

SAFARI LIFESTYLES LIMITED



FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2021

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 2021, 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 2021, and its losses, other comprehensive income, 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.

Emphasis of Matter

Attention is drawn to note no. 20(c) of the financial statements regarding management's current assessment of carrying amount of Company's assets in view of prevailing Covid-19 pandemic and nationwide lockdown and conclusion based on such assessment that the carrying value of the assets are recoverable in the foreseeable future.

Our report is not modified in respect of this matter.

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.

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.
- 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 any 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.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on records by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 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 (Refer Note no.27).
 - 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

Mumbai
12th May, 2021

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 21044101AAAAGQ8495

“ANNEXURE A”

ANNEXURE REFERRED TO IN PARAGRAPH “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF “THE COMPANY” FOR THE YEAR ENDED 31ST MARCH, 2021

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 Company does not have any inventory. Therefore, the provisions of the clause 3(ii) of the Order not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not made any investments, granted any loans, provided guarantees and security during the year. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.

7.
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, goods and service tax, duty of customs 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 Accounting Standard (Refer Note 24 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.
15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
16. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Lodha & Co.
Chartered Accountants

Firm Registration No: 301051E

Mumbai
12th May, 2021

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 21044101AAAAGQ8495

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, 2021 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

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; (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; and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

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, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mumbai
12th May, 2021

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 21044101AAAAGQ8495

Safari Lifestyles Limited
Balance Sheet as at 31st March 2021

Rs. in lakhs

PARTICULARS	NOTE	As at 31st March 2021	As at 31st March 2020
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	3	-	-
Financial Assets			
Other financial assets	4	64.21	-
Deferred tax assets		14.20	15.91
Income tax assets (net)		-	3.01
Other non-current assets	5	0.50	0.50
TOTAL NON - CURRENT ASSETS		78.91	19.42
CURRENT ASSETS			
Financial Assets			
Cash and cash equivalents	6	7.29	74.24
Other bank balances	7	1.05	0.97
Other current assets	5	19.81	35.29
TOTAL CURRENT ASSETS		28.15	110.50
TOTAL ASSETS		107.06	129.92
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	5.00	5.00
Other equity	9	72.96	77.04
TOTAL EQUITY		77.96	82.04
LIABILITIES			
CURRENT LIABILITIES			
Financial Liabilities			
Trade payables	10		
Total outstanding dues of micro, small and medium		-	-
Total outstanding dues of creditors other than micro, small and medium enterprises		28.95	47.59
Other current liabilities	11	0.15	0.29
TOTAL CURRENT LIABILITIES		29.10	47.88
TOTAL EQUITY AND LIABILITIES		107.06	129.92

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, 12th May, 2021

Safari Lifestyles Limited
Statement of Profit and Loss for the year ended 31st March 2021

Rs. in lakhs

PARTICULARS	NOTE	Year ended 31st March 2021	Year ended 31st March 2020
INCOME			
Revenue from operations	12	-	830.41
Other income	13	0.72	18.92
		0.72	849.33
EXPENSES			
Purchase of traded goods		-	378.30
Changes in inventories of stock in trade	14	-	119.08
Employee benefits expense	15	0.50	9.11
Finance costs	16	-	19.18
Depreciation and amortisation expense	3	-	97.90
Other expenses	17	2.58	263.39
		3.08	886.96
PROFIT/(LOSS) BEFORE TAX		(2.36)	(37.63)
TAX EXPENSE			
Current tax	18	-	0.49
Deferred tax	18	1.71	(9.76)
Tax for earlier years	18	0.01	(0.20)
		1.72	(9.47)
PROFIT/(LOSS) FOR THE YEAR		(4.08)	(28.16)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		(4.08)	(28.16)
EARNINGS PER SHARE			
	21		
Basic earnings per share		(8.16)	(56.32)
Diluted earnings per share (Face value of Rs. 10 each)		(8.16)	(56.32)

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, 12th May, 2021

Safari Lifestyles Limited
Statement of Cash Flows for the year ended 31st March 2021

Rs. in lakhs

Year ended
31st March 2021

Year ended
31st March 2020

A. Cash flow from operating activities

Profit/(loss) before tax (2.36) (37.63)

Adjustments for :

Depreciation and amortisation expense - 97.90

Finance costs - 19.18

Interest income (0.27) (0.07)

Other income on termination of leases (Refer note 23) - (16.08)

Loss/(Gain) on disposal of property, plant and equipment (net) (0.27) -

Bad debts written off / Provision for bad debts - 105.72

Operating profit before working capital changes (2.90) **169.02**

Adjustments for :

Change in working capital

Decrease in inventories - 119.08

Decrease in trade receivable - 31.43

Decrease/(increase) in other financial assets (50.37) 91.39

Decrease/(increase) in other assets 4.64 (0.72)

Decrease in trade payables (18.64) (248.64)

Decrease in other financial liabilities - (19.00)

Decrease in other current liabilities (0.15) (2.06)

Cash generated from / (used in) operations (67.41) **140.50**

Direct taxes paid - (10.60)

Net cash generated from / (used in) operating activities (67.41) **129.90**

B. Cash flow from investing activities

Purchase of property, plant and equipment - (13.95)

Disposal of property, plant and equipment 0.27 -

Interest received 0.20 -

Net cash generated from / (used in) investing activities 0.47 **(13.95)**

C. Cash flow from financing activities

Finance costs - (19.18)

Repayment of leases liabilities - (27.64)

Net cash used in financing activities - **(46.82)**

Net increase / (decrease) in cash and cash equivalents (66.94) **69.13**

Opening cash and cash equivalents 74.24 **5.11**

Closing cash and cash equivalents (Refer note - 6) **7.30** **74.24**

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, 12th May, 2021

Safari Lifestyles Limited
Statement of Changes in Equity for the year ended 31st March 2021

Rs. in lakhs

Equity share capital :	Balance as at 1st April 2019	Changes in equity share capital during the year 2019- 2020	Balance as at 31st March 2020	Changes in equity share capital during the year 2020- 2021	Balance as at 31st March 2021
Paid up capital (Refer Note 8)	5.00	-	5.00	-	5.00
Other equity :	Balance as at 1st April 2019	Profit for the year 2019- 2020	Balance as at 31st March 2020	Profit for the year 2020-2021	Balance as at 31st March 2021
Retained Earnings	105.20	(28.16)	77.04	(4.08)	72.96

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, 12th May, 2021

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

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 ("Ind AS") as notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared on a going concern basis using accrual method 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

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest lakhs (INR 00,000), except where otherwise indicated.

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 of the Act.

2.2 Use of Estimates and judgements:

The preparation of the financial statements requires 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 revenues 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.

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 fixtures at retail stores	10 Years	2 Years
Office Equipments		
-Computer hardware	3 Years	3 Years
-Others	5 Years	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:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Non-derivative financial instruments:

1. Financial assets

(i) Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is measured at fair value. In case of financial assets which are recognised at fair value through profit or loss (FVTPL), their transaction costs 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 classified as subsequently measured at:

- (a) Amortised cost,
- (b) Fair value through profit or loss ("FVTPL") or
- (c) Fair value through other comprehensive income ("FVOCI")

The above classification is being determined considering:

- (a) the entity's business model for managing the financial assets and
- (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 Company changes its business model for managing the financial assets.

(a) Measured at amortised cost:

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business model 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 dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Measured at FVOCI:

Financial assets are subsequently 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 selling financial assets. Fair value movements are recognised in the other comprehensive income ("OCI"). Interest income measured using the effective interest rate (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 the OCI is reclassified from equity to the statement of profit and loss under the head 'Other income'/'Other expenses'.

(c) Measured at FVTPL:

Financial assets, other than investment in equity instruments, are subsequently measured at FVTPL unless they are measured at amortised cost or at FVOCI. 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.

Investment in 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 OCI that would otherwise be measured at FVTPL pertaining to investments in equity instruments (other than investment in subsidiary). 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 OCI and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. However, the Company may transfer the cumulative gain or loss within equity.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss under the head 'Other income' 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.

(iii) Impairment:

The Company recognises a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost or at FVOCI. The credit loss is the 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 EIR. 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 do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to lifetime ECL i.e. expected cash shortfalls, 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 historically 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-month ECL 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 ECL are measured as lifetime ECL 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-month ECL. The impairment losses and reversals are recognised in the statement of profit and loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

(iv) Derecognition:

The Company derecognises a financial asset when,

- (a) the contractual rights to the cash flows from the financial asset expire, or
- (b) it transfers the contractual rights to receive the cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset, or
- (c) it retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a pass through arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset), or
- (d) it has neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset and does not retain control over the financial asset.

When the Company transfers a financial asset, it evaluates the extent to which it has retained the risks and rewards of ownership of the financial asset. If the Company has neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset, but retains control of the financial asset, the Company continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The financial 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 directly attributable transaction costs for all financial liabilities not carried at FVTPL.

(ii) Subsequent measurement:

The Company subsequently measures all non-derivative financial liabilities at amortised cost using EIR method. A gain or loss on a financial liability measured at amortised cost is recognised in the statement of profit and loss when the financial liability is derecognised and through EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(iii) Derecognition:

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 between the carrying amount of the financial liability derecognized and the consideration paid 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.

3. Equity instruments:

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Dividends paid on equity instruments are directly reduced from equity.

B. Derivative financial instruments:

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in the statement of profit and loss.

2.8 Fair value measurement:

The Company measures financial instruments such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic 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 prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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).

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 2021

Rs. in lakhs

3 Property, plant and equipment

	Furniture and Fixtures	Office equipments	Total
Gross carrying amount			
Balance as at 1st April 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 1st April 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 1st April 2019	37.29	2.94	40.23
Net carrying amount as at 31st March 2020	-	-	-
Gross carrying amount			
Balance as at 31st March 2020	73.98	4.52	78.50
Additions	-	-	-
Deductions/ Adjustment	5.60	1.12	6.71
Balance as at 31st March 2021	68.38	3.40	71.79
Accumulated Depreciation			
Balance as at 31st March 2020	73.98	4.52	78.50
Additions	-	-	-
Deductions/ Adjustment	5.60	1.12	6.71
Balance as at 31st March 2021	68.38	3.40	71.79
Net carrying amount as at 31st March 2020	-	-	-
Net carrying amount as at 31st March 2021	-	-	-

Notes to the financial statements for the year ended 31st March 2021

Rs. in lakhs

4 Other financial assets	Non-Current		Current	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good unless otherwise stated				
Deposits for premises and others	64.21	-	-	-
	64.21	-	-	-
5 Other assets	Non-Current		Current	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good unless otherwise stated				
Refunds due/balances from/with government authorities	0.50	0.50	16.51	18.15
Other receivables	-	-	3.30	17.14
	0.50	0.50	19.81	35.29
6 Cash and cash equivalents			As at 31st March 2021	As at 31st March 2020
Balance with banks in current accounts			7.29	74.24
			7.29	74.24
7 Other bank balances			As at 31st March 2021	As at 31st March 2020
In deposit accounts (pledged against bank guarantees.)			1.05	0.97
			1.05	0.97

Notes to the financial statements for the year ended 31st March 2021

Rs. in lakhs

8 Equity Share Capital

**As at 31st
March 2021**

**As at 31st
March 2020**

Authorised

50,000 (as at 31st March 2020 : 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 2020 : 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 2021		As at 31st March 2020	
	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 2021		As at 31st March 2020	
	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 2021		As at 31st March 2020	
	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 2021

Rs. in lakhs

9 Other equity

Particulars	Balance as at 1st April 2019	Profit for the year	Balance as at 31st March 2020	Profit for the year	Balance as at 31st March 2021
Retained earnings	105.20	(28.16)	77.04	(4.08)	72.96

10 Trade payables

**As at 31st
March 2021** **As at 31st
March 2020**

Total outstanding dues of micro, small and medium enterprises	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	28.95	47.59
	28.95	47.59

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 2021	As at 31st March 2020
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 during the year	-	-
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 actually paid	-	-

11 Other current liabilities

**As at 31st
March 2021** **As at 31st
March 2020**

Statutory dues	0.15	0.29
	0.15	0.29

Notes to the financial statements for the year ended 31st March 2021

Rs. in lakhs

12 Revenue from operations	Year ended 31st March 2021	Year ended 31st March 2020
Sale of Goods	-	830.41
	<u>-</u>	<u>830.41</u>
13 Other income	Year ended 31st March 2021	Year ended 31st March 2020
Interest income from fixed deposits	0.27	0.07
Gain on disposal of property, plant and equipment (net)	0.27	-
On reversal of lease liability on termination (Refer Note 23)	-	16.08
Miscellaneous income	0.18	2.77
	<u>0.72</u>	<u>18.92</u>
14 Changes in inventories of stock in trade	Year ended 31st March 2021	Year ended 31st March 2020
Inventories at the beginning of the year	-	119.08
Inventories at the end of the year	-	-
Changes in inventories	<u>-</u>	<u>119.08</u>
15 Employee benefits expense	Year ended 31st March 2021	Year ended 31st March 2020
Salaries and wages	0.50	9.00
Staff welfare expense	-	0.11
	<u>0.50</u>	<u>9.11</u>
16 Finance costs	Year ended 31st March 2021	Year ended 31st March 2020
Other borrowing costs	-	19.18
	<u>-</u>	<u>19.18</u>
17 Other expenses	Year ended 31st March 2021	Year ended 31st March 2020
Rent	-	87.05
Freight, handling & octroi	-	38.82
Advertisement and sales promotion	-	19.78
Bank charges	0.16	4.48
Electricity	-	3.14
Legal and professional fees	0.16	3.33
Bad debts / other amounts written off	-	104.77
Rates and taxes	1.65	1.23
Registration and renewal charges	0.57	0.04
Miscellaneous expenditure	0.04	0.75
	<u>2.58</u>	<u>263.39</u>

Notes to the financial statements for the year ended 31st March 2021

18 Income Taxes

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

	Rs. in lakhs	
	Year ended 31st March 2021	Year ended 31st March 2020
Current tax		
Current year	-	0.49
Earlier Years	0.01	(0.20)
Total current tax	0.01	0.29
Deferred tax		
Origination and reversal of temporary difference	(1.71)	9.76
Total deferred income tax expense/(credit)	(1.71)	9.76
Total income tax expense/(credit)	(1.70)	10.05

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 2021	Year ended 31st March 2020
Enacted income tax rate in India	25.17	25.17
Profit/(loss) before tax	(2.36)	(37.63)
Income tax as per above rate	(0.59)	(9.47)
Adjustments for:		
Expenses not deductible for tax purposes	(0.07)	13.64
Expenses deductible separately for tax purposes	(1.63)	(3.68)
Others	2.29	-
Income tax as per Statement of Profit and Loss	-	0.49

c) The movement in deferred tax assets and liabilities during the year ended 31st March, 2020 and 31st March, 2021:

	Rs. in lakhs				
	As at 1st April, 2019	Credit/(charge) in Statement of Profit and Loss	As at 31st March, 2020	Credit/(charge) in Statement of Profit and Loss	As at 31st March, 2021
Deferred tax assets/(liabilities)					
Property, plant and equipment	4.26	11.65	15.91	(1.71)	14.20
Provision for Doubtful Debts	1.89	(1.89)	-	-	-
Total	6.15	9.76	15.91	(1.71)	14.20

Notes to the financial statements for the year ended 31st March 2021

19 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 amortised cost		
	At Cost	Carrying amount	Total carrying amount (A+B)
Total fair value			
As at 31st March, 2021			
Cash & cash equivalents	-	7.29	7.29
Other bank balances	-	1.05	1.05
Total	-	8.34	8.34
As at 31st March, 2020			
Cash & cash equivalents	-	74.24	74.24
Other bank balances	-	0.97	0.97
Total	-	75.21	75.21

b. Financial liabilities

	Rs. In lakhs		
	Instruments carried at fair value	Instruments carried at amortised cost	
	FVTPL	Carrying amount	Total carrying amount
Fair value			
As at 31st March, 2021			
Trade payables	-	28.95	28.95
Total	-	28.95	28.95
As at 31st March, 2020			
Trade payables	-	47.59	47.59
Total	-	47.59	47.59

20 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.

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 2021		
	0-1 years	1-5 years	Total
Trade payables	28.95	-	28.95
Total	28.95	-	28.95

Particulars	As at 31st March 2020		
	0-1 years	1-5 years	Total
Trade payables	47.59	-	47.59
Total	47.59	-	47.59

C. Impact of COVID-19

Due to outbreak of COVID-19, based on 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 2021

Rs. in lakhs

21 Earnings per share (EPS)	Year ended 31st March 2021	Year ended 31st March 2020
Profit/(loss) after tax (PAT) available for equity shareholders	(4.08)	(28.16)
Weighted average number of equity shares for basic EPS and diluted EPS	50,000	50,000
Basic and diluted earnings per share	(8.16)	(56.32)

22 Commitments

- a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is Rs. 14.54 Lakhs (Previous year Nil).

23 Leases

Effective April 1, 2019, the Company had 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 1st 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.

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

- The Company didn't recognised 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 on first time adoption was 8.5%.

On transition to the Ind AS 116 "Leases" during the previous year, impact thereof was as follows:

Particulars	Rs. in lakhs
	Initial Conversion as on 1st April 2019
Right-of-use assets	911.76
Lease liabilities	911.76

Following were 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	-

Lease liabilities

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

Particulars	Rs. in lakhs
	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)
Income on termination of lease liability	(16.08)
Payment of lease liabilities	(27.64)
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:

Particulars	Rs. in lakhs
	Amount
Rental expense	87.05

Notes to the financial statements for the year ended 31st March 2021

24 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	- (378.30)
Rent paid	- (3.14)
Employee cost reimbursed	- (9.00)
Balances as at year end	
Trade payables	13.98 20.44

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 are in ordinary course of the business and are at arm's length basis.

- 25 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.

26 Auditor's remuneration	Rs. in lakhs	
	Year ended 31st March 2021	Year ended 31st March 2020
<i>(excluding goods and service tax)</i>		
Audit fees	1.00	1.00
Tax audit fees	-	0.40
Reimbursement of expenses	0.01	-
	1.01	1.40

27 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.

- 28 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.

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

Signature to notes 1-29

For and on behalf of the board

SUDHIR JATIA
Director
(DIN : 00031969)

VIRENDRA GANDHI
Director
(DIN : 05252273)

Mumbai, 12th May, 2021