86
Freight, handling & octroi	**2,991.20**	2,607.68
Contractual labour	**2,335.10**	1,925.40
Travelling and conveyance	**1,033.47**	1,009.06
Advertisement and sales promotion	**1,879.32**	1,020.34
Royalty expense	**30.72**	41.58
Bad debts written off	**3.54**	17.60
Provision for doubtful debts	**47.30**	-
Loss on disposal of property, plant and equipment (net)	**46.36**	33.02
Director's sitting fees	**10.10**	10.89
Commission to non executive directors	**24.50**	-
Corporate social responsibility expenditure (refer note 41)	**40.40**	24.04
Foreign exchange loss / MTM loss (net)	**209.18**	20.76
Miscellaneous expenditure	**412.52**	480.92
	12,145.08	9,687.95

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 28 Income taxes

		` in lakhs
	Year ended 31st March 2019	Year ended 31st March 2018
a) Tax expense recognised in the Statement of profit and loss:		
Current tax		
Current year	**1,495.32**	1,194.07
Earlier years	**(43.64)**	8.06
	1,451.68	1,202.13
Deferred tax		
Origination and reversal of temporary difference	**(77.28)**	(11.84)
Others	**(12.59)**	23.68
	(89.87)	11.84
Total income tax expense	**1,361.81**	1,213.97

b) A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Company is as follows :

		` in lakhs
	Year ended 31st March 2019	Year ended 31st March 2018
Enacted income tax rate in India (in %)	**34.94**	34.61
Profit before tax	**4,059.84**	3,334.92
Income tax as per above rate	**1,418.51**	1,154.15
Adjustments for:		
Expenses not deductible for tax purposes	**379.11**	283.04
Expenses deductible separately for tax purposes	**(302.30)**	(253.03)
Others	**-**	9.91
Income tax as per statement of profit and loss	**1,495.32**	1,194.07

c) The movement in deferred tax assets and liabilities during the year ended 31st March 2018 and 31st March 2019: ` in lakhs

Particulars	**As at 1st April 2017**	**(Credit) / charge in statement of profit and loss**	**As at 31st March 2018**	**(Credit) / charge in statement of profit and loss**	**As at 31st March 2019**
Deferred tax assets/(liabilities)					
Depreciation	(60.46)	18.43	(78.89)	(120.53)	**41.64**
Amount allowable on payment basis	8.11	(38.26)	46.38	34.37	**12.01**
Voluntary retirement scheme	21.46	8.00	13.46	8.88	**4.58**
Provision for doubtful debts	-	-	-	(16.53)	**16.53**
Others	-	23.68	(23.68)	3.94	**(27.62)**
Total	**(30.89)**	**11.84**	**(42.73)**	**(89.87)**	**47.14**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 29 Financial instruments

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by catergory are as follows:

a. Financial Assets ` in lakhs

Particulars	At Cost	Instruments carried at fair value	Instruments carried at amortized cost	Total carrying amount	Total fair value
		FVTPL	Carrying amount		
As at 31st March, 2018					
Investments	5.00	-	-	5.00	5.00
Trade receivables	-	-	9,787.26	9,787.26	9,787.26
Cash & cash equivalents	-	-	47.95	47.95	47.95
Other bank balances	-	-	230.82	230.82	230.82
Other financial assets	-	45.62	613.09	658.71	658.71
Total	**5.00**	**45.62**	**10,679.12**	**10,729.74**	**10,729.74**
As at 31st March, 2019					
Investments	5.00	-	-	5.00	5.00
Trade receivables	-	-	14,108.41	14,108.41	14,108.41
Cash & cash equivalents	-	-	37.22	37.22	37.22
Other bank balances	-	-	32.11	32.11	32.11
Other financial assets	-	-	581.90	581.90	581.90
Total	**5.00**	**-**	**14,759.64**	**14,764.64**	**14,764.64**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

b. Financial liabilities ` in lakhs

Particulars	Instruments carried at fair value		Instruments carried at amortised cost		
	FVTPL	Total carrying amount at fair value	Carrying amount	Total carrying amount	Total fair value
As at 31st March 2018					
Borrowings	-	-	5,440.81	5,440.81	5,440.81
Trade payables	-	-	4,111.59	4,111.59	4,111.59
Other financial liabilities	-	-	105.96	105.96	105.96
Total	**-**	**-**	**9,658.36**	**9,658.36**	**9,658.36**
As at 31st March 2019					
Borrowings	-	-	10,355.11	10,355.11	10,355.11
Trade payables	-	-	7,291.20	7,291.20	7,291.20
Other financial liabilities	37.36	37.36	94.46	131.81	131.81
Total	**37.36**	**37.36**	**17,740.77**	**17,778.12**	**17,778.12**

Note 30 Financial risk management

The Company has exposure to the following risks arising from financial instrument:

- Credit risk;
- Liquidity risk;
- Market risk - interest rate; and
- Market risk - foreign currency;

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligation.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable and individual risk limits are set accordingly.

Credit items : The average credit period allowed to customers is less than 90 days.

The ageing analysis of trade receivables: ` in lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
0-3 months	**11,331.42**	8,279.62
3-6 months	**2,500.85**	1,023.83
6-12 months	**114.59**	409.15
more than 12 months	**161.55**	74.66
Total	**14,108.41**	9,787.26

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. For the Company, liquidity risk arise from obligations on account of financial liabilities- borrowings, trade payables and other financial liabilities.

The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations when due. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. It maintains adequate sources of financing including loans and short term borrowings from banks.

Exposure to liquidity risk

Contractual maturity of financial liabilities at the reporting date: **` in lakhs**

Particulars	As at 31st March 2019		
	0-1 year	**1-5 years**	**Total**
Long term borrowings (including current maturities of long term debt)	67.72	142.76	210.48
Short term borrowings	10,212.35	-	10,212.35
Trade payables	7,291.20	-	7,291.20
Other financial liabilities including derivative financial liabilities	64.09	-	64.09
Total	**17,635.05**	**142.76**	**17,778.12**

Particulars	As at 31st March 2018		
	0-1 year	**1-5 years**	**Total**
Long term borrowings (including current maturities of long term debt)	59.35	197.94	257.29
Short term borrowings	5,242.87	-	5,242.87
Trade payables	4,111.59	-	4,111.59
Other financial liabilities including derivative financial liabilities	46.61	-	46.61
Total	**9,460.42**	**197.94**	**9,658.36**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

C. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency payables and loans and borrowings.

(i) Market risk - interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company is mainly exposed to this risk due to borrowings having variable rate of interest.

Exposure to interest rate risk **` in lakhs**

Particulars	As at 31st March 2019	As at 31st March 2018
Borrowings bearing fixed rate of interest	**210.48**	257.29
Borrowings bearing variable rate of interest	**10,212.35**	5,242.87

Hence, the Company is not significantly exposed to the interest rate risk as working capital facilities are, as per contractual terms, primarily of short term in nature.

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax

` in lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Increase by 50 bps - decrease in Profits	**(23.64)**	(24.88)
Decrease by 50 bps - Increase in profits	**23.64**	24.88

(ii) Market risk - foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and is therefore exposed to foreign exchange risk. The operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies. The Company manages foreign currency risk by hedging its transactions using foreign currency forward contracts.

Foreign currency exposure

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
	In million US$	**` in lakhs**	In million US$	` in lakhs
Total Foreign Currency Exposures - Payables	**4.65**	**3,219.78**	8.55	5,563.06

Foreign currency risk sensitivity

A change of 1% in USD rates would have following impact on profit before tax:

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
	1% increase	1% decrease	1% increase	1% decrease
Increase / (decrease) in profit	**(32.20)**	**32.20**	(55.63)	55.63

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 31 Capital risk management

(a) Risk management

The Company's objectives when managing capital are to

(i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

(ii) maintain an optimal capital structure to reduce the cost of capital.

(iii) support the corporate strategy and meet shareholder expectations.

The policy of the Company is to borrow through banks / financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The capital structure is governed by policies approved by the Board of Directors and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Company: ` in lakhs

Particulars	31st March 2019	31st March 2018
Net debt (refer note 42)	**10,397.23**	5,472.29
Total equity	**19,994.43**	17,245.34
Capital gearing ratio	**0.52**	0.32

The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividends

The Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company dividend policy.

(i) The Board of Directors of the Company, in its meeting on 21st May 2018, proposed a dividend of ` 0.50 per equity share (25% on equity share of ` 2 each) and the same was approved by the shareholders at the Annual General Meeting held on 13th August 2018, this resulted in a total dividend of ` 134.38 lakhs, including corporate dividend tax of ` 22.91 lakhs.

(ii) The Board of Directors of the Company, in its meeting on 13th May 2019, have proposed a dividend of ` 0.50 per equity share (25% on equity share of ` 2 each) for the year ended 31st March 2019. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved would result in a total dividend of ` 134.57 lakhs, including corporate dividend tax of ` 22.95 lakhs.

Note 32 Disclosure pursuant to Ind AS - 19 "Employee benefits"

i) Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Company under its respective Group Gratuity Scheme.

The disclosure in respect of the defined gratuity plan are given below:

A. Balance sheet ` in lakhs

Particulars	Defined benefit plans	
	As at 31st March 2019	As at 31st March 2018
Present value of plan liabilities	**394.42**	300.03
Fair value of plan assets	**294.37**	206.04
Asset/(liability) recognised	**(100.05)**	(93.99)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

B. Movements in plan assets and plan liabilities ` in lakhs

Particulars	Present value of obligations	Fair value of plan assets
As at 1st April 2018	**300.03**	**206.04**
Current service cost	**23.84**	**-**
Interest cost / (income)	**23.13**	**15.89**
Return on plan assets excluding amounts included in net finance income / cost	**-**	**(1.41)**
Actuarial (gain) / loss arising from changes in demographic assumptions	**11.25**	**-**
Actuarial (gain) / loss arising from changes in financial assumptions	**34.99**	**-**
Actuarial (gain) / loss arising from experience adjustments	**21.19**	**-**
Employer contributions	**-**	**93.87**
Benefit payments from the fund	**(20.02)**	**(20.02)**
As at 31st March 2019	**394.42**	**294.37**
As at 1st April 2017	251.49	198.17
Current service cost	20.47	-
Past service cost	25.67	-
Interest cost / (income)	18.16	14.31
Return on plan assets excluding amounts included in net finance income / cost	-	(4.17)
Actuarial (gain) / loss arising from changes in financial assumptions	(9.11)	-
Actuarial (gain) / loss arising from experience adjustments	50.48	-
Employer contributions	-	54.86
Benefit payments from the fund	(57.13)	(57.13)
As at 31st March 2018	300.03	206.04

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

C. Statement of profit and loss ` in lakhs

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Employee benefits expense:		
Current service cost	**23.84**	20.47
Past service cost	**-**	25.67
Interest cost / (income)	**7.25**	3.85
Total amount recognised in statement of profit and loss	**31.09**	49.99
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income / (cost)	**1.41**	4.17
Actuarial gains / (losses) arising from changes in demographic assumptions	**11.25**	-
Actuarial gains / (losses) arising from changes in financial assumptions	**34.99**	(9.11)
Experience gains / (losses)	**21.19**	50.48
Total amount recognised in other comprehensive income	**68.84**	45.54

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Particulars	As at 31st March 2019	As at 31st March 2018
Financial assumptions		
Discount rate	**7.59%**	7.71%
Expected rate of return on plan assets	**7.59%**	7.71%
Salary escalation rate	**4.50%**	3.00%
Attrition rate	**For service of 4 years and below: 26% p.a and for service 5 years and above : 2.00% p.a.**	For service of 4 years and below: 30% p.a and for service 5 years and above : 1.00% p.a.

Demographic assumptions

Mortality in service : Indian Assured Lives Mortality (2006-08)

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

` in lakhs

Particulars	Change in assumption	Increase in assumption	Decrease in assumption
As at 31st March 2019			
Impact on defined benefit obligation			
Discount rate	**1.00%**	**(22.25)**	**25.26**
Salary escalation rate	**1.00%**	**25.00**	**(22.33)**
Attrition Rate	**1.00%**	**4.50**	**(5.18)**
As at 31st March 2018			
Impact on defined benefit obligation			
Discount rate	1.00%	(17.08)	19.16
Salary escalation rate	1.00%	19.87	(17.98)
Attrition Rate	1.00%	5.81	(6.52)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

F. The defined benefit obligations shall mature as follows: **` in lakhs**

Particulars	As at 31st March 2019	As at 31st March 2018
Within 1 year	**36.60**	20.80
1-2 year	**37.85**	14.08
2-3 year	**46.75**	38.03
3-4 year	**64.30**	39.29
4-5 year	**48.33**	54.74
5-10 year	**170.26**	170.38
10 years and above	**321.55**	206.32

ii) Compensated absences: The Company has a policy on compensated absences which are both accumulating and non accumulating in nature. The expected cost of accumulating compensated absences is determined and provided on the basis of actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date and the Company makes annual contribution to the fund administered by Life Insurance Company under its respective Group Scheme. Expense on non accumulating compensated absences is recognised in the period in which the absences occur.

The disclosure in respect of the defined Compensated absences are given below:

` in lakhs

Particulars	31st March 2019	31st March 2018
Expenses recognised in statement of profit and loss	**86.96**	132.86
Balance sheet liability	**44.88**	88.35

Note 33

Earnings per share (EPS)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Profit after tax (PAT) available for equity shareholders (` in lakhs)	**2,698.03**	2,120.95
Weighted average number of equity shares for basic EPS	**22,297,371**	21,374,658
Basic earnings per share (in `)	**12.10**	9.92
Weighted average number of equity shares for diluted EPS	**22,355,698**	21,439,918
Diluted earnings per share (in `)	**12.07**	9.89
Nominal value of equity Shares (in `)	**2.00**	2.00

Refer note 13 (b) for share split during the previous year

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 34 Contingent liabilities ` in lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Disputed sales tax / entry tax demands	**6.56**	211.91
Bonus for earlier years	**10.80**	10.80
Other claims against the Company not acknowledged as debts	**27.76**	20.55

Notes:

a) Sales tax and entry tax related litigation / demand primarily pertains to non- submission of required declaration forms in time due to non- receipt of the same from customers and / or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.

b) The Company's pending litigations comprise mainly claims against the Company, proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

Note 35 Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ` 837.27 lakhs (Previous year ` 0.79 lakhs).

b) (i) The Company has taken premises under cancellable operating lease. These lease agreements are normally renewed on expiry. The rental expenditure is accounted for in statement of profit and loss of the Company in accordance with Ind AS-17 on lease transactions.

(ii) The Company has also taken office premises under non-cancellable operating lease. The total of future minimum lease payments under these leases for the period not later than one year is ` 388.67 lakhs (previous year ` 306.07 lakhs) and for the period later than one year and not later than five years is ` 131.27 lakhs (previous year ` 296.14 lakhs) and for the period later than five year is Nil (previous year Nil).

Note 36 Disclosure on related party transactions

Names of related parties and description of relationship:

Subsidiaries:

Name	Extent of Holding
Safari Lifestyles Limited	Wholly Owned Subsidiary

Key Managerial Personnel:

Name	Nature of Relationship
Mr. Sudhir Jatia	Chairman & Managing Director
Mr. Vineet Poddar	Chief Financial Officer
Mr. Rameez Shaikh	Company Secretary
Dr. Shailesh Mehta	Non-executive and independent director
Mr. Punkajj Lath	Non-executive and independent director
Mr. Dalip Sehgal	Non-executive and independent director
Mrs. Vijaya Sampath	Non-executive and independent director
Mr. Rahul Kanodia	Non-executive and independent director
Mr. Anujj Patodia	Non-executive and non-independent director
Mr. Piyush Goenka	Non-executive and non-independent director

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

List of others over which key managerial personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year:

Name	Nature of Relationship
Ramgopal Textiles Limited	Mr. Sudhir Jatia, Chairman and Managing Director of the company exercise significant influence in Ramgopal Textiles Limited

Other related parties:

Name	Nature of Relationship
Ms. Shivani Jatia	Daughter of Mr. Sudhir Jatia, Chairman and Managing Director

Transactions during the year and balances as at year end: ` in lakhs

Nature of Transactions	Subsidiary	Key Managerial Personnel	Enterprises in which Directors have significant influence	Other Related Parties
Transactions during the year Sale of goods	**955.47** (867.89)			
Rent received	**2.60** (1.69)			
Employee cost recovered / reimbursed	**18.00** (18.00)			
Remuneration to key managerial persons: Mr. Sudhir Jatia, Chairman & Managing Director		**105.63** (95.19)		
Mr. Vineet Poddar, Chief Financial Officer		**133.92** (72.25)		
Mr. Rameez Shaikh, Company Secretary (appointed previous year w.e.f. 10th February 2018)		**15.33** 2.82		
Sitting Fees: Non-executive and independent directors		**8.60** (8.19)		
Non-executive and non-independent directors		**1.50** (2.70)		
Commission: Non-executive and independent directors		**23.75** -		
Non-executive and non-independent directors		**0.75** -		
Salary & perquisites: Ms. Shivani Jatia				**12.66** (8.99)
Balances as at year end Investment in equity shares	**5.00** (5.00)			
Trade receivables	**228.73** (104.46)		**-** (21.38)	

Figures in bracket relate to previous year ended 31st March 2018.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Notes:

a) Related party relationship is as identified by the management and relied upon by the auditors.

b) No amounts in respect of related parties have been written off / written back during the year and no provision has been made for doubtful debts / receivable.

c) All related party transactions entered during the year were in ordinary course of the business and are at arm's length basis.

Note 37

The Company's Chairman and Managing Director has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators . The Company is primarily engaged in luggage business only. Since this segment meets the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers this as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

Note 38 Assets provided as security

The carrying amounts of assets provided as security (First Charge) for current and non-current borrowings are:

` in lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Current assets		
Financial assets		
Trade receivables	**14,108.41**	9,787.26
Non financial assets		
Inventories	**18,582.32**	12,210.85
Total Current assets provided as security	**32,690.73**	21,998.11
Non-current assets		
Buildings*	**13.62**	87.50
All movable property, plant and equipment*	**2,494.64**	2,503.53
Total non-current assets provided as security	**2,508.26**	2,591.03
Total assets provided as security	**35,198.99**	24,589.14

**This represents net book value.*

Note 39 Auditor's remuneration

(excluding service tax and goods and service tax) **` in lakhs**

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Audit fees	**4.50**	4.00
Tax audit fees	**1.50**	1.00
Limited review and certification fees	**5.25**	3.43
Reimbursement of expenses	**0.70**	-
Total	**11.95**	8.43

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 40 Employee share based plan:

A) Details of stock options to eligible employees under Safari Stock Option Scheme 2016 are as under:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant date	**08 Oct 2016**	**09 Mar 2017**	**29 Nov 2017**	**09 Feb 2018**
No of options	65,000	45,000	30,000	10,000
Method of accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting plan	Graded Vesting-	Graded Vesting-	Graded Vesting-	Graded Vesting-
	At the end of 1st year - 40%	At the end of 1st year - 40%	At the end of 1st year - 40%	At the end of 1st year - 40%
	At the end of 2nd year - 30%	At the end of 2nd year - 30%	At the end of 2nd year - 30%	At the end of 2nd year - 30%
	At the end of 3rd year – 30%	At the end of 3rd year – 30%	At the end of 3rd year – 30%	At the end of 3rd year – 30%
Exercise period	Within one year from the date of Vesting	Within one year from the date of Vesting	Within one year from the date of Vesting	Within one year from the date of Vesting
Grant price (` per share)	160.00	190.00	300.00	440.00
Average market price on the date of grant of options (` per share)	194.21	228.17	482.22	539.86
Discount on average price (` per share)	34.21	38.17	182.22	99.86

Number movements in share options during the year:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant date	**08 Oct 2016**	**09 Mar 2017**	**29 Nov 2017**	**09 Feb 2018**
Opening balance	65,000	45,000	30,000	10,000
Granted during the year	-	-	-	-
Lapsed / cancelled during the year	7,500	-	-	-
Exercised during the year	45,500	18,000	12,000	-
Expired during the year	-	-	-	-
Closing balance	12,000	27,000	18,000	10,000
Exercisable options	-	-	-	4,000

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

B) The fair value of options have been done by independent firm of Chartered Accountants using the Black-Scholes Model.

The key assumptions in the Black-Scholes Model for calculating fair value on the date of grant for Safari Stock Option Scheme 2016:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant date	**08 Oct 2016**	**09 Mar 2017**	**29 Nov 2017**	**09 Feb 2018**
1. Risk free rate	6.55%	6.74%	7.71%	7.46%
2. Option life (no. of years)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)
3. Expected volatility	0.7716	0.8247	0.8336	0.8503
4. Dividend growth rate	5%	5%	5%	5%
The weighted average fair value of the options (In `)	105.44	126.54	285.52	296.98

Refer note 13 (b) for share split during the previous financial year. Accordingly, number of options, grant price, average market price, discount and weighted average fair value of options has been restated for options granted in the previous periods.

Note 41 Details of corporate social responsibility (CSR) expenditure :

` in lakhs

Particulars	**Year Ended 31st March 2019**	Year Ended 31st March 2018
Amount required to be spent as per Section 135 of the Act	**40.08**	21.68
Amount spent during the year on :		
(i) Construction / acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**40.40**	24.04
Total	**40.40**	24.04

Note 42 Debt reconciliation statement in accordance with Ind AS 7 - Statement of Cash Flows:

` in lakhs

Particulars	**As at 31st March 2019**	As at 31st March 2018
Non current borrowings (includes current maturities of long term debt)	**210.48**	257.29
Current borrowings	**10,212.35**	5,242.87
Interest payable	**11.62**	20.08
Less: Cash and cash equivalents	**(37.22)**	(47.95)
Net debt	**10,397.23**	5,472.29

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

` in lakhs

Particulars	Non current borrowings	Current borrowings	Interest payable	Cash and cash equivalents	Total
Net debt as at 1st April 2018	257.29	5,242.87	20.08	(47.95)	5,472.29
Cash flows	(46.81)	4,976.54	-	10.73	4,940.46
Unrealised exchange (gain) / loss	-	(7.06)	-	-	(7.06)
Finance costs	-	-	447.42	-	447.42
Interest paid	-	-	(455.88)	-	(455.88)
Net debt as at 31st March 2019	**210.48**	**10,212.35**	**11.62**	**(37.22)**	**10,397.23**

43 Post the applicability of the Goods and Service Tax (GST) with effect from 1st July, 2017, revenue from operations are disclosed net of GST, whereas Excise Duty formed part of expenses in previous year. Accordingly, the revenue from operations and expenses for the year are not comparable with the previous year.

44 Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The Management, however, is confident that the impact whereof for the year on the financial statements will not be material.

45 The previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's classification.

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2019

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

INDEPENDENT AUDITORS' REPORT

To,
The Members,
SAFARI INDUSTRIES (INDIA) LIMITED.

Opinion

We have audited the consolidated financial statements of Safari Industries (India) Limited ("the Parent Company") and its subsidiary (hereinafter to be referred as "the Group") which comprises of consolidated Balance Sheet as at 31st March, 2019, the consolidated Statement of Profit & Loss (including other comprehensive income), the consolidated Statement of changes in equity and the consolidated Statement of cash flows for the year than ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included in the consolidated financial statements for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2019, its profits, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's response
Allowance for sales returns The Group sells its products through various channels like retailers, institutions, modern trade etc. The Group makes the allowance for sales returns based on the past experience in various channels and determines the quantum of allowance which requires significant estimation and judgment. In view of the above, the matter has been determined to be a key audit matter.	**Audit procedures performed :** • Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing for sales returns. We also performed sufficient test of details as a part of our audit. • Ensured the completeness of liability recognized by evaluating the actual returns in the past. • We have also assessed the reasonableness of the estimates and judgment applied to determine the quantum of the allowance. The combination of these tests of controls and procedures performed, gave us a sufficient evidence to rely on the assessment made by the management in respect of allowance for sales returns.

INDEPENDENT AUDITORS' REPORT

Information Other than the Consolidated Financial Statements and auditor's report thereon

The Parent Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the consolidated financial statement and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we required to report that fact. We have nothing to report in this regard.

Management responsibilities for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group 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 (Account) Rules, 2014.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the respective entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of an identified misstatement in the consolidated financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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 maintained by the Group have been kept so far as it appears from our examination of those books and records.

(c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

INDEPENDENT AUDITORS' REPORT

(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 (Account) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2019 taken on record by the Board of Directors of the Parent Company, none of the directors of the Group companies is disqualified as on 31st March, 2019 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 Group and the operating effectiveness of such controls, please refer Annexure A of the audit report attached with the consolidated financial statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the respective companies to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its financial performance in its consolidated financial statements. Refer Note No.-33 to the consolidated financial statements.

ii. The Group 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 Parent Company.

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)

Mumbai
Date : 13th May 2019

R. P. Baradiya
Partner
(Membership No. 044101)

ANNEXURE A

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 Ind AS financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of **Safari Industries (India) Limited** (hereinafter referred to as "the Parent Company" and a subsidiary collectively referred to as "the Group").

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 the respective Group'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 Act.

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Group'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 Group'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 group; (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 group are being made only in accordance with authorizations of management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group'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 Group has broadly, 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, 2019, based on the internal control over financial reporting criteria established by the group 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 **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)

Mumbai
Date : 13th May 2019

R. P. Baradiya
Partner
(Membership No. 044101)

CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH 2019

` in lakhs

	Note no.	As at 31st March 2019	As at 31st March 2018
Assets			
Non-current assets			
Property, plant & equipment	3	**2,631.71**	2,694.53
Capital work-in-progress	5	**-**	1.12
Intangible assets	4	**302.81**	455.08
Intangible assets under development	5	**-**	14.74
Financial assets			
Other financial assets	6	**518.62**	531.23
Deferred tax assets (net)	27	**53.29**	-
Income tax assets (net)		**120.75**	-
Other non-current assets	7	**285.46**	22.84
Total non-current assets		**3,912.64**	3,719.54
Current assets			
Inventories	8	**18,657.96**	12,252.03
Financial assets			
Trade receivables	9	**14,016.84**	9,779.85
Cash and cash equivalents	10	**42.33**	48.81
Other bank balances	11	**33.02**	231.83
Other financial assets	6	**154.67**	181.23
Other current assets	7	**1,487.31**	1,291.21
Total current assets		**34,392.13**	23,784.96
Total assets		**38,304.77**	27,504.50
Equity and liabilities			
Equity			
Equity share capital	12	**446.51**	445.00
Other equity	13	**19,609.69**	16,839.44
Total equity		**20,056.20**	17,284.44
Liabilities			
Non - current liabilities			
Financial liabilities			
Borrowings	14	**142.76**	197.94
Deferred tax liabilities (net)	27	**-**	41.25
Total non-current liabilities		**142.76**	239.19
Current liabilities			
Financial liabilities			
Borrowings	14	**10,212.35**	5,242.87
Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		**248.18**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		**7,110.53**	4,146.64
Other financial liabilities	17	**153.16**	105.96
Other current liabilities	18	**219.34**	186.24
Provisions	15	**154.95**	188.91
Current tax liabilities (net)	19	**7.30**	110.25
Total current liabilities		**18,105.81**	9,980.87
Total equity and liabilities		**38,304.77**	27,504.50

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2019

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

` in lakhs

	Note no.	As at 31st March 2019	As at 31st March 2018
Income			
Revenue from operations	20	**57,765.20**	42,177.35
Other income	21	**130.60**	94.24
Total income		**57,895.80**	42,271.59
Expenses			
Cost of materials consumed	22	**7,254.32**	4,154.25
Purchase of stock-in-trade		**32,342.14**	20,310.38
Changes in inventories of work-in-progress, finished goods and stock in trade	23	**(6,243.85)**	(1,898.89)
Excise duty		**-**	272.33
Employee benefits expense	24	**6,557.38**	5,317.34
Finance costs	25	**447.42**	288.79
Depreciation and amortisation expense	3, 4	**830.96**	617.61
Other expenses	26	**12,610.28**	9,827.45
Total expense		**53,798.65**	38,889.26
Profit before tax		**4,097.15**	3,382.33
Tax expenses			
Current tax	27	**1,514.62**	1,209.21
Deferred tax	27	**(94.54)**	11.24
Tax for earlier years		**(43.64)**	8.06
		1,376.44	1,228.51
Profit for the year		**2,720.71**	2,153.82
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain / (loss) on defined benefit plan		**(68.84)**	(45.54)
Tax relating to these items		**24.93**	15.95
		(43.91)	(29.59)
Total comprehensive income for the year		**2,676.80**	2,124.23
Earnings per share	32		
Basic earnings per share		**12.20**	10.08
Diluted earnings per share		**12.17**	10.05
(Face value of ` 2 each)			

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2019

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

` in lakhs

	Year Ended 31st March 2019	Year Ended 31st March 2018
A. Cash flow from operating activities		
Profit before tax	**4,097.15**	3,382.33
Adjustments for :		
Depreciation and amortisation expense	**830.96**	617.61
Finance costs	**447.42**	288.79
Interest income	**(54.58)**	(35.81)
Gain on sale of investments classified as FVTPL	-	(13.61)
Loss on disposal of property, plant and equipment (net)	**46.36**	33.02
Adjustments for (written back) / written off (net)	**(25.65)**	37.86
Unrealised exchange fluctuation (gain) / loss	**(30.51)**	36.02
Share based payments to employees	**86.35**	88.42
Bad debts written off / provision for doubtful debts	**50.84**	17.61
Operating profit before working capital changes	**5,448.34**	4,452.24
Adjustments for :		
Changes in working capital		
Increase in inventories	**(6,405.94)**	(2,836.87)
Increase in trade receivable	**(4,287.84)**	(3,976.45)
Increase in other bank balances	**(0.42)**	(1.90)
Decrease in other financial assets	**6.49**	261.84
Increase in other assets	**(184.66)**	(620.67)
Increase / (decrease) in trade payables	**3,235.51**	(649.94)
Increase / (decrease) in other financials liabilities	**47.29**	(152.06)
Increase / (decrease) in provisions	**(102.80)**	72.12
Increase / (decrease) in other current liabilities	**90.63**	(222.75)
	(7,601.74)	(8,126.68)
Cash used in operations	**(2,153.40)**	(3,674.45)
Direct taxes paid	**(1,669.75)**	(1,140.76)
Net cash used in operating activities	**(3,823.15)**	(4,815.21)

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

` in lakhs

	Year Ended 31st March 2019	Year Ended 31st March 2018
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital advances)	**(935.06)**	(1,541.81)
Disposal of property, plant and equipment	**14.66**	164.91
Proceeds from maturity of fixed deposits	**199.02**	55.88
Gain on sale of investments classified as FVTPL	**-**	13.61
Interest received	**55.37**	35.81
Net cash used in investing activities	**(666.01)**	(1,271.60)
C. Cash flow from financing activities		
Proceeds from shares issued on preferential basis (net of share issue expenses)	**-**	5,072.88
Proceeds from shares issued on ESOP	**143.00**	-
Proceeds from long term borrowings	**12.57**	238.23
Repayment of long term borrowings	**(59.38)**	(423.65)
Proceeds from short term borrowings (net)	**4,976.54**	1,418.66
Finance costs	**(455.88)**	(286.09)
Dividend paid (including corporate dividend tax)	**(134.17)**	(98.00)
Net cash generated from financing activities	**4,482.68**	5,922.05
Net decrease in cash and cash equivalents	**(6.48)**	(164.76)
Opening cash and cash equivalents	**48.81**	213.57
Closing cash and cash equivalents (refer note - 10)	**42.33**	48.81

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2019

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

` in lakhs

Equity share capital :	Balance as at 1st April 2017	Changes in equity share capital during the year 2017-18	Balance as at 31st March 2018	Changes in equity share capital during the year 2018-19	Balance as at 31st March 2019
Paid up capital (refer note 12)	415.00	30.00	445.00	1.51	446.51

Other equity :	Reserves and surplus					Items of other comprehensive income	
Particulars	Capital reserve	Securities premium	General reserve	Equity settled share based payment reserve	Retained earnings	Actuarial gain/(loss) on defined benefit liabilities/(assets)	Total
Balance as at 1st April 2017	**11.18**	**6,768.42**	**618.80**	**23.69**	**2,306.76**	**(45.05)**	**9,683.80**
Profit for the year	-	-	-	-	2,153.82	-	2,153.82
Other comprehensive income for the year	-	-	-	-	-	(29.59)	(29.59)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**2,153.82**	**(29.59)**	**2,124.23**
On shares issued on preferential basis (net of issue expenses of ` 27.12 lakhs)	-	5,042.88	-	-	-	-	5,042.88
Dividends (including corporate dividend tax)	-	-	-	-	(99.90)	-	(99.90)
Transfer from statement of profit and loss	-	-	-	88.42	-	-	88.42
Balance as at 31st March 2018	**11.18**	**11,811.30**	**618.80**	**112.11**	**4,360.68**	**(74.64)**	**16,839.44**
Profit for the year	-	-	-	-	2,720.71	-	2,720.71
Other comprehensive income for the year	-	-	-	-	-	(43.91)	(43.91)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**2,720.71**	**(43.91)**	**2,676.80**
On shares issued on ESOP	-	141.49	-	-	-	-	141.49
Transfer from equity settled share based payment reserve (on options excercised)	-	105.01	-	(105.01)	-	-	-
Transfer from equity settled share based payment reserve (on options lapsed / cancelled)	-	-	-	(5.22)	5.22	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.38)	-	(134.38)
Transfer from statement of profit and loss	-	-	-	86.35	-	-	86.35
Balance as at 31st March 2019	**11.18**	**12,057.80**	**618.80**	**88.23**	**6,952.23**	**(118.55)**	**19,609.69**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2019

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. Corporate information:

Safari Industries (India) Limited (hereinafter referred to as the "parent company" or "the Company") together with its subsidiary (collectively referred to as the "Group") is a public limited company domiciled in India and is incorporated under the provision of The Companies Act applicable in India. Its shares are listed on BSE Ltd. (BSE). The Company is engaged in the manufacturing and marketing of luggage and luggage accessories.

2. Significant accounting policies:

2.1 Basis of preparation:

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other related provisions of the Act.

The figures for the previous year ended 31st March, 2017 and opening consolidated balance sheet as on 1st April, 2016 have also been reinstated by the management as per the requirements of Ind AS. These consolidated financial statements are the first consolidated financial statements of the Group under Ind AS. Refer note 27 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements, including the preparation of the opening consolidated Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

The consolidated financial statements of the group are prepared on the accrual basis of accounting and historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities(including derivative instruments)
- Share based payments
- Defined Benefit and other long term employee benefits

2.2 Basis of consolidation:

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

2.3 Use of estimates and judgements:

The preparation of the consolidated financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the consolidated financial statements is made relying on these estimates.

The estimates and judgments used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the group's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

2.4 Property, plant and equipment

All the items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset. Cost also includes borrowing costs for long term construction projects if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, repairs and maintenance are charged to consolidated statement of profit and loss during the reporting period in which they are incurred.

Leasehold land is stated at historical cost less amortised proportionate to expired lease periods.

Capital Work-in-progress and pre-operative expenses during construction period

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

Depreciation method, estimated useful lives and residual value:

Depreciation is provided on the straight line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.

The range of estimated useful lives of Property, Plant and Equipment's are as under:

Category	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Buildings	30 / 60 Years	30 / 60 Years
Plant & Equipment*	7 - 15 Years	7 - 15 Years
Furniture & Fixture	10 Years	2 - 10 Years
Vehicles	8 - 10 Years	8 - 10 Years
Office Equipment	3 - 5 Years	3 - 5 Years

** Useful life of Plant & Equipment is determined based on the internal assessment supported by independent technical evaluation carried out by external valuers.*

The management believes that the useful life as given above best represents the period over which the management expects to use these assets. The Group reviews the useful lives and residual value at each reporting date.

Leasehold land and leasehold improvements are amortised over the period of lease.

Assets costing up to ` 5,000 each are depreciated fully in the year of purchase.

Depreciation on the property, plant and equipment added / disposed off / discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding. Gains and losses on disposals

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

are determined by comparing proceeds with carrying amount. These are included in Consolidated Statement of Profit and Loss within other gains / (losses).

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Intangible assets

Intangible assets are held on the consolidated balance sheet at cost less accumulated amortisation and impairment losses. Intangible assets developed or acquired with finite useful life are amortised on straight line basis over the useful life as specified below:

Category	Estimated useful life
Trademarks	5 Years
Brands	5 Years
Computer Software	3-5 Years

2.6 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal / external factors, an asset is tested for impairment. When the carrying cost of the asset exceeds its recoverable value, an impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

2.7 Inventories:

Inventories includes Raw Material, Work-in-Progress, Finished goods, Stock-in-trade, Stores and spares and Packing Materials.

Raw material, stores and spares and packing materials are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Finished goods and work-in-progress include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials / stores are credited to the respective heads. Obsolete and defective inventory are duly provided on the basis of management estimates.

Adequate allowance is made on obsolete and slow moving items.

During the year the Company has changed method of cost determination of inventory from FIFO to weighted average basis and the impact of the change in method is not material.

2.8 Revenue from contracts with customers:

Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

The Group recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Group expects to be entitled to. In determining the transaction price, the Group considers the existence of significant financing contracts. The Group considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.)

The Group recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Sale of goods: Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. Revenue from sale of goods is net of taxes. Revenue from sale of goods includes both manufacturing and marketing of goods.

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

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest.

Contract balances

Trade receivables: A receivable represents the Group's right to an amount of consideration under the contract with a customer that is unconditional and realizable on the due date.

2.9 Financial instruments:

(1) Financial assets

(i) Initial recognition

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the Consolidated Statement of Profit and Loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

(ii) Subsequent measurement

Financial assets are subsequently classified as measured at:

(a) amortised cost

(b) fair value through profit and loss (FVTPL)

(c) fair value through other comprehensive income (FVOCI)

The above classification is being determined considering the:

(a) the entity's business model for managing the financial assets.

(b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the group changes its business model for managing financial assets.

(a) Measured at amortised cost:

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

(b) Measured at fair value through other comprehensive income (FVOCI):

Financial assets are measured at FVOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Consolidated Statement of Profit and Loss.

(c) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Consolidated Statement of Profit and Loss.

Equity instruments:

On initial recognition, the Group can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Consolidated Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Consolidated Statement of Profit and Loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Consolidated Statement of Profit and Loss are included in the 'Other income' line item.

(iii) Impairment

The Group recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Group's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Group does not track changes in credit risk. Rather it recognises impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Group recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in the Consolidated Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

(iv) De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(2) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Group's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

(ii) Subsequent measurement

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

Loans and borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through EIR amortisation process.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

(iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit or Loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Derivative financial instruments:

The Group uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in the Consolidated Statement of Profit and Loss.

2.11 Fair value measurement:

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.12 Foreign currency transactions:

The Group's consolidated financial statements are presented in INR which is also its functional currency.

a) Initial recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Consolidated Statement of Profit and Loss of the year.

b) Measurement of foreign currency items at the balance sheet date

Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Balance Sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Consolidated Other Comprehensive Income (OCI) or Consolidated Statement of Profit and Loss are also reclassified in OCI or Consolidated Statement of Profit and Loss, respectively).

2.13 Taxes on income :

Income tax comprises current and deferred tax. Income tax expense is recognised in the Consolidated Statement of Profit and Loss except to the extent it relates to items directly recognised in equity or in Consolidated Other Comprehensive Income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary difference between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Group offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the respective components financial statements. Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

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

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

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.14 Employee benefits:

The Group has following post-employment plans:

(a) Defined contribution plans such as provident fund

(b) Defined benefit plans such a gratuity and

(c) Compensated absences

a) Defined contribution plan

Under defined contribution plans, provident fund, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined contribution plan

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

comprise of contributions to the employees' provident fund with the government and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Group's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

b) Defined benefit plan

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(ii) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the consolidated statement of profit and loss.

Re-measurement comprising

(i) Re-measurement of Actuarial (gains) / losses

(ii) Return on plan assets, excluding amount recognised in effect of asset ceiling

(iii) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in consolidated other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Group determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the consolidated statement of profit and loss, consolidated other comprehensive income and consolidated balance sheet. There may be also interdependency between some of the assumptions.

c) Compensated absences

The Group's liabilities for long term compensated absences is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that gave terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the consolidated statement of profit and loss.

The Group presents the entire leave as a current liability in the consolidated balance sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

2.15 Share based payment

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

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

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.16 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Group is the lessee - A lease is classified at the inception date as a finance lease or an operating lease. Leases where substantial portion of risk and reward of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss.

2.17 Provisions and contingencies:

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

Provisions for product warranty are recognised in the year of sale based on past experience.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.18 Cash and cash equivalents:

Cash and cash equivalents in the Consolidated Balance Sheet and for the purpose of consolidated statement of cash flows include cash and cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

2.19 Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.20 Borrowing cost :

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of cost of that assets, during the period till all the activities necessary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

to prepare the qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.21 Exceptional items:

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year, the nature and amount of such items is disclosed as exceptional items.

2.22 Recent accounting pronouncements:

Ind AS 116 - Leases

On 30th March 2019, Ministry of Corporate affairs have notified Ind AS 116 - "Leases". Ind As 116 will replace the existing leases standards Ind As 17 - "Leases" and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind As 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after 1st April 2019.

Ind AS 12 -"Income taxes" - Appendix C - Uncertainty over income tax treatments

On 30th March 2019, Ministry of Corporate affairs have notified Appendix C to Ind As 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits / (loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the Group needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits / (loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Group is evaluating the impact of the above accounting pronouncements on its financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 3 Property, plant and equipment ` in lakhs

Particulars	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Gross carrying amount								
Balance as at 1st April 2017	**6.71**	**99.23**	**1,502.49**	**344.69**	**135.95**	**175.33**	**-**	**2,264.40**
Additions	-	-	611.20	216.36	322.36	64.07	95.78	1,309.77
Deductions/adjustment	-	-	100.94	176.32	71.52	20.25	-	369.03
Balance as at 31st March 2018	**6.71**	**99.23**	**2,012.75**	**384.73**	**386.79**	**219.15**	**95.78**	**3,205.14**
Accumulated depreciation								
Balance as at 1st April 2017	**0.09**	**5.17**	**169.54**	**102.92**	**15.32**	**53.35**	**-**	**346.39**
Additions	0.10	6.56	256.57	118.28	33.55	50.29	1.57	466.92
Deductions/adjustment	-	-	74.53	174.47	33.79	19.91	-	302.70
Balance as at 31st March 2018	**0.19**	**11.73**	**351.58**	**46.73**	**15.08**	**83.73**	**1.57**	**510.61**
Net carrying amount as at 31st March 2018	**6.52**	**87.50**	**1,661.17**	**338.00**	**371.71**	**135.42**	**94.21**	**2,694.53**
Gross carrying amount								
Balance as at 1st April 2018	**6.71**	**99.23**	**2,012.75**	**384.73**	**386.79**	**219.15**	**95.78**	**3,205.14**
Additions	-	-	189.23	318.89	27.70	121.80	0.95	658.57
Deductions/adjustment	-	-	69.68	30.62	20.38	9.30	-	129.98
Balance as at 31st March 2019	**6.71**	**99.23**	**2,132.30**	**673.00**	**394.11**	**331.65**	**96.73**	**3,733.73**
Accumulated depreciation								
Balance as at 1st April 2018	**0.19**	**11.73**	**351.58**	**46.73**	**15.08**	**83.73**	**1.57**	**510.61**
Additions	0.10	73.88	334.76	113.75	51.46	66.76	18.37	659.08
Deductions/adjustment	-	-	34.78	19.66	4.80	8.43	-	67.67
Balance as at 31st March 2019	**0.29**	**85.61**	**651.56**	**140.82**	**61.74**	**142.06**	**19.94**	**1,102.02**
Net carrying amount as at 31st March 2019	**6.42**	**13.62**	**1,480.74**	**532.18**	**332.37**	**189.59**	**76.79**	**2,631.71**

NOTE:

1. Leasehold land is under lease arrangement for a period of 99 years commencing from 1st April 1982.
2. Refer note 37 for assets provided as security.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 4 Intangible assets ` in lakhs

Particulars	Trademarks	Brands	Computer Software	Total
Gross carrying amount				
Balance as at 1st April 2017	**0.05**	**462.71**	**47.04**	**509.80**
Additions	-	-	185.65	185.65
Deductions / adjustment	-	-	-	-
Balance as at 31st March 2018	**0.05**	**462.71**	**232.69**	**695.45**
Accumulated amortisation				
Balance as at 1st April 2017	**0.05**	**76.86**	**12.77**	**89.68**
Additions	-	101.92	48.77	150.69
Deductions / adjustment	-	-	-	-
Balance as at 31st March 2018	**0.05**	**178.78**	**61.54**	**240.37**
Net carrying amount as at 31st March 2018	**-**	**283.93**	**171.15**	**455.08**
Gross carrying amount				
Balance as at 1st April 2018	**0.05**	**462.71**	**232.69**	**695.45**
Additions	-	-	19.61	19.61
Deductions / adjustment	-	-	-	-
Balance as at 31st March 2019	**0.05**	**462.71**	**252.30**	**715.06**
Accumulated amortisation				
Balance as at 1st April 2018	**0.05**	**178.78**	**61.54**	**240.37**
Additions	-	101.92	69.96	171.88
Deductions / adjustment	-	-	-	-
Balance as at 31st March 2019	**0.05**	**280.70**	**131.50**	**412.25**
Net carrying amount as at 31st March 2019	**-**	**182.01**	**120.80**	**302.81**

Note 5 Capital work-in-progress and intangible assets under development: ` in lakhs

Particulars	As at 31st March 2019	As at 1st April 2018
Capital work in progress (plant and equipment under installation)	-	1.12
Intangible assets under development (computer software, etc. under installation)	-	14.74

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 6 Other financial assets ` in lakhs

Unsecured, considered good unless otherwise stated	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Deposits for premises & others	**518.62**	531.23	**132.23**	103.69
Loans and advances to employees	**-**	-	**14.31**	10.57
Interest accrued on fixed deposits	**-**	-	**0.19**	0.98
Insurance claim receivable	**-**	-	**-**	16.09
Derivative assets (fair valuation of forward contracts)	**-**	-	**-**	45.62
Other receivables	**-**	-	**7.94**	4.28
	518.62	531.23	**154.67**	181.23

Note 7 Other assets ` in lakhs

Unsecured, considered good unless otherwise stated	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Capital advances	**274.05**	8.38	**-**	-
Advance to suppliers / others	**-**	-	**238.92**	58.60
Prepayments	**-**	-	**48.08**	15.29
Refunds due / balances from government authorities	**11.41**	14.46	**1,196.76**	823.82
Other receivables	**-**	-	**3.55**	393.50
	285.46	22.84	**1,487.31**	1,291.21

Note 8 Inventories ` in lakhs

	As at 31st March 2019	As at 31st March 2018
Raw materials *[including goods in transit `855.63 lakhs (as at 31st March 2018 ` 144.57 lakhs)]*	**1,907.28**	1,747.36
Work in progress	**137.61**	263.42
Finished goods	**1,496.26**	1,284.33
Stock in trade *[including goods in transit `2,528.93 lakhs (as at 31st March 2018 - `1,048.55 lakhs)]*	**15,051.80**	8,894.07
Stores and spares	**26.00**	16.24
Packing materials	**39.01**	46.61
	18,657.96	12,252.03

Mode of valuation : Refer note 2.7

Refer note 37 for inventories hypothecated as security against certain bank borrowings.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 9 Trade receivable

	As at 31st March 2019	As at 31st March 2018
		` in lakhs
Unsecured		
Considered good	**14,016.84**	9,779.85
Having significant increase in credit risk	**-**	-
Credit impaired	**54.56**	-
	14,071.40	9,779.85
Less: allowances for bad and doubtful debts	**54.56**	-
	14,016.84	9,779.85

Refer note 37 for trade receivables charged against certain bank borrowings.

Refer note 29 (A) for credit terms, ageing analysis and other relevant details related to trade receivables.

Note 10 Cash and cash equivalents

	As at 31st March 2019	As at 31st March 2018
		` in lakhs
Balance with banks in current accounts	**39.61**	45.23
Cash on hand	**2.72**	3.58
	42.33	48.81

Note 11 Other bank balances

	As at 31st March 2019	As at 31st March 2018
		` in lakhs
In deposit accounts (pledged against bank guarantees / LCs)	**26.22**	225.24
In dividend accounts	**6.80**	6.59
	33.02	231.83

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 12 Equity share capital

	As at 31st March 2019	As at 31st March 2018
		` in lakhs
Authorised :		
2,50,00,000 (as at 31st March 2018 : 2,50,00,000) Equity shares of ` 2/- each	**500.00**	500.00
2,50,00,000 (as at 31st March 2018 : 2,50,00,000) Unclassified shares of ` 2/- each	**500.00**	500.00
	1,000.00	1,000.00
Issued, subscribed and paid up		
2,23,25,500 (as at 31st March 2018 : 2,22,50,000) Equity shares of ` 2/- each fully paid- up	**446.51**	445.00

The reconciliation of the number of equity shares outstanding	As at 31st March 2019		As at 31st March 2018	
	Numbers	` in lakhs	Numbers	` in lakhs
Equity shares at the beginning of the year (face value per share ` 2)	**22,250,000**	**445.00**	20,750,000	415.00
Add :- Shares issued on ESOP (face value per share ` 2)	**75,500**	**1.51**	-	-
Add :- Shares issued on preferential basis (face value per share ` 2)	**-**	**-**	15,00,000	30.00
Equity shares at the end of the year (refer note (b) below)	**22,325,500**	**446.51**	22,250,000	445.00

(a) Terms/rights attached to equity shares :

1) The Parent Company has only one class of issued equity shares having a par value of ` 2 per share. Each shareholder is eligible for one vote per share held.
2) In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.
3) Of the 10,587,500 equity shares held by Mr. Sudhir Jatia, Promoter & Managing Director of the Parent Company, 12,50,000 equity shares (shares allotted to him on conversion of the share warrants) were subject to a lock-in of 3 years upto 26th February 2019 from the date of the respective trading approvals granted by the BSE Limited, in accordance with the provisions of SEBI (Issue of Capital Disclosure Requirement) Regulations 2009.

The details of shareholders holding more than 5% shares:	As at 31st March 2019		As at 31st March 2018	
Name of the shareholders	**Numbers (face value of ` 2 each)**	**% of holding**	Numbers (face value of ` 2 each)	% of holding
Safari Investments Private Limited	2,273,465	10.18%	2,273,465	10.22%
Sudhir Mohanlal Jatia	10,587,500	47.42%	10,587,500	47.58%
Tano India Private Equity Fund II	2,715,000	12.16%	3,150,000	14.16%
Malabar India Fund Limited	1,901,743	8.52%	1,901,743	8.55%

(b) Pursuant to the approval of the shareholders of the Parent Company vide their resolution dated 30th August 2017, the Parent Company had sub-divided 1 share having face value of ` 10 each fully paid-up into 5 shares having face value of ` 2 each. Accordingly, 4,150,000 shares (of ` 10 each fully paid-up) at the beginning of the previous year were sub-divided into 20,750,000 shares of ` 2 each fully paid-up. For the purpose of the sub-division, the Parent Company had fixed 25th September 2017 as the record date (ex-date 22nd September 2017).

(c) Dividend paid and proposed: Refer note 30(b)

(d) The Parent Company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 13 Other equity

` in lakhs

Particulars	Reserves and surplus					Items of Other comprehensive income	Total
	Capital reserve	Securities premium	General reserve	Equity settled share based payment reserve	Retained earnings	Actuarial gain/(loss) on defined benefit liabilities/ (assets)	
Balance as at 1st April 2017	**11.18**	**6,768.42**	**618.80**	**23.69**	**2,306.76**	**(45.05)**	**9,683.80**
Profit for the year	-	-	-	-	2,153.82	-	2,153.82
Other comprehensive income for the year	-	-	-	-	-	(29.59)	(29.59)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**2,153.82**	**(29.59)**	**2,124.23**
On issue of shares during the year (net of issue expenses of ` 27.12 lakhs)	-	5,042.88	-	-	-	-	5,042.88
Dividends (including corporate dividend tax)	-	-	-	-	(99.90)	-	(99.90)
Transfer from statement of profit and loss	-	-	-	88.42	-	-	88.42
Balance as at 31st March 2018	**11.18**	**11,811.30**	**618.80**	**112.11**	**4,360.68**	**(74.64)**	**16,839.44**
Profit for the year	-	-	-	-	2,720.71	-	2,720.71
Other comprehensive income for the year	-	-	-	-	-	(43.91)	(43.91)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**2,720.71**	**(43.91)**	**2,676.80**
On shares issued on ESOP	-	141.49	-	-	-	-	141.49
Transfer from equity settled share based payment reserve (on options excercised)	-	105.01	-	(105.01)	-	-	-
Transfer from equity settled share based payment reserve (on options lapsed / cancelled)	-	-	-	(5.22)	5.22	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.38)	-	(134.38)
Transfer from statement of profit and loss	-	-	-	86.35	-	-	86.35
Balance as at 31st March 2018	**11.18**	**12,057.80**	**618.80**	**88.23**	**6,952.33**	**(118.55)**	**19,609.69**

Purpose of the Reserves:

1. *Capital reserve: Capital Reserve represents share application money forfeited by the Company.*
2. *Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value of option on grant date and excercise price of share is transferred from equity settled share based payment reserve to securities premium at the time of excercise of options.*
3. *General reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013."The general reserve is created by way of transfer of profits from retained earnings for appropriation purposes. The reserve will be utilised in accordance with provisions of the Act."*
4. *Equity settled share based payment reserve: The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Equity settled share based payment reserve. The same is transferred to securities premium at the time of excercise of options.*
5. *Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 14 Borrowings

` in lakhs

	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Measured at amortised cost				
Secured				
From banks:				
Term loans	**106.08**	137.94	-	-
Working capital loans				
Cash credit accounts	**-**	-	**4,280.20**	661.76
Demand loans	**-**	-	**2,700.00**	500.00
Buyer's credit	**-**	-	**1,783.70**	4,081.11
Others	**-**	-	**448.45**	-
From others:				
Term loans	**36.68**	60.00	-	-
Unsecured				
From banks:				
Working capital loans	**-**	-	**1,000.00**	-
	142.76	197.94	**10,212.35**	5,242.87

Notes:

Security and terms of repayment:

1) Term loans from banks for vehicles amounting to ` 150.50 lakhs (as at 31st March 2018 ` 175.88 lakhs) including current maturities of ` 44.42 lakhs (as at 31st March 2018 ` 37.94 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 years ` 44.42 lakhs; 1-2 years ` 47.21 lakhs; 2-3 years ` 32.56 lakhs; 3-4 years ` 26.31 lakhs; >4 years ` Nil.

   These loans carry interest rate ranging from 8.00% p.a. to 10.00% p.a. (31st March 2018 8.00% p.a. to 10.00% p.a.)

2) Term loans from others for vehicles amounting to ` 59.98 lakhs (as at 31st March 2018 ` 81.41 lakhs) including current maturities of ` 23.30 lakhs (as at 31st March 2018 ` 21.41 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 years ` 23.30 lakhs; 1-2 years ` 19.21 lakhs; 2-3 years ` 9.65 lakhs; 3-4 years ` 7.82 lakhs; >4 years Rs. Nil.

   These loans carry interest rate ranging from 7.99% p.a. to 9.12% p.a. (31st March 2018 7.99% p.a. to 9.12% p.a.)

3) Working capital loans of ` 9,212.35 are secured by way of first pari-passu charge on the entire current assets of the company both present and future, pari passu charge on entire moveable property, plant and equipment (fixed assets) of the company both present and future, excluding vehicles and equitable mortgage on immovable properties situated at company's Halol plant.

4) Also, refer note 37 for details of assets provided as security.

Note 15 Provisions

` in lakhs

	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits (refer note 31)	**154.95**	188.91
	154.95	188.91

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 16 Trade payables

	As at 31st March 2019	As at 31st March 2018
		` in lakhs
Total outstanding dues of micro enterprises and small enterprises	**248.18**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	**7,110.53**	4,146.64
	7,358.51	4,146.64

Note:

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("the Act") is based on the information available with the company regarding the status of registration of such vendors under the Act, as per the intimation received from them on request made by the company.

	As at 31st March 2019	As at 31st March 2018
		` in lakhs
1) The principal amount remaining unpaid to supplier as at the end of the accounting year	248.18	-
2) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
3) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
4) The amount of interest due and payable for the year	-	-
5) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
6) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note 17 Other Financial Liabilities

	As at 31st March 2019	As at 31st March 2018
		` in lakhs
Current maturities of long-term debt (refer note 14)	**67.72**	59.35
Interest accrued but not due on borrowings	**11.62**	20.08
Unpaid dividend (refer note below)	**6.80**	6.59
Derivative liabilities (fair valuation of forward contracts)	**37.36**	-
Other payables	**29.66**	19.94
	153.16	105.96

There are no amounts due for the payment to Investor Education & Protection Fund, under Section 125 of the Companies Act, 2013 as at end of the year

Note 18 Other current liabilities

	As at 31st March 2019	As at 31st March 2018
		` in lakhs
Advances received from customers	**-**	27.98
Statutory dues	**185.51**	127.42
Others	**33.83**	30.84
	219.34	186.24

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 19 Current tax liabilities (net)

` in lakhs

	As at 31st March 2019	As at 31st March 2018
Provision for income tax *({Net of advance tax of ` 12.00 lakhs (31st March 2018 ` 1,083.00 lakhs)}*	**7.30**	110.25
	7.30	110.25

Note 20 Revenue from operations

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Sale of products (including excise duty of ` Nil) (previous year ` 272.33 lakhs) *(refer note 42)*	**57,664.44**	42,127.02
Other operating revenue		
Sale of scrap	**100.76**	50.33
	57,765.20	42,177.35

Note 21 Other Income

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Interest income		
Fixed deposits	**7.11**	19.69
Current investments	**-**	15.96
Others	**47.47**	0.16
Other income		
Electricity duty refund	**41.88**	35.29
Gain on sale of investments classified as FVTPL	**-**	13.61
Amounts written back (net)	**25.65**	-
Miscellaneous income	**8.49**	9.53
	130.60	94.24

Note 22 Cost of materials consumed

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Raw materials		
Opening stock	**1,747.36**	842.55
Purchases	**6,964.73**	4,775.76
Sub-total	**8,712.09**	5,618.31
Sales	**-**	(0.81)
Closing stock	**(1,907.28)**	(1,747.36)
Sub-total	**6,804.81**	3,870.14
Processing charges, etc.	**98.83**	136.01
Raw materials consumed	**6,903.64**	4,006.15
Packing materials consumed	**350.68**	148.10
	7,254.32	4,154.25

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 23 Changes in inventories of work-in-progress, finished goods and stock in trade*

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Inventories at the beginning of the year		
Work-in-progress	**263.42**	2.54
Finished goods	**1,284.33**	1,580.39
Stock-in-trade	**8,894.07**	6,960.00
	10,441.82	8,542.93
Inventories at the end of the year		
Work-in-progress	**137.61**	263.42
Finished goods	**1,496.26**	1,284.33
Stock-in-trade	**15,051.80**	8,894.07
	16,685.67	10,441.82
Total Change in inventories	**(6,243.85)**	(1,898.89)

Note 24 Employee benefits expense

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Salaries and wages	**5,877.01**	4,779.71
Contribution to provident and other funds	**382.31**	297.03
Share based payments (refer note 39)	**86.35**	88.42
Staff welfare expenses	**211.71**	152.18
	6,557.38	5,317.34

Note 25 Finance cost

` in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Interest expense	**369.25**	188.77
Other borrowing costs	**78.17**	100.02
	447.42	288.79

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 26 Other expenses

(` in lakhs)

	Year ended 31st March 2019	Year ended 31st March 2018
Consumption of stores and spares	**8.57**	15.35
Consumption of packing materials - trading	**366.34**	331.57
Power and fuel	**354.59**	204.20
Repairs and maintenance		
Building	**34.97**	32.05
Plant and equipment	**48.94**	24.34
Others	**167.34**	167.51
Rent	**1,604.29**	1,186.81
Rates and taxes excluding tax on income	**99.33**	121.97
Insurance	**35.00**	23.12
Postage, telegram and telephone expenses	**159.15**	139.18
Legal and professional fees	**426.75**	320.59
Deposits / other amounts written off (net)	**0.70**	37.86
Freight, handling & octroi	**3,147.84**	2,608.34
Contractual labour	**2,335.10**	1,925.40
Travelling and conveyance	**1,033.47**	1,009.06
Advertisement and sales promotion	**1,937.65**	1,020.34
Royalty expense	**30.72**	41.58
Bad debts written off	**3.54**	17.60
Provision for doubtful debts	**47.30**	-
Loss on disposal of property, plant and equipment	**46.36**	33.02
Director's sitting fees	**10.10**	10.89
Commission to non executive directors	**24.50**	-
Corporate social responsibility expenditure (refer note 40)	**40.40**	24.04
Foreign exchange loss / MTM loss (net)	**209.18**	20.76
Miscellaneous expenditure	**438.15**	511.87
Total	**12,610.28**	9,827.45

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 27 Income taxes

a) Tax expense recognised in the Consolidated Statement of profit and loss:

` in lakhs

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Current tax		
Current year	**1,514.62**	1,209.21
Earlier years	**(43.64)**	8.06
	1,470.98	1,217.27
Deferred tax		
Origination and reversal of temporary difference	**(80.06)**	(12.43)
Others	**(14.48)**	23.68
	(94.54)	11.24
Total income tax expense	**1,376.44**	1,228.51

b) A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Group is as follows :

` in lakhs

	Year Ended 31st March 2019	Year Ended 31st March 2018
Enacted income tax rate in India (%)	**34.94**	34.61
Profit before tax	**4,097.15**	3,382.33
Income tax as per above rate	**1,431.55**	1,170.56
Adjustments:		
Expenses not deductible for tax purposes	**390.83**	287.23
Expenses deductible separately for tax purposes	**(304.43)**	(253.03)
Others	**(3.33)**	4.45
Income tax as per statement of profit and loss	**1,514.62**	1,209.21

c) The movement in deferred tax assets and liabilities during the year ended 31st March, 2019:

` in lakhs

Particulars	As at 1st April 2017	(Credit) / charge in statement of profit and loss	As at 31st March 2018	(Credit) / charge in statement of profit and loss	As at 31st March 2019
Deferred tax assets/(liabilities)					
Depreciation	(59.58)	17.83	(77.41)	(123.31)	**45.89**
Amount allowable on payment basis	8.11	(38.26)	46.37	34.37	**12.01**
Voluntary retirement scheme	21.46	8.00	13.46	8.88	**4.58**
Provision for doubtful debts	-	-	-	(18.42)	**18.42**
Others	-	23.67	(23.67)	3.94	**(27.61)**
Total	**(30.01)**	**11.24**	**(41.25)**	**(94.54)**	**53.29**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 28 Financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by catergory are as follows:

a. Financial assets ` in lakhs

Particulars	At Cost	Instruments carried at fair value	Instruments carried at amortised cost	Total carrying amount	Total fair value
		FVTPL	Carrying amount		
As at 31st March 2019					
Trade receivables	-	-	**14,016.84**	**14,016.84**	**14,016.84**
Cash & cash equivalents	-	-	**42.33**	**42.33**	**42.33**
Other bank balances	-	-	**33.02**	**33.02**	**33.02**
Other financial assets	-	-	**673.29**	**673.29**	**673.29**
Total	-	-	**14,765.48**	**14,765.48**	**14,765.48**
As at 31st March 2018					
Trade receivables	-	-	9,779.85	9,779.85	9,779.85
Cash & cash equivalents	-	-	48.81	48.81	48.81
Other bank balances	-	-	231.83	231.83	231.83
Other financial assets	-	45.62	666.84	712.46	712.46
Total	-	45.62	10,727.33	10,772.95	10,772.95

b. Financial liabilities ` in lakhs

Particulars	Instruments carried at fair value	Total carrying amount at fair value	Instruments carried at amortised cost	Total carrying amount	Total fair value
	FVTPL		Carrying amount		
As at 31st March 2019					
Borrowings	-	-	**10,355.11**	**10,355.11**	**10,355.11**
Trade payables	-	-	**7,358.71**	**7,358.71**	**7,358.71**
Other financial liabilities	**37.36**	**37.36**	**115.80**	**153.16**	**153.16**
Total	**37.36**	**37.36**	**17,829.62**	**17,866.98**	**17,866.98**
As at 31st March 2018					
Borrowings	-	-	5,440.81	5,440.81	5,440.81
Trade payables	-	-	4,146.64	4,146.64	4,146.64
Other financial liabilities	-	-	105.96	105.96	105.96
Total	-	-	9,693.41	9,693.41	9,693.41

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 29

Financial risk management

The Group has exposure to the following risks arising from financial instrument:

- Credit risk;
- Liquidity risk;
- Market risk - interest rate; and
- Market risk - foreign currency;

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligation.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable and individual risk limits are set accordingly.

Credit items : The average credit period on sale of products is less than 90 days.

The ageing analysis of trade receivables: ` in lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
0-3 months	**11,239.85**	8,272.21
3-6 months	**2,500.85**	1,023.83
6-12 months	**114.59**	409.15
more than 12 months	**161.55**	74.66
Total	**14,016.84**	9,779.85

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

B. Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time, or at a reasonable price. For the Group, liquidity risk arise from obligations on account of financial liabilities- borrowings, trade payables and other financial liabilities.

The Group's objective is to maintain at all times, optimum levels of liquidity to meet its obligations when due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. It maintains adequate sources of financing including loans and short term borrowings from banks.

Exposure to liquidity risk

Contractual maturity of financial liabilities at the reporting date:

` in lakhs

Particulars	0-1 years	1-5 years	Total
As at 31st March 2019			
Long term borrowings (including current maturities of long term debt)	**67.72**	**142.76**	**210.48**
Short term borrowings	**10,212.35**	**-**	**10,212.35**
Trade payables	**7,358.71**	**-**	**7,358.71**
Other financial liabilities including derivative financial liabilities	**85.44**	**-**	**85.44**
Total	**17,724.22**	**142.76**	**17,866.98**
As at 31st March 2018			
Long term borrowings (including current maturities of long term debt)	59.35	197.94	257.29
Short term borrowings	5,242.87	-	5,242.87
Trade payables	4,146.64	-	4,146.64
Other financial liabilities including derivative financial liabilities	46.61	-	46.61
Total	**9,495.47**	**197.94**	**9,693.41**

C. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency payables and loans and borrowings.

(i) Market risk - interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group is mainly exposed to this risk due to borrowings having variable rate of interest.

Exposure to interest rate risk **` in lakhs**

Particulars	As at 31st March 2019	As at 31st March 2018
Borrowings bearing fixed rate of interest	**210.48**	257.29
Borrowings bearing variable rate of interest	**10,212.35**	5,242.87

Hence, the Group is not significantly exposed to the interest rate risk as working capital facilities are, as per contractual terms, primarily of short term in nature.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax **` in lakhs**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Increase by 50 bps - decrease in profits	**(23.64)**	(24.88)
Decrease by 50 bps - increase in profits	**23.64**	24.88

(ii) Market risk - foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables and is therefore exposed to foreign exchange risk. The operating results and financials of the Group may be impacted due to volatility of the rupee against foreign currencies. The Group manages foreign currency risk by hedging its transactions using foreign currency forward contracts.

Foreign currency exposure

Name of the instrument	As at 31st March 2019		As at 31st March 2018	
	In million US$	**` in lakhs**	In million US$	` in lakhs
Total foreign currency exposures - payable	**4.65**	**3,219.78**	8.55	5,563.06

Foreign currency risk sensitivity

A change of 1% in USD rates would have following impact on profit before tax:

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
	1% increase	1% decrease	1% increase	1% decrease
Increase / (decrease) in profit	**(32.20)**	**32.20**	(55.63)	55.63

Note 30 Capital risk management

(a) Risk management

The Group's objectives when managing capital are to

(i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

(ii) maintain an optimal capital structure to reduce the cost of capital.

(iii) support the corporate strategy and meet shareholder expectations.

The policy of the Group is to borrow through banks / financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The capital structure is governed by policies approved by the Board of Directors and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Group: **` in lakhs**

Particulars	31st March 2019	31st March 2018
Net debt (refer note 41)	**10,392.12**	5,471.43
Total equity	**20,056.20**	17,284.44
Capital gearing ratio	**0.52**	**0.32**

The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

(b) Dividends

The Parent Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the Group and other internal and external factors.

(i) The Board of Directors of the Parent Company, in its meeting on 21st May 2018, proposed a dividend of ` 0.50 per equity share (25% on equity share of ` 2 each) and the same was approved by the shareholders at the Annual General Meeting held on 13th August, 2018, this resulted in a total dividend of ` 134.38 lakhs, including corporate dividend tax of ` 22.91 lakhs.

(ii) The Board of Directors of the Parent Company, in its meeting on 13th May 2019, have proposed a dividend of ` 0.50 per equity share (25% on equity share of ` 2 each) for the year ended 31st March, 2019. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved would result in a total dividend of ` 134.57 lakhs, including corporate dividend tax of ` 22.95 lakhs.

Note 31 Disclosure pursuant to Ind AS - 19 "Employee benefits"

i) Gratuity: In accordance with the applicable laws, the Group provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Group makes annual contribution to the gratuity fund administered by Life Insurance Company under its respective Group Gratuity Scheme.

The disclosure in respect of the defined Gratuity Plan are given below:

A. Balance sheet ` in lakhs

Particulars	**Defined benefit plans**	
	As at 31st March 2019	**As at 31st March 2018**
Present value of plan liabilities	**394.42**	300.03
Fair value of plan assets	**294.37**	206.04
Asset/(liability) recognised	**(100.05)**	(93.99)

B. Movements in plan assets and plan liabilities ` in lakhs

	Present value of obligations	**Fair Value of Plan assets**
As at 1st April 2018	**300.03**	**206.04**
Current service cost	**23.84**	**-**
Interest cost / (income)	**23.13**	**15.89**
Return on plan assets excluding amounts included in net finance income / cost	**-**	**(1.41)**
Actuarial (gain) / loss arising from changes in demographic assumptions	**11.25**	**-**
Actuarial (gain) / loss arising from changes in financial assumptions	**34.99**	**-**
Actuarial (gain) / loss arising from experience adjustments	**21.19**	**-**
Employer contributions	**-**	**93.87**
Benefit payments from the fund	**(20.02)**	**(20.02)**
As at 31st March 2019	**394.41**	**294.37**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

` in lakhs

	Present value of obligations	Fair Value of Plan assets
As at 1st April 2017	**251.49**	**198.17**
Current service cost	**20.47**	**-**
Past service cost	**25.67**	**-**
Interest cost / (income)	**18.16**	**14.31**
Return on plan assets excluding amounts included in net finance income / cost	**-**	**(4.17)**
Actuarial (gain) / loss arising from changes in demographic assumptions	**(9.11)**	**-**
Actuarial (gain) / loss arising from changes in financial assumptions	**50.48**	**-**
Employer contributions	**-**	**54.86**
Benefit payments from the fund	**(57.13)**	**(57.13)**
As at 31st March 2018	**300.03**	**206.04**

C. Statement of profit and loss ` in lakhs

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Employee benefits expense:		
Current service cost	**23.84**	20.47
Past service cost	**-**	25.67
Interest cost / (income)	**7.25**	3.85
Total amount recognised in statement of profit and loss	**31.09**	49.99
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income / (cost)	**1.41**	4.17
Actuarial gains / (losses) arising from changes in demographic assumptions	**11.25**	-
Actuarial gains / (losses) arising from changes in financial assumptions	**34.99**	(9.11)
Experience gains / (losses)	**21.19**	50.48
Total amount recognised in other comprehensive income	**68.84**	45.54

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Particulars	As at 31st March 2019	As at 31st March 2018
Financial assumptions		
Discount rate	**7.59%**	7.71%
Expected rate of return on plan assets	**7.59%**	7.71%
Salary escalation Rate	**4.50%**	3.00%
Attrition rate	**For service of 4 years and below :- 26% p.a and for service 5 years and above :- 2.10% p.a.**	For service of 4 years and below :- 30% p.a and for service 5 years and above :- 1.00% p.a.

Demographic assumptions

Mortality in service : Indian Assured Lives Mortality (2006-08)

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

` in lakhs

Particulars	Change in assumption	Increase in assumption	Decrease in assumption
As at 31st March 2019			
Impact on defined benefit obligation			
Discount rate	**1.00%**	**(22.25)**	**25.26**
Salary escalation rate	**1.00%**	**25.00**	**(22.33)**
Attrition rate	**1.00%**	**4.50**	**(5.18)**
As at 31st March 2018			
Impact on defined benefit obligation			
Discount rate	1.00%	(17.08)	19.16
Salary escalation rate	1.00%	19.87	(17.98)
Attrition rate	1.00%	5.81	(6.52)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

F. The defined benefit obligations shall mature as follows:

` in lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Within 1 year	**36.60**	20.80
1-2 years	**37.85**	14.08
2-3 years	**46.75**	38.03
3-4 years	**64.30**	39.29
4-5 years	**48.33**	54.74
5-10 years	**170.26**	170.38
10 Years and Above	**321.55**	206.32

ii) Compensated absences: The Group has a policy on compensated absences which are both accumulating and non accumulating in nature. The expected cost of accumulating compensated absences is determined and provided on the basis of actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date and the Group makes annual contribution to the fund administered by Life Insurance Company under its respective Group Scheme. Expense on non accumulating compensated absences is recognised in the period in which the absences occur.

The disclosure in respect of the defined compensated absences are given below:

` in lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Expenses recognised in statement of profit and loss	**86.96**	132.86
Balance Sheet liability	**44.88**	88.35

Note 32 Earnings per share (EPS)

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Profit after tax (PAT) available for equity shareholders (` in lakhs)	**2,720.71**	2,153.82
Weighted average number of equity shares for basic EPS	**22,297,371**	21,374,658
Basic earnings per share (in `)	**12.20**	10.08
Weighted average number of equity shares for diluted EPS	**22,355,698**	21,439,918
Diluted earnings per share (in `)	**12.17**	10.05
Nominal value of equity shares (in `)	**2.00**	2.00

Refer note 12(b) for share split during the year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 33 Contingent liabilities ` in lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Disputed sales tax / entry tax demands	**6.56**	211.91
Bonus for earlier years	**10.80**	10.80
Other claims against the Group not acknowledged as debts	**27.76**	20.55

Notes:

a) Sales tax and entry tax related litigation / demand primarily pertains to non- submission of required declaration forms in time due to non- receipt of the same from customers and / or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.

b) The Group's pending litigations comprise mainly claims against the Group, proceedings pending with tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

Note 34 Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ` 837.27 lakhs (previous year ` 0.79 lakhs).

b) (i) The Group has taken premises under cancellable operating lease. These lease agreements are normally renewed on expiry. The rental expenditure is accounted for in statement of profit and loss of the Group in accordance with Ind AS-17 on lease transactions.

(ii) The Group has also taken office premises under non-cancellable operating lease. The total of future minimum lease payments under these leases for the period not later than one year is ` 408.89 lakhs (previous year ` 321.92 lakhs) and for the period later than one year and not later than five years is ` 138.71 lakhs (previous year ` 296.14 lakhs) and for the period later than five year is ` nil.

Note 35 Disclosure on related party transactions

Names of related parties and description of relationship:

Key Managerial Personnel:

Name	Nature of relationship
Mr. Sudhir Jatia	Chairman & Managing Director
Mr. Vineet Poddar	Chief Financial Officer
Mr. Rameez Shaikh	Company Secretary
Dr. Shailesh Mehta	Non-executive and independent director
Mr. Punkajj Lath	Non-executive and independent director
Mr. Dalip Sehgal	Non-executive and independent director
Mrs. Vijaya Sampath	Non-executive and independent director
Mr. Rahul Kanodia	Non-executive and independent director
Mr. Piyush Goenka	Non-executive and non-independent director

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

List of others over which key managerial personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year:

Name	Nature of relationship
Ramgopal Textiles Limited	Mr. Sudhir Jatia, Chairman and Managing Director of the company exercise significant influence in Ramgopal Textiles Limited

Other related parties:

Name	Nature of relationship
Ms. Shivani Jatia	Daughter of Mr. Sudhir Jatia, Chairman and Managing Director

Transactions during the year and balances as at year end: ` in lakhs

Nature of transactions	Key Management Personnel	Enterprises in which Directors have significant influence	Other Related Parties
Transactions during the year			
Remuneration to key managerial persons:			
Mr. Sudhir Jatia, Chairman & Managing Director	**105.63** (95.19)		
Mr. Vineet Poddar, Chief Financial Officer	**133.92** (72.25)		
Mr. Rameez Shaikh, Company Secretary (appointed w.e.f. 10th February 2018)	**15.33** (2.82)		
Sitting Fees:			
Non-executive and independent directors	**8.60** (8.19)		
Non-executive and non-independent directors	**1.50** (2.70)		
Commission:			
Non-executive and independent directors	**23.75** -		
Non-executive and non-independent directors	**0.75** -		
Salary & perquisites:			
Ms. Shivani Jatia			**12.66** (8.99)
Balances as at year end			
Trade receivables		**-** (21.38)	

Figures in bracket relate to previous year ended 31st March 2018.

Notes:

a) Related party relationship is as identified by the management and relied upon by the auditors.

b) No amounts in respect of related parties have been written off / written back during the year and no provision has been made for doubtful debts / receivable.

c) All related party transactions entered during the year were in ordinary course of the business and are at arm's length basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 36

The Group's Chairman and Managing Director has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators . The Group is primarily engaged in luggage business only. Since this segment meets the aggregation criteria as per the requirements of Ind AS 108 on ‘Operating segments’, the management considers this as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

Note 37 Assets provided as security

The carrying amounts of assets provided as security (First Charge) for current and non-current borrowings are:

` in lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Current assets		
Financial assets		
Trade receivables	**14,108.41**	9,787.26
Non financial assets		
Inventories	**18,582.32**	12,210.85
Total current assets provided as security	**32,690.73**	21,998.11
Non current assets		
Buildings*	**13.62**	87.50
All movable property, plant and equipment*	**2,494.64**	2,503.53
Total non-current assets provided as security	**2,508.26**	2,591.03
Total assets provided as security	**35,198.99**	24,589.14

**This represents net book value.*

Note 38 Auditor's remuneration

(excluding service tax and goods and service tax) ` in lakhs

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Audit fees	**5.50**	5.08
Tax audit fees	**1.75**	1.00
Limited review and certification fees	**5.25**	3.43
Reimbursement of expenses	**0.70**	-
Total	**13.20**	**9.50**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

Note 39 Employee share based plan:

A) Details of Stock options to eligible employees under Safari Stock Option Scheme 2016 are as under:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant date	**08 Oct 2016**	**09 Mar 2017**	**29 Nov 2017**	**09 Feb 2018**
No of options	65,000	45,000	30,000	10,000
Method of accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting plan	Graded Vesting-	Graded Vesting-	Graded Vesting-	Graded Vesting-
	At the end of 1st year - 40%	At the end of 1st year - 40%	At the end of 1st year - 40%	At the end of 1st year - 40%
	At the end of 2nd year - 30%	At the end of 2nd year - 30%	At the end of 2nd year - 30%	At the end of 2nd year - 30%
	At the end of 3rd year – 30%	At the end of 3rd year – 30%	At the end of 3rd year – 30%	At the end of 3rd year – 30%
Exercise period	Within one year from the date of Vesting	Within one year from the date of Vesting	Within one year from the date of Vesting	Within one year from the date of Vesting
Grant price (` per share)	160.00	190.00	300.00	440.00
Average market price on the date of grant of options (` per share)	194.21	228.17	482.22	539.86
Discount on average price (` per share)	34.21	38.17	182.22	99.86

Number movements in share options during the year:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant Date	**08 Oct 2016**	**09 Mar 2017**	**29 Nov 2017**	**09 Feb 2018**
Opening balance	65,000	45,000	30,000	10,000
Granted during the year	-	-	-	-
Lapsed / cancelled during the year	7,500	-	-	-
Exercised during the year	45,500	18,000	12,000	-
Expired during the year	-	-	-	-
Closing balance	12,000	27,000	18,000	10,000
Exercisable options	-	-	-	4,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

B) The fair value of options have been done by independent firm of Chartered Accountants using the Black-Scholes Model.

The key assumptions in the Black-Scholes Model for calculating fair value on the date of grant for Safari Stock Option Scheme 2016:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant date	**08 Oct 2016**	**09 Mar 2017**	**29 Nov 2017**	**09 Feb 2018**
1. Risk free rate	6.55%	6.74%	7.71%	7.46%
2. Option life (no. of years)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)
3. Expected volatility	0.7716	0.8247	0.8336	0.8503
4. Dividend growth rate	5%	5%	5%	5%
The weighted average fair value of the options (In `)	105.44	126.54	285.52	296.98

Refer note 12 (b) for share split during the previous financial year. Accordingly number of options granted, grant price, average market price, discount and weighted average fair value of options has been restated for options granted in the previous periods.

Note 40 Details of corporate social responsibility (CSR) expenditure :

` in lakhs

Particulars	**Year Ended 31st March 2019**	Year Ended 31st March 2018
Amount required to be spent as per section 135 of the Act	**40.08**	21.68
Amount spent during the year on :		
(i) Construction / acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**40.40**	24.04
Total	**40.40**	24.04

Note 41 Debt reconciliation statement in accordance with Ind AS 7 - Statement of Cash Flows:

` in lakhs

Particulars	**As at 31st March 2019**	As at 31st March 2018
Non current borrowings (includes current maturities of long term debt)	**210.48**	257.29
Current borrowings	**10,212.35**	5,242.87
Interest payable	**11.62**	20.08
Less: Cash and cash equivalents	**(42.33)**	(48.81)
Net debt	**10,392.12**	5,471.43

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (contd..)

` in lakhs

Particulars	Non current borrowings	Current borrowings	Interest payable	Cash and cash equivalents	Total
Net debt as at 1st April 2018	257.29	5,242.87	20.08	(48.81)	5,471.43
Cash flows	(46.81)	4,976.55	-	6.48	4,936.21
Unrealised exchange (gain) / loss	-	(7.06)	-	-	(7.06)
Finance costs	-	-	447.42	-	447.42
Interest paid	-	-	(455.88)	-	(455.88)
Net debt as at 31st March 2019	**210.48**	**10,212.35**	**11.62**	**(42.33)**	**10,392.12**

42 Post the applicability of the Goods and Service Tax (GST) with effect from 1st July, 2017, revenue from operations are disclosed net of GST, whereas Excise Duty formed part of expenses in previous year. Accordingly, the revenue from operations and expenses for the year are not comparable with the previous year.

43 Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The Management, however, is confident that the impact whereof for the year on the financial statements will not be material.

44 The previous year's figure have been regrouped / rearranged wherever necessary to conform to the current year's classifications.

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2019

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

SAFARI INDUSTRIES (INDIA) LTD.

Registered office: 302-303, A wing, THE QUBE, CTS No. 1498, A / 2, M. V. Road,
Marol, Andheri (E), Mumbai - 400 059
CIN: L25200MH1980PLC022812 | (T): 91-22-4038 1888 | (F): 91-22-4038 1850
Website: www.safaribags.com | Email id: investor@safari.in

ATTENDANCE SLIP

39th Annual General Meeting - 12th August 2019

Reg. Folio / ID No. ___________________________________

Name ____

I certify that I am a registered member / proxy of registered member of the Company.

I hereby record my presence at the 39th Annual General Meeting of the Company to be held on Monday, 12th August, 2019, at The Gem Banquet, Podium Level, The Qube, CTS No. 1498, A / 2, M. V. Road, Marol, Andheri (East), Mumbai 400059 at 02.00 pm.

________________________________ ________________________________

If signed by Proxy, his name should be written here in BLOCK letters, Member's / Proxy's Signature

NOTE : Member / Proxy holders are requested to bring this Attendance Slip to the Meeting and hand over the same at the entrance duly signed.

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SAFARI INDUSTRIES (INDIA) LTD.

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CIN: L25200MH1980PLC022812 | (T): 91-22-4038 1888 | (F): 91-22-4038 1850
Website: www.safaribags.com | Email id: investor@safari.in

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of member(s):			
Registered address:			
Email id:			
Folio No. / Client id:		DP ID:	

I / We being a member(s) of ______ shares of the above named company, hereby appoint:

1	Name			
	Address			
	Email id:		Signature	

Or failing him:

2	Name			
	Address			
	Email id:		Signature	

Or failing him:

3	Name			
	Address			
	Email id:		Signature	

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 39th Annual General Meeting of the Company, to be held on the Monday 12th day of August 2019 at The Gem Banquet, Podium Level, The Qube, CTS no1498, A / 2, MV Road, Marol, Andheri (East), Mumbai- 400 059 at 02.00 pm and at any adjournment thereof in respect of the such resolutions as are indicated below

Resolution No.	Resolution	Vote	
		For	Against
1(a).	To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended 31st March 2019, the reports of the Board of Directors and Auditors thereon.		
1(b).	To receive, consider and adopt the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March 2019 and the Auditors Report thereon.		
2.	To declare dividend on equity shares for the financial year ended 31st March, 2019.		

Resolution No.	Resolution	Vote	
		For	Against
3.	To appoint a Director in place of Mr. Anujj Patodia (DIN: 00026458), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.		

Signed this ______________ day of _____________ 2019

Affix a Fifteen paise revenue stamp

____

Signature of member (s)

Note:

(1) The Proxy form, in order to be effective, should be completed, duly signed and stamped and must be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the aforesaid meeting.

(2) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

(4)* This is only optional. Please indicate your option by putting an 'X' in the appropriate column against the resolutions indicated. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.

NOTES

NOTES

SAFARI INDUSTRIES (INDIA) LTD.
302-303, A Wing, The Qube, CTS No.1498, A/2, MV Road, Marol,
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Email id: investor@safari.in | www.safaribags.com

Disclosure Pursuant to the Provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

Relevant disclosures in terms of the "Guidance Note on Accounting for Employee Share-based Payments" issued by ICAI has been made in Notes to Accounts attached to the Annual Report.

The details of stock options as on 31st March, 2019 under the Safari Employee Stock Option Scheme-2016 ("Safari ESOS")**:**

A. Summary of Status of ESOS Granted

The description of the existing scheme is summarized as under:

Sr. No.	Particulars	Safari ESOS
1	Date of shareholders' approval	At the 36th Annual General Meeting held on 12th August 2016
2	Total number of options approved	2,07,500 options (Two Lakh, Seven Thousand and Five Hundred) of face value of Rs. 2/- each
3	Vesting requirement	**One year from the grant date**: 40% of the granted options are vested **Two years from the grant date**: 30% of the granted options are vested **Three years from the grant date**: 30% of the granted options are vested
4	Exercise Price (Rs.)	The Exercise Price shall be the price not being less than the face value of an Equity Share as determined by the Committee.
5	Maximum term of Options Granted	All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 6 (Six) years from the date of grant.
6	Sources of Shares	Primary
7	Variation in terms of options	Not applicable
8	Method used for Accounting of ESOP	Fair Value
9	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with (AS) 20 Earnings Per Share	Rs. 12.07 per share

The movements of options during the year are as follows:

Sr. No.	Particulars	Safari ESOS
1	No. of Options outstanding at the beginning of the year	1,50,000 options

2	No. of Options Granted during the year	Nil
3	No. of Options Forfeited/Lapsed during the year	7,500 options
4	No. of Options Vested during the year	49,000 options
5	No. of Options Exercised during the year	75,500 options
6	No. of Shares arising as a result of exercise of options (as of 31st March, 2019)	75,500 equity shares
7	Money realized by exercise of options during FY 2018-19	Rs. 1.43 Crore
8	Loan repaid by the trust during the year from the exercise price received	Not applicable
9	No. of Options outstanding at the end of the year	67,000 options
10	No. of Options exercisable at the end of the year	17,500 options

B. Employee-wise details of options granted during FY 2018-19

(i) Senior managerial personnel : Nil

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year: Nil

(iii) identified employees who were granted option, 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

C. Weighted average Fair Value of Options granted and their Exercise Price during the year whose Exercise Price is less than the market price: Not applicable

a. Method and Assumptions used to estimate the fair value of options granted during the year: Not applicable

Annexure C

Statement of Particulars of Employees pursuant to the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March 2019

Employed throughout the year

Sr No	Name of the employees	Designation	Remuneration received (Rs. in Lakh)	Qualification	Experience	Date of commencement of current employment	Age	Last employment held	% of equity shares held
1	Mr. Sudhir Jatia	Chairman and Managing Director	105.63	B.COM	25 years	18th April 2012	50	Entrepreneur	47.42
2	Mr. Pushkar Jain	Chief Marketing Officer	151.70	BA(Hons), MBA	17 years	10th October 2017	41	Bluestone.com	0.02
3	Mr. Indranil Roy	Sr. Vice President-Sales	139.31	B.SC, PGDBM	27 years	23rd September 2015	53	Century Plyboards India Ltd.	0.08
4	Mr. Vineet Poddar	Chief Financial Officer	133.91	B.COM, FCA, ACS	22 years	27th April 2016	45	Nshama Development LLC.	0.05
5	Mr. Paritosh Sinha	General Manager-Sales – Campus Gear	77.74	B.SC, PGDBM	17 years	30th March2017	42	JK files (India) Ltd	0.03
6	Mr. Parmod Aggarwal	Vice President-Hyper Sales	68.32	B.A, PGDBM	29 years	31st October 2012	56	VIP Industries Ltd	0.13
7	Mrs. Sonali Majumdar	Vice President – HR	61.05	B.Sc (Hons);MBA	18 years	16th January 2018	41	Bennett Coleman & Co. Ltd.	NIL
8	Mr. Satyabrata Mitra	Sr. Vice President-Canteen Store Department Stores	51.75	M.COM	36 years	3rd November 2012	63	VIP Industries Ltd	0.06
9	Mr. Arindam Banerjee	General Manager – SCM	45.42	B.Com, MBA	18 years	4th September 2017	45	Birla Tyres Ltd.	NIL
10	Mr. Sharad Choughule	Vice President – Factory	37.00	BE – Mech	30 years	16th July 2012	51	VIP Industries Limited	NIL

Employed for part of the year

Sr No	Name of the employees	Designation	Remuneration received (Rs. in Lakh)	Qualification	Experience	Date of commencement of current employment	Age	Last employment held	% of equity shares held
1	Mr. Rajiv Kshatriya	General Manager – Marketing – Campus Gear	137.17	Graduate, M.B.A	13 years	1st October 2016	37	Reckitt Benckiser India.	0.08

1. None of the employees were on contract basis.

2. None of the above employees is related to any Directors of the Company.

3. No employee holds by himself/herself or along with his/her spouse and dependent children 2% or more of the equity shares of the Company

4. Details employees working outside India who is drawing more than Rs. 60 Lakh p.a. or Rs. 5 Lakh per month are as follows:

Sr No	Name of the employees	Designation	Remuneration received (Rs. in lacs)	Qualification	Experience	Date of commencement of current	Age	Last employment held	% of equity shares held
1	Mr. Pravin Prabhakar	Vice President – China Operations	186.24	B. Com, MBA	21 Years	1st May, 2012	47	Princeware Int.	0.02

Place: Mumbai
Date: 13th May 2019