

Date: 4<sup>th</sup> June, 2020

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400 001

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C/I, C Block,  
Bandra Kurla Complex,  
Bandra (East) Mumbai – 400051

**Scrip Code: 523025**

**Scrip Symbol: SAFARI**

Dear Sir/ Madam,

**Subject: Outcome of the Board Meeting held on Thursday, 4<sup>th</sup> June, 2020**

Pursuant to Regulations 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) read with Schedule III to the Listing Regulations, this is to inform you that the Board of Directors of the Company, at its Meeting held today, i.e., on Thursday, 4<sup>th</sup> June, 2020 inter alia, has approved the following:

**(a) Approval of Audited Financial Results (Standalone and Consolidated) of the Company for the Quarter and Financial Year ended 31<sup>st</sup> March, 2020:**

Upon recommendation of the Audit Committee, the Board of Directors has approved the Audited Financial Results (Standalone & Consolidated) as per Indian Accounting Standards (IND AS) for the Quarter and Financial Year ended 31<sup>st</sup> March, 2020.

Accordingly, please find enclose herewith:

- (i) Audited Financial Results (Standalone and Consolidated) for the year ended 31<sup>st</sup> March, 2020; and
- (ii) Statutory Auditors Report on the Audited Financial Results (Standalone and Consolidated) for the year ended 31<sup>st</sup> March, 2020

The Report of the Statutory Auditors is with an unmodified opinion with respect to the Audited Financial Results (Standalone and Consolidated) of the Company for the Quarter and Financial Year ended 31<sup>st</sup> March, 2020.

Further, pursuant to the relaxation granted by the Securities and Exchange Board of India (SEBI) vide its Circular No SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated 26<sup>th</sup> March, 2020 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 regarding



exemption from publication of advertisements in newspapers as required under Regulation 47 of the SEBI Listing Regulations for all events scheduled till 30<sup>th</sup> June, 2020, the Company shall not publish the Financial Results of the aforesaid Board Meeting in the newspapers.

**(b) Dividend:**

In order to conserve cash due to COVID-19 pandemic, the Board of Directors has not recommended any Dividend on Equity Shares for Financial Year 2019-2020.

**(c) Re-appointment of Mrs. Vijaya Sampath as Independent Director for second term:**

On the recommendation of Nomination Remuneration and Compensation Committee, the Board of Directors of the Company at their meeting held today i.e. 4<sup>th</sup> June, 2020 has recommend to the members of the Company the re-appointment of Mrs. Vijaya Sampath (DIN No. 00641110) as an Independent Director of the Company for second term of 5 (five) consecutive years w.e.f. 05<sup>th</sup> August, 2020 to 04<sup>th</sup> August 2025. The current tenure of Mrs. Vijaya Sampath as an Independent Director is completing on 04<sup>th</sup> August, 2020. The proposal will be considered by the members of the Company at the ensuing Annual General Meeting.

Mrs. Vijaya Sampath is not related inter-se to any director of the Company. She is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

***Brief profile of Mrs. Vijaya Sampath is as under:***

*Mrs. Vijaya Sampath has been a lawyer for over 35 years. She is an independent director on the Board of listed and unlisted companies in IT, manufacturing, branded luggage, power, pharmaceuticals and auto component sectors. She is also the Ombudsperson for the Bharti Airtel group with oversight of the code of conduct and was its group general counsel and company secretary for over 10 years. She has been working both as in-house counsel for large Indian conglomerates and multinational companies and also been the corporate law partner in renowned national law firms.*

*Mrs. Sampath is an advisor the corporate law committee in FICCI and works with industry on regulation and policy relating to company law. She has written articles lectured/ been a speaker at various forums on women in professions, governance, ethics, law and practice.*



**(d) Impact of COVID- 19 pandemic on the Business**

Pursuant to SEBI Circular Ref. No. SEBI/HO/CFD/CMD1/CIR/P/2020/84, dated May 20, 2020, the Board of Directors has considered impact of COVID- 19 pandemic on the Business operations. We attached herewith a detailed note considered by the Board of Directors on the above matter as per Annexure A.

The meeting of the Board of Directors of the Company commenced at 10:00 A.M and concluded at 11:50 A.M .

For **Safari Industries (India) Limited**



**Sudhir Jatia**  
Chairman & Managing Director



## SAFARI INDUSTRIES (INDIA) LIMITED

Registered Office: 302-303, A Wing, The Qube, CTS No 1498, A/2, M V Road, Marol, Andheri (East), Mumbai 400059, (T) +91 22 40381888; (F) +91 22 40381850

Email id: investor@safari.in, Website: www.safaribags.com, CIN: L25200MH1980PLC022812

Statement of Audited Financial Results for the quarter and year ended 31st March, 2020

(Rs. in lakhs)

Sr. No.	Particulars	Standalone					Consolidated				
		Quarter ended			Year ended		Quarter ended			Year ended	
		31st March, 2020 Audited*	31st Dec, 2019 Unaudited	31st March, 2019 Audited*	31st March, 2020 Audited	31st March, 2019 Audited	31st March, 2020 Audited*	31st Dec, 2019 Unaudited	31st March, 2019 Audited*	31st March, 2020 Audited	31st March, 2019 Audited
1	Revenue from operations	14,329.39	16,523.55	14,054.83	68,134.44	57,262.96	14,439.63	16,611.25	14,193.65	68,586.54	57,765.20
2	Other income	66.06	2.77	83.64	76.55	130.53	68.85	18.86	83.71	95.47	130.60
3	<b>Total Income (1+2)</b>	<b>14,395.45</b>	<b>16,526.32</b>	<b>14,138.47</b>	<b>68,210.99</b>	<b>57,393.49</b>	<b>14,508.48</b>	<b>16,630.11</b>	<b>14,277.36</b>	<b>68,682.01</b>	<b>57,895.80</b>
4	<b>Expenses</b>										
a)	Cost of materials consumed	2,752.97	2,504.52	1,344.82	10,285.08	7,254.32	2,752.97	2,504.52	1,344.82	10,285.08	7,254.32
b)	Purchase of stock-in-trade	6,791.62	7,536.35	9,035.42	26,603.14	32,342.14	6,791.62	7,536.35	9,035.42	26,603.14	32,342.14
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,617.53)	(1,046.11)	(2,034.09)	1,782.22	(6,209.39)	(1,616.86)	(991.12)	(2,041.72)	1,857.87	(6,243.85)
d)	Employee benefits expense	1,700.03	1,992.55	1,693.66	7,670.57	6,539.00	1,700.03	1,992.55	1,698.38	7,679.68	6,557.38
e)	Finance costs	214.52	204.02	171.50	1,002.07	447.42	214.52	204.02	171.50	1,021.25	447.42
f)	Depreciation and amortisation expense	620.73	540.02	199.35	2,149.50	815.08	650.35	549.79	205.15	2,247.39	830.96
g)	Other expenses	3,392.92	3,563.23	3,229.07	14,702.26	12,145.08	3,489.70	3,566.96	3,343.65	14,965.65	12,610.28
	<b>Total expenses</b>	<b>13,855.26</b>	<b>15,294.58</b>	<b>13,639.73</b>	<b>64,194.84</b>	<b>53,333.65</b>	<b>13,982.33</b>	<b>15,363.07</b>	<b>13,757.20</b>	<b>64,660.06</b>	<b>53,798.65</b>
5	<b>Profit before tax (3-4)</b>	<b>540.19</b>	<b>1,231.74</b>	<b>498.74</b>	<b>4,016.15</b>	<b>4,059.84</b>	<b>526.15</b>	<b>1,267.04</b>	<b>520.16</b>	<b>4,021.95</b>	<b>4,097.15</b>
6	<b>Tax Expense</b>										
a)	Current tax	148.55	347.64	210.63	1,130.85	1,495.32	149.04	347.64	221.35	1,131.34	1,514.62
b)	Deferred tax	(57.09)	(28.62)	(70.76)	(139.13)	(89.87)	(66.86)	(28.62)	(73.29)	(148.89)	(94.54)
c)	Tax for earlier periods	(24.42)	(2.22)	(9.63)	(26.65)	(43.64)	(24.42)	(2.43)	(9.63)	(26.85)	(43.64)
	<b>Total tax</b>	<b>67.04</b>	<b>316.80</b>	<b>130.24</b>	<b>965.07</b>	<b>1,361.81</b>	<b>57.76</b>	<b>316.59</b>	<b>138.43</b>	<b>955.60</b>	<b>1,376.44</b>
7	<b>Profit for the period (5-6)</b>	<b>473.15</b>	<b>914.94</b>	<b>368.50</b>	<b>3,051.08</b>	<b>2,698.03</b>	<b>468.39</b>	<b>950.45</b>	<b>381.73</b>	<b>3,066.35</b>	<b>2,720.71</b>
8	<b>Other comprehensive income (OCI)</b>										
	<b>Items that will not be reclassified to profit or loss</b>										
	Actuarial Gain / (Loss) on Defined Benefit Plan	46.24	(37.08)	(8.71)	(65.02)	(68.84)	46.24	(37.08)	(8.71)	(65.02)	(68.84)
	Tax relating to these items	(13.43)	10.47	3.24	18.02	24.93	(13.43)	10.47	3.24	18.02	24.93
	<b>Total Other Comprehensive Income</b>	<b>32.81</b>	<b>(26.61)</b>	<b>(5.47)</b>	<b>(47.00)</b>	<b>(43.91)</b>	<b>32.81</b>	<b>(26.61)</b>	<b>(5.47)</b>	<b>(47.00)</b>	<b>(43.91)</b>
9	<b>Total comprehensive income for the period (7+8)</b>	<b>505.96</b>	<b>888.33</b>	<b>363.03</b>	<b>3,004.08</b>	<b>2,654.12</b>	<b>501.20</b>	<b>923.84</b>	<b>376.26</b>	<b>3,019.35</b>	<b>2,676.80</b>
10	Paid-up equity share capital (Face value of Rs. 2 each)	447.28	447.10	446.51	447.28	446.51	447.28	447.10	446.51	447.28	446.51
11	Other equity				22,537.55	19,547.92				22,614.58	19,609.69
12	Basic earnings per share (Face value of Rs. 2 each) (Rs.)	2.12	4.09	1.65	13.66	12.10	2.09	4.25	1.71	13.72	12.20
13	Diluted earnings per share (Face value of Rs. 2 each) (Rs.)	2.11	4.09	1.65	13.64	12.07	2.09	4.25	1.71	13.71	12.17





## Notes:

- 1) The above audited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 4th June, 2020.
- 2) The Company is engaged in luggage business and therefore there is only one reportable segment in accordance with Indian Accounting Standards (Ind AS) 108 "Operating Segments".
- 3) Due to the global outbreak of COVID-19, a pandemic and following the nation-wide lockdown by the Government of India, the Company's manufacturing facility at Halol, retail stores and warehouses have been closed which has impacted Company's operations adversely in the quarter ended March 2020. Since then, the operations at Halol Plant has partially resumed based on conditional permission by the relevant authorities. The management has considered the possible effects, that may impact the carrying amounts of inventories and trade receivables. In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the management has inter alia considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials results. The management expects no significant impairment to the carrying amounts of these assets. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.
- 4) The consolidated results for the quarter and year ended 31st March, 2020 include the results of its wholly owned subsidiary company - Safari Lifestyles Limited.
- 5) The Company elected to exercise the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961. The Company, accordingly has recognised Provision for Income Tax and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section.
- 6) During the quarter, the Company has allotted 9,000 equity shares of Rs.2 each at a premium of Rs.298 per share, aggregating to Rs.26.82 Lakhs, pursuant to the exercise Stock Options granted under the Safari Stock Option Scheme 2016.
- 7) Effective 1st April 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach. Accordingly, the Company has recognised a lease liability measured at the present value of remaining lease payments and corresponding Right of use (ROU) asset at an amount equal to the lease liability, on the transition date and also previous period information has not been restated.

The Impact of adopting IND AS 116 on the above audited financial results for the quarter and year ended 31st March 2020, is as follows:

(Rs. in lakhs)

Particulars	Standalone						Consolidated					
	Quarter ended 31st March, 2020 (without adoption of IND AS 116)	Changes due to adoption of IND AS 116 [Increase/ (decrease)]	Quarter ended 31st March, 2020 (with adoption of IND AS 116)	Year ended 31st March, 2020 (without adoption of IND AS 116)	Changes due to adoption of IND AS 116 [Increase/ (decrease)]	Year ended 31st March, 2020 (with adoption of IND AS 116)	Quarter ended 31st March, 2020 (without adoption of IND AS 116)	Changes due to adoption of IND AS 116 [Increase/ (decrease)]	Quarter ended 31st March, 2020 (with adoption of IND AS 116)	Year ended 31st March, 2020 (without adoption of IND AS 116)	Changes due to adoption of IND AS 116 [Increase/ (decrease)]	Year ended 31st March, 2020 (with adoption of IND AS 116)
Finance costs	111.53	102.99	214.52	639.05	363.02	1,002.07	111.53	102.99	214.52	639.05	382.20	1,021.25
Depreciation and amortisation expense	266.34	354.39	620.73	972.17	1,177.33	2,149.50	295.96	354.39	650.35	1,026.35	1,221.04	2,247.39
Rent (included in other expenses)	459.41	(395.63)	63.78	1,655.26	(1,302.95)	352.31	459.20	(395.63)	63.57	1,789.12	(1,349.76)	439.36
Other Income	30.58	35.48	66.06	40.53	36.02	76.55	33.37	35.48	68.85	43.37	52.10	95.47
Profit before tax	566.46	(26.27)	540.19	4,217.53	(201.38)	4,016.15	552.42	(26.27)	526.15	4,223.33	(201.38)	4,021.95

- 8) The Board of Directors has not recommended any dividend on equity shares for the financial year ended 31st March 2020 (P.Y. Rs.0.50 per equity share (25% on equity share of Rs 2 each)).
- 9a) The previous periods' figures have been regrouped / rearranged wherever necessary.
- 9b) \* The figures of the last quarter and corresponding quarter of the previous year are balancing figures between audited figures for the full financial year and unaudited published year to date figures up to the third quarter of the current financial year and previous financial year.
- 10) The above audited financial results are available on the Company's website [www.safaribags.com](http://www.safaribags.com) and on the website of BSE Ltd -[www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Ltd - [www.nseindia.com](http://www.nseindia.com).

Date: 4th June, 2020  
Place: Mumbai

For SAFARI INDUSTRIES (INDIA) LIMITED

*Sudhir Jadia*  
Sudhir Jadia  
Chairman & Managing Director  
DIN :- 00031969



**SAFARI INDUSTRIES (INDIA) LIMITED**  
**Statement of Audited Assets and Liabilities**

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant & equipment	4,095.73	2,591.48	4,095.73	2,631.71
Right-of-use assets	3,695.77	-	3,695.77	-
Capital work-in-progress	23.47	-	23.47	-
Intangible assets	152.16	302.81	152.16	302.81
Financial assets				
- Investments	5.00	5.00	-	-
- Other financial assets	399.34	448.51	399.34	518.62
Deferred tax assets (net)	186.27	47.14	202.18	53.29
Income tax assets (net)	307.31	120.75	310.32	120.75
Other non-current assets	132.76	284.96	133.26	285.46
<b>Total</b>	<b>8,997.81</b>	<b>3,800.65</b>	<b>9,012.23</b>	<b>3,912.64</b>
<b>Current assets</b>				
Inventories	16,003.38	18,582.32	16,003.38	18,657.96
Financial assets				
- Trade receivables	14,766.93	14,108.41	14,746.49	14,016.84
- Cash and cash equivalents	41.49	37.22	115.73	42.33
- Other bank balances	39.07	32.11	40.04	33.02
- Other financial assets	211.06	133.39	211.06	154.67
Other current assets	1,434.43	1,771.77	1,469.72	1,806.33
<b>Total</b>	<b>32,496.36</b>	<b>34,665.22</b>	<b>32,586.42</b>	<b>34,711.15</b>
<b>Total assets</b>	<b>41,494.17</b>	<b>38,465.87</b>	<b>41,598.65</b>	<b>38,623.79</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	447.28	446.51	447.28	446.51
Other equity	22,537.55	19,547.92	22,614.58	19,609.69
<b>Total</b>	<b>22,984.83</b>	<b>19,994.43</b>	<b>23,061.86</b>	<b>20,056.20</b>
<b>Liabilities</b>				
<b>Non - current liabilities</b>				
Financial liabilities				
- Borrowings	83.66	142.76	83.66	142.76
- Lease liabilities	2,556.70	-	2,556.70	-
<b>Total</b>	<b>2,640.36</b>	<b>142.76</b>	<b>2,640.36</b>	<b>142.76</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	7,373.72	10,212.35	7,373.72	10,212.35
- Trade payables				
total outstanding dues of micro enterprises and small	834.84	248.18	834.84	248.18
total outstanding dues of creditors other than micro	5,274.15	6,567.87	5,301.31	6,635.38
enterprises and small enterprises				
- Lease liabilities	1,340.45	-	1,340.45	-
- Other financial liabilities	583.62	606.96	583.62	625.96
Other current liabilities	339.52	538.37	339.81	540.71
Provisions	122.68	154.95	122.68	154.95
Current tax liabilities (net)	-	-	-	7.30
<b>Total</b>	<b>15,868.98</b>	<b>18,328.68</b>	<b>15,896.43</b>	<b>18,424.83</b>
<b>Total equity and liabilities</b>	<b>41,494.17</b>	<b>38,465.87</b>	<b>41,598.65</b>	<b>38,623.79</b>



For SAFARI INDUSTRIES (INDIA) LIMITED

Sudhir Jatia  
Chairman & Managing Director  
DIN :- 00031969

Date: 4th June, 2020  
Place: Mumbai

**SAFARI INDUSTRIES (INDIA) LIMITED**  
**Statement of Audited Cash Flows**

(Rs. in lakhs)

Sr No.	Particulars	Standalone		Consolidated	
		Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>A</b>	<b><u>Cash flow from operating activities</u></b>				
	Profit before tax	4,016.14	4,059.84	4,021.94	4,097.15
	Adjustments for :				
	Depreciation and amortisation expense	2,149.50	815.08	2,247.39	830.96
	Finance costs	1,002.07	447.42	1,021.25	447.42
	Interest income	(6.88)	(54.52)	(6.94)	(54.58)
	Loss on disposal / discard of property, plant and equipment (net)	16.02	46.36	16.02	46.36
	Deposits / other amounts written back (net)	(28.77)	(25.65)	(28.77)	(25.65)
	Provisions for doubtful advances/deposits	67.92	-	67.92	-
	Unrealised exchange fluctuation (gain)/ loss	122.76	(30.51)	122.76	(30.51)
	Share based payments to employees	31.45	86.35	31.45	86.35
	Provision for doubtful debts / bad debts written off	42.70	50.84	148.42	50.84
	<b>Operating profit before working capital changes</b>	<b>7,412.91</b>	<b>5,395.21</b>	<b>7,641.44</b>	<b>5,448.34</b>
	Changes in working capital				
	Decrease/(increase) in inventories	2,578.94	(6,371.45)	2,654.58	(6,405.94)
	Increase in trade receivables	(701.22)	(4,372.00)	(878.09)	(4,287.84)
	Increase in other bank balances	(1.06)	(0.21)	(1.06)	(0.42)
	Decrease/(increase) in other financial assets	(103.24)	76.02	(11.85)	6.49
	Decrease/(increase) in other assets	339.51	(158.47)	338.82	(184.66)
	Increase/(decrease) in trade payables	(760.14)	3,228.71	(800.51)	3,235.51
	Increase/(decrease) in other financial liabilities	(157.94)	25.73	(176.95)	47.29
	Increase in provisions	(97.29)	(102.80)	(97.29)	(102.80)
	Increase/(decrease) in other current liabilities	(174.42)	42.25	(176.48)	90.63
	<b>Cash generated from / (used in) operations</b>	<b>8,336.05</b>	<b>(2,237.01)</b>	<b>8,492.61</b>	<b>(2,153.40)</b>
	Direct taxes paid	(1,297.18)	(1,650.63)	(1,307.78)	(1,669.75)
	<b>Net cash from / (used in) operating activities</b>	<b>7,038.87</b>	<b>(3,887.64)</b>	<b>7,184.83</b>	<b>(3,823.15)</b>
<b>B</b>	<b><u>Cash flow from investing activities</u></b>				
	Purchase of property, plant and equipment (including capital advances)	(2,114.77)	(874.67)	(2,128.72)	(935.06)
	Disposal of property, plant and equipment	39.26	14.66	39.26	14.66
	Proceeds from maturity / (Investment) in fixed deposits (other than cash and cash equivalents)	(5.90)	198.92	(5.96)	199.02
	Interest received	7.00	55.31	7.07	55.37
	<b>Net cash used in investing activities</b>	<b>(2,074.41)</b>	<b>(605.78)</b>	<b>(2,088.35)</b>	<b>(666.01)</b>
<b>C</b>	<b><u>Cash flow from financing activities</u></b>				
	Proceeds from shares issued on ESOP	89.45	143.00	89.45	143.00
	Proceeds from long term borrowings	9.60	12.57	9.60	12.57
	Repayment of long term borrowings	(67.87)	(59.37)	(67.87)	(59.38)
	Proceeds from / (repayment of) short term borrowings (net)	(2,872.85)	4,976.54	(2,872.85)	4,976.54
	Repayment of leases liabilities	(975.95)	-	(1,019.66)	-
	Finance costs	(1,009.06)	(455.88)	(1,028.24)	(455.88)
	Dividend paid (including dividend distribution tax)	(133.51)	(134.17)	(133.51)	(134.17)
	<b>Net cash from / (used in) financing activities</b>	<b>(4,960.19)</b>	<b>4,482.69</b>	<b>(5,023.08)</b>	<b>4,482.68</b>
	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>4.27</b>	<b>(10.73)</b>	<b>73.40</b>	<b>(6.48)</b>
	<b>Opening cash and cash equivalents</b>	<b>37.22</b>	<b>47.95</b>	<b>42.33</b>	<b>48.81</b>
	<b>Closing cash and cash equivalents</b>	<b>41.49</b>	<b>37.22</b>	<b>115.73</b>	<b>42.33</b>

Date: 4th June, 2020  
Place: Mumbai



For SAFARI INDUSTRIES (INDIA) LIMITED

Sudhir Jadia  
Chairman & Managing Director  
DIN :- 00031969

**Independent Auditor's Report**

To,  
The Board of Directors of **Safari Industries (India) Limited**

**Report on the audit of the Standalone Financial Results****Opinion**

We have audited the accompanying standalone quarterly financial results of Safari Industries (India) Limited ('the Company') for the quarter and year ended March 31, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the quarter and year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* 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 results 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 audit opinion.

**Emphasis of Matter**

We draw your attention to the Note 3 of the financial results, with regards to Management's assessment of, inter-alia, realisability of inventories of Rs.16,003.38 lakhs and recoverability of trade receivables of Rs.14,766.93 lakhs, due to COVID 19 pandemic outbreak. The Management apart from considering the internal and external information up to the date of approval of these standalone financial statements, the Company has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to future economic conditions. Our report is not modified in respect of this matter



## **Management's Responsibilities for the Standalone Financial Results**

These quarterly financial results as well as year to date standalone financial results have been prepared on the basis of the standalone financial results. The Company's Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 standalone financial results, the Board of Directors are 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 the Board of Directors 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 Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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

- Identify and assess the risks of material misstatement of the standalone financial results, 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results 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 results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Other Matters:**

- (i) On account of the COVID 19 related lockdown restrictions, Management was not able to perform the year end physical verification of inventories aggregating to Rs. 6,414 lakhs at certain locations. Consequently, we have performed alternative audit procedures to audit existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific consideration to Selected items" which includes cyclical counts performed by the management during the year, roll forward procedures and their supporting documents relating to purchases, production and sales and have obtained sufficient audit evidence to issue our unmodified opinion on these standalone financial results.
- (ii) The Standalone Financial Results include the results for the quarter ended March 31, 2020 and corresponding quarter ended of the previous year being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current and previous financial year which were subject to limited review by us.

Our opinion is not modified in respect of these matters.

Mumbai  
4<sup>th</sup> June, 2020

**For Lodha & Co.**  
Chartered Accountants  
Firm Registration No. – 301051E

Rajendra  
Parasmal  
Baradiya

R. P. Baradiya

**Partner**

Membership No. **044101**

**UDIN 20044101AAAADC8830**

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Parasmal Baradiya  
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**Independent Auditor's Report**

To

The Board of Directors of **Safari Industries (India) Limited****Report on the Audit of the Consolidated Financial Results**

We have audited the accompanying consolidated financial results of **Safari Industries (India) Limited (hereinafter referred to as the "Holding Company")** and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the year ended March 31, 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial results:

- a. include the financial results of Safari Lifestyles Limited- wholly owned subsidiary;
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard and
- c. give a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Group for the Quarter and year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 by us is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matter**

We draw your attention to the Note 3 of the financial results, with regards to Management's assessment of, inter-alia, realisability of inventories of Rs.16,003.38 lakhs and recoverability of trade receivables, of Rs. 14,746.49 lakhs due to COVID 19 pandemic outbreak. The Management apart from considering the internal and external information up to the date of approval of these consolidated financial statements, the Group has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to future economic conditions.

Our report is not modified in respect of this matter

### **Board of Directors' Responsibilities for the Consolidated Financial Results**

These consolidated financial results have been prepared on the basis of the consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 consolidated financial results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, 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 the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 results, 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 with reference to financial statements 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within in the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and a subsidiary included in the consolidated financial results 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations as amended, to the extent applicable.

**Other Matters:**

- (i) On account of the COVID 19 related lockdown restrictions, Management was not able to perform the year end physical verification of inventories aggregating to Rs. 6,414 lakhs at certain locations. Consequently, we have performed alternative audit procedures to audit existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific consideration to Selected items" which includes cyclical counts performed by the management during the year, roll forward procedures and their supporting documents relating to purchases, production and sales and have obtained sufficient audit evidence to issue our unmodified opinion on these consolidated financial results.

- (ii) The Consolidated Financial Results include the results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Mumbai  
4<sup>th</sup> June, 2020

For **Lodha & Co.**  
Chartered Accountants  
Firm Registration No. – 301051E

Rajendra Parasmal Baradiya  
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**R. P. Baradiya**  
**Partner**  
Membership No. 044101  
UDIN **20044101AAAADD7802**

## Annexure A

### COVID 19 pandemic and its impact on Business Operations:

In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. On 25th March, 2020 the Government of India has declared this pandemic a health emergency, ordered temporarily closure of all non-essential businesses, imposed restrictions on movement of goods/material, travel etc.

As the nature of business performed by the Company, falls under non-essential category, these restrictions had substantially impacted its operations. The Company's manufacturing facility at Halol and its retail stores and warehouses have been closed which has impacted Company's operations adversely in the quarter ended March 2020. The supply chain has also been disrupted due to lockdown. Since then, the operations at Halol Plant has partially resumed based on conditional permission by the relevant authorities.

The management has considered the possible effects that may impact the carrying amounts of inventories and receivables. In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the management has considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials results. The management expects no significant impairment to the carrying amounts of these assets. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

Luggage industry is closely linked to travel and tourism industry which has been severely impacted with the spread of COVID-19. The near-term impact is contingent on various external factors such as lifting of the lock down, travel restrictions and revival of tourism and business travel. Revenue from school segment is also impacted which is expected to improve only when the Government allows schools to reopen. We have taken proactive approach to keep our assets and people safe while increasing our engagement with all our stakeholders during the lockdown.

During this period of lockdown, the Company has taken various steps towards rethinking the new normal for the business and gearing our offerings for the post COVID-19 lockdown world. The Company has also set up a committee namely Safari's crisis Management Team for the support of its employees for medical and sustenance. All the employees of the Company have been allowed to work from home during this lockdown period. Due precaution are taken and trainings have been imparted to employees who have resumed work strictly adhering to social distancing norms.

The Company is taking various precautions and following the guidelines as issued by Government authorities from time to time.

The Company has been focusing on cost reduction measures and conserving capital while closely monitoring the rapidly changing environment.



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In the near term the earnings and profitability of our business is expected to be materially impacted. From a business continuity purpose and in preparation for the future, cash flow availability is a key focus areas in these circumstances.

The management, based on its assessment of the situation, has internally revised its business forecasts for the near term and assessed the cash flow requirements. Due to COVID-19, there is no impact on Company's ability to service debt. The Company has unutilized banking lines to draw down as may be required.

The recent announcements by the Government Authorities to open the domestic travel soon and lifting of the lockdown in a phased manner will help bring normalcy in coming months and industry will recover in line with the economy.

Government is taking incremental steps and have announced various relief measures to give desired boost to the economy, which is expected to revive the industry and economy with a higher growth potential during the second half of the year 2020-2021.

We are confident to emerge stronger from current economic crisis and create long term value for all our stakeholders

The Company expresses its gratitude to all its stake holders for supporting in these unprecedented times and salute the COVID Warriors for their contribution to the society at large.



A handwritten signature in blue ink, appearing to read "Jatin Patel".