

SAFARI LIFESTYLES LIMITED



FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2020

Safari Lifestyles Limited
Balance Sheet as at 31st March 2020

Rs. in lakhs

PARTICULARS	NOTE	As at 31st March 2020	As at 31st March 2019
ASSETS			
NON - CURRENT ASSETS			
Property, plant & equipment	3,26	-	40.23
Financial Assets			
Other financial assets	4	-	70.11
Deferred tax assets		15.91	6.15
Income tax assets (net)		3.01	-
Other non-current assets	5	0.50	0.50
TOTAL NON - CURRENT ASSETS		19.42	116.99
CURRENT ASSETS			
Inventories	6	-	119.08
Financial Assets			
Trade receivables	7	-	137.15
Cash & cash equivalents	8	74.24	5.11
Other bank balances	9	0.97	0.90
Other financial assets	4	-	21.28
Other current assets	5	35.29	34.57
TOTAL CURRENT ASSETS		110.50	318.09
TOTAL ASSETS		129.92	435.08
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	5.00	5.00
Other equity	11	77.04	105.20
TOTAL EQUITY		82.04	110.20
LIABILITIES			
CURRENT LIABILITIES			
Financial Liabilities			
Trade payables	12		
Total outstanding dues of micro, small and medium		-	-
Total outstanding dues of creditors other than micro, small and medium enterprises		47.59	296.24
Other financial liabilities	13	-	19.00
Other current liabilities	14	0.29	2.34
Current tax liabilities (net)	15	-	7.30
TOTAL CURRENT LIABILITIES		47.88	324.88
TOTAL EQUITY AND LIABILITIES		129.92	435.08

The accompanying notes form an integral part of the 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 - 044101

Mumbai, 3rd June, 2020

Safari Lifestyles Limited
Statement of Profit and Loss for the year ended 31st March 2020

Rs. in lakhs

PARTICULARS	NOTE	Year ended 31st March 2020	Year ended 31st March 2019
INCOME			
Revenue from operations	16	830.41	1,457.70
Other income	17	18.92	0.06
		849.33	1,457.76
EXPENSES			
Purchase of stock-in-trade		378.30	955.46
Changes in inventories of stock in trade	18	119.08	(51.98)
Employee benefits expense	19	9.11	18.38
Finance costs	20	19.18	-
Depreciation and amortisation expense	3,26	97.90	15.88
Other expenses	21	263.39	465.20
		886.96	1,402.94
PROFIT / (LOSS) BEFORE TAX		(37.63)	54.82
TAX EXPENSES			
	22		
Current tax		0.49	19.30
Deferred tax		(9.76)	(4.67)
Tax for earlier years		(0.20)	-
		(9.47)	14.63
PROFIT / (LOSS) FOR THE YEAR		(28.16)	40.18
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		(28.16)	40.18
EARNINGS PER SHARE			
	25		
Basic earnings per share		(56.31)	80.36
Diluted earnings per share (Face value of Rs. 10 each)		(56.31)	80.36

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Mumbai, 3rd June, 2020

Safari Lifestyles Limited
Statement of Cash Flows for the year ended 31st March 2020

Rs. in lakhs

Year ended
31st March 2020

Year ended
31st March 2019

A. Cash flow from operating activities

Profit / (Loss) before tax	(37.63)	54.82
Adjustments for :		
Depreciation and amortisation expense	97.90	15.88
Finance costs	19.18	-
Interest income	(0.07)	(0.06)
Amounts written off / written back (net)	-	0.70
Bad debts written off / Provision for bad debts	105.72	7.27
Operating profit before working capital changes	185.10	78.61
Adjustments for :		
Change in working capital		
Decrease/(increase) in inventories	119.08	(51.98)
Decrease / (increase) in trade receivables	31.43	(47.38)
'Decrease/(increase) in other financial assets	91.39	(38.34)
Increase in other assets	(0.72)	(21.03)
Increase/(decrease) in trade payables	(248.64)	156.72
Decrease in other financial liabilities	(19.00)	-
Decrease in other current liabilities	(2.06)	(0.05)
Cash generated from operations	156.58	76.55
Direct taxes paid	(10.60)	(19.13)
Net cash generated from operating activities	145.98	57.42

B.Cash flow from investing activities

Purchase of property, plant and equipment	(13.95)	(53.33)
Interest received	-	-
Net cash used in investing activities	(13.95)	(53.33)

C. Cash flow from financing activities

Finance costs	(19.18)	-
Repayment of leases liabilities	(43.72)	-
Net cash used in financing activities	(62.90)	-

Net increase in cash & cash equivalents	69.13	4.09
Opening cash & cash equivalents	5.11	1.02
Closing cash & cash equivalents (Refer note - 8)	74.24	5.11

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Membership Number - 044101

Mumbai, 3rd June, 2020

Safari Lifestyles Limited
Statement of Changes in Equity for the year ended 31st March 2020

Rs. in lakhs

Equity share capital :	Balance as at 1st April 2018	Changes in equity share capital during the year 2018- 2019	Balance as at 31st March 2019	Changes in equity share capital during the year 2019- 2020	Balance as at 31st March 2020
Paid up capital (Refer Note 10)	5.00	-	5.00	-	5.00
Other equity :	Balance as at 1st April 2018	Profit for the year 2018- 2019	Balance as at 31st March 2019	Loss for the year 2019-2020	Balance as at 31st March 2020
Retained Earnings	65.02	40.18	105.20	(28.16)	77.04

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For **LODHA & CO.**

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R. P. BARADIYA

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Membership Number - 044101

Mumbai, 3rd June, 2020

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

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.

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.

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 stock-in-trade which are valued at cost or net realisable value, whichever is lower. Cost of stock-in-trade 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:

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.

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 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.

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 Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

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.

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.

2.17 Recent accounting pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable for future periods.

Notes to the financial statements for the year ended 31st March 2020

Rs. in lakhs

3 Property, plant and equipment

	Furniture and Fixtures	Office equipment	Total
Gross carrying amount			
Balance as at 1st April 2018	10.00	1.22	11.22
Additions	50.48	2.85	53.33
Balance as at 31st March 2019	60.48	4.07	64.55
Accumulated Depreciation			
Balance as at 1st April 2018	8.01	0.43	8.44
Additions	15.18	0.70	15.88
Balance as at 31st March 2019	23.19	1.13	24.32
Net carrying amount as at 1st April 2018	1.99	0.79	2.78
Net carrying amount as at 31st March 2019	37.29	2.94	40.23
Gross carrying amount			
Balance as at 31st March 2019	60.48	4.07	64.55
Additions	13.50	0.45	13.95
Deductions/ Adjustment	-	-	-
Balance as at 31st March 2020	73.98	4.52	78.50
Accumulated Depreciation			
Balance as at 31st March 2019	23.19	1.13	24.32
Additions	50.79	3.39	54.18
Deductions/ Adjustment	-	-	-
Balance as at 31st March 2020	73.98	4.52	78.50
Net carrying amount as at 31st March 2019	37.29	2.94	40.23
Net carrying amount as at 31st March 2020	-	-	-

Notes to the financial statements for the year ended 31st March 2020

Rs. in lakhs

4 Other financial assets	Non-Current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good unless otherwise stated				
Deposits for premises & others	-	70.11	-	21.28
	<u>-</u>	<u>70.11</u>	<u>-</u>	<u>21.28</u>
5 Other assets	Non-Current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good unless otherwise stated				
Refunds due/balances from/with government authorities	0.50	0.50	18.15	34.57
Other receivables	-	-	17.14	-
	<u>0.50</u>	<u>0.50</u>	<u>35.29</u>	<u>34.57</u>

Notes to the financial statements for the year ended 31st March 2020

Rs. in lakhs

6 Inventories	As at 31st March 2020	As at 31st March 2019
Stock-in-trade	-	119.08
	<u>-</u>	<u>119.08</u>

Mode of Valuation : Refer Note 2.5

7 Trade receivables	As at 31st March 2020	As at 31st March 2019
Unsecured		
Considered good	-	137.15
Having significant increase in Credit Risk	-	-
Credit impaired	-	7.27
	<u>-</u>	<u>144.42</u>
Less: Allowances for bad and doubtful debts	-	7.27
	<u>-</u>	<u>137.15</u>

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 2020	As at 31st March 2019
Balance with banks in current accounts	74.24	5.11
	<u>74.24</u>	<u>5.11</u>

9 Other bank balances	As at 31st March 2020	As at 31st March 2019
In deposit accounts (pledged against bank guarantees.)	0.97	0.90
	<u>0.97</u>	<u>0.90</u>

Notes to the financial statements for the year ended 31st March 2020

Rs. in lakhs

10 Equity Share Capital

**As at 31st
March 2020**

**As at 31st
March 2019**

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 2020		As at 31st March 2019	
	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 2020		As at 31st March 2019	
	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 2020		As at 31st March 2019	
	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.

Notes to the financial statements for the year ended 31st March 2020

11 Other equity

Rs. in lakhs

Particulars	Balance as at 1st April 2018	Profit for the year	Balance as at 31st March 2019	Loss for the year	Balance as at 31st March 2020
Retained earnings	65.02	40.18	105.20	(28.16)	77.04

Notes to the financial statements for the year ended 31st March 2020

Rs. in lakhs

12 Trade payables

	As at 31st March 2020	As at 31st March 2019
Total outstanding dues of micro, small and medium enterprises	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	47.59	296.24
	47.59	296.24

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 2020	As at 31st March 2019
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 2020	As at 31st March 2019
Security deposit received from customers	-	19.00
	-	19.00

14 Other current liabilities

	As at 31st March 2020	As at 31st March 2019
Statutory dues	0.29	2.34
	0.29	2.34

15 Current tax liabilities (net)

	As at 31st March 2020	As at 31st March 2019
Provision for income tax (Net of advance tax)	-	7.30
	-	7.30

Notes to the financial statements for the year ended 31st March 2020

Rs. in lakhs

16 Revenue from operations	Year ended 31st March 2020	Year ended 31st March 2019
Sale of Goods	830.41	1,457.70
	830.41	1,457.70
17 Other income	Year ended 31st March 2019	Year ended 31st March 2018
Interest income from fixed deposits	0.07	0.06
Miscellaneous income	18.85	-
	18.92	0.06
18 Changes in inventories of stock in trade	Year ended 31st March 2019	Year ended 31st March 2018
Inventories at the beginning of the year	119.08	67.10
Inventories at the end of the year	-	119.08
Changes in inventories	119.08	(51.98)

Notes to the financial statements for the year ended 31st March 2020

Rs. in lakhs

19 Employee benefits expense	Year ended 31st March 2020	Year ended 31st March 2019
Salaries and wages	9.00	18.00
Staff welfare expense	0.11	0.38
	<u>9.11</u>	<u>18.38</u>
20 Finance costs	Year ended 31st March 2020	Year ended 31st March 2019
Other borrowing costs	19.18	-
	<u>19.18</u>	<u>-</u>
21 Other expenses	Year ended 31st March 2020	Year ended 31st March 2019
Rent	87.05	216.21
Freight, handling & octroi	38.82	156.64
Advertisement and sales promotion	19.78	58.33
Bank charges	4.48	7.78
Electricity	3.14	5.31
Legal and professional fees	3.33	4.28
Printing and Stationery	0.35	1.43
Bad debts written off	105.72	-
Provision for doubtful debts	-	7.27
Amounts written off (net)	-	0.70
Brokerage and Comission	-	2.87
Miscellaneous expenditure	0.72	4.38
	<u>263.39</u>	<u>465.20</u>

Notes to the financial statements for the year ended 31st March 2020

22 Income Taxes

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

	Rs. in lakhs	
	Year ended 31st March 2020	Year ended 31st March 2019
Current tax		
Current year	0.49	19.30
Earlier Years	(0.20)	-
Total current tax	0.29	19.30
Deferred tax		
Origination and reversal of temporary difference	(9.76)	(4.67)
Total deferred income tax expense/(credit)	(9.76)	(4.67)
Total income tax expense/(credit)	(9.47)	14.63

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 2020	Year ended 31st March 2019
Enacted income tax rate in India	25.17	26.00
Profit before tax	(37.63)	54.82
Income tax as per above rate	(9.47)	14.25
Adjustments for:		
Expenses not deductible for tax purposes	13.64	6.63
Expenses deductible separately for tax purposes	(3.68)	(1.58)
Current tax as per Statement of Profit and Loss	0.49	19.30

c) The movement in deferred tax assets and liabilities during the year ended 31st March, 2019 and 31st March, 2020:

	Rs. in lakhs				
	As at 1st April, 2018	(Credit)/charge in Statement of Profit and Loss	As at 31st March, 2019	(Credit)/charge in Statement of Profit and Loss	As at 31st March, 2020
Deferred tax assets/(liabilities)					
Property, plant and equipment and intangible assets	1.48	(2.78)	4.26	(11.65)	15.91
Provision for doubtful debts	-	(1.89)	1.89	1.89	-
Total	1.48	(4.67)	6.15	(9.76)	15.91

The Company elected to exercise the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961. The Company, accordingly has recognised Provision for Income Tax and re-measured its Deferred Tax assets basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit and Loss for current year including reversal of deferred tax assets relating to earlier years of Rs 0.20 lakhs.

Notes to the financial statements for the year ended 31st March 2020

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, 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
As at 31st March, 2020					
Cash & cash equivalents	-	-	74.24	74.24	74.24
Other bank balances	-	-	0.97	0.97	0.97
Total	-	-	75.21	75.21	75.21

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, 2019					
Trade payables	-	-	296.24	296.24	296.24
Other financial liabilities	-	-	19.00	19.00	19.00
Total	-	-	315.24	315.24	315.24
As at 31st March, 2020					
Trade payables	-	-	47.59	47.59	47.59
Total	-	-	47.59	47.59	47.59

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 2020	As at 31st March 2019
0-3 months	-	92.59
3-6 months	-	21.05
6-12 months	-	20.51
more than 12 months	-	3.00
Total	-	137.15

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 liabilities.

The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations when due. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. 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 2020		
	0-1 years	1-5 years	Total
Trade payables	47.59	-	47.59
Total	47.59	-	47.59

Particulars	As at 31st March 2019		
	0-1 years	1-5 years	Total
Trade payables	296.24	-	296.24
Other financial liabilities	19.00	-	19.00
Total	315.24	-	315.24

C. Impact of COVID-19

Due to outbreak of COVID-19, based on initial assessment, Company has evaluated the possible effects on the carrying amounts of assets on the basis of internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the Company's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

Notes to the financial statements for the year ended 31st March 2020

Rs. in lakhs

25 Earnings per share (EPS)	Year ended 31st March 2020	Year ended 31st March 2019
Profit / (Loss) after tax available for equity shareholders	(28.16)	40.18
Weighted average number of equity shares for basic and diluted EPS	50,000	50,000
Basic and diluted earnings per share (EPS)	(56.31)	80.36
Nominal value of equity Shares (in Rs.)	10.00	10.00

26 Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 "Leases" which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach. The Company's lease asset classes primarily consist of leases for buildings. These leases were classified as "Operating Leases" under Ind AS 17. On transition to Ind AS 116 "Leases", for these leases, lease liabilities were measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate as at 01 April, 2019. Right-of-use assets if measured either at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

Due to transition, the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right-of-use assets and for interest accrued on lease liability respectively, and therefore, these expenses for the current year are not comparable to the previous years, to that extent.

The Company has used following practical expedient, when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

The Company didn't recognized Right-of-use assets and Lease liabilities for lease for which the lease terms ends within 12 months on the date of initial transition and low value assets.

The Company excluded initial direct cost from measurement of the Right-of-use assets at the date of initial application.

The Company uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Weighted average lessee's incremental borrowing rate applied to the lease liabilities is 8.5%.

On transition to the Ind AS 116 "Leases" , Impact thereof is as follows:

Particulars	Rs. in lakhs
	Initial Conversion
Right-of-use assets	911.76
Lease liabilities	911.76

The difference between the lease obligation under Ind AS 17 disclosed under Note no. 26 of the financial statements for the year ended March 31, 2019 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Rs. in lakhs
	Type of Right to Use assets
	Building
Balance as at 1st April 2019 on adoption of Ind As 116	911.76
Additions	-
Deletions	(868.04)
Depreciation and amortisation expenses	(43.72)
Balance as at 31st March 2020	-

Notes to the financial statements for the year ended 31st March 2020

Lease liabilities

Following is the movement in lease liabilities during the year ended March 31, 2020:

Rs. in lakhs	
Particulars	Amount
Balance as at 1st April 2019 on adoption of Ind As 116	911.76
Additions	-
Interest accrued during the year	19.18
Deductions/ Reversal	(868.04)
Payment of lease liabilities	(43.72)
Payment of interest on lease liabilities	(19.18)
Balance as at 31st March 2020	-
Current lease liabilities	-
Non-current lease liabilities	-

Short-term leases expenses incurred for the year ended 31st March, 2020:

Rs. in lakhs	
Particulars	Amount
Rental expense	87.05

Notes to the financial statements for the year ended 31st March 2020

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 stock-in-trade	378.30
	(955.46)
Rent paid	3.14
	(2.60)
Employee cost reimbursed	9.00
	(18.00)
Balances as at year end	
Trade payables	20.44
	(228.73)

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 financial statements for the year ended 31st March 2020

- 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 Auditors' remuneration

(excluding goods and service tax)

Audit fees
Tax audit fees

Rs. in lakhs	
Year ended 31st March 2020	Year ended 31st March 2019
1.00	1.00
0.40	0.25
1.40	1.25

30 Contingent Liabilities

The Company does not have any pending litigations or claims as on Balance Sheet date and hence nothing to report as contingent liability.

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

Signatures to notes 1-31

For and on behalf of the board

SUDHIR JATIA
Director
(DIN : 00031969)

VIRENDRA GANDHI
Director
(DIN : 05252273)

Mumbai, 3rd June, 2020