SAFARI LIFESTYLES LIMITED

safari

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2019

LODHA & CO

CHARTERED ACCOUNTANTS

6, Karim Chambers, 40, A, Doshi Marg, (Hamam Street),
Mumbai 400 001 INDIA.
Telephone : 0091-22-2269 1414 / 2269 1515
0091-22-4002 1140 / 4002 1414
Fax : 0091-22-2265 0126
E-mail : mumbai@lodhaco.com

Independent Auditor's Report

To The Members of Safari Lifestyles Limited

Opinion

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

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

Basis for Opinion

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

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

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

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

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

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

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Management responsibilities for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.

(c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

During the year, the Company has not paid any remuneration to its directors.

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

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. 301051E

R. P. Baradiya
Partner
Membership No. 44101

Mumbai
13th May, 2019

LODHA & CO. MUMBAI-01 Chartered Accountants

"ANNEXURE A"

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

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

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

   b) 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,

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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 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.

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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

R. P. Baradiya
Partner
Membership No. 44101

Mumbai
13th May, 2019

LODHA & CO. ★ (MUMBAI-01) ★ Chartered Accountants

"ANNEXURE B"

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

We have audited the internal financial controls over financial reporting of **Safari Lifestyles Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the 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 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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lodha & Co.
Chartered Accountants

Firm Registration No: 301051E

R. P. Baradiya
Partner
Membership No. 44101

Mumbai
13th May, 2019

LODHA & CO. MUMBAI-01 Chartered Accountants

Safari Lifestyles Limited
Balance Sheet as at 31st March 2019

Rs. in lakhs

PARTICULARS	NOTE	As at 31st March 2019	As at 31st March 2018
ASSETS			
NON - CURRENT ASSETS			
Property, plant & equipment	3	**40.23**	2.78
Financial Assets			
Other financial assets	4	**70.11**	44.06
Deferred tax assets		**6.15**	1.48
Other non-current assets	5	**0.50**	1.80
TOTAL NON - CURRENT ASSETS		**116.99**	**50.12**
CURRENT ASSETS			
Inventories	6	**119.08**	67.10
Financial Assets			
Trade receivables	7	**137.15**	97.04
Cash & cash equivalents	8	**5.11**	1.02
Other bank balances	9	**0.90**	0.84
Other financial assets	4	**21.28**	9.69
Other current assets	5	**34.57**	12.24
TOTAL CURRENT ASSETS		**318.09**	**187.93**
TOTAL ASSETS		**435.08**	**238.05**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	**5.00**	5.00
Other equity	11	**105.20**	65.01
TOTAL EQUITY		**110.20**	**70.01**
LIABILITIES			
CURRENT LIABILITIES			
Financial Liabilities			
Trade payables	12		
Total outstanding dues of micro enterprises and small		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		**296.24**	139.52
Other financial liabilities	13	**19.00**	19.00
Other current liabilities	14	**2.34**	2.39
Current tax liabilities (net)	15	**7.30**	7.13
TOTAL CURRENT LIABILITIES		**324.88**	**168.04**
TOTAL EQUITY AND LIABILITIES		**435.08**	**238.05**

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

R. P. BARADIYA
Partner
Membership Number - 044101

Mumbai, 13th May 2019

LODHA & CO. ★ (MUMBAI-01) ★ Chartered Accountants

For and on behalf of the Board of Directors

SUDHIR JATIA
Director
(DIN : 00031969)

VIRENDRA GANDHI
Director
(DIN : 05252273)

Safari Lifestyles Limited
Statement of Profit and Loss for the year ended 31st March 2019

Rs. in lakhs

PARTICULARS	NOTE	Year ended 31st March 2019	Year ended 31st March 2018
INCOME			
Revenue from operations	16	**1,457.70**	1,081.59
Other income	17	**0.06**	0.09
		1,457.76	**1,081.68**
EXPENSES			
Purchase of traded goods		**955.46**	867.89
Changes in inventories of stock in trade	18	**(51.98)**	(0.62)
Employee benefits expense	19	**18.38**	18.52
Finance costs	20	-	0.18
Depreciation and amortisation expense	3	**15.88**	4.81
Other expenses	21	**465.20**	139.49
		1,402.94	**1,030.27**
PROFIT BEFORE TAX		**54.82**	**51.41**
TAX EXPENSES			
Current tax	22	**19.30**	15.14
Deferred tax	22	**(4.67)**	(0.60)
		14.63	14.54
PROFIT FOR THE YEAR		**40.19**	**36.87**
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		**40.19**	**36.87**
EARNINGS PER SHARE	25		
Basic earnings per share		**80.38**	73.73
Diluted earnings per share		**80.38**	73.73
(Face value of Rs. 10 each)			

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

R. P. BARADIYA
Partner
Membership Number - 044101

Mumbai, 13th May 2019

LODHA & CO. MUMBAI-01 Chartered Accountants

For and on behalf of the Board of Directors

SUDHIR JATIA
Director
(DIN : 00031969)

VIRENDRA GANDHI
Director
(DIN : 05252273)

Safari Lifestyles Limited
Statement of Cash Flows for the year ended 31st March 2019

Rs. in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
A. Cash flow from operating activities		
Profit before exceptional and tax	**54.82**	**51.41**
Adjustments for :		
Depreciation and amortisation expense	15.88	4.81
Finance costs	-	0.18
Interest income	(0.06)	(0.09)
Deposits / other amounts written off (net)	0.70	-
Bad debts written off / Provision for bad debts	7.27	-
Operating profit before working capital changes	**78.61**	**56.31**
Adjustments for :		
Change in working capital		
-Increase in inventories	(51.98)	(0.62)
-Increase in trade receivable	(47.38)	(17.73)
-Increase in other bank balances	(0.06)	(0.09)
-Increase in deposits given	(38.34)	(27.81)
-Increase in other assets	(21.03)	(13.78)
-Increase in trade payables	156.72	5.33
-Decrease in other financial liabilities	-	(0.03)
-Decrease in other current liabilities	(0.05)	(4.50)
Cash generated from / (used in) operations	**76.49**	**(2.92)**
Direct taxes paid	(19.13)	(9.22)
Net cash generated from / (used in) operating activities	**57.36**	**(12.14)**
B.Cash flow from investing activities		
Purchase of property, plant and equipment	(53.33)	-
Interest received	0.06	0.09
Net cash generated from / (used in) investing activities	**(53.27)**	**0.09**
C. Cash flow from financing activities		
Finance costs	-	(0.18)
Net cash used in financing activities	-	**(0.18)**
Net increase / (decrease) in cash & cash equivalents	**4.09**	**(12.23)**
Opening cash & cash equivalents	**1.02**	**13.25**
Closing cash & cash equivalents (Refer note - 8)	**5.11**	**1.02**

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

R. P. BARADIYA
Partner
Membership Number - 044101

Mumbai, 13th May 2019

LODHA & CO (MUMBAI-01) Chartered Accountants

For and on behalf of the Board of Directors

SUDHIR JATIA
Director
(DIN : 00031969)

VIRENDRA GANDHI
Director
(DIN : 05252273)

Safari Lifestyles Limited
Statement of Changes in Equity for the year ended 31st March 2019

Rs. in lakhs

Equity share capital :	Balance as at 1st April 2017	Changes in equity share capital during the year 2017-2018	Balance as at 31st March 2018	Changes in equity share capital during the year 2018-2019	Balance as at 31st March 2019
Paid up capital (Refer Note 10)	**5.00**	-	**5.00**	-	**5.00**

Other equity :	Balance as at 1st April 2017	Profit for the year 2017-2018	Balance as at 31st March 2018	Profit for the year 2018-2019	Balance as at 31st March 2019
Retained Earnings	**28.14**	36.87	**65.01**	40.19	**105.20**

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

R. P. BARADIYA
Partner
Membership Number - 044101

Mumbai, 13th May 2019

For and on behalf of the Board of Directors

SUDHIR JATIA
Director
(DIN : 00031969)

VIRENDRA GANDHI
Director
(DIN : 05252273)

LODHA & CO.
MUMBAI-01
Chartered Accountants

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

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 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.

LODHA & CO.
MUMBAI-01
Chartered Accountants

2.3 Property, Plant and Equipment:

All the items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

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.

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.

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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 tested for impairment. When the carrying cost of the asset exceeds its recoverable value, an impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

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

2.5 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 weighted average basis.

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

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:

Effective 1st April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 1st April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

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

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

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

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

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

Contract balances

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

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 recognises 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

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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 recognising 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.

(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 Fair Value Measurement:

The Company measures financial instruments 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.

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2.9 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).

2.10 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.

2.11 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.

2.12 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.

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2.13 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.

2.14 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.

2.15 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.

2.16 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.

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2.17 Recent accounting pronouncements:

Ind AS 116 – Leases

On 30th March 2019, Ministry of Corporate affairs have notified Ind AS 116 – "Leases". Ind As 116 will replace the existing leases standards Ind As 17 – "Leases" and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind As 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after 01st April 2019.

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

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

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

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Notes to the financial statements for the year ended 31st March 2019

Rs. in lakhs

3 Property, plant and equipment

	Furniture and Fixtures	Office equipments	Total
Gross carrying amount			
Balance as at 1st April 2017	**10.00**	**1.22**	**11.22**
Additions	-	-	-
Balance as at 31st March 2018	**10.00**	**1.22**	**11.22**
Accumulated Depreciation			
Balance as at 1st April 2017	**3.39**	**0.24**	**3.63**
Additions	4.62	0.19	4.81
Balance as at 31st March 2018	**8.01**	**0.43**	**8.44**
Net carrying amount as at 1st April 2017	**6.61**	**0.98**	**7.59**
Net carrying amount as at 31st March 2018	**1.99**	**0.79**	**2.78**
Gross carrying amount			
Balance as at 31st March 2018	**10.00**	**1.22**	**11.22**
Additions	50.48	2.84	53.33
Deductions/ Adjustment	-	-	-
Balance as at 31st March 2019	**60.48**	**4.07**	**64.55**
Accumulated Depreciation			
Balance as at 31st March 2018	**8.01**	**0.43**	**8.44**
Additions	15.18	0.70	15.88
Deductions/ Adjustment	-	-	-
Balance as at 31st March 2019	**23.19**	**1.13**	**24.32**
Net carrying amount as at 31st March 2018	**1.99**	**0.79**	**2.78**
Net carrying amount as at 31st March 2019	**37.29**	**2.94**	**40.23**

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Notes to the financial statements for the year ended 31st March 2019

Rs. in lakhs

4	Other financial assets	Non-Current		Current	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
	Unsecured, considered good unless otherwise stated				
	Deposits for premises & others	**70.11**	44.06	**21.28**	9.69
		70.11	44.06	**21.28**	9.69

5	Other assets	Non-Current		Current	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
	Unsecured, considered good unless otherwise stated				
	Capital advances	-	1.30	-	-
	Refunds due/balances from/with government authorities	**0.50**	0.50	**34.57**	12.24
		0.50	1.80	**34.57**	12.24

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Notes to the financial statements for the year ended 31st March 2019

Rs. in lakhs

6	Inventories	As at 31st March 2019	As at 31st March 2018
	Stock-in-trade	**119.08**	67.10
		119.08	67.10

Mode of Valuation : Refer Note 2.5

7	Trade receivables	As at 31st March 2019	As at 31st March 2018
	Unsecured		
	Considered good	**137.15**	97.04
	Having significant increase in Credit Risk	-	-
	Credit impaired	**7.27**	-
		144.42	97.04
	Less: Allowances for bad and doubtful debts	**7.27**	-
		137.15	97.04

Refer Note 22 for credit terms, ageing analysis and other relevant details related to trade receivables.

8	Cash and cash equivalents	As at 31st March 2019	As at 31st March 2018
	Balance with banks in current accounts	**5.11**	1.01
	Cash on hand	-	0.01
		5.11	1.02

9	Other bank balances	As at 31st March 2019	As at 31st March 2018
	In deposit accounts (pledged against bank guarantees.)	**0.90**	0.84
		0.90	0.84

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Notes to the financial statements for the year ended 31st March 2019

Rs. in lakhs

10 Equity Share Capital	**As at 31st March 2019**	**As at 31st March 2018**
Authorised		
50,000 (as at 31st March 2018 : 50,000) equity shares of Rs. 10 each	**5.00**	5.00
	5.00	5.00
Issued, subscribed and paid up		
50,000 (as at 31st March 2018 : 50,000) equity shares of Rs. 10 each fully paid up	**5.00**	5.00
	5.00	5.00

The reconciliation of the number of equity shares outstanding	**As at 31st March 2019**		**As at 31st March 2018**	
	Numbers	**Rs. in lakhs**	**Numbers**	**Rs. in lakhs**
Equity Shares at the beginning of the year	**50,000**	**5.00**	50,000	5.00
Equity Shares at the end of the year	**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:

Name of the shareholders	**As at 31st March 2019**		**As at 31st March 2018**	
	Numbers	**% of Holding**	**Numbers**	**% of Holding**
Safari Industries (India) Limited, Holding Company and its nominees	50,000	100.00%	50,000	100.00%

(c) Details of aggregate shareholding by Holding Company:

Name of the company	**As at 31st March 2019**		**As at 31st March 2018**	
	Numbers	**% of Holding**	**Numbers**	**% of Holding**
Safari Industries (India) Limited, Holding Company and its nominees	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.

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Notes to the financial statements for the year ended 31st March 2019

11 Other equity

Rs. in lakhs

Particulars	Balance as at 1st April 2017	Profit for the year	Balance as at 31st March 2018	Profit for the year	Balance as at 31st March 2019
Retained earnings	**28.14**	36.87	**65.01**	40.19	**105.20**

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Notes to the financial statements for the year ended 31st March 2019

Rs. in lakhs

12 Trade payables

	As at 31st March 2019	As at 31st March 2018
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	**296.24**	139.52
	296.24	139.52

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.

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

13 Other financial liabilities

	As at 31st March 2019	As at 31st March 2018
Security deposit received from customers	**19.00**	19.00
	19.00	19.00

14 Other current liabilities

	As at 31st March 2019	As at 31st March 2018
Statutory dues	**2.34**	2.39
	2.34	2.39

15 Current tax liabilities (net)

	As at 31st March 2019	As at 31st March 2018
Provision for income tax [Net of advance tax Rs. 12.00 lakhs (as at 31st March 2018 Rs. 8.00 lakhs)]	**7.30**	7.13
	7.30	7.13

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Notes to the financial statements for the year ended 31st March 2019

Rs. in lakhs

		Year ended 31st March 2019	Year ended 31st March 2018
16	**Revenue from operations**		
	Sale of Goods	1,457.70	1,081.59
		1,457.70	**1,081.59**

		Year ended 31st March 2019	Year ended 31st March 2018
17	**Other income**		
	Interest income from fixed deposits	**0.06**	0.09
		0.06	0.09

		Year ended 31st March 2019	Year ended 31st March 2018
18	**Changes in inventories of stock in trade**		
	Inventories at the beginning of the year	**67.10**	66.48
	Inventories at the end of the year	**119.08**	67.10
	Changes in inventories	**(51.98)**	(0.62)

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Notes to the financial statements for the year ended 31st March 2019

Rs. in lakhs

		Year ended 31st March 2019	Year ended 31st March 2018
19	**Employee benefits expense**		
	Salaries and wages	**18.00**	18.33
	Staff welfare expense	**0.38**	0.19
		18.38	18.52

		Year ended 31st March 2019	Year ended 31st March 2018
20	**Finance costs**		
	Other borrowing costs	**-**	0.18
		-	0.18

		Year ended 31st March 2019	Year ended 31st March 2018
21	**Other expenses**		
	Consumption of packing materials - trading	**1.97**	6.28
	Power and fuel	**5.31**	1.39
	Repairs and maintenance	**0.42**	0.22
	Rent	**216.21**	105.33
	Brokerage & Comission	**2.87**	10.45
	Postage, telegram and telephone expenses	**1.47**	1.60
	Legal and professional fees	**4.28**	1.73
	Bank charges	**7.78**	4.58
	Freight, handling & octroi	**156.64**	0.66
	Travelling and conveyance	**0.47**	0.05
	Advertisement and sales promotion	**58.33**	6.21
	Deposits / other amounts written off (net)	**0.70**	-
	Provision for doubtful debts	**7.27**	-
	Miscellaneous expenditure	**1.49**	0.99
		465.20	139.49

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Notes to the financial statements for the year ended 31st March 2019

22 Income Taxes

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

Rs. in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Current tax		
Current year	19.30	15.14
Earlier Years	-	-
Total current tax	**19.30**	**15.14**
Deferred tax		
Origination and reversal of temporary difference	(4.67)	(0.60)
Total deferred income tax expense/(credit)	**(4.67)**	**(0.60)**
Total income tax expense/(credit)	**14.63**	**14.54**

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 2019	Year ended 31st March 2018
Enacted income tax rate in India	**26.00**	**25.75**
Profit before tax	**54.82**	**51.41**
Income tax as per above rate	**14.25**	**13.24**
Adjustments for:		
Expenses not deductible for tax purposes	6.63	2.23
Expenses deductible separately for tax purposes	(1.58)	(0.33)
Income tax as per Statement of Profit and Loss	**19.30**	**15.14**

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

Rs. in lakhs

	As at 1st April, 2017	(Credit)/charge in Statement of Profit and Loss	As at 31st March, 2018	(Credit)/charge in Statement of Profit and Loss	As at 31st March, 2019
Deferred tax assets/(liabilities)					
Depreciation	**0.88**	(0.60)	**1.48**	(2.78)	**4.26**
Provision for Doubtful Debts	-	-	-	(1.89)	**1.89**
Total	**0.88**	**(0.60)**	**1.48**	**(4.67)**	**6.15**

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Notes to the financial statements for the year ended 31st March 2019

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
As at 31st March, 2018					
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
Total	-	-	108.59	108.59	108.59
As at 31st March, 2019					
Trade receivables	-	-	**137.15**	**137.15**	**137.15**
Cash & cash equivalents	-	-	**5.11**	**5.11**	**5.11**
Other bank balances	-	-	**0.90**	**0.90**	**0.90**
Other financial assets	-	-	**21.28**	**21.28**	**21.28**
Total	-	-	**164.44**	**164.44**	**164.44**

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
As at 31st March, 2018					
Trade payables	-	-	139.52	139.52	139.52
Total	-	-	158.52	158.52	158.52
As at 31st March, 2019					
Trade payables	-	-	**296.24**	**296.24**	**296.24**
Total	-	-	**315.24**	**315.24**	**315.24**

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24 Financial risk management

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

- Credit risk;
- Liquidity risk;

A. Credit Risk

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

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

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

The ageing analysis of trade receivables: **Rs. in lakhs**

Particulars	As at 31st March 2019	As at 31st March 2018
0-3 months	**92.59**	66.71
3-6 months	**21.05**	2.06
6-12 months	**20.51**	28.27
more than 12 months	**3.00**	-
Total	**137.15**	97.04

B. Liquidity risk

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

The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations when due. The Company manages liquidity risk by continuously monitoring frecast and actual cash flows and matching the maturity profiles of the financial assets and iabilities. Shortcomings if any, will be taken care of by the Holding Company.

Exposure to liquidity risk

Contractual maturity of financial liabilities at the reporting date:

Rs. in lakhs

Particulars	As at 31st March 2019		
	0-1 years	1-5 years	Total
Trade payables	**296.24**	-	**296.24**
Total	**296.24**	-	**296.24**

Particulars	As at 31st March 2018		
	0-1 years	1-5 years	Total
Trade payables	139.52	-	139.52
Total	139.52	-	139.52

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Notes to the financial statements for the year ended 31st March 2019

Rs. in lakhs

25 **Earnings per share (EPS)**	**Year ended 31st March 2019**	**Year ended 31st March 2018**
Profit after tax (PAT) available for equity shareholders	**40.19**	36.87
Weighted average number of equity shares for basic EPS	**50,000**	50,000
Basic earnings per share	**80.38**	73.73
Weighted average number of equity shares for diluted EPS	**50,000**	50,000
Diluted earnings per share	**80.38**	73.73
Nominal value of equity Shares (in Rs.)	**10.00**	10.00

26 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. 20.22 lakhs (previous year Rs. 15.82 lakhs) and for the period later than one year and not later than five years is Rs. 7.44 lakhs (previous year Rs. Nil lakhs) and for the period later than five year is Rs. Nil (previous year Rs. Nil).

Notes to the financial statements for the year ended 31st March 2019

27 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**
Transactions during the Year	
Purchase of traded goods	**955.47**
	(867.89)
Rent paid	**2.60**
	(1.69)
Employee cost reimbursed	**18.00**
	(18.00)
Balances as at year end	
Trade payables	**228.73**
	(104.46)

Figures in bracket relate to previous year.

Notes:

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

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

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

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Notes to the financial statements for the year ended 31st March 2019

28 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.

29 **Auditor's remuneration**

	Year ended 31st March 2019	Year ended 31st March 2018
		Rs. in lakhs
(excluding service tax and goods and service tax)		
Audit fees	**1.00**	1.08
Tax audit fees	**0.25**	-
	1.25	1.08

30 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.

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

Signature to notes 1-31

For and on behalf of the board

SUDHIR JATIA
Director
(DIN : 00031969)

VIRENDRA GANDHI
Director
(DIN : 05252273)

Mumbai, 13th May 2019

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