

# **SAFARI LIFESTYLES LIMITED**



**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2018**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF SAFARI LIFESTYLES LIMITED**

#### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone financial statements of **Safari Lifestyles Limited** ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

#### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules thereunder.

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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Ind AS 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 Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

### **Other Matters**

Opening balances have been considered based on the audited financial statements prepared under previous Generally Accepted Accounting Practices (Previous GAAP) issued by the other auditors whose unqualified audit report dated 23<sup>rd</sup> May, 2017 have been furnished to us. The differences arising from transition from previous GAAP to Ind AS have been derived from such audited financial statements.

### **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.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Standalone Ind AS Balance Sheet, the Statement of Profit and 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 Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to other matter 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 does not have any pending litigations which would impact its financial position - Refer Note No. 26 to the Ind AS financial statements.
  - ii. The Company has made provision, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**R. P. Baradiya**  
Partner  
Membership No. 44101

Mumbai  
21<sup>st</sup> May, 2018

**“ANNEXURE A”**

**ANNEXURE REFERRED TO IN PARAGRAPH “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF “THE COMPANY” FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

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)     All the property, plant and equipment (fixed assets) have been physically verified by the management as at the year end which is considered reasonable having regard to the size of the Company and nature of its business and no material discrepancies were noticed on such verification.  
  
       c)     There are no immovable properties 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 not made any investments, granted any loans, provided guarantees and security during the year. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
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.
8. The Company has not taken any loans or borrowings from financial institution, bank, government and debenture holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company.
9. The Company has not raised any money by way of Initial public offer or further public offer (Including debt instrument) and term loan during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
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. The Company has not paid or provided any managerial remuneration. Therefore the provisions of Clause 3 (xi) of the Order are not applicable to the Company.
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 28 to the Standalone Ind AS Financial Statements.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures 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 Registration No: 301051E

Mumbai

21<sup>st</sup> May, 2018

**R. P. Baradiya**

Partner

Membership No. 44101

**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 Lifestyles Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS 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 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 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 March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mumbai  
21<sup>st</sup> May, 2018

**R. P. Baradiya**  
Partner  
Membership No. 44101

**Safari Lifestyles Limited**  
**Balance Sheet as at 31st March 2018**

Rs. in lakhs

PARTICULARS	NOTE	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>I ASSETS</b>				
<b>(A) NON - CURRENT ASSETS</b>				
(a) Property, plant & equipment	3	2.78	7.59	7.66
(b) Financial Assets				
(i) Other financial assets	4	44.06	25.20	13.60
(c) Deferred tax assets		1.48	0.88	0.07
(d) Other non-current assets	4	1.80	0.25	0.25
<b>TOTAL NON - CURRENT ASSETS (A)</b>		<b>50.12</b>	<b>33.92</b>	<b>21.58</b>
<b>(B) CURRENT ASSETS</b>				
(a) Inventories	6	67.10	66.48	22.07
(b) Financial Assets				
(i) Trade receivables	7	97.04	79.32	49.18
(ii) Cash & cash equivalents	8	1.02	13.25	15.26
(iii) Other bank balances	9	0.84	0.75	-
(iv) Other financial assets	4	9.69	0.74	-
(c) Other current assets	5	12.23	-	-
<b>TOTAL CURRENT ASSETS (B)</b>		<b>187.92</b>	<b>160.54</b>	<b>86.51</b>
<b>TOTAL ASSETS (A+B)</b>		<b>238.04</b>	<b>194.46</b>	<b>108.09</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>(C) EQUITY</b>				
(a) Equity share capital	10	5.00	5.00	5.00
(b) Other equity		65.01	28.14	0.43
<b>TOTAL EQUITY (C)</b>		<b>70.01</b>	<b>33.14</b>	<b>5.43</b>
<b>LIABILITIES</b>				
<b>(D) CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Trade payables	11	139.51	134.19	80.12
(ii) Other financial liabilities	12	-	0.03	0.03
(b) Other current liabilities	13	21.39	25.89	22.23
(c) Income tax liabilities (net)	14	7.13	1.21	0.28
<b>TOTAL CURRENT LIABILITIES (D)</b>		<b>168.03</b>	<b>161.32</b>	<b>102.66</b>
<b>TOTAL EQUITY AND LIABILITIES (C+D)</b>		<b>238.04</b>	<b>194.46</b>	<b>108.09</b>
<b>Significant Accounting Policies</b>	2			
<b>The accompanying notes form an integral part of the standalone Ind AS financial statements</b>				

As per our report of even date

For and on behalf of the Board of Directors

For **LODHA & CO.**  
Firm Registration Number - 301051E  
Chartered Accountants

**SUDHIR JATIA**  
Director  
(DIN : 00031969)

**VIRENDRA GANDHI**  
Director  
(DIN : 05252273)

**R. P. BARADIYA**  
Partner  
Membership Number - 44101

Mumbai, 21st May 2018

**Safari Lifestyles Limited**  
**Statement of Profit and Loss for the year ended 31st March 2018**

Rs. in lakhs

PARTICULARS	NOTE	Year ended 31st March 2018	Year ended 31st March 2017
<b>INCOME</b>			
Revenue from operations	15	1,081.59	1,364.40
Other income	16	<u>0.09</u>	<u>-</u>
		1,081.68	1,364.40
<b>EXPENSES</b>			
Purchase of traded goods		867.89	1,014.51
Changes in inventories of stock in trade	17	(0.62)	(44.41)
Employee benefits expense	18	18.52	9.72
Finance costs	19	0.18	-
Depreciation and amortisation expense	3	4.81	3.63
Other expenses	20	<u>139.49</u>	<u>340.79</u>
		1,030.27	1,324.24
<b>PROFIT BEFORE TAX</b>		<u>51.41</u>	<u>40.16</u>
<b>TAX EXPENSES</b>			
Current tax	22	15.14	13.25
Deferred tax	22	<u>(0.60)</u>	<u>(0.80)</u>
		14.54	12.45
<b>PROFIT FOR THE YEAR</b>		<u>36.87</u>	<u>27.71</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>36.87</u>	<u>27.71</u>
<b>EARNINGS PER SHARE</b>	25		
Basic earnings per share		73.75	55.42
Diluted earnings per share (Face value of Rs. 10 each)		73.75	55.42
<b>Significant Accounting Policies</b>	2		
<b>The accompanying notes form an integral part of the standalone Ind AS financial statements</b>			

As per our report of even date

For and on behalf of the Board of Directors

For **LODHA & CO.**  
Firm Registration Number - 301051E  
Chartered Accountants

**SUDHIR JATIA**  
Director  
(DIN : 00031969)

**VIRENDRA GANDHI**  
Director  
(DIN : 05252273)

**R. P. BARADIYA**  
Partner  
Membership Number - 44101

Mumbai, 21st May 2018

**Safari Lifestyles Limited**  
**Statement of Cash Flows for the year ended 31st March 2018**

Rs. in lakhs

Year ended  
31st March 2018

Year ended  
31st March 2017

**A. Cash flow from operating activities**

**Profit before exceptional and tax** 51.41 40.16

Adjustments for :

Depreciation and amortisation expense 4.81 3.63

Finance costs 0.18 -

Interest income (0.09) -

4.90 3.63

**Operating profit before working capital changes** 56.31 43.79

Adjustments for :

Change in working capital

-Increase in inventories (0.62) (44.41)

-Increase in trade receivable (17.73) (30.14)

-Increase in other bank balances (0.09) (0.75)

-Increase in deposits given (27.81) (12.34)

-Increase in other assets (13.78) -

-Increase in trade payables 5.33 54.07

-Increase/(decrease) in other financial liabilities (0.03) 0.00

-Increase/(decrease) in other current liabilities (4.50) 3.65

(59.23) (29.92)

**Cash generated from operations** (2.92) 13.87

Direct taxes paid (9.22) (12.31)

**Net cash generated from / (used in) operating activities** (12.14) 1.56

**B. Cash flow from investing activities**

Purchase of property, plant and equipment - (3.57)

Interest received 0.09 -

**Net cash generated from / (used in) investing activities** 0.09 (3.57)

**C. Cash flow from financing activities**

Finance costs (0.18) -

**Net cash used in financing activities** (0.18) -

**Net decrease in cash & cash equivalents** (12.23) (2.01)

**Opening cash & cash equivalents** 13.25 15.26

**Closing cash & cash equivalents (Refer note - 8)** 1.02 13.25

**The accompanying notes form an integral part of the standalone Ind AS financial statements**

As per our report of even date

For and on behalf of the Board of Directors

For **LODHA & CO.**

Firm Registration Number - 301051E

Chartered Accountants

**SUDHIR JATIA**

Director

(DIN : 00031969)

**VIRENDRA GANDHI**

Director

(DIN : 05252273)

**R. P. BARADIYA**

Partner

Membership Number - 44101

Mumbai, 21st May 2018

**Safari Lifestyles Limited**  
**Statement of Changes in Equity for the year ended 31st March 2018**

Rs. in lakhs

<b>Equity share capital :</b>	<b>Balance as at 1st April 2016</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March 2017</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March 2018</b>
Paid up capital (Refer Note 10)	5.00	-	5.00	-	5.00
<b>Other equity :</b>	<b>Balance as at 1st April 2016</b>	<b>Profit for the year</b>	<b>Balance as at 31st March 2017</b>	<b>Profit for the year</b>	<b>Balance as at 31st March 2018</b>
<b>Retained Earnings</b>	<b>0.43</b>	<b>27.71</b>	<b>28.14</b>	<b>36.87</b>	<b>65.01</b>

**The accompanying notes form an integral part of the standalone Ind AS financial statements**

As per our report of even date

For and on behalf of the Board of Directors

For **LODHA & CO.**

Firm Registration Number - 301051E

Chartered Accountants

**SUDHIR JATIA**

Director

(DIN : 00031969)

**VIRENDRA GANDHI**

Director

(DIN : 05252273)

**R. P. BARADIYA**

Partner

Membership Number - 44101

Mumbai, 21st May 2018

## **NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

### **1. CORPORATE INFORMATION:**

Safari Lifestyles Limited ('The Company') is a public limited company domiciled in India and is incorporated under the provision of The Companies Act applicable in India. It is a wholly owned subsidiary of Safari Industries (India) Limited. The Company is engaged in the trading of hard luggage, soft 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 figures for the previous year ended 31st March, 2017 and opening balance sheet as on 1st April, 2016 have also been reinstated by the management as per the requirements of Ind AS. These financial statements are the first financial statements of the Company under Ind AS. Refer note 28 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

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 that 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

Freehold land is carried at historical cost. All other 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.

### Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1<sup>st</sup> April 2016 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### 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 are as under:

Category	Useful Life as prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Furniture and Fixture	10 Years	2 - 10 Years
Office Equipments	3 - 5 Years	3 - 5 Years

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.

Assets costing up to Rs. 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 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 treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss, if any 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.

## **2.5 Inventories:**

Inventories includes traded goods which are valued at cost or net realisable value, whichever is lower. 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 First in first out (FIFO) 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.

Obsolete and defective inventory are duly provided on the basis of management estimates.

Adequate allowance is made on obsolete and slow moving items.

## **2.6 Revenue Recognition:**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be measured reliably.

### **Sale of goods:**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognised as revenue on certainty of receipt on prudent basis.

### **Other Income**

Interest income is recognised on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate method to the net carrying amount of the financial assets.

### **Dividend Income**

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## **2.7 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 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.

**(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.

**(ii) Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured at using 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.

**2.8 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.

**2.9 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.

## **2.10 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).

## **2.11 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.

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.

## **2.12 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.

## **2.13 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.

## **2.14 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.

## **2.15 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.

#### **2.16 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.

#### **2.17 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.

Notes to the Ind AS financial statements for the year ended 31st March 2018

Rs. in lakhs

3 Property, plant and equipment

	Furniture and Fixtures	Office equipments	Total
<b>Deemed Cost as at 1st April 2016</b>	<b>6.44</b>	<b>1.22</b>	<b>7.66</b>
Additions	3.56	-	3.56
<b>Balance as at 31st March 2017</b>	<b>10.00</b>	<b>1.22</b>	<b>11.22</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at 1st April 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>
Additions	3.39	0.24	3.63
<b>Balance as at 31st March 2017</b>	<b>3.39</b>	<b>0.24</b>	<b>3.63</b>
<b>Net carrying amount as at 1st April 2016</b>	<b>6.44</b>	<b>1.22</b>	<b>7.66</b>
<b>Net carrying amount as at 31st March 2017</b>	<b>6.61</b>	<b>0.98</b>	<b>7.59</b>
<b>Gross carrying amount</b>			
<b>Balance as at 31st March 2017</b>	<b>10.00</b>	<b>1.22</b>	<b>11.22</b>
<b>Balance as at 31st March 2018</b>	<b>10.00</b>	<b>1.22</b>	<b>11.22</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at 31st March 2017</b>	<b>3.39</b>	<b>0.24</b>	<b>3.63</b>
Additions	4.62	0.19	4.81
<b>Balance as at 31st March 2018</b>	<b>8.01</b>	<b>0.43</b>	<b>8.44</b>
<b>Net carrying amount as at 31st March 2017</b>	<b>6.61</b>	<b>0.98</b>	<b>7.59</b>
<b>Net carrying amount as at 31st March 2018</b>	<b>1.99</b>	<b>0.79</b>	<b>2.78</b>

NOTE:

1. The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1st April 2016 under the previous GAAP:

Deemed cost as at 1st April, 2016 :

	Furniture and Fixtures	Office equipments	Total
Gross Block as at 1st April 2016	7.08	1.27	8.35
Accumulated Depreciation as at 1st April 2016	0.64	0.05	0.69
Net block treated as deemed cost upon transition	6.44	1.22	7.66

**Notes to the Ind AS financial statements for the year ended 31st March 2018**

Rs. in lakhs

**4 Other financial assets**

	Non-Current			Current		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(Unsecured, considered good unless otherwise stated)						
Deposits for premises & others	44.06	25.20	13.60	9.69	0.74	-
Loans and Advances to employees	-	-	-	-	-	-
Interest accrued on fixed deposits	-	-	-	-	-	-
Insurance claim receivable	-	-	-	-	-	-
Derivative assets (Fair valuation of forward contracts)	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
	<b>44.06</b>	<b>25.20</b>	<b>13.60</b>	<b>9.69</b>	<b>0.74</b>	<b>-</b>

**5 Other assets**

	Non-Current			Current		
	As at 31st March	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(Unsecured, considered good unless otherwise stated)						
Capital advances	1.30	-	-	-	-	-
Refunds due/balances from/with government authorities	0.50	0.25	0.25	12.23	-	-
	<b>1.80</b>	<b>0.25</b>	<b>0.25</b>	<b>12.23</b>	<b>-</b>	<b>-</b>

**Notes to the Ind AS financial statements for the year ended 31st March 2018**

**Rs. in lakhs**

<b>6 Inventories</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
Stock-in-trade	<b>67.10</b>	66.48	22.07
	<b>67.10</b>	66.48	22.07

Mode of Valuation : Refer Note: 2.5

<b>7 Trade receivables</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
Unsecured, considered good	<b>97.04</b>	79.32	49.18
	<b>97.04</b>	79.32	49.18

Refer Note 24 for credit terms, ageing analysis and other relevant details related to trade receivables.

<b>8 Cash and cash equivalents</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
Balance with banks in current accounts	<b>1.01</b>	13.24	15.04
Cash on hand	<b>0.01</b>	0.01	0.22
	<b>1.02</b>	13.25	15.26

<b>9 Other bank balances</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
In deposit accounts (pledged against bank guarantees.)	<b>0.84</b>	0.75	-
	<b>0.84</b>	0.75	-

**Notes to the Ind AS financial statements for the year ended 31st March 2018**

**Rs. in lakhs**

**10 Equity Share Capital**

	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
<b>Authorised</b>			
50,000 (as at 31st March 2017 : 50,000 ; as at 1st April 2016 : 50,000) equity shares of Rs. 10 each	<b>5.00</b>	5.00	5.00
	<u><b>5.00</b></u>	<u>5.00</u>	<u>5.00</u>
<b>Issued, subscribed and paid up</b>			
50,000 (as at 31st March 2017 : 50,000 ; as at 1st April 2016 : 50,000) equity shares of Rs. 10 each fully paid up	<b>5.00</b>	5.00	5.00
	<u><b>5.00</b></u>	<u>5.00</u>	<u>5.00</u>

<b>The reconciliation of the number of equity shares outstanding</b>	<b>As at 31st March 2018</b>		<b>As at 31st March 2017</b>		<b>As at 1st April 2016</b>	
	<b>Numbers</b>	<b>Rs. in lakhs</b>	<b>Numbers</b>	<b>Rs. in lakhs</b>	<b>Numbers</b>	<b>Rs. in lakhs</b>
Equity Shares at the beginning of the year	<b>50,000</b>	<b>5.00</b>	50,000	5.00	50,000	5.00
Equity Shares at the end of the year	<b>50,000</b>	<b>5.00</b>	50,000	5.00	50,000	5.00

**(a) Terms/rights attached to Equity shares :**

- 1) The Company has only one class of issued equity shares having a par value of Rs. 10 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.

**(b) Details of shareholders holding more than 5% shares:**

<b>Name of the shareholders</b>	<b>As at 31st March 2018</b>		<b>As at 31st March 2017</b>		<b>As at 1st April 2016</b>	
	<b>Numbers</b>	<b>% of Holding</b>	<b>Numbers</b>	<b>% of Holding</b>	<b>Numbers</b>	<b>% of Holding</b>
Safari Industries (India) Limited, Holding Company and its nominees	50,000	100.00%	50,000	100.00%	50,000	100.00%

**(c) Details of aggregate shareholding by Holding Company:**

<b>Name of the company</b>	<b>As at 31st March 2018</b>		<b>As at 31st March 2017</b>		<b>As at 1st April 2016</b>	
	<b>Numbers</b>	<b>% of Holding</b>	<b>Numbers</b>	<b>% of Holding</b>	<b>Numbers</b>	<b>% of Holding</b>
Safari Industries (India) Limited, Holding Company and its nominees	50,000	100.00%	50,000	100.00%	50,000	100.00%

- (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 to the Ind AS financial statements for the year ended 31st March 2018**

**Rs. in lakhs**

**11 Trade Payables**

	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
Due to micro, small and medium enterprises	-	-	-
Due to others	<b>139.51</b>	134.19	80.12
	<b>139.51</b>	134.19	80.12

**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. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from the previous year.

**12 Other financial liabilities**

	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
Interest payable	-	0.03	0.03
	-	0.03	0.03

**13 Other current liabilities**

	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
Advances received from customers	<b>19.00</b>	9.00	9.00
Statutory dues	-	12.47	9.22
Others	<b>2.39</b>	4.42	4.01
	<b>21.39</b>	25.89	22.23

**14 Income tax liabilities (net)**

	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
Provision for income tax {Net of advance tax Rs. 8.00 lakhs (as at 31st March 2017 Rs. 12.00 lakhs; as at 1st April 2016 Rs. 0.31 lakhs)}	<b>7.13</b>	1.21	0.28
	<b>7.13</b>	1.21	0.28

**Notes to the Ind AS financial statements for the year ended 31st March 2018**

**Rs. in lakhs**

<b>15 Revenue from operations</b>	<b>Year ended 31st March 2018</b>	<b>Year ended 31st March 2017</b>
Sale of Goods	1,081.59	1,364.40
	<u><b>1,081.59</b></u>	<u><b>1,364.40</b></u>
<b>16 Other income</b>	<b>Year ended 31st March 2018</b>	<b>Year ended 31st March 2017</b>
Interest income from fixed deposits	0.09	-
	<u><b>0.09</b></u>	<u><b>-</b></u>
<b>17 Changes in inventories of stock in trade</b>	<b>Year ended 31st March 2018</b>	<b>Year ended 31st March 2017</b>
Inventories at the beginning of the year	<b>66.48</b>	22.07
Inventories at the end of the year	<b>67.10</b>	66.48
<b>Change in inventories</b>	<b>(0.62)</b>	<b>(44.41)</b>
	<u><b>(0.62)</b></u>	<u><b>(44.41)</b></u>

**Notes to the Ind AS financial statements for the year ended 31st March 2018**

**Rs. in lakhs**

<b>18</b>	<b>Employee benefits expense</b>	<b>Year ended 31st March 2018</b>	<b>Year ended 31st March 2017</b>
	Salaries and wages	<b>18.52</b>	9.72
		<u><b>18.52</b></u>	<u>9.72</u>
<b>19</b>	<b>Finance costs</b>	<b>Year ended 31st March 2018</b>	<b>Year ended 31st March 2017</b>
	Interest costs	<b>0.18</b>	-
		<u><b>0.18</b></u>	<u>-</u>
<b>20</b>	<b>Other expenses</b>	<b>Year ended 31st March 2018</b>	<b>Year ended 31st March 2017</b>
	Consumption of packing materials - Trading	<b>6.28</b>	11.33
	Rent	<b>98.27</b>	80.33
	Brokerage & Comission	<b>10.45</b>	236.25
	Postage, telegram and telephone expenses	<b>1.60</b>	1.15
	Legal and professional fees	<b>0.65</b>	0.35
	Auditors' remuneration (Refer note 30)	<b>1.08</b>	0.79
	Bank charges	<b>4.58</b>	1.64
	Freight, handling & octroi	<b>0.66</b>	-
	Miscellaneous expenditure	<b>15.92</b>	8.96
		<u><b>139.49</b></u>	<u>340.79</u>

## 21 First-time adoption of Ind AS

These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind AS. The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April 2017, with a transition date of 1st April 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March 2018, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. There has been no resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP and therefore no amounts have been recognised directly in equity (retained earnings or another appropriate category of equity).

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

### A. Optional Exemptions

#### **Deemed cost for property, plant and equipment and intangible assets**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for Intangible assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

### B. Mandatory Exceptions

#### **(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

#### **(b) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### C. Transition to Ind AS - Reconciliations

There were no significant differences arising due to transition from previous GAAP to Ind AS, hence no reconciliation is produced.

## Notes to the Ind AS financial statements for the year ended 31st March 2018

### 22 Income Taxes

#### a) Tax expense recognised in the Statement of Profit and Loss:

	Rs. in lakhs	
	Year ended 31st March 2018	Year ended 31st March 2017
<b>Current tax</b>		
Current year	15.14	13.25
<b>Total current tax</b>	<b>15.14</b>	<b>13.25</b>
<b>Deferred tax</b>		
Origination and reversal of temporary difference	(0.60)	(0.80)
<b>Total deferred income tax expense/(credit)</b>	<b>(0.60)</b>	<b>(0.80)</b>
<b>Total income tax expense/(credit)</b>	<b>14.54</b>	<b>12.45</b>

#### 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 :

	Rs. in lakhs	
	Year ended 31st March 2018	Year ended 31st March 2017
Enacted income tax rate in India	25.75	30.90
Profit before tax	51.41	40.16
Income tax as per above rate	13.24	12.41
Adjustments:		
Expenses not deductible for tax purposes	2.23	1.12
Expenses deductible separately for tax purposes	(0.33)	(0.28)
<b>Income tax as per Statement of Profit and Loss</b>	<b>15.14</b>	<b>13.25</b>

#### c) The movement in deferred tax assets and liabilities during the year ended March 31, 2017 and March 31, 2018:

	Rs. in lakhs				
	As at 1st April, 2016	(Credit)/charge in Statement of Profit and Loss	As at 31st March, 2017	(Credit)/charge in Statement of Profit and Loss	As at 31st March, 2018
<b>Deferred tax assets/(liabilities)</b>					
Depreciation	0.07	(0.80)	0.88	(0.60)	1.48
<b>Total</b>	<b>0.07</b>	<b>(0.80)</b>	<b>0.88</b>	<b>(0.60)</b>	<b>1.48</b>

## Notes to the Ind AS financial statements for the year ended 31st March 2018

### 23 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 category are as follows:

#### a. Financial assets

	Rs. In lakhs				
	Instruments carried at fair value	Instruments carried at amortised cost			
	At Cost	FVTPL	Carrying amount	Total carrying amount (A+B)	Total fair value
<b>As at 1st April, 2016</b>					
Investments	-	-	-	-	-
Trade receivables	-	-	49.18	49.18	49.18
Cash & cash equivalents	-	-	15.26	15.26	15.26
Other bank balances	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	-	-	64.44	64.44	64.44
<b>As at 31st March, 2017</b>					
Investments	-	-	-	-	-
Trade receivables	-	-	79.32	79.32	79.32
Cash & cash equivalents	-	-	13.25	13.25	13.25
Other bank balances	-	-	0.75	0.75	0.75
Other financial assets	-	-	0.74	0.74	0.74
<b>Total</b>	-	-	94.06	94.06	94.06
<b>As at 31st March, 2018</b>					
Investments	-	-	-	-	-
Trade receivables	-	-	97.04	97.04	97.04
Cash & cash equivalents	-	-	1.02	1.02	1.02
Other bank balances	-	-	0.84	0.84	0.84
Other financial assets	-	-	9.69	9.69	9.69
<b>Total</b>	-	-	108.59	108.59	108.59

#### b. Financial liabilities

	Rs. In lakhs				
	Instruments carried at fair value	Instruments carried at amortised cost			
	FVTPL	Total carrying amount and fair value	Carrying amount	Total carrying amount	Fair value
<b>As at 1st April, 2016</b>					
Borrowings	-	-	-	-	-
Trade payables	-	-	80.12	80.12	80.12
Other financial liabilities	-	-	0.03	0.03	0.03
<b>Total</b>	-	-	80.15	80.15	80.15
<b>As at 31st March, 2017</b>					
Borrowings	-	-	-	-	-
Trade payables	-	-	134.19	134.19	134.19
Other financial liabilities	-	-	0.03	0.03	0.03
<b>Total</b>	-	-	134.22	134.22	134.22
<b>As at 31st March, 2018</b>					
Borrowings	-	-	-	-	-
Trade payables	-	-	139.51	139.51	139.51
Other financial liabilities	-	-	-	-	-
<b>Total</b>	-	-	139.51	139.51	139.51

**24 Risk management****A. Credit Risk**

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 assess 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.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- iv) Significant increase in credit risk on other financial instruments of the same counterparty
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees

Credit terms: The average credit period allowed to customers is less than 60 days.

Ageing of Account receivables:

Rs. in lakhs

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
0-3 months	66.71	34.86	49.18
3-6 months	2.06	42.58	-
6-12 months	28.27	1.22	-
more than 12 months	-	0.66	-
Total	97.04	79.32	49.18

**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. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations. Shortcomings in subsidiary if any, will be taken care of by the Holding Company.

**Contractual maturity patterns of financial liabilities**

Rs. in lakhs

Particulars	As at 31st March 2018		
	0-1 years	1-5 years	Total
Trade payables	139.51	-	139.51
Total	139.51	-	139.51

  

Particulars	As at 31st March 2017		
	0-1 years	1-5 years	Total
Trade payables	134.19	-	134.19
Total	134.19	-	134.19

  

Particulars	As at 1st April 2016		
	0-1 years	1-5 years	Total
Trade payables	80.12	-	80.12
Total	80.12	-	80.12

## Notes to the Ind AS financial statements for the year ended 31st March 2018

Rs. in lakhs

25 Earnings per share (EPS)	Year ended 31st March 2018	Year ended 31st March 2017
Profit after tax (PAT) available for equity shareholders	36.87	27.71
Weighted average number of equity shares for basic EPS	50,000	50,000
Basic earnings per share	73.75	55.42
Weighted average number of equity shares for diluted EPS	50,000	50,000
Diluted earnings per share	73.75	55.42
Nominal value of equity Shares (in Rs.)	10.00	10.00

## 26 Contingent liabilities

There are no pending litigations / claims by and against the Company. The following table shows the position of contingent liability of the Company.

Rs. in lakhs

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Contingent liability	-	-	-

## 27 Commitments

(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 this lease for the period not later than one year is Rs. 15.82 lakhs (previous year Rs. 10.16 lakhs) and for the period later than one year and not later than five years is Rs. Nil (previous year Rs. 3.02 lakhs) and for the period later than five year is Rs. Nil (previous year Rs. 3.02 lakhs).

## 28 Disclosure on related party transactions

### Names of related parties and description of relationship:

Name	Extent of holding
Safari Industries (India) Limited	Holding Company

### Transactions during the year and balances as at year end:

Nature of Transactions	Holding Company
<b>Transactions during the Year</b>	
Purchase of goods	867.89 (1,014.51)
Rent paid	1.69 (1.49)
Employee cost reimbursed	18.00 (9.00)
<b>Balances as at year end</b>	
Trade payables	104.46 (95.12)

*Figures in bracket relate to previous year.*

Notes:

- Related party relationship is as identified by the management and relied upon by the auditors.
- 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.
- All related party transactions entered during the year were in ordinary course of the business and are at arm's length basis.

## Notes to the Ind AS financial statements for the year ended 31st March 2018

- 29** 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.

<b>30 Auditor's remuneration</b>	<b>Rs. in lakhs</b>	
	<b>Year ended 31st March 2018</b>	<b>Year ended 31st March 2017</b>
<i>(excluding service tax and goods and service tax)</i>		
Audit fees	<b>1.08</b>	0.79

- 31** 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.

### **32 Recent accounting pronouncements**

#### **Ind AS 115 - Revenue from Contracts with Customers**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers effective from April 1, 2018. The core principle of the new standard is that an entity should recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

#### **Amendment to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

**Amendments to Ind AS 12, Income Taxes** clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. These amendments only clarify the existence of guidance of Ind AS 12 and do not change the underlying principles for recognition of deferred tax asset.

Consequential amendments to other Ind AS due to notification of Ind AS 115 and other amendments discussed above.

The management is yet to assess the impact of the aforesaid amendments on the Company's financial information.

- 33** The financial statements were approved for issue by the Board of Directors on 21st May 2018.

For and on behalf of the board

**SUDHIR JATIA**  
Director  
(DIN : 00031969)

**VIRENDRA GANDHI**  
Director  
(DIN : 05252273)

Mumbai, 21st May 2018