

BANSI S. MEHTA & CO.

CHARTERED ACCOUNTANTS

Bansi S. Mehta
(Chief Mentor)

D.I.SHAH	A.A.DESAI
K.R.GANDHI (Ms.)	H.G.BUCH
D. R. DESAI (Ms.)	Y.A.THAR
P.H.CLERK	R.G.DOSHI
M.V.SHAH	A.B.AGRAWAL
A.A.AGRAWAL (Ms.)	U.A.SHAH (Ms.)

Admn. Off. :
11/13, Botawala Building, 2nd Floor,
Horniman Circle, Mumbai 400 001.
Tel. : 2266 1255 / 2266 0275 / 2266 5275
2266 0821 / 2266 1557
Fax : (91-22) 2266 5666
E-mail : bsmco1@vsnl.net
Website : www.bsmco.net

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFARI LIFESTYLES LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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



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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

5. 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 purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director of the Company in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.



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

- i. The Company did not have pending litigations as on March 31, 2017
 - ii. The Company did not have any long-term contracts as on March 31, 2017 including derivative contracts;
 - iii. There were no amounts which were required to be transferred as on March 31, 2017 to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosure in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedure and relying on management representation, we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the Management- Refer Note no. 12.1 of the financial statements.
6. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure B' a statement on the matters specified in paragraph 3 and 4 of the Order.

For BANSI S. MEHTA & CO.
Chartered Accountants
(Firm Regn. No. 100991W)



A handwritten signature in blue ink, appearing to read "H. G. BUCH", written over the circular stamp.

H. G. BUCH
Partner
Membership No. 33114

Mumbai
Date: May 23, 2017

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF SAFARI LIFESTYLES LIMITED**

Refer to in paragraph 5(f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors report of even date to the members of the Company on the financial statement for the year ended March 31, 2017.

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

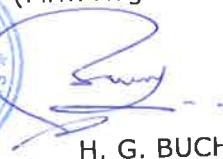


Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such controls were operating effectively as at March 31, 2017, based on the relevant 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 BANSI S. MEHTA & CO.
Chartered Accountants
(Firm Regn. No. 100991W)




H. G. BUCH
Partner

Membership No.33114

Mumbai
Date: May 23, 2017

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 6 under the heading of "Report on Other Legal and Regulatory Requirements Report of even date to the members of the Company on the standalone financial statements for the year

Report on the Companies (Auditor's Report) Order, 2016, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of the Company Safari Industries (India) Limited ("the Company").

- (i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the Company has a programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, the management has physically verified fixed assets of significant value during the year and no material discrepancies were noticed on such verification.
 - (c) There is no immovable property held by the company.
- (ii) Inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the size of operations of the Company and the same have been properly dealt with in the books of account.
- (iii) As per the information furnished to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Therefore, the provision of Clause (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.



- (iv) During the year the Company has not advanced or given any loan or given any guarantee or provided any security in connection with any loan to any of its Directors or other persons covered under section 185 and 186 of the Act or made any investment covered under section 186 the Act.
- (v) During the year the Company has not accepted any deposits from public nor are there any deposits outstanding at the beginning of the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act, read with Rule 3 of the Companies (Cost Records and Audit) Amendment Rules, 2014 notified by Ministry of Corporate Affairs, Government of India vide notification dated December 31st, 2014.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues, being Sales tax, Income Tax and other material statutory dues except for Tax Deducted at source on Commission and Brokerage for the months May, June, July and August 2016 totalling to Rs. 30300/- which is outstanding as on 31st March 2017.
- (b) According to the information and explanation given to us, there are no outstanding dues which have not been deposited with any statutory authority on account of disputes.
- (viii) The Company has not taken any loans or borrowing from any financial institution, bank or Government, during the year.
- (ix) During the year no moneys has been raised by way of initial public offer or further public offer or by way of term loans.
- (x) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



- (xi) No remuneration is paid to any of the Director of the Company hence this clause is not applicable.
- (xii) The Company is not a Nidhi Company, Accordingly para 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares during the year under review.
- (xv) The Company has not entered into any non cash transaction during the year with Directors or persons connected with him as contemplated in section 192 of the Act.
- (xvi) The company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

For BANSI S. MEHTA & CO.
Chartered Accountants
(Firm Regn. No. 100991W)



A stylized handwritten signature in blue ink, appearing to read "H.G. BUCH".

H.G.BUCH
Partner
Membership No. 33114

Mumbai
Date: May 23, 2017

SAFARI LIFESTYLES LTD.**STANDALONE FINANCIAL STATEMENT**

As at
31.3.2017
₹

As at
31.03.2016
₹

Note No. 13**Changes in Inventories of Stock in Trade****Stock-in-Trade**

Opening Stock

22,07,076

Closing Stock

66,47,874

22,07,076

(Increase) / Decrease

(44,40,798)

(22,07,076)

Note No. 14**Employee Benefit Expenses**

Salaries, Wages and Bonus etc.

9,19,417

1,00,000

Staff Welfare

52,870

9,72,287

1,00,000

Note No. 15**Finance Cost**

Interest on Delayed payment

-

2,990

-

2,990

Note No. 16**Other Expenses**

Packing Materials for Traded Goods

11,32,923

83,568

Rent

80,32,543

8,51,000

Registration Fees

-

75,198

Legal & Professional Fees

34,674

32,855

Auditors Remuneration

78,875

28,625

Bank Charges

1,63,638

14,110

Freight, Handling & Octroi

-

49,63,802

Brokerage & Comission

236,25,095

94,79,804

Postage & Telephone

33,738

-

Printing & Stationery

81,684

30,468

Miscellaneous Expenditure

8,96,084

5,22,936

340,79,254

160,82,366



17. Contingent Liabilities Not Provided for:

Counter guarantees given by the Company is Rs.0.75 lakhs (Previous Year –Nil)

18. Segment Reporting:

The Company's activities pertain to a single reportable segment of travel goods as per Accounting Standard – 17.

19. Related Party Disclosures:

Related Party Disclosures, as required by Accounting Standard - 18:

i) Name of the related parties & description of relationship.

Ramgopal Textiles Limited	-	Enterprise in which Key Management Personnel has significant influence
Safari Investments Private Limited	-	Enterprise in which Key Management Personnel has significant influence
Tarapur Vastra Udyog Private Limited	-	Enterprise in which relative of Key Management Personnel has significant Influence
Safari Industries (India) Limited	-	Holding Company of Safari Lifestyles Limited

Key Management Personnel:

Mr. Sudhir Jatia	-	Director
------------------	---	----------

Relative of Key Management Personnel:

Mr. Mohanlal Jatia	-	Father of Mr. Sudhir Jatia
Mr. Sanjay Jatia	-	Brother of Mr. Sudhir Jatia
Ms. Shivani Jatia	-	Daughter of Mr. Sudhir Jatia

(ii) Balances at Year End:

Shares Held by Safari Industries (India) Ltd: **Rs. 5 Lakhs** (5.00)

Payables to Safari Industries India Limited – **95.12** (66.33)

(iii) Transactions with Related Parties during the year:				(Rs. Lakhs)
Nature of Transactions	Key Management Personnel	Enterprise in which Key Management Personnel has Significant influence	Enterprise in which relative of Key Management Personnel has Significant influence	Holding Company
Rent paid to Safari Industries (India) Limited	- (-)	- (-)	- (-)	1.49 (0.72)
Purchase from Safari Industries (India) Limited	- (-)	- (-)	- (-)	1014.51 (286.5)



20. Disclosure for operating lease under AS 19 – “Leases”

The Company has entered into a agreements for taking on leave and license under operating lease for office Premises/warehouses, including furniture & fittings therein, as applicable. These agreements are not non-cancelable and are for tenures between 3 months & 10 years and are renewable by mutual consent on mutually agreeable terms. The specified disclosure in respect of these agreements is given below:

- (i) Under most of the agreements, refundable interest free deposits have been given.
- (ii) Most of the agreements provide for increase in rent.
- (iii) All the agreements provide for early termination by either party with a notice period which varies from 1 month to 3 months.

21. Earning Per Share:

Basic & Diluted Earning Per Share as per AS-20 is as under:

	Particulars	2016-17	2015-16
a)	Net Profit/(Loss) available for Equity Share holders (Rs.)	27,71,537	1,30,611
b)	Weighted Average No. of Equity Shares for Basic Earnings per Share	50,000	50,000
c)	Basic Earnings per Share (₹) (Equity share of ₹.10/- each)	55.43	2.61
d)	Weighted Average No. of Shares for Diluted Earnings per Share	50,000	50,000
e)	Diluted Earnings per Share(₹)	55.43	2.61

22. Deferred Taxation:

Deferred Taxes recognized/reversed in respect of items of timing differences between accounting income and taxable income in terms of Accounting Standards 22.

(Rs.)			
Items of timing difference	Balance Assets/ (Liabilities) as on 01.04.2015	(Charge)/ Credit for the year including reversal	Balance Assets/ (Liabilities) as on 31.03.2016
Depreciation	7481	80387	87,868
Total	7,481	80387	87,868



23. Micro, Small and Medium Enterprises.

Based on the information in possession with the Company no supplier has been identified as being covered under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act").

Accordingly no amount of dues outstanding as at 31st March, 2016 have been identified as relating to the Micro, Small and Medium Enterprise referred to in the said Act.

24. Payments to Auditors:

Particulars	(₹ in Lakhs)	
	Current Year	Previous Year
Audit Fees	0.50	0.25
Tax Audit	0.29	-
TOTAL *	0.79	0.25

* The above figures are excluding service tax.

25. Trade receivables, Trade Payables and Advances/Deposits balances are subject to confirmation and subsequent reconciliation.

26. Previous year figures have been regrouped or reclassified wherever necessary. Figures in bracket relates to previous year.

As per our Report of even date

FOR BANSI S. MEHTA & CO.
Chartered Accountants
(Firm Reg No. 100991W)



H. G. BUCH
Partner
(M. No. 33114)
Mumbai, Dated: May 23, 2017



For and on behalf of the Board of Directors



SUDHIR JATIA
(Chairman & Managing Director)
(DIN No. 00031969)



VIRENDRA GANDHI
(Director)
Mumbai, Dated: May 23, 2017

