

**SAFARI** 



**SAFARI INDUSTRIES (INDIA) LTD.**  
ANNUAL REPORT 2014 -15

**35TH ANNUAL GENERAL MEETING**

Wednesday, 5th August 2015  
at 10.00 a.m.  
at Hamra Banquet Hall,  
Hotel Suba International,  
211, Chakala Sahar Road,  
Andheri (E), Mumbai 400 099

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**BOARD OF DIRECTORS**

**Shri Sudhir Jatia** (Chairman & Managing Director)

**Shri Shailesh Mehta**

**Shri Punkajj Lath**

**Shri Anujj Patodia**

**Shri. Dalip Sehgal**

**Shri Hetal Gandhi** (wef 28th July 2014)

**Smt Vijaya Sampath** (wef 22nd September 2014)

**REGISTERED OFFICE :**

403, A Wing, The Qube, CTS No. 1498,  
A/2, M. V. Road, Behind Taj Flight Kitchen,  
Near International Airport,  
Marol, Andheri (East), Mumbai 400059  
(T) +91-22-40381888  
(F) +91-22-40381850  
(E) investor@safari.in  
www.safari.in

**CIN :**

L25200MH1980PLC022812

**FACTORY :**

1701/2200/2201, GIDC Industrial Estate,  
Halol 389 350  
Dist Panchmahal (Gujarat)

**BANKERS :**

Central Bank of India  
Axis Bank Limited

**AUDITORS :**

M/s. Bansi S. Mehta & Co.  
Chartered Accountants

**LEGAL ADVISORS:**

M/s. ALMT Legal  
Advocates & Solicitors

**REGISTRAR & SHARE TRANSFER AGENT :**

Adroit Corporate Services Pvt. Ltd.  
17-20, Jafarbhoy Industrial Estate, Makwana Road,  
Marol Naka, Andheri (E), Mumbai - 400 059.  
Tel.: 91-22-4227 0400, 2859 4060 / 6060  
E-mail: investorgrievances@adroitcorporate.com

**FINANCIAL HIGHLIGHTS**

	<b>(₹ '000)</b>				
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
1 Gross Sales	767,819	703,091	1,037,744	1,827,284	<b>2,338,830</b>
2 Less: Excise Duty	46,932	31,370	38,419	48,090	<b>44,338</b>
3 Less: Vat & CST	63,485	55,061	65,289	114,534	<b>138,052</b>
4 Net Sales	657,402	616,660	934,036	1,664,660	<b>2,156,440</b>
5 Other Income	11,088	3,910	7,155	5,863	<b>5,762</b>
6 Total Income	668,490	620,570	941,191	1,670,523	<b>2,169,402</b>
7 Total Expenditure	601,352	594,808	898,846	1,595,801	<b>2,043,709</b>
8 Gross Profit	67,138	25,762	42,345	74,722	<b>125,693</b>
9 Interest	25,097	28,309	30,572	53,771	<b>29,091</b>
10 Depreciation	3,616	4,002	4,323	12,785	<b>28,905</b>
11 Exceptional Items	-	-	18,872	2,770	<b>9,590</b>
12 Profit/(Loss) Before Tax	38,425	-6,549	-11,422	5,396	<b>58,107</b>
13 Provision for Tax & Deff. Tax	11,963	541	-5,196	4,236	<b>15,404</b>
14 Profit/(Loss) After Tax	26,462	-7,090	-6,226	1,160	<b>42,703</b>
15 Dividend & Dividend Tax	8,688	-	-	-	<b>4,796</b>
16 Retained Earnings	52,034	44,944	38,717	39,878	<b>57,784</b>
17 Share Capital	29,900	29,900	29,900	29,900	<b>39,850</b>
18 Reserves & Surplus	106,761	100,212	88,790	94,186	<b>721,786</b>
19 Shareholders' Funds	136,661	130,112	118,690	124,086	<b>764,874</b>
20 Loan Funds	156,635	179,948	373,408	542,783	<b>329,812</b>
21 Total Capital Employed	293,296	310,060	492,098	666,869	<b>1,094,686</b>
22 Gross Block	169,209	172,247	164,490	253,596	<b>259,455</b>
23 Net Block	30,623	29,659	40,747	121,462	<b>124,028</b>
24 Net Current Assets	262,673	280,401	451,351	545,407	<b>970,658</b>
25 Total Assets	293,296	310,060	492,098	666,869	<b>1,094,686</b>
26 Dividend %	25	-	-	-	<b>10</b>

## NOTICE

**NOTICE** is hereby given that the 35th Annual General Meeting of the Members of Safari Industries (India) Limited will be held on Wednesday, 5th day of August, 2015, at Hamra Banquet Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (E), Mumbai 400 099 at 10.00 am, to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt:
  - a) the audited standalone financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
  - b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2015 and the Auditors Report thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2015.
3. To appoint a Director in place of Mr. Anuj Patodia (holding DIN: 00026458), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and for the purpose, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Bansi S. Mehta & Co, Chartered Accountants, having Firm Registration No. 100991W, the retiring Auditors, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period in addition to the reimbursement of actual out of pocket expenses as may be incurred by them in the performance of their duties.”

### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. Hetal Gandhi (holding DIN 00106895), who was appointed as an Additional Director of the Company with effect from 28th July 2014 and whose term expires on the date of this Annual General Meeting and in respect of whom a notice is received in writing, under the provisions of Section 160 of the Companies Act, 2013, from a member proposing his candidature for office of Director, and who is eligible for appointment to the office of Director, be and is hereby appointed as a Non-Independent Non-Executive Director of the Company whose term of office shall be subject to retirement by rotation.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV of the Companies Act, 2013, Mrs. Vijaya Sampath (holding DIN 00641110), who was appointed as an Additional Director of the Company with effect from 22nd September 2014 and whose term of office expires on the date of this Annual General Meeting and who qualifies for being appointed as an Independent Director and in respect of whom a notice is received in writing, under the provisions of Section 160 of the Companies Act, 2013, from a member proposing her candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years with effect from 5th August 2015 upto 4th August 2020.”

**Regd. Office:**

403 A wing, The Qube, CTS no. 1498, A/2, MV Road,  
Behind Taj Flight Kitchen, Marol, Andheri (E), Mumbai-400059.

**Phone:** 91-22-4038 1888, **Fax:** 91-22-4038 1850

**CIN:** L25200MH1980PLC022812, **Website:** www.safari.in

**Date:** 15th May, 2015

**ON BEHALF OF THE BOARD OF DIRECTORS  
For SAFARI INDUSTRIES (INDIA) LIMITED**

**SUDHIR JATIA**

Chairman & Managing Director

**NOTES :**

- i. A statement pursuant to Section 102 of the Companies Act 2013 in respect of the Special Business to be transacted at the meeting is annexed hereto.
- ii. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of Members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital can appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.  
Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting. A proxy form for the Annual General Meeting (‘AGM’) is enclosed herewith.
- iii. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday 30th July, 2015 to Wednesday 5th August, 2015 (both days inclusive) for the purpose of the ensuing AGM and payment of dividend, if declared at the AGM.
- iv. The dividend on the equity shares, if approved, at the AGM will be paid to those Members whose names appear on the Company's Register of Members as on 29th July 2015 after giving effect to all valid transfer deeds in physical form lodged with the Company/RTA on or before 29th July 2015 and in respect of shares held in dematerialized form to the beneficial owners whose names appear in the statements to be furnished by the Depositories for this purpose as at the close of business hours on 29th July 2015. The dividend declared at the AGM shall be paid within 30 days from the date of declaration.
- v. Members holding shares in physical form are requested to notify any change in their address including pin code, bank mandate, etc to the Company's Registrar and Transfer Agent, M/s. Adroit Corporate Services Pvt Ltd. Members holding shares in electronic form are requested to furnish details for change/updation to their respective Depository Participant.
- vi. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID number for easy identification for attendance at the Meeting.

- vii. Corporate Members are required to send to the Company a certified copy of the Board Resolution pursuant to Section 113 of the Companies Act 2013 authorising their representative to attend and vote at the AGM.
- viii. The Members/proxies/authorised representatives should bring attendance slips duly filled in and signed for attending the meeting and handover the same at the entrance of the Hall.
- ix. Members desirous of obtaining any information as regards accounts and operations of the Company are requested to write to the Company at least one week before the Meeting to enable the Company to make available the required information at the Meeting.
- x. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956 as amended from time to time and/or the relevant corresponding provisions of the Companies Act, 2013 once notified, dividend declared by the Company which remains unpaid or unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund of the Central Government. The unclaimed dividend upto the financial year 2004-05 have been transferred to the Investor Education and Protection Fund of the Central Government of India.
- xi. Shareholders, who have not encashed the dividend warrant so far for the financial year ended 31st March, 2010 and/or 31st March, 2011 are requested to make their claims to the office of the Registrar & Share Transfer Agent M/s. Adroit Corporate Services Pvt. Ltd. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claims shall lie in respect thereof.
- xii. Applicable Listing Fees for the financial year 2015-16 have been paid to the BSE Ltd.
- xiii. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or the Registrar & Share Transfer Agent of the Company.
- xiv. Electronic copy of the Annual Report for the financial year 2014-15 is being sent to all Members whose email IDs are registered with the Company/ Depository participant for communication purpose unless a member has requested for hard copy of the same. For Members who have not registered their email address, the Annual Report is being sent in the permitted mode.
- xv. Members to whom the above documents have been sent in email are entitled to receive the same in physical form, upon request. The request may be sent in writing to the Registrar & Share Transfer Agent of the Company or the Company at its Registered Office or on [safari.gogreen@adroitcorporate.com](mailto:safari.gogreen@adroitcorporate.com) or [info@adroitcorporate.com](mailto:info@adroitcorporate.com).
- xvi. Members holding shares in the dematerialize form are requested to register/update their e-mail address with the concerned Depository Participant. Members holding shares in physical form are requested to register/update their e-mail address with Registrar and Share Transfer Agent of the Company M/s. Adroit Corporate Services Pvt. Ltd. Alternatively Members may intimate the email address along with their respective Client ID and DP ID/Folio No. by letter / e-mail to the Company on [investor@safari.in](mailto:investor@safari.in).
- xvii. The Notice of the 35th AGM & the Annual Report for the financial year 2014-15 are also available on the Company's website [www.safari.in](http://www.safari.in). The Notice of the AGM is also available on the website of the National Securities Depositories Limited at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Physical copies of said documents alongwith the relevant documents referred to in the Notice and the Statement under Section 102 of the Companies Act 2013, are also available for inspection at the Registered Office of the Company during business hours (9.00 am to 5.00 pm) on all working days except Saturdays, Sundays and Public Holidays.
- xviii. Voting through electronic means  
In accordance to the provisions of Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014, as amended by the Companies (Management & Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide to its Members facility to exercise their right to vote



at the 35th AGM of the Company by electronic means. The Company has engaged the services of National Securities Depositories Limited ("NSDL") as the Agency to provide the remote e-voting facility. (Remote e-voting means the facility to cast votes by a Member using electronic voting system from a place other than the venue of the AGM).

The facility for voting through poll paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through poll.

The Members who have cast their vote by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on Saturday 1st August, 2015 (9:00 am) and ends on Tuesday 4th August, 2015 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 29th July, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

#### **Process of electronic voting:**

Members are requested to follow the instructions below to cast their vote through e-voting:

- In case of Members whose email IDs are registered with the Company/ Depository Participant, an email will be sent to the Members by NSDL containing a pdf file 'Remote e-voting.pdf'. This file contains the User ID & password for the remote e-voting process. On receiving the email, the following procedure is to be followed:
  - a) Open the email and download the pdf file with your Client ID or Folio No. as password. This file will contain your user ID & password for the remote e-voting process. This password is an initial password.
  - b) Launch the internet browser by typing [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) Select shareholder login.
  - d) Enter the User ID & password as Initial password. Click login.
  - e) The change password menu will appear. Change the password as per your choice. The password should contain minimum 8 digits/characters or combinations thereof. It is strongly recommended that you do not share your password with any person and take utmost care of its confidentiality.
  - f) The home page of the remote e-voting will open and you may click on remote e-voting: active voting cycles.
  - g) Select 'Even' of Safari Industries (India) Limited.
  - h) As the cast vote page opens, you are now ready to cast your vote.
  - i) You may cast your vote by selecting appropriate option and then click on 'submit' and then 'confirm' when prompted.
  - j) Upon confirmation, the message, 'vote cast successfully' will appear.
  - k) Kindly note, a vote once cast, cannot be modified.
  - l) Institutional investors are required to send a scanned copy of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote, to the Scrutinizer through email to [ninad.awchat@yahoo.co.in](mailto:ninad.awchat@yahoo.co.in). with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- For Members whose email ID is not registered with the Company or Depository Participant or requesting physical copy, they will receive a physical copy of the Notice of AGM and the User name & Initial password will be provided in the Annexure thereto as follows:

<b>EVEN (Remote E-voting Event No.)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>

The steps mentioned in (a) to (l) above are to be followed to cast the vote.

- In case of any queries, you may refer to the frequently asked questions (FAQs) for shareholders & e-voting user manual for shareholders, available under the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com). or call on the toll free no. 1800-222-990.
- If you are already registered with NSDL for e-voting then you can use your existing User ID and password/PIN for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- You may also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
- Persons who are not Members of the Company as on the cut-off date i.e. 29th July 2015, should treat this Notice and Annual Report for information purpose only.
- Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or the Company or the Registrar & Share Transfer Agent of the Company.
- Mr. Ninad Awachat, Practicing Company Secretary (Membership No. 26995 & C P No. 9668) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Scrutinizer shall after the voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in presence of atleast 2 witnesses who are not persons in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, within 3 days of the conclusion of the AGM.
- The Chairman of the Company will thereafter declare the results and the results so declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.safari.in](http://www.safari.in) and on the website of NSDL. The results shall also be immediately forwarded to the BSE Limited, Mumbai where the securities of the Company are listed

**Regd. Office:**

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**Phone:** 91-22-4038 1888, **Fax:** 91-22-4038 1850

**CIN:** L25200MH1980PLC022812, **Website:** [www.safari.in](http://www.safari.in)

**Date:** 15th May, 2015

**ON BEHALF OF THE BOARD OF DIRECTORS  
For SAFARI INDUSTRIES (INDIA) LIMITED**

**SUDHIR JATIA**

Chairman & Managing Director



## **Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting**

### **Item no. 5**

Mr. Hetal Gandhi (DIN: 00106895), on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director by the Board of Directors of the Company on 28th July 2014 to hold office as Director till the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act 2013 and Articles of Association of the Company.

Mr. Hetal Gandhi has over 25 years of experience in the financial services industry that encompasses private equity investments, credit markets, investment banking and turnaround situations. Mr. Gandhi is the co-founder of Tano Capital in India. Tano, founded in 2006, is a growth stage India focused Private Equity Manager currently investing out of its second fund. Prior to Tano, Mr. Gandhi was the CEO for the financial services business of Infrastructure Leasing and Financial Services Ltd (IL&FS), a leading financial institution in India. Mr. Gandhi spent 17 years with IL&FS where he set up and ran their private equity business for six (6) years. Mr. Gandhi's other Directorships include Tano India Advisors Pvt Ltd, Bombay Swadeshi Stores Ltd. Chalet Hotels Pvt Ltd, Shree Shubham Logistics Ltd and Safari Lifestyles Ltd. Mr. Gandhi does not hold any shares in the Company.

Mr. Gandhi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

In terms of Section 152 of the Companies Act 2013 and rules made thereunder it is proposed to appoint him as a Non-Executive Non-Independent Director of the Company. A notice has been received in writing from a Member along with a deposit of the requisite amount under Section 160 of the Companies Act 2013, proposing Mr. Gandhi as a candidate for the office of Director of the Company.

The Board considers that the continued association of Mr. Gandhi with the Company would be of immense benefit to the Company.

The Board accordingly recommends the Ordinary Resolution set out in Item no. 5 of the accompanying Notice for the approval of the Members.

None of the Directors and other Key Managerial Personnel of the Company including their respective relatives, except for Mr. Hetal Gandhi, are concerned or interested, financially or otherwise, in the said Resolution.

### **Item no. 6**

Mrs. Vijaya Sampath (DIN 00641110), on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director by the Board of Directors of the Company on 22nd September 2014 to hold office as Director till the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act 2013 and Articles of Association of the Company.

Mrs. Vijaya Sampath has over 30 years of work experience and is currently a Senior Partner heading the corporate practice of Lakshmikumaran and Sridharan and the Ombudsperson for the Bharti group with oversight over the code of conduct. In the past she was the global Group General Counsel and Company Secretary for the USD 15 billion Bharti group. Her forte is corporate and commercial law and her experience includes M&A, joint ventures, large outsourcing and commercial contracts, high end litigation strategy and intellectual property agreements. She has also dealt with Indian and overseas regulators in telecom, capital markets, anti-trust and foreign investment.

Mrs. Sampath's other Directorships include GVS Envicon Technologies Private Limited, Dewan Housing Finance Corporation Limited, L&T Power Development Limited, Nabha Power Limited, L&T- MHPS Boilers Private Limited, L&T - MHPS Turbine Generators Private Limited. Mrs. Sampath does not hold any shares in the Company.

The Company has received from Mrs. Vijaya Sampath (DIN No. 00641110), her consent in writing to act as a Director and a declaration to the effect that she is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013, and a declaration that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Company has also received a notice in writing from a Member along with a deposit of the requisite amount under Section 160 of the Act, proposing the candidature of Mrs. Vijaya Sampath for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

In terms of Section 149 and 152 of the Companies Act 2013 and rules made thereunder it is proposed to appoint her as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years commencing from 5th August 2015 to 4th August 2020.

Copy of the draft letter of appointment of Mrs. Vijaya Sampath as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company on all working day excluding Saturdays, Sundays and Public holidays between 9.00 A.M. to 5.00 P.M. upto and including the date of Annual General Meeting.

The terms and conditions of appointment of Independent Director are also posted on the website of the Company.

The Board considers that Mrs. Sampath fulfills the conditions specified in the Companies Act 2013 and rules made thereunder and that she is independent of the management of the Company. Her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Sampath as an Independent Director of the Company.

The Board accordingly recommends the Ordinary Resolution set out in Item no. 6 of the accompanying Notice for the approval of the Members.

None of the Directors and other Key Managerial Personnel of the Company including their relatives, except Mrs. Vijaya Sampath, are concerned or interested, financially or otherwise in the said Resolution.

**Regd. Office:**

403 A wing, The Qube, CTS no. 1498, A/2, MV Road,  
Behind Taj Flight Kitchen, Marol, Andheri (E), Mumbai-400059.

**Phone:** 91-22-4038 1888, **Fax:** 91-22-4038 1850

**CIN:** L25200MH1980PLC022812, **Website:** www.safari.in

**Date:** 15th May, 2015

**ON BEHALF OF THE BOARD OF DIRECTORS  
For SAFARI INDUSTRIES (INDIA) LIMITED**

**SUDHIR JATIA**

Chairman & Managing Director

## DIRECTORS' REPORT

To  
The Members,

Your Directors are pleased to present the Thirty Fifth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended as on 31st March, 2015.

### I. STATE OF AFFAIRS OF THE COMPANY:

#### a) FINANCIAL RESULTS:

	Standalone	
	2014-15	2013-14
	₹ in Lacs	₹ in Lacs
Total revenue	21,694.02	16,705.23
Profit before Interest, Depreciation, Tax, exceptional items and exchange loss	1,309.06	1,123.19
Exchange Loss	52.12	375.97
Interest	290.91	537.71
Depreciation	289.06	127.85
<b>Profit/ (Loss) before Exceptional Items and Tax</b>	<b>676.97</b>	<b>81.66</b>
Less: Exceptional Items Expense	95.90	27.70
<b>Profit / (Loss) from ordinary activities before tax</b>	<b>581.07</b>	<b>53.96</b>
Tax expenses		
Current Tax	(190.00)	Nil
Deferred tax	35.96	(42.36)
<b>Profit/(Loss) after Tax</b>	<b>427.03</b>	<b>11.60</b>
Profit brought forward from previous year	398.78	387.18
<b>Profit available for appropriation</b>	<b>825.81</b>	<b>398.78</b>
<b>Appropriations:</b>		
Transfer to General Reserve	200.00	Nil
Proposed Dividend	39.85	Nil
Tax on proposed dividend	8.11	Nil
Balance carried to Balance sheet	577.84	398.78

#### b) PERFORMANCE REVIEW

##### Standalone:

The total revenue of the Company for the financial year 2014-15 stood at ₹ 21,694.02 lacs as against last year's ₹ 16,705.23 lacs. Profit before interest, depreciation, tax, exceptional items and exchange loss was at ₹ 1,309.06 lacs as against last year's ₹ 1,123.19 lacs. The Profit before tax and exceptional items was ₹ 676.97 lacs as against ₹ 81.66 lacs of the previous year. The Net Profit for the year stood at ₹ 427.03 lacs as against ₹ 11.60 lacs of the previous year.

##### Consolidated:

The wholly owned subsidiary of the Company, Safari Lifestyles Ltd., was incorporated on 30th October 2014 and is yet to commence its operations. In accordance with the Companies Act, 2013 and as Accounting Standard (AS) - 21, 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements together with Auditors' Report is annexed herewith. The consolidated revenue for the period ended, 31st March 2015, stood at ₹ 21,694.02 lacs and the consolidated net profit stood at ₹ 426.15 lacs.

## DIRECTORS' REPORT (contd..)

### c) OUTLOOK FOR THE CURRENT YEAR:

Rise in the personal disposable income, growth of travelling expenditure of the households, rising urbanization has fueled market growth of luggage in India. There is a growing acceptance of luggage bags as a lifestyle product by the customers and which is why the Company is working towards providing better looking quality products at affordable prices to its customers.

The Company has introduced an exciting new range of Polycarbonate luggage, popularly known as PC/Hard Zippered Case. PC luggage is light weight & durable. The material provides exciting opportunities to integrate fashion cues in the product. The Company has also launched new product categories such as Laptop Bags, Backpacks, etc., that are doing very well in the market, especially in CSD & Hypermarket channels. The Company has improved its presence in Hypermarkets by increasing the count of point of sales in larger retail chains like Big Bazaar, D' Mart, Reliance Retail, Bharati Walmart, Aditya Birla Retail, Vishal, TESCO etc. Company has also begun its ecommerce play with listing & selling the products in marketplace websites such as amazon.in, snapdeal.com, myntra.com, jabong.com & flipkart.com

The Company has opened almost 50 exclusive retail stores that will continue to improve the retail footprint of its own Safari branded exclusive stores in the coming years, too.

Considering the above, the outlook for the current year looks bright, except for unfavourable impact, on account of rupee depreciation or other unforeseen circumstances, if any.

### 2. DIVIDEND

The Board of Directors is pleased to recommend for your approval, a dividend of ₹ 1/- per equity share of ₹ 10/- each for the financial year 2014-15. The total payout, if the dividend is approved by the Members at the Meeting, will be ₹ 47.96 lacs, including a dividend distribution tax of ₹ 8.11 lacs.

### 3. TRANSFER TO RESERVES:

It is proposed to transfer a sum of ₹ 200 lacs to the General Reserves of the Company.

### 4. FIXED DEPOSITS:

During the year under review, the Company has not accepted any fixed deposits under the provisions of the Companies Act, 2013 read with rules made thereunder and as such no amount on account of principal or interest on deposits was outstanding as on the date of the Balance Sheet.

The Company has repaid all fixed deposits which were accepted prior to the commencement of the Companies Act, 2013. There has not been any default in payment of interest or repayment of the fixed deposits.

#### Details in terms of Rule 8 of the Companies (Accounts) Rules, 2014:

- a) Deposits accepted during the year: Nil
- b) Remained unpaid or unclaimed as at the end of the year: Nil
- c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:
  - i. At the beginning of the year: Nil
  - ii. Maximum during the year: Nil
  - iii. At the end of the year: Nil
- d) Details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act 2013: Nil

### 5. TRANSFER TO INVESTORS' EDUCATION AND PROTECTION FUND:

In accordance to the provisions of Section 205A and 205 C of the Companies Act, 1956, the relevant amounts which have remained unpaid and unclaimed for a period of seven years have been transferred to the Investor Education and Protection Fund.

Details of the unpaid and unclaimed dividend amount lying with the Company as on 28th July 2014 have been uploaded on the Company's website (www.safari.in) and also on the website of the Ministry of Corporate Affairs.

### 6. ISSUE OF FURTHER CAPITAL:

During the year under review, the Company has raised a sum of ₹ 49.80 crores through issue of 8,30,000 equity shares of ₹ 10/- each at a premium of ₹ 590/- per share, on preferential basis to Tano India Pvt Equity Fund II.

The Company has also issued 3,30,000 convertible share warrants to Mr. Sudhir Jatia, the Promoter of the Company. Each share warrant is convertible into one equity share of ₹ 10/- each at a premium of ₹ 590/- per share. As on 31st March 2015, out of the above share warrants, 1,65,000 share warrants have been converted into fully paid equity shares.

With the infusion of funds, your Company is financially strengthened to seize future emerging business opportunities.

## **7. OVERSEAS REPRESENTATIVE OFFICE:**

During the year under review, the Company has opened an overseas representative office in Shanghai, China which will bring in cost benefits and improved quality in respect of procurement of products from China.

## **8. DIRECTORS:**

### **a) APPOINTMENTS:**

In terms of the provisions of the Companies Act 2013, and on recommendation of Nomination and Remuneration Committee, it is proposed to appoint Mr. Hetal Gandhi, Additional Director (holding DIN: 00106895) of the Company, as a Non-Executive, Non-Independent Director of the Company, subject to retirement by rotation and Mrs. Vijaya Sampath, Additional Director (DIN: 00641110) of the Company, as an Independent Director for a term of 5 years wef 5th August 2015.

A brief profile of Mr. Hetal Gandhi and Mrs. Vijaya Sampath have been given in the Notice convening the Annual General Meeting

### **b) RETIREMENT BY ROTATION:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Anuj Patodia, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

The aforesaid reappointment forms part of the Notice of the Thirty Fifth Annual General Meeting and the Directors recommend the same for your approval.

### **c) INDEPENDENT DIRECTORS:**

The Company has received declaration from all the Independent Directors of the Company confirming that they fulfill the criteria of independence specified in Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

Terms and conditions of appointment of Independent Directors are placed on the website of the company.

### **d) REMUNERATION POLICY:**

The Company has adopted a Policy on Nomination and Remuneration for Directors, Key Managerial Personnels and Other Employees. The said policy includes criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 (3) of the Companies Act 2013.

The said Policy is annexed herewith as Annexure A. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

### **e) MANNER OF FORMAL ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

In compliance with the Companies Act 2013, the performance evaluation of the Board and that of its Committees and Individual Directors have been carried out during the year under review.

The performance evaluation of the Board, Committees, the Chairman and the non-independent directors was carried out as per the criteria adopted by the Board. The performance evaluation was based on various parameters such as fitness of the Directors, their commitment towards fulfilling their obligations as a Director, the qualitative aspects in the functioning of the Board and Committees, interpersonal skills and such other criteria. The evaluation of the Independent Directors was carried out by the entire Board excluding the Independent Director being evaluated.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## DIRECTORS' REPORT (contd..)

### f) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS DURING THE YEAR:

During the year under review, the Board of Directors has held six (6) Board meetings. The gap between two Board Meetings was within the period prescribed by the Companies Act 2013.

### 9. COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee of the Board of Directors of the Company comprises of the following members:

<u>Sr no.</u>	<u>Name of Director</u>	<u>Category</u>
1	Dr. Shailesh Mehta- Chairman	Independent
2	Mr. Punkaj Lath	Independent
3	Mr. Hetal Gandhi	Non-Executive Non-Independent

Recommendations of the Audit Committee not accepted by the Board of Directors of the company, along with the reasons therefor: Nil

### 10. KEY MANAGERIAL PERSONNEL:

In accordance to the provisions of Section 203 of the Companies Act, 2013, Mr. Sudhir Jatia, Chairman and Managing Director, Mr. Virendra Gandhi, Chief Financial Officer and Ms. Jigna Parikh, Company Secretary of the Company, were designated as the Key Managerial Persons of the Company.

### 11. PARTICULARS OF EMPLOYEES:

Information pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as Annexure B and form part of this Report.

### 12. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013:

The Directors hereby confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Directors have prepared the annual accounts on a going concern basis.
- that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 13. AUDITORS:

M/s. Bansi S. Mehta & Co., Chartered Accountants, Mumbai, (Firm Registration no. 100991W) the Statutory Auditors of the Company hold office till the conclusion of ensuing the Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Directors recommend their reappointment by the Members at the forthcoming Annual General Meeting.

The notes referred to in the Auditor's Report are self-explanatory and do not call for further explanations. The Auditor's Report does not contain any qualification, reservation or adverse remark.



## **DIRECTORS' REPORT (contd..)**

### **14. SECRETARIAL AUDIT REPORT FROM M/S. NINAD AWACHAT & ASSOCIATES, THE SECRETARIAL AUDITOR OF THE COMPANY:**

In accordance to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ninad Awachat & Associates, Practicing Company Secretaries (Membership No. 26995 & C P No. 9668) to conduct Secretarial Audit for the financial year 2014-15.

The Report of the Secretarial Auditor is annexed hereto as Annexure C.

The said Report does not contain any qualification, reservation or adverse remark.

### **15. SUBSIDIARIES:**

- a) During the year under review, the Company has formed a wholly owned subsidiary of the Company namely Safari Lifestyles Limited.
- b) The Report on the performance and financial position of the aforesaid subsidiary in Form AOC- I pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rule 5 of Companies (Accounts) Rules, 2014 is attached as Annexure D to this Report.
- c) During the year under review, the Company did not have any associate companies or joint ventures.

### **16. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE:**

During the year under review, there have not been any significant and material orders passed by the Regulators/Courts/ Tribunals which will impact the going concern status and operations of the Company in future.

### **17. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Board of Directors has formulated a policy on Internal Financial Control to ensure orderly and efficient conduct of the business of the Company including the Company's policies. The said Policy is adequate and is operating effectively.

### **18. RISK MANAGEMENT POLICY:**

The Board has adopted a Policy on Risk Management to mitigate inherent risks and help accomplish the growth plans of the Company. The Risk Management Policy incorporates a systematic application of policies, procedures and checks to identify potential risks and lessen their impact on Company. The Board reviews the same periodically and suggests measures to mitigate and control risks.

### **19. CHANGE IN NATURE OF BUSINESS, IF ANY:**

During the year under review, there has not been any change in the nature of the business of the Company.

### **20. MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR & THE DATE OF REPORT:**

There have not been any material changes/commitments affecting the financial position of the Company from the end of the financial year till the date of this Report.

### **21. LISTING OF SHARES:**

The equity shares of the Company are listed on the BSE Ltd, situated at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

The Company has paid the necessary listing fees to the BSE Ltd as prescribed under the Listing Agreement.

### **22. PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES:**

During the year under review, all contracts/arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 were in the ordinary course of business and on an arm's length basis. Details of the same are given in Form AOC-2 as annexed herewith as Annexure E.

## DIRECTORS' REPORT (contd..)

### 23. VIGIL MECHANISM-WHISTLE BLOWER'S POLICY:

The Board has formulated a Whistle Blower's Policy to provide a secure environment in the Company and to encourage all employees and Directors of the Company to report unethical, unlawful or improper practices, acts or activities in the Company and to prohibit managerial personnel from taking any adverse action against those employees who report such practices in good faith. The Policy is also uploaded on the Company's website.

### 24. PARTICULARS OF LOAN, GUARANTEE & INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013:

During the year under review, the Company has not given any loan or guarantee. The Company has invested in the Company's wholly owned subsidiary, Safari Lifestyles Ltd. and in mutual funds. The said investments are within the limits specified under section 186 of the Companies Act 2013. More details of the same are provided in the notes to the Standalone Financial Statements (Note no. 12 and 14 of the Standalone Financial Statements)

### 25. DISCLOSURE OF LOANS /ADVANCES AND INVESTMENTS IN ITS OWN SHARES BY THE LISTED COMPANIES, THEIR SUBSIDIARIES, ASSOCIATES ETC.

During the year under review, neither the Company nor its subsidiary, Safari Lifestyles Ltd, has given any loans or advances for investment in its own shares.

### 26. EXTRACT OF ANNUAL RETURN:

An extract of the Annual Return in terms of Section 92(3), 134(3)(a) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014 is annexed herewith as Annexure F.

### 27. CONSERVATION OF ENERGY, ETC.:

Details on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, etc. are given in the Annexure G hereto.

### 28. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has formed a Committee to look into such cases as and when they arise. During the year under review, no cases were filed with the Committee.

### 29. ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere thanks to all the employees of the Company for their continuing commitment and dedication. Further, the Directors would also like to express their gratitude for the continued support of all the stakeholders such as banks, financial institutions, various State and Central Government authorities, customers, vendors and last but not the least our valued shareholders, for all their support and trust reposed in the Company.

#### Regd. Office:

403 A wing, The Qube, CTS no. 1498, A/2, MV Road,  
Behind Taj Flight Kitchen, Marol, Andheri (E), Mumbai-400059.

Phone: 91-22-4038 1888, Fax: 91-22-4038 1850

CIN: L25200MH1980PLC022812, Website: www.safari.in

Date: 15th May, 2015

**ON BEHALF OF THE BOARD OF DIRECTORS**  
**For SAFARI INDUSTRIES (INDIA) LIMITED**

**SUDHIR JATIA**

Chairman & Managing Director

## ANNEXURES TO THE DIRECTORS' REPORT

### **Annexure A** **Nomination and Remuneration Policy**

#### **I. INTRODUCTION:**

This Nomination and Remuneration Policy ("Policy") has been formulated and recommended by the Nomination and Remuneration Committee ("Committee") vide their resolution dated 18th September 2014, pursuant to section 178 of the Companies Act, 2013 and the rules made thereunder (collectively, the "Act").

This Policy has been adopted by the Board of Directors of Safari Industries (India) Limited ("Company") in their meeting held on 22nd September 2014.

This Policy lays down the guidelines to be followed in relation to:

- (A) appointment of the directors and key managerial personnel of the Company;
- (B) fixation of the remuneration of the directors, key managerial personnel and other employees of the Company; and
- (C) evaluation of performance of directors, key managerial personnel and other employees of the Company.

The objective of this Policy, inter-alia, is to:

- (a) attract, recruit and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency and sustained long-term value creation for its stakeholders.

#### **II. NOMINATION AND APPOINTMENT:**

##### **A. Executive Directors:**

1. As per the Act, the Company is required to have a managing director or a chief executive officer or a manager and in their absence, a whole time director.
2. The Company has appointed a Managing Director in accordance with the applicable laws. If in future, the Committee deems fit to appoint a chief executive officer, or manager or a whole time director for the Company, then this Policy will be suitably amended to provide for the appointment and remuneration of such personnel.
3. Process to be adopted for the nomination and appointment of a Managing Director:
  - (a) The Committee will identify and recommend to the Board of Directors of the Company ("**Board**"), person(s) who is qualified and eligible for appointment as the Managing Director of the Company, provided such person(s) meets the criteria set out under this Policy.
  - (b) The appointment of a Managing Director will be subject to execution of formal agreement between the Company and the Managing Director.
  - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as the Managing Director, and the agreement setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board and of the shareholders at the next general meeting of the Company.

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

- (d) If the terms and conditions of appointment of the Managing Director are at variance to the conditions specified under Schedule V of the Act, then such appointment will be subject to the approval of the Central Government.
- 4. For a person to be appointed as a Managing Director ("Candidate"), he/she should fulfil/meet the criteria specified in the Act.
  - (a) The Candidate should not be holding office as a director or any other office in a competing firm/entity.
  - (b) The Candidate should possess the following minimum qualification and experience:
    - (i) He/she should hold a graduate or post graduate or professional degree or qualification from a reputed institution.
    - (ii) He/she should have atleast 5 years of experience in business administration and management, with atleast 2 years of experience in field of luggage and travel accessories.
    - (iii) He/she should have been part of the senior management positions for atleast 2 years.

### B. Non-Executive Directors:

- 1. As per the Act, the Company is required to have a minimum of 3 directors and upto a maximum 15 directors, which maximum number can be increased pursuant to a special resolution passed by the Company. The Act stipulates the composition of the Board such as gender, ratio of non-executive to executive directors and the number of independent directors.
- 2. Process to be adopted for the nomination and appointment of non-executive directors:
  - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a non-executive director of the Company ("Non-Executive Director"), not being an independent director of the Company ("Independent Director"), provided such Non-Executive Director meets the criteria set out under this Policy.
  - (b) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Non-Executive Director, and remuneration, will be subject to approval of the Board, and of the shareholders at the general meeting of the Company.
  - (c) The Committee will also consider and provide its inputs on the appointment to the Board of an alternate director, small shareholders' director and a nominee director.
- 3. For a person to be appointed as a Non-Executive Director ("Candidate"), he/she should fulfil/meet the criteria specified in the Act.
 

The Candidate should possess the following minimum qualification and experience:

  - (i) He/she should be a graduate or post graduate with a degree from a reputed institution.
  - (ii) He/she should have atleast 5 years of experience in his field of specialisation.

### C. Independent Directors:

- 1. In terms of section 149 (4) of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to have at least one third of the total number of directors as independent directors.
- 2. Process to be adopted for the nomination and appointment of an Independent Director:
  - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as an Independent Director of the Company, provided such person(s) meets the criteria set out under this Policy.
  - (b) The Committee may also select the Independent Director from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by an authorised agency as per the Act. However, the Committee will nonetheless carry out its own verification and satisfy itself as to the candidature of the Independent Director.

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

- (c) The appointment of an Independent Director will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
- (d) The person(s) so identified and recommended by the Committee to the Board, for appointment as the Independent Director, and the terms and conditions of his/her appointment and remuneration will be subject to approval of the Board, and of the shareholders at the next general meeting of the Company.
- 3. For a person to be appointed as an Independent Director ("Candidate"), he/she should fulfil/meet the following criteria:
  - (a) The Candidate should not be disqualified to act as an Independent Director pursuant to the provisions of the Act.
  - (b) The Candidate should possess the following minimum qualification and experience:
    - (i) He/she should hold one or more graduate or a post graduate degree in finance, law, marketing, sales, administration, research, management, corporate governance or business management from a reputed institution, etc.
    - (ii) He/she should have atleast 5 years of experience in his field of specialisation(s).

### D. Key Managerial Personnel:

- 1. As per section 203 of the Act and rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint the following whole time key managerial personnel:
  - (a) managing director, or chief executive officer or manager and in their absence, a whole-time director;
  - (b) company secretary; and
  - (c) chief financial officer.
- 2. The Company currently appoints on its Board, a Managing Director. Apart from the Managing Director, the Company has also appointed a Chief Financial Officer and a Company Secretary.
 

*A 'chief financial officer' would mean a person appointed as the chief financial officer of a company.*

*A 'company secretary' would mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980, and who is appointed by a company to perform the functions of a company secretary under the Act.*
- 3. Process to be adopted for the nomination and appointment of a Chief Financial Officer:
  - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a Chief Financial Officer.
  - (b) The appointment of the Chief Financial Officer will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
  - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Chief Financial Officer, and the letter of appointment setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board.
- 4. For a person to be appointed as a Chief Financial Officer ("**Candidate**"), he/she should fulfil/meet the following criteria:
  - (a) The Candidate should hold a finance/commerce degree from a reputed institution.
  - (b) The Candidate should have atleast 3 years of experience in finance.
  - (c) The Candidate should not be employed or holding any position as a chief financial officer or any other post in any other firm/entity, except the Company's subsidiary company at the same time.

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

5. Process to be adopted for the nomination and appointment of a Company Secretary:
  - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a Company Secretary.
  - (b) The appointment of the Company Secretary will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
  - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Company Secretary, and the letter of appointment setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board.
6. For a person to be appointed as a Company Secretary ("**Candidate**"), he/she should fulfil/meet the following criteria:
  - (a) The Candidate should be a qualified company secretary.
  - (b) The Candidate should not be a 'company secretary in practice'.  
*'company secretary in practice' would mean a company secretary who is deemed to be in practice under sub-section (2) of section 2 of the Company Secretaries Act, 1980.*
  - (c) The Candidate should not be employed or holding any position as a company secretary or any other post in any other firm/entity, except for the Company's subsidiary company at the same time.
  - (d) The Candidate should have atleast 2 years of experience in secretarial and compliance.

### III. EVALUATION:

The reappointment or extension of term and the remuneration of Executive Directors and Non-Executive Directors will be as per the performance evaluation report pursuant to the performance evaluation carried out by the Board (excluding the director being evaluated). The criteria for such performance evaluation shall be determined by the Committee and the Board.

### IV. REMUNERATION:

#### A. Executive Directors:

1. The Committee to recommend the remuneration of the Managing Director to Board for its approval.
2. Such remuneration shall be subject to approval of the shareholders of the Company, in the next general meeting.
3. If proposed remuneration is at variance to the conditions specified in Schedule V of the Act, then such remuneration will also be subject to the approval of the Central Government.

#### B. Non-Executive Directors:

The Committee to recommend the remuneration of the Non-Executive Directors to the Board for its approval, and will be subject to approval of the shareholders of the Company, if required.

The Non-Executive Directors will be paid sitting fees of such amounts as may be determined from time to time and upto such amount, as may be decided by the Board.

#### C. Independent Directors:

1. The Committee to recommend the remuneration of the Independent Directors to the Board for its approval, and will be subject to approval of the shareholders of the Company.
2. The Independent Directors will be paid sitting fees of such amounts as may be determined from time to time and upto such amount, as may be decided by the Board and the shareholders, if required.
3. The Independent Directors will not be entitled to any stock options.



## **ANNEXURES TO THE DIRECTORS' REPORT (contd..)**

### **D. Key Managerial Personnel:**

1. The Committee to recommend the remuneration of the Company Secretary and Chief Financial Officer to the Board for its approval.
2. Increment for each year will be determined by the Committee based on the performance evaluation report.
3. Such increment will be subject to the approval of the Board.

### **E. Employees:**

1. The Committee to determine the remuneration of the employees of the Company, other than whole time key managerial personnel.
2. Increment for each year will be determined by the Committee based on the performance evaluation conducted.

### **V. GENERAL:**

1. The Board will constitute of atleast 1 woman director.
2. The Board will constitute of atleast 1 director who has stayed in India for a total period of not less than 182 days in the previous calendar year.
3. If the total managerial remuneration payable by the Company to all its directors in any financial year exceeds the limits stipulated under the Act and rules made thereunder, then the Company will obtain requisite approval of the Central Government.
4. The office of any whole-time KMP and Independent Director, if vacated, shall be filled-up by the Board in accordance with the provisions of the Companies Act, 2013. The Committee will initiate the process of identifying and recommending new candidates to fill the vacancy created by such resigning directors or whole time key managerial personnel.
5. The annual remuneration paid to the employees of the Company will consist of fixed and variable component based on the individual performance of the employee in achieving their individual key result area and the performance of the Company.
6. Any amendment to this Policy shall be approved by the Committee and recommended to the Board for its approval.
7. In the event of any conflict between the provisions of this Policy and any law in force for the time being, the provisions of such laws, shall supersede

**ON BEHALF OF THE BOARD OF DIRECTORS  
For SAFARI INDUSTRIES (INDIA) LIMITED**

**Place:** Mumbai  
**Date:** 15th May, 2015

**SUDHIR JATIA**  
Chairman & Managing Director

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

### Annexure B

#### Information pursuant to Rule 5(1) and (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: 87:13
2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: There has not been any increase in the remuneration of the Managing Director of the Company. The remuneration of the Chief Financial Officer and the Company Secretary increased by 9% and 14.20% respectively
3. The percentage increase in the median remuneration of employees in the financial year: 9.04%
4. The number of permanent employees on the rolls of company: 636 employees
5. The explanation on the relationship between average increase in remuneration and company performance: While the average increase in remuneration was 9.04%, the increase in the profit before tax as compared to the previous year was 977%.
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: The total remuneration of the Key Managerial Personnel was ₹ 49.79 lakhs as against the Net Profit before tax of ₹ 581.07 lakhs
7. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year:  
The market capitalization for the year ended 31st March 2014 was ₹ 112.14 crores as against ₹ 319.40 crores for the year ended 31st March 2015. The PE ratio stood at 961.67 as at 31st March 2014 and at 67.87 as at 31st March 2015.
8. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer: The Company had come out with an initial public offer in the year 1986 at a price of ₹ 10/-. An amount of ₹ 10/- invested in the said IPO would be ₹ 799 as on 31st March, 2015 representing a compounded annual growth rate of 17%.
9. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year is 8% and is in line with the increase in the managerial remuneration;
10. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: While the Net Profit Before tax of the Company for the year ended 31st March 2015 stood at ₹ 581.07 lakhs, the remuneration drawn by the Managing Director, Chief Financial Officer and Company Secretary was ₹ 13.59 lakhs, ₹ 29.05 and ₹ 7.15 lakhs respectively.
11. The key parameters for any variable component of remuneration availed by the directors: Nil
12. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: 3:97
13. The remuneration paid to the Directors, KMPs and other employees is as per the Remuneration policy of the company.
14. During the year under review, there have not been any employees in the Company who if employed throughout the financial year were in receipt of remuneration for that year, not less than ₹ 60 lakhs pa or if employed for a part of the financial year were in receipt of remuneration for any part of that year, at a rate which in aggregate was not less than ₹ 5 lakhs per month.
15. Details of employees in receipt of remuneration in excess of that drawn by the Managing Director and who held by himself or along with his spouse or dependent children, not less than 2% of the equity shares of the Company: Nil

**ON BEHALF OF THE BOARD OF DIRECTORS  
For SAFARI INDUSTRIES (INDIA) LIMITED**

**Place:** Mumbai  
**Date:** 15th May, 2015

**SUDHIR JATIA**  
Chairman & Managing Director

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

### Annexure C

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014]*

To,

The Members,

SAFARI INDUSTRIES (INDIA) LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SAFARI INDUSTRIES (INDIA) LIMITED (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2015 ('Financial Year') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. I have examined the books, papers, minute books, forms and returns filed and other records maintained the Company for the Financial Year ended on March 31, 2015 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Provision of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowing and Overseas Direct Investment were not attracted to the Company under the Financial Year under report.
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulation 2011.
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable as the Company has not granted any options to its employees during the Financial Year under review)
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued any debt securities during the Financial Year under review)
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year under review)
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the Company has not delisted its equity shares from stock exchange during the Financial Year under review)
    - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ; (Not applicable as the Company has not bought back any of its equity shares during the Financial Year under review)

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not applicable to the Company as on today)
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines. The list of major heads/groups of the applicable Acts, General Laws, Rules/Regulations are given in the Annexure I.

I further report that during the audit period, following were the specific events in the Company:

- a) Preferential Issue of 8, 30, 000 Equity Shares to M/s Tano India Private Equity Fund II and issue of 3, 30, 000 Convertible Share Warrants to promoter Mr. Sudhir Jatia.
- b) In pursuance of section 180 (1) (c) of the Companies Act, 2013 the shareholders have approved borrowing limit upto ₹ 50 crores.
- c) The Company has formed one wholly owned subsidiary namely 'Safari Lifestyles Ltd'.

For **NINAD AWACHAT & ASSOCIATES**

Company Secretaries  
sd/-

Ninad Awachat

Proprietor

Membership No : 26995

C.P No : 9668

Place : Mumbai

Date : 15th May, 2015

### Annexure I:

1. Factories Act, 1948
2. The Minimum Wages Act, 1948
3. Employees State Insurance Act, 1948
4. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
5. The Payment of Bonus Act, 1965
6. The Payment of Gratuity Act, 1972
7. Legal Metrology Act, 2009 and rules made there under
8. Environment (Protection) Act, 1986
9. Water (Prevention and Control of Pollution) Act, 1974
10. Air (Prevention and Control of Pollution) Act, 1981
11. Hazardous Waste (Management and Handling) Rules, 2008
12. Rules and Regulations of GIDC, Vadodara & GIDC, Halol
13. Acts prescribed under Direct Tax and Indirect Tax
14. Local laws as applicable to various offices of the Company

**ANNEXURES TO THE DIRECTORS' REPORT (contd..)****Annexure D****Form AOC-I**

*(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)*

**Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs)

<b>Sl. No.</b>	<b>I</b>
Name of the Subsidiary	Safari Lifestyles Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
Share capital	Rs. 5,00,000
Reserves & surplus	(87,734)
Total assets	4,40,918
Total Liabilities	4,40,918
Investments	Nil
Turnover	Nil
Profit before taxation	(87,734)
Provision for taxation	Nil
Profit after taxation	(87,734)
Proposed Dividend	Nil
% of shareholding	100%

- Names of subsidiaries which are yet to commence operations: Safari Lifestyles Ltd
- Names of subsidiaries which have been liquidated or sold during the year.: Nil

**Part "B": Associates and Joint Ventures:** Nil. The Company does not have any associates or joint ventures.

**ON BEHALF OF THE BOARD OF DIRECTORS**  
**For SAFARI INDUSTRIES (INDIA) LIMITED**

**Place:** Mumbai  
**Date:** 15th May, 2015

**SUDHIR JATIA**  
 Chairman & Managing Director

**ANNEXURES TO THE DIRECTORS' REPORT (contd..)****Annexure E****Form AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto:**

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
  - a. Name (s) of the related party and nature of relationship: NA
  - b. Nature of contracts/arrangements/transactions: NA
  - c. Duration of the contracts/arrangements/transactions: NA
  - d. Salient terms of the contracts or arrangements or transactions including the value, if any: NA
  - e. Justification for entering into such contracts or arrangements or transactions: NA
  - f. Date(s) of approval by the Board: NA
  - g. Amount paid as advances, if any: NA
  - h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA
2. Details of contracts or arrangements or transactions at arm's length basis:

i.	a.	Name (s) of the related party and nature of relationship	Safari Sales Pvt Ltd, a private company in which Mr. Sudhir Jatia, Chairman & Managing Director of the Company is a member
	b.	Nature of contracts/arrangements/transactions	Lease Agreement
	c.	Duration of the contracts/arrangements/transactions	Commencing 1st April 2013 and ending on 6th July 2015
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Carpet Area: 2,000 sq.ft. Rent: Rs. 3,00,000/- pm
	e.	Date(s) of approval by the Board	8th February 2013
	f.	Amount paid as advances, if any:	NIL
ii.	a.	Name (s) of the related party and nature of relationship	Safari Lifestyles Ltd, Wholly owned subsidiary
	b.	Nature of contracts/arrangements/transactions	Investment in equity
	c.	Duration of the contracts/arrangements/transactions	N.A.
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
	e.	Date(s) of approval by the Board	22nd September 2014
	f.	Amount paid as advances, if any:	NIL

**ON BEHALF OF THE BOARD OF DIRECTORS  
For SAFARI INDUSTRIES (INDIA) LIMITED**

**Place:** Mumbai  
**Date:** 15th May, 2015

**SUDHIR JATIA**  
Chairman & Managing Director



**ANNEXURES TO THE DIRECTORS' REPORT (contd..)****Annexure F****Form No. MGT-9**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L25200MH1980PLC022812
2.	Registration Date	8th July 1980
3.	Name of the Company	Safari Industries (India) Limited
4.	Category / Sub-Category of the Company	Public listed company
5.	Address of the Registered office and contact details	4th Floor, A Wing, The Qube, CTS no. 1498, MV Road, Behind Taj Flight Kitchen, Near International Airport, Marol, Andheri (East), Mumbai 400 059, Maharashtra. (T) +91-22-40381888 (F) +91-22-40381850 (E) investor@safari.in
6.	Whether listed company Yes / No	Yes
7.	Name, Address and Contact details of Registrar and Transfer	Adroit Corporate Services Pvt Ltd. 17-20, Jafarbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059 (T): 91-22-4227 0400/ 91-22-2859 4060 Email: investorgrievances@adroitcorporate.com
8.	Agent, if any	Nil

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and description of main products /Services	NIC Code of the Product/ service	% to total turnover of the company
I	Manufacturing and trading of luggage travel goods	15121	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
I	Safari Lifestyles Ltd	U74999MH2014PLC258983	Subsidiary	100%	2(87)

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding:

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>PROMOTERS</b>									
1)	<b>Indian</b>									
a)	Individual/HUF	1787500	-	1787500	59.78	1867500	85000	1952500	49.00	(10.78)
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	454693	-	454693	15.21	454693	-	454693	11.41	(3.80)
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-total(A)(1):</b>	2242193	-	2242193	74.99	2322193	85000	2407193	60.41	(14.58)
2)	<b>Foreign</b>									
a)	NRI-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-total(A)(2):</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	2242193	-	2242193	74.99	2322193	85000	2407193	60.41	(14.58)
<b>B</b>	<b>PUBLIC SHARE-HOLDING</b>									
1.	<b>Institutions</b>									
a)	Mutual funds	30000	3600	33600	1.12	-	3600	3600	0.09	(1.03)
b)	Banks/FI	100	-	100	0.00	100	-	100	0.00	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	1500	-	1500	0.04	0.04
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total(B)(1):</b>	30100	3600	33700	1.13	1600	3600	5200	0.13	(1.00)
2.	<b>Non-Institutional</b>									
a)	Bodies Corp									
i.	Indian	89166	3800	92966	3.11	112466	4800	117266	2.94	(0.17)
ii.	Overseas	-	1000	1000	0.03	830000	-	830000	20.83	20.80
b)	Individuals									
i.	Individual shareholders holding nominal share capital upto Rs. 1 lakh	345083	211302	556385	18.61	301514	195352	496866	12.47	(6.14)
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	51752	-	51752	1.73	116596	-	116596	2.93	1.20
c)	Others (specify):									
	Clearing members	570	-	570	0.02	405	-	405	0.01	(0.01)
	NRIs	11334	100	11434	0.38	11374	100	11474	0.29	(0.09)
	<b>Sub-total(B)(2):</b>	497905	216202	714107	23.88	1372355	200252	1572607	39.46	15.58
	<b>Total Public shareholding (B)=(B)(1)+(B)(2)</b>	528005	219802	747807	25.01	1373955	203852	1577807	39.59	14.58
<b>C</b>	<b>SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>									
		-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A+B+C)</b>	2770198	219802	2990000	100	3696148	288852	3985000	100	-

**ANNEXURES TO THE DIRECTORS' REPORT (contd..)****ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1.	Sudhir Jatia	1787500	59.78	-	1952500	49.00	-	(10.78)
2.	Safari Investments Pvt Ltd	454693	15.21	-	454693	11.41	-	(3.80)

**ii) Change in Promoters' Shareholding:**

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	2242193	74.99	2242193	74.99
A.	<b>Date wise increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/sweat equity etc.):</b> 22.09.14 Allotment of shares upon exercise of conversion option by Promoter of the Company	80000	2.05	2322193	59.54
B.	05.03.15 Allotment of shares upon exercise of conversion option by Promoter of the Company	85000	2.13	2407193	60.41
	<b>At the end of the year</b>	<b>2407193</b>	<b>60.41</b>	<b>2407193</b>	<b>60.41</b>

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

### iv) Shareholding pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>I.</b>	<b>Tano India Pvt Equity Fund II</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)				
	21st July 2014 Allotment on preferential basis	8,30,000	21.73	8,30,000	21.73
	At the end of the year (or on the date of separation, if separated during the year)			8,30,000	20.83
<b>2.</b>	<b>Central Park Securities Holding Pvt. Ltd.</b>				
	At the beginning of the year	61425	2.05	61425	2.05
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)				
i.	2nd May 2014 Purchase	150	0.01	61575	2.06
ii.	19th December 2014 Purchase	7520	0.19	69095	1.77
iii.	31st December 2014 Purchase	17	0.00	69112	1.77
iv.	9 January 2015 Purchase	146	0.00	69258	1.78
v.	15th January 2015 Purchase	1012	0.03	70270	1.80
vi.	23rd January 2015 Sale	-70270	1.80	Nil	Nil
	At the end of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil
<b>3.</b>	<b>HDFC Trustee Co Ltd- HDFC Multiple</b>				
	At the beginning of the year	30000	1.00	30000	1.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)				
i.	30th May 2014 Sale	-4000	0.13	26000	0.87
ii.	30th June 2014 Sale	-1029	0.03	24971	0.84
iii.	25th July 2014 Sale	-24971	0.65	Nil	Nil
	At the end of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
	For Each of the Top 10 shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4.	<b>Anjali Bansal</b>				
	At the beginning of the year	30000	1	30000	1
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	30000	0.75
5.	<b>Mayadevi R Khemka</b>				
	At the beginning of the year	11381	0.38	11381	0.38
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)				
i.	4th April 2014 Purchase	95	0.00	11476	0.38
ii.	11th April 2014 Purchase	200	0.00	11676	0.39
iii.	25 April 2014 Purchase	755	0.03	12431	0.42
iv.	2nd May 2014 Purchase	738	0.02	13169	0.44
v.	9th May 2014 Purchase	1259	0.04	14428	0.48
vi.	16th May 2014 Purchase	3552	0.12	17980	0.60
vii.	23rd May 2014 Purchase	2300	0.08	20280	0.68
viii.	30th May 2014 Purchase	7945	0.27	28225	0.94
ix.	6th June 2014 Purchase	2000	0.07	30225	1.01
x.	4 July 2014 Sale	-1591	0.05	28634	0.96
	At the end of the year (or on the date of separation, if separated during the year)	-	-	28634	0.72

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>6.</b>	<b>Rajendra S Khemka</b>				
	At the beginning of the year	10371	0.35	10371	0.35
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)				
	4th April 2014 Purchase	59	0.00	10430	0.35
	11th April 2014 Purchase	150	0.00	10580	0.35
	18th April 2014 Purchase	483	0.02	11063	0.37
	25th April 2014 Purchase	8263	0.28	19326	0.65
	2nd May 2014 Purchase	100	0.00	19426	0.65
	16th May 2014 Purchase	280	0.00	19706	0.66
	23rd May 2014 Purchase	200	0.00	19906	0.67
	30th May 2014 Purchase	5	0.000	19911	0.67
	30th June 2014 Purchase	25	0.00	19936	0.67
	11th July 2014 Purchase	105	0.00	20041	0.67
	25th July 2014 Purchase	8881	0.23	28922	0.76
	At the end of the year (or on the date of separation, if separated during the year)			28922	0.73
<b>7.</b>	<b>Colin Pankaj Shah</b>				
	At the beginning of the year	10000	0.33	10000	0.33
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)			10000	0.25
<b>8.</b>	<b>Aparna T Chandrashekar</b>				
	At the beginning of the year	10000	0.33	10000	0.33
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)			10000	0.25



**ANNEXURES TO THE DIRECTORS' REPORT (contd..)**

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>9.</b>	<b>Amul S Mehta</b>				
	At the beginning of the year	10000	0.33	10000	0.33
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)			10000	0.25
<b>10.</b>	<b>Venkatchalam Arakoni Ramaswamy</b>				
	At the beginning of the year	10000	0.33	10000	0.33
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)			10000	0.25
<b>11.</b>	<b>Black Rose Industries Limited</b>				
	At the beginning of the year	10000	0.33	10000	0.33
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)				
	15th August 2014      Sale	-161	0.00	9839	0.26
	22nd August 2014      Sale	-60	0.00	9779	0.26
	28th August 2014      Sale	-51	0.00	9728	0.25
	10th October 2014      Sale	-175	0.00	9553	0.24
	17th October 2014      Sale	-111	0.00	9442	0.24
	27th October 2014      Sale	-1575	0.04	7867	0.20
	3rd November 2014      Sale	-52	0.00	7815	0.20
	27th February 2015      Sale	-3020	0.07	4795	0.12
	6th March 2015      Sale	-3895	0.09	900	0.02
	13th March 2015      Sale	-900	0.02	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	Nil	Nil

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>12.</b>	<b>Rajendra Shubhkaran Khemka</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
	25th April 2015 Purchase	301	0.01	301	0.01
	30th May 2015 Purchase	2701	0.09	3002	0.10
	6th June 2015 Purchase	713	0.02	3715	0.12
	13th June 2015 Purchase	749	0.02	4464	0.15
	4th July 2015 Purchase	3815	0.13	8279	0.28
	11th July 2015 Purchase	4328	0.14	12607	0.42
	18th July 2015 Purchase	2670	0.09	15277	0.51
	25th July 2015 Purchase	13763	0.36	29040	0.76
	At the end of the year (or on the date of separation, if separated during the year)			29040	0.73
<b>13.</b>	<b>Central Park Securities Holding Pvt. Ltd.</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
	16th Jan 2015 Purchase	780	0.02	780	0.02
	23rd Jan 2015 Purchase	73115	1.87	73895	1.89
	30th Jan 2015 Purchase	1301	0.03	75196	1.93
	6th Feb 2015 Purchase	1155	0.03	76351	1.96
	13th Feb 2015 Purchase	361	0.00	76712	1.97
	20th Feb 2015 Purchase	51	0.00	76763	1.97
	27th Feb 2015 Purchase	1057	0.03	77820	2.00
	13th Mar 2015 Purchase	4601	0.12	82421	2.07
	20th Mar 2015 Purchase	758	0.02	83179	2.09
	31st Mar 2015 Purchase	404	0.01	83583	2.10
	At the end of the year (or on the date of separation, if separated during the year)			83583	2.10

**ANNEXURES TO THE DIRECTORS' REPORT (contd..)****v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>A</b>	<b>Mr. Sudhir Jatia - Chairman &amp; MD</b>				
	At the beginning of the year	1787500	59.78	1787500	59.78
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/ transfer/bonus/sweat equity etc.)				
1	22nd September 2014 Allotment	80000	2.05	1867500	47.88
2	5th March 2015 Allotment	85000	2.13	1952500	49.00
	At the end of the year			1952500	49.00
<b>B</b>	<b>Dr. Shailesh Mehta - Director</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/ transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
<b>C</b>	<b>Mr. Punkajj Lath - Director</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/ transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
<b>D</b>	<b>Mr. Anujj Patodia - Director</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/ transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

**ANNEXURES TO THE DIRECTORS' REPORT (contd..)**

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>E</b>	<b>Mr. Dalip Sehgal - Director</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/ transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
<b>F</b>	<b>Mr. Hetal Gandhi - Director</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/ transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
<b>G</b>	<b>Mrs. Vijaya Sampath - Director</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/ transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
<b>H</b>	<b>Mr. Virendra Gandhi - Chief Financial Officer</b>				
	At the beginning of the year	177	0.01	177	0.01
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/ transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	177	0.00	177	0.00
<b>I</b>	<b>Ms. Jigna Parikh-Company Secretary</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/ transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

**ANNEXURES TO THE DIRECTORS' REPORT (contd..)****V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

(Amount in ₹)

	<b>Secured loans excluding deposits</b>	<b>Unsecured loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	387,050,821	147,500,000	5,955,000	540,505,821
ii. Interest due but not paid	2,071,723	—	—	2,071,723
iii. Interest accrued but not due	205,559	—	562,759	768,318
<b>Total (i + ii + iii)</b>	<b>389,328,103</b>	<b>147,500,000</b>	<b>6,517,759</b>	<b>543,345,862</b>
<b>Change in indebtedness during the financial year</b>				
Addition	—	54,000,000	—	54,000,000
Reduction	59,514,907	201,500,000	6,517,759	267,532,666
<b>Net change</b>	<b>(59,514,907)</b>	<b>(147,500,000)</b>	<b>(6,517,759)</b>	<b>(213,532,666)</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	329,504,883	—	—	329,504,883
ii. Interest due but not paid	—	—	—	—
iii. Interest accrued but not due	308,313	—	—	308,313
<b>Total (i + ii + iii)</b>	<b>329,813,196</b>	<b>—</b>	<b>—</b>	<b>329,813,196</b>

**VI. REMUNERATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole Time Directors and/or Manager:**

<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Sudhir Jatia Managing Director</b>
1.	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	12,00,000
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	—
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	—
	d) Others :	
	Provident Fund	1,44,000
	Medical Re-imbursement	15,000
2.	Stock Option	—
3.	Sweat Equity	—
4.	Commission	—
	As % of profit	—
	Others, specify	—
5.	Others, please specify	—
	Total (A)	13,59,000
	Ceiling as per the Act*	2,97,02,388

\*(Being 5% of the net profit of the Company as calculated as per Section 198 of the Companies Act, 2013)

## ANNEXURES TO THE DIRECTORS' REPORT (contd..)

### B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
1	Independent Directors	Dr. Shailesh Mehta	Mr. Punkaj Lath	Mr. Dalip Sehgal	Mrs. Vijaya Sampath	
	Fee for attending Board Committee meetings	93,500	99,000	50,000	20,000	2,62,500
	Commission	—	—	—	—	
	Others, please specify	—	—	—	—	
	<b>Total (1)</b>	<b>93,500</b>	<b>99,000</b>	<b>50,000</b>	<b>20,000</b>	<b>2,62,500</b>
2	Other Non-Executive Directors	Mr. Anuj Patodia	Mr. Hetal Gandhi			
	Fee for attending Board Committee meetings	10,000	88,500			98,500
	Commission	—	—	—	—	
	Others, please specify	—	—	—	—	
	<b>Total (2)</b>	<b>10,000</b>	<b>88,500</b>	<b>—</b>	<b>—</b>	<b>98,500</b>
	<b>Total B = (1 + 2)</b>					<b>3,61,000</b>
	<b>Total Managerial Remuneration</b>					<b>17,20,000</b>
	<b>Overall ceiling as per the Act*</b>					<b>65,34,523</b>

\*(Being 11% of the net profit of the Company as calculated as per Section 198 of the Companies Act, 2013)

### C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(Amount in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross Salary			
a	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7.5	29.05	36.55
b	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	—	—	—
c	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	As % of profit	—	—	—
	Others, specify	—	—	—
5.	Others, please specify	—	—	—
	<b>Total</b>	<b>7.5</b>	<b>29.05</b>	<b>36.55</b>

**ANNEXURES TO THE DIRECTORS' REPORT (contd..)****VIII. Penalties/Punishment/Compounding of Offences: Nil**

Type	Section of the Companies Act	Brief Description	Details of penalty/punishment/compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. Directors</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. Other Officers in Default</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

**ON BEHALF OF THE BOARD OF DIRECTORS**  
**For SAFARI INDUSTRIES (INDIA) LIMITED**

**Place:** Mumbai

**Date:** 15th May, 2015

**SUDHIR JATIA**  
Chairman & Managing Director



**ANNEXURES TO THE DIRECTORS' REPORT (contd..)****Annexure G****Statement on Conservation of Energy & Technology Absorption****(A) CONSERVATION OF ENERGY :**

- i. The steps taken or impact on conservation of energy: Power is not a major input in the manufacturing process hence no substantial conservation of energy is possible. However efforts have been made to save energy by installing energy saving devices and greater awareness has been brought about amongst the employees to save power.
- ii. The steps taken by the Company for utilizing alternate sources of energy: NA
- iii. Capital Investment on energy conservation equipment's: NA

**(B) TECHNOLOGY ABSORPTION :**

- i. efforts made in technology absorption: The Company's manufacturing process is based mainly on indigenous technology
- ii. the benefit derived like product improvement, cost reduction, product development or import substitution- Nil
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year ): NA
  - a. The details of technology imported:
  - b. The year of import
  - c. Whether the technology been fully absorbed
  - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. The expenditure incurred on Research and Development: Nil

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange used - ₹ 89.66 crores

Foreign exchange earned - Nil

**ON BEHALF OF THE BOARD OF DIRECTORS**  
**For SAFARI INDUSTRIES (INDIA) LIMITED**

**Place:** Mumbai

**Date:** 15th May, 2015

**SUDHIR JATIA**

Chairman & Managing Director

## **INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED MARCH 31, 2015**

To,  
The Members,  
SAFARI INDUSTRIES (INDIA) LIMITED.

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

1. We have audited the accompanying standalone financial statements of **SAFARI INDUSTRIES (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
6. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as on March 31, 2015 on its financial position in its financial statements - Refer Note 30 to the financial statements;
    - ii. The Company did not have any long-term contracts as on March 31, 2015 including derivative contracts;
    - iii. There were no amounts which were required to be transferred as on March 31, 2015 to the Investor Education and Protection Fund by the Company.

Mumbai  
Date : 15th May, 2015

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 100991W)  
H. G. Buch  
Partner  
(M. No. 33114)

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT [Referred to in paragraph 5 of the Independent Auditor's Report of even date to the members of the Company on the standalone financial statements for the year ended March 31, 2015.]**

On the basis of such checks, as we considered appropriate and in terms of information and explanations given to us, we report that:

- (i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, the management has physically verified fixed assets of significant value during the year and no material discrepancies were noticed on such verification. In case of fixed assets lying with third parties, confirmations have been obtained.
- (ii) (a) Inventories have been physically verified by the management during the year, except material lying with third parties in respect of which confirmations are obtained. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the size of operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a),(b) As per the information furnished to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.  
Accordingly, Clause (iii) (a) relating to regularity of receipt of principal amount and interest and Clause (iii) (b) relating to steps taken for recovery of overdue principal and interest of more than rupees one lakh, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v),(vi) During the year the Company has not accepted any deposits from public. In respect of deposits accepted in earlier years (which have been fully repaid during the year) the provisions of section 73 to 76 of the Act and other relevant provisions of the Act and the Rules framed thereunder and the directives issued by the Reserve Bank of India, where applicable, have been complied with. As informed to us, No order has been passed by Company Law Board or Reserve Bank of India or any Court or any other Tribunal during the year.  
The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act, read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 notified by Ministry of Corporate Affairs, Government of India vide notification dated June 30th, 2014.
- (vii) (a) According to the information and explanations given to us and the records examined by us, during the year the Company has generally been regular in depositing undisputed statutory dues with appropriate authorities, being Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Value Added tax, cess and any other material statutory dues. There are no undisputed statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) The disputed amounts that have not been deposited as on March 31, 2015 in respect of Sales Tax and Value Added Tax are as under:

<b>Name of the Statute</b>	<b>Nature of the dues</b>	<b>Payable ₹ in Lacs</b>	<b>Period to which it relates</b>	<b>Forum where dispute is pending</b>
Orissa Sales Tax Act, 1956	Sales Tax	16.89	2002-03	Sales Tax Tribunal
Orissa Sales Tax Act, 1956	Sales Tax	8.02	2003-04	Sales Tax Tribunal
Orissa Sales Tax Act, 1956	Sales Tax	17.37	2004-05	Sales Tax Tribunal
Bihar Value Added Tax Act, 2005	Interest on Value Added Tax	1.26	2009-10	Commercial Tax Tribunal
Bihar Value Added Tax Act, 2005	Value Added Tax	1.98	2008-09	Commercial Tax Tribunal
Bihar Value Added Tax Act, 2005	Value Added Tax	2.76	2009-10	Commercial Tax Tribunal
Uttar Pradesh Value Added Tax, 2008	Value Added Tax	9.46	2014-15	Commercial Tax Tribunal
Uttar Pradesh Value Added Tax, 2008	Interest on Value Added Tax	1.33	2007-08	Assistant Commissioner
Central Sales Tax Act, 1956	Penalty for non-filing of CST return	0.60	2007-08	Sales Tax Officer

- (c) According to the information and explanations given to us, during the year there were no amounts required to be transferred to Investor Education and Protection Fund.
- (viii) There are no accumulated losses of the Company as on March 31, 2015. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) As per the information and explanation given to us, the Company has not defaulted in the repayment of dues to the Bank during the year.
- (x) As per the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xi) As per the information and explanations given to us, during the year the term loans have been applied for the purpose for which they were obtained.
- (xii) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Mumbai  
Date : 15th May, 2015

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 100991W)  
H. G. Buch  
Partner  
(M. No. 33114)

# STANDALONE FINANCIAL STATEMENTS

## BALANCE SHEET AS AT 31ST MARCH 2015

	NOTE NO.	₹	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
<b>I. Equity and Liabilities</b>				
<b>1. Share Holders' Funds</b>				
(a) Share Capital	2	39,850,000		29,900,000
(b) Reserves & Surplus	3	700,274,118		93,438,055
(c) Money received against share warrants		24,750,000		-
			764,874,118	123,338,055
<b>2. Non-Current Liabilities</b>				
(a) Long Term Borrowings	4	779,295		34,259,006
(b) Deferred Tax Liabilities (Net)	5	-		748,331
(c) Other Long Term Liabilities	6	-		750,000
			779,295	35,757,337
<b>3. Current Liabilities</b>				
(a) Short Term Borrowings	7	328,882,481		483,113,530
(b) Trade Payables	8	138,244,228		302,497,476
(c) Other Current Liabilities	9	52,843,901		71,673,287
(d) Short Term provisions	10	10,673,206		2,604,481
			530,643,816	859,888,774
<b>Total</b>			<b>1,296,297,229</b>	<b>1,018,984,166</b>
<b>II. Assets</b>				
<b>1. Non-Current Assets</b>				
(a) Fixed Assets:	11			
(i) Tangible Assets		118,140,581		116,106,431
(ii) Intangible Assets		4,863,014		4,324,201
(iii) Capital Work in Progress		-		478,000
(iv) Intangible Assets under Development		1,023,641		553,652
(b) Non-Current Investment	12	500,000		-
(c) Deferred Tax Assets (Net)	5	3,238,129		-
(d) Long Term Loans and Advances	13	77,764,392		35,275,897
			205,529,757	156,738,181
<b>2. Current Assets</b>				
(a) Current Investment	14	617,578		-
(b) Inventories	15	596,085,296		463,873,609
(c) Trade Receivables	16	401,899,890		317,208,647
(d) Cash and Bank Balances	17	39,403,190		33,667,714
(e) Short term Loans and Advances	18	11,576,950		15,062,920
(f) Other Current Assets	19	41,184,568		32,433,095
			1,090,767,472	862,245,985
<b>Total</b>			<b>1,296,297,229</b>	<b>1,018,984,166</b>
<b>Significant Accounting Policies</b>	I			
<b>Notes to Accounts</b>	2 to 45			

As per our Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 100991W)  
**H. G. BUCH**  
Partner  
(M. No. 33114)  
Mumbai, Date: 15th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**SUDHIR JATIA**  
(Chairman & Managing Director)

**PUNKAJJ LATH**  
(Director)

**VIRENDRA N. GANDHI**  
(Chief Financial Officer)

**JIGNA PARIKH**  
(Company Secretary)

Mumbai, Date: 15th May, 2015

**STANDALONE FINANCIAL STATEMENTS****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

	NOTE NO.	For the Year Ended 31.03.2015 ₹	For the Year Ended 31.03.2014 ₹
<b>I . Revenue from Operations</b>			
Sales		<b>2,207,978,404</b>	1,712,749,270
Less : Excise Duty		<b>44,338,089</b>	48,089,748
Net Sales		<b>2,163,640,315</b>	1,664,659,522
<b>II . Other Income</b>	20	<b>5,762,052</b>	5,863,423
<b>III . Total Revenue (I+II)</b>		<b>2,169,402,367</b>	1,670,522,945
<b>IV. Expenses:</b>			
Cost of Materials Consumed	21	<b>234,880,133</b>	236,567,315
Purchase of Stock-in-Trade		<b>1,130,698,895</b>	828,183,154
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	<b>(118,598,273)</b>	(155,795,338)
Employee Benefit Expenses	23	<b>227,099,993</b>	175,371,386
Finance Cost	24	<b>29,091,006</b>	53,771,234
Depreciation and Amortization Expenses		<b>28,905,466</b>	12,784,643
Other Expenses	25	<b>569,627,853</b>	511,474,300
<b>Total Expenses</b>		<b>2,101,705,073</b>	1,662,356,694
<b>V. Profit Before Exceptional Items &amp; Tax</b>		<b>67,697,294</b>	8,166,251
<b>VI Exceptional Items</b>	26	<b>(9,590,447)</b>	(2,770,237)
<b>VII. Profit Before Tax</b>		<b>58,106,847</b>	5,396,014
<b>VIII. Tax Expense:</b>			
(1) Current tax		<b>(19,000,000)</b>	-
(2) Deferred Tax (Refer note no.5)		<b>3,596,026</b>	(4,235,616)
<b>IX. Profit After Tax</b>		<b>42,702,873</b>	1,160,398
<b>X. Earnings Per Equity Share:</b>			
(1) Basic		<b>11.81</b>	0.39
(2) Diluted		<b>11.25</b>	0.39
<b>Significant Accounting Policies</b>	I		
<b>Notes to accounts</b>	2 to 45		

As per our Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 100991W)  
**H. G. BUCH**  
Partner  
(M. No. 33114)  
Mumbai, Date: 15th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**SUDHIR JATIA**  
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(Chief Financial Officer)

**JIGNA PARIKH**  
(Company Secretary)

Mumbai, Date: 15th May, 2015



**STANDALONE FINANCIAL STATEMENTS****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	<b>For the Year Ended 31.03.15</b>		<b>For the Year Ended 31.03.14</b>	
	₹	₹	₹	₹
<b>A. Cash Flow from Operating Activities</b>				
Net Profit before tax and extraordinary items.		<b>67,697,294</b>		<b>8,166,251</b>
Adjustments for :				
Depreciation	<b>28,905,466</b>		<b>12,784,643</b>	
Interest (Net)	<b>27,945,618</b>		<b>52,549,230</b>	
(Profit) / Loss on sale of Fixed Assets	<b>1,297,903</b>		<b>357,970</b>	
Adjustments for (Write Back)/Write off	<b>(423,359)</b>		<b>(267,454)</b>	
Exchange Fluctuation Loss	<b>1,633,923</b>		<b>5,241,945</b>	
Dividend Income	<b>(617,578)</b>		<b>-</b>	
		<b>58,741,973</b>		<b>70,666,334</b>
Operating profit before working capital changes		<b>126,439,267</b>		<b>78,832,585</b>
Adjustments for :				
Trade & other receivables	<b>(133,892,961)</b>		<b>(43,340,572)</b>	
Inventories	<b>(132,211,687)</b>		<b>(174,655,608)</b>	
Trade & other Payables	<b>(154,294,476)</b>		<b>114,149,115</b>	
		<b>(420,399,124)</b>		<b>(103,847,065)</b>
Cash generated from operations		<b>(293,959,857)</b>		<b>(25,014,480)</b>
Direct taxes paid		<b>(17,622,600)</b>		<b>(121,914)</b>
Cash flow before extra ordinary items		<b>(311,582,457)</b>		<b>(25,136,394)</b>
Voluntary Retirement Scheme		<b>(9,590,447)</b>		<b>-</b>
Net cash from operating activities		<b>(321,172,904)</b>		<b>(25,136,394)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets	<b>(35,717,092)</b>		<b>(91,496,396)</b>	
Sale of fixed assets	<b>1,745,399</b>		<b>636,726</b>	
Investment in Subsidiary	<b>(500,000)</b>		<b>-</b>	
Proceeds from fixed deposit with bank	<b>3,934,773</b>		<b>(3,346,317)</b>	
Interest received	<b>1,201,611</b>		<b>1,187,588</b>	
Net cash used in investing activities		<b>(29,335,309)</b>		<b>(93,018,399)</b>
<b>C. Cash flow from financing activities</b>				
Capital Raised	<b>621,750,000</b>		<b>-</b>	
Issue Expenses	<b>(17,307,621)</b>		<b>-</b>	
Increase/(Decrease) Long Term borrowings	<b>(58,738,858)</b>		<b>294,542</b>	
Increase/(Decrease) Short Term borrowings	<b>(155,693,843)</b>		<b>169,080,649</b>	
Interest paid	<b>(29,829,464)</b>		<b>(53,545,499)</b>	
Dividend paid	<b>(1,750)</b>		<b>(2,350)</b>	
Net Cash used in financing activities		<b>360,178,464</b>		<b>115,827,342</b>
Net Increase/(Decrease) in cash & cash equivalents		<b>9,670,251</b>		<b>(2,327,451)</b>
Opening cash & cash equivalents		<b>19,287,739</b>		<b>21,615,190</b>
<b>Closing cash &amp; cash equivalents</b>		<b>28,957,990</b>		<b>19,287,739</b>

As per our Report of even date  
For **BANSI S. MEHTA & CO.**

Chartered Accountants  
(Firm Regn. No. 100991W)

**H. G. BUCH**

Partner  
(M. No. 33114)

Mumbai, Date: 15th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**SUDHIR JATIA**

(Chairman & Managing Director)

**PUNKAJ LATH**

(Director)

**VIRENDRA N. GANDHI**

(Chief Financial Officer)

**JIGNA PARIKH**

(Company Secretary)

Mumbai, Date: 15th May, 2015

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

### NOTE NO. I

#### Significant accounting policies:

##### i) Basis of Preparation :

The financial statements are prepared on the basis of going concern, under historical cost convention and on accrual basis of accounting and in compliance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. Claims against the company are recognized when finally accepted by the company.

##### ii) Use of Estimates:

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively.

##### iii) Classification of Assets and Liabilities :

Assets and Liabilities are classified as current/non-current, considering inter-alia, expected realization/settlement in the Company's normal operating cycle of six/seven months or a period of twelve months from the Balance sheet date.

##### iv) Fixed Assets :

Fixed Assets (Tangible & Intangible except trademarks) are carried at the cost of acquisition or at appropriate cost of fabrication (including excise duty where applicable) in case of in-house fabricated tangible assets, after reducing CENVAT credit thereon, where applicable, less accumulated depreciation and amortization.

Costs directly attributable to bringing the assets to their working condition for intended use, are capitalized. Such costs include appropriate cost of borrowing in respect of assets other than those which are ready for their intended use upon acquisition.

##### v) Depreciation and Amortisation :

###### (a) Leasehold Land

Premium on leasehold land is amortised over the period of lease.

###### (b) Other Assets

Depreciation has been provided, considering the lives as prescribed by Schedule II of the Act, on Straight Line Method in respect of Tangible Assets, except on items of Furniture & Fixtures capitalized at the retail stores which are depreciated over their useful life of 2 years on pro-rata basis, considering nature of assets at the said stores and the period for which such stores may remain in operation at the same location. Intangible Assets are amortized over their estimated useful life.

Assets costing less than ₹ 5000/- each, acquired during the financial year, are being fully charged off to the Statement of Profit and Loss.

##### vi) Investments :

Non-Current Investment are stated at cost. Provision is made in respect of diminution in the value of investment, only if such decline is other than temporary.

##### vii) Inventories :

a) Raw materials, Stores and Spares and Packing materials are valued at the lower of cost and net realizable value on First In First Out basis.

b) Finished goods (manufactured) and Work-in-progress are valued at the lower of cost and net realizable value on First In First Out basis. Cost includes direct materials cost, direct labour cost, freight cost, other relevant overheads, including applicable duties and levies, incurred to bring such goods in their present location and condition.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)**

- c) Finished goods (traded) are valued at the lower of cost and net realizable value on First In First Out basis. Cost includes landed cost of Goods, freight, octroi, and other costs incurred to bring such goods in their present location and condition.

**viii) Revenue Recognition :**

Sales are recognized on dispatch of goods to the customers and are reflected in accounts at the gross realizable value, i.e. inclusive of excise duty, wherever applicable, less returns.

**ix) Import Duty Benefits :**

Goods imported for trading and eligible for refund of Special Additional Duty of Custom are accounted net of such benefit.

**x) Foreign Currency Transactions :**

- a) Foreign currency transactions during the year are accounted at the spot rate prevailing on the date of respective transaction.
- b) Difference between the spot rate prevailing on the date of transaction and the exchange rate at which the liability is settled is recognized in the Statement of Profit & Loss. Foreign currency monetary transactions outstanding at the close of the financial year are restated at the spot rate prevailing at the close of the financial year. Loss or gain due to such restatement is recognized in the Statement of Profit & Loss.
- c) In case of forward contracts, the difference i.e. premium or discount, between the forward rate and exchange rate on the date of the transaction is recognized as expense or income over the life of the contract.

**xi) Taxation :****Current Tax :**

Provision for Current Tax is made on the basis of taxable income for the current year in accordance with the provisions of the Income Tax Act, 1961.

**Deferred Tax :**

Income tax expense is accrued in accordance with Accounting Standard 22 - Accounting for Taxes on Income, which includes current and deferred taxes. Deferred Income Taxes reflect the impact of timing differences between taxable income & accounting income for the year and reversal/restatement of timing differences of earlier years.

Deferred tax assets and liabilities are measured using the tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized for all reversible timing differences, carry forward of unused tax assets and unused tax losses subject to consideration of prudence. Carrying amount of deferred tax assets is reviewed at each balance sheet date on the same consideration.

**xii) Employee Benefits :****a. Defined Contribution Plan**

**Provident Fund, Family Pension Fund** - Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

**b. Defined Benefit Plan**

**Gratuity** - In accordance with applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The company has an employees' gratuity fund managed by the Life Insurance Corporation of India ("LIC"). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn basic salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent actuary. Actuarial gain or loss is recognized immediately in the Statement of Profit and loss as income or expense.

**c. Compensated Absences**

The employees are entitled to accumulate leave subject to certain limits, for the future availment. Encashment of leave is given as per the leave policy of the Company.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)****xiii) Product Warranties :**

Product Warranty costs are provided in the year of sale based on past experience.

**xiv) Voluntary Employees' Separation Scheme :**

Ex-gratia to employees is paid based on the effective acceptance of the application under "Voluntary Employees Separation Scheme" (VESS), which is charged to Statement of Profit & Loss.

**xv) Leases**

Payments under operating leases are recognized in the Statement of Profit and Loss as Rent.

**xvi) Impairment of Assets :**

If internal/external indications suggest that an asset of the company may be impaired, the recoverable amount of asset/cash generating unit is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of the asset/cash generating unit is reduced to the said recoverable amount. The recoverable amount is measured as the higher of net selling price and value in use of such assets/cash generating unit, which is determined by the present value of the estimated future Cash Flows.

**xvii) Provisions, Contingent Liabilities and Contingent Assets :**

- a) The Company recognizes as Provisions, the liabilities being present obligations arising out of past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
- b) Contingent Liability is disclosed, unless the possibility of an outflow of resources is remote.
- c) Contingent Assets are not recognized nor disclosed.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)**

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
<b>NOTE NO. 2</b>		
<b>A. Share Capital</b>		
<b>Authorised :</b>		
1,00,00,000 (1,00,00,000 ) Shares of ₹ 10/- each	<u>100,00,000</u>	<u>100,00,000</u>
[50,00,000 (40,00,000) Equity Shares and		
50,00,000 (60,00,000) Unclassified Shares]		
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>		
39,85,000 (29,90,000 ) Equity Shares of ₹ 10/- each fully paid- up	<u>39,850,000</u>	<u>29,900,000</u>
<b>B. The Reconciliation of the number of</b>		
<b>Equity shares outstanding at the beginning</b>	<b>2014-15</b>	<b>2013-14</b>
<b>and at the end of the year</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	<b>In ₹</b>	<b>In ₹</b>
Equity shares at the beginning of the year	<b>2,990,000</b>	2,990,000
Add :- Shares issued on Preferential Basis	<b>995,000</b>	-
Equity shares at the end of the year	<b>3,985,000</b>	2,990,000
<b>C. RIGHTS, PREFERENCE AND RESTRICTION</b>		
<b>ATTACHING TO VARIOUS CLASSES OF SHARES</b>		
1) Each Equity Shareholder is entitled to one vote per share.		
2) Of the 19,52,500 equity shares held by Mr. Sudhir Jatia, Promoter& Managing Director of the Company, 17,87,500 shares (his holding prior to preferential allotment)are subject to a lock-in of 6 months and 1,65,000 equity shares (shares allotted to him on conversion of the share warrants) are subject to a lock-in of 3 years, from the date of the respective trading approvals granted/to be granted by the Bombay Stock Exchange, in accordance with the provisions of SEBI (Issue of Capital Disclosure Requirement) Regulations 2009.		
8,30,000 Shares allotted to Tano India Private Equity Fund II are subject to a 1 year lock-in from the date of the trading approval granted by the Bombay Stock Exchange		
<b>D. Shares in the Company held by each shareholder</b>		
<b>holding more than 5% of paid up capital</b>	<b>No. of Shares</b>	<b>% of holding</b>
Safari Investments Pvt. Ltd.	<b>454,693</b>	11.41%
Sudhir Mohanlal Jatia	<b>1,952,500</b>	49.00%
Tano India Private Equity Fund II	<b>830,000</b>	20.83%

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)

		AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
<b>NOTE NO. 3</b>			
<b>Reserves &amp; Surplus</b>			
<b>Capital Reserve</b>			
At the beginning and at the end of the year	(A)	<u>1,117,722</u>	<u>1,117,722</u>
<b>General Reserve</b>			
Opening Balance		42,692,569	42,692,569
Transferred from surplus		20,000,000	-
Adjustment towards Depreciation (Net of Deferred Tax)(Refer Note 31)		(812,939)	-
<b>Closing Balance</b>	(B)	<u>61,879,630</u>	<u>42,692,569</u>
<b>Securities Premium Reserve</b>			
Opening Balance		9,750,000	9,750,000
Additions during the year		587,050,000	-
Share Issue Expenses		(17,307,621)	-
<b>Closing Balance</b>	(C)	<u>579,492,379</u>	<u>9,750,000</u>
<b>Surplus in Statement of Profit &amp; Loss</b>			
Opening Balance		39,877,764	38,717,366
Profit for the year		42,702,873	1,160,398
<b>Balance available for Appropriation</b>		<u>82,580,637</u>	<u>39,877,764</u>
<b>Less : Appropriation</b>			
- Proposed Dividend on Equity Shares		(3,985,000)	-
- Dividend Distribution Tax		(811,250)	-
- Amount transferred to general reserve		(20,000,000)	-
	(D)	<u>57,784,387</u>	<u>39,877,764</u>
<b>Total Reserves &amp; Surplus</b>	(A+B+C+D)	<u><u>700,274,118</u></u>	<u><u>93,438,055</u></u>

**NOTE NO. 4****Long Term Borrowings****Term Loans - Secured****From Banks**

Term Loan	-	32,625,000
Vehicle Loan	<u>779,295</u>	<u>1,634,006</u>
	<u><u>779,295</u></u>	<u><u>34,259,006</u></u>

Vehicle Loan is repayable in 84 equal instalments, repayments have started in January 2013.

Vehicle Loan from bank is secured by a charge on the specific vehicle.

**NOTE NO. 5****Deferred Tax (Liability) / Asset**

Deferred Tax (Liabilities)	(3,538,557)	(5,991,081)
Deferred Tax Assets	<u>6,776,686</u>	<u>5,242,750</u>
Deferred Tax (Liability) / Asset (Net)(Refer Note 37)	<u><u>3,238,129</u></u>	<u><u>(748,331)</u></u>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)**

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
<b>NOTE NO. 6</b>		
<b>Other Long Term Liabilities</b>		
Security Deposits	-	750,000
	-	750,000
<b>NOTE NO. 7</b>		
<b>Short Term Borrowings</b>		
<b>Loans repayable on demand</b>		
<b>From Banks - Secured</b>		
Cash Credit facility	130,956,974	67,945,163
Working Capital Demand Loan	-	141,516,028
Buyers line of credit	197,925,507	126,152,339
	<u>328,882,481</u>	<u>335,613,530</u>
All the above Short Term Borrowings are secured by ;		
1. Hypothecation of stocks of Raw-materials, Semi-finished goods, Finished goods, Packing materials, Stores & Spares and book debts of the company.		
2. First pari-passu charge on the movable Plant and Machinery lying at the company's Halol Plant.		
3. Equitable mortgage on the immovable properties situated at the Company's Halol plant.		
<b>From Other Parties - Unsecured</b>		
Intercompany Deposits	-	147,500,000
	<u>328,882,481</u>	<u>483,113,530</u>
<b>NOTE NO. 8</b>		
<b>Trade Payables</b>		
Creditors for Goods & Services	138,244,228	302,497,476
	<u>138,244,228</u>	<u>302,497,476</u>
<b>NOTE NO. 9</b>		
<b>Other Current Liabilities</b>		
Current Maturities of Long Term Debt	151,420	25,410,567
Interest accrued but not due on Fixed Deposits	-	738,458
Advance From Customers	1,396,477	1,825,061
Unclaimed dividends	321,941	323,691
Excise Duty Payable	4,723,928	4,282,055
VAT/CST Payable	10,779,874	7,508,877
Bonus / Ex-Gratia Payable	2,613,682	3,384,207
Other Payables	32,856,579	28,200,371
	<u>52,843,901</u>	<u>71,673,287</u>
<b>NOTE NO. 10</b>		
<b>Short Term Provisions</b>		
<b>Provision for Employee benefits</b>		
Gratuity Payable	4,375,128	2,576,902
<b>Others</b>		
Provision for Warranty Claims (Refer Note 38)	124,429	27,579
Proposed Dividend on Equity Shares	3,985,000	-
Dividend Distribution Tax	811,250	-
Provision for Tax (Net of Advance Tax)	1,377,399	-
	<u>10,673,206</u>	<u>2,604,481</u>



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)

## NOTE NO. 11

### Fixed Assets

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	As at 01.04.2014	Adjustment #	For the Year	Deductions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>(i) TANGIBLE ASSETS</b>											
Leasehold Land	949,908	-	-	949,908	260,537	-	9,082	-	269,619	680,289	689,371
Buildings	23,554,817	90,284	-	23,645,101	16,472,058	-	414,210	-	16,886,268	6,758,833	7,082,759
Plant and Machinery	151,218,682	14,922,016	26,024,548	140,116,150	85,465,788	70,952	9,818,081	24,723,321	70,631,500	69,484,650	65,752,894
Computers	15,371,822	2,013,704	228,277	17,157,249	7,046,940	276,664	3,985,433	217,168	11,091,869	6,065,380	8,324,882
Jigs, Tools & Dies	4,120,949	1,275,790	-	5,396,739	3,443,453	-	73,080	-	3,516,533	1,880,206	677,496
Furniture, Fixture and Equipments	29,717,532	13,451,303	3,521,120	39,647,715	12,397,923	214,288	10,507,297	2,632,244	20,487,264	19,160,451	17,319,609
Electrical Installation	6,050,633	132,296	-	6,182,929	2,663,739	4,390	341,813	-	3,009,942	3,172,987	3,386,894
Office Equipments & Other Assets	9,411,914	2,082,461	32,500	11,461,875	2,951,784	637,079	1,566,116	5,766	5,149,213	6,312,662	6,460,130
Vehicles	7,796,156	-	1,083,327	6,712,829	1,383,760	-	971,918	267,971	2,087,707	4,625,122	6,412,396
<b>Total (i)</b>	<b>248,192,413</b>	<b>33,967,854</b>	<b>30,889,772</b>	<b>251,270,495</b>	<b>132,085,982</b>	<b>1,203,373</b>	<b>27,687,030</b>	<b>27,846,470</b>	<b>133,129,915</b>	<b>118,140,580</b>	<b>116,106,431</b>
Previous Year	(161,755,998)	(90,793,307)	(4,356,892)	(248,192,413)	(123,448,478)	-	(11,999,700)	(3,362,196)	(132,085,982)	(116,106,431)	(38,307,520)
<b>(ii) INTANGIBLE ASSETS</b>											
Trademarks	28,000	-	-	28,000	11,200	-	5,600	-	16,800	11,200	16,800
Computer Software	5,375,174	1,757,249	-	7,132,423	1,067,773	-	1,212,836	-	2,280,609	4,851,814	4,307,401
<b>Total (ii)</b>	<b>5,403,174</b>	<b>1,757,249</b>	<b>-</b>	<b>7,160,423</b>	<b>1,078,973</b>	<b>-</b>	<b>1,218,436</b>	<b>-</b>	<b>2,297,409</b>	<b>4,863,014</b>	<b>4,324,201</b>
Previous Year	(2,733,737)	(2,669,437)	-	(5,403,174)	(294,030)	-	(784,943)	-	(1,078,973)	(4,324,201)	(2,439,707)
<b>(iii) CAPITAL WORK IN PROGRESS</b>	<b>478,000</b>	<b>-</b>	<b>478,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>478,000</b>
Previous Year	-	(478,000)	-	(478,000)	-	-	-	-	-	(478,000)	-
<b>(iv) INTANGIBLE ASSETS UNDER DEVELOPMENT</b>	<b>553,652</b>	<b>469,989</b>	<b>-</b>	<b>1,023,641</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,023,641</b>	<b>553,652</b>
Previous Year	-	(553,652)	-	(553,652)	-	-	-	-	-	(553,652)	-
<b>Total (i)+(ii)+(iii)+(iv)</b>	<b>254,627,239</b>	<b>36,195,092</b>	<b>31,367,772</b>	<b>259,454,559</b>	<b>133,164,955</b>	<b>1,203,373</b>	<b>28,905,466</b>	<b>27,846,470</b>	<b>135,427,324</b>	<b>124,027,235</b>	<b>121,462,284</b>
Previous Year	(164,489,735)	(94,494,396)	(4,356,892)	(254,627,239)	(123,742,508)	-	(12,784,643)	(3,362,196)	(133,164,955)	(121,462,284)	(40,747,227)

# Represents Adjustment made against opening reserves in terms of Schedule II of the Companies Act, 2013. (Refer Note No. 31)

## NOTE NO. 12

### Non-Current Investment

#### Investment - Valued at Cost - Trade

#### In Equity Instruments of Wholly Owned Subsidiary - Unquoted

Safari Lifestyles Ltd. (50,000 Fully paid up equity shares of Rs. 10 each.)

**AS AT  
31.03.2015  
₹**

**AS AT  
31.03.2014  
₹**

**500,000**

-

**500,000**

-

## NOTE NO. 13

### Long Term Loans & Advances

#### Unsecured and Considered good

#### Security Deposits

Deposits for Premises & Others

**72,387,620**

30,342,089

#### Other Deposits

Deposit with Sales Tax Authorities

**2,125,537**

1,682,573

#### Income Tax Refund Receivable

**3,251,235**

3,251,235

**77,764,392**

35,275,897

## NOTE NO. 14

### Current Investment - Lower of Cost and Fair Value

#### Others - Quoted

Investment in Mutual Fund

**617,578**

-

(HDFC Liquid Fund - Direct Plan - Dividend Daily Reinvest)

(60,557.55 Units at NAV of Rs. 10.1982 per unit)

**617,578**

-

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)**

	As At 31.03.2015 ₹	As At 31.03.2014 ₹
<b>NOTE NO. 15</b>		
<b>Inventories</b>		
Raw Materials and Components (including Goods in Transit CY ₹12.68 Lacs, PY ₹NIL)	63,381,194	47,152,992
Packing Materials	2,154,445	4,190,680
Work in Progress	2,545,924	1,745,229
Finished Goods (including Goods in Transit CY ₹32.27 lacs, PY ₹118.82 lacs)	93,389,395	99,495,688
Stock in Trade (Including Goods in Transit CY ₹1093.45 lacs, PY ₹893.22 lacs)	433,572,644	309,668,773
Stores and Spares	1,041,694	1,620,247
	<u>596,085,296</u>	<u>463,873,609</u>
<b>NOTE NO. 16</b>		
<b>Trade Receivable (Unsecured, considered good)</b>		
Outstanding for a period exceeding six months from the due date for payments	19,485,764	34,116,543
Others	382,414,126	283,092,104
	<u>401,899,890</u>	<u>317,208,647</u>
<b>NOTE NO. 17</b>		
<b>Cash and Bank Balances</b>		
<b>Balances with Banks</b>		
- In current accounts	28,046,591	18,444,953
- In Unclaimed Dividend Accounts	321,941	323,691
<b>Cash in hand</b>	589,458	519,095
<b>Total Cash and Cash equivalents (A)</b>	<u>28,957,990</u>	<u>19,287,739</u>
<b>Other Bank Balances</b>		
<b>Fixed Deposit with Scheduled Bank</b>		
- Pledged with the Bank against Bank Guarantees / LC	10,445,200	9,879,975
- Other Deposits as Liquid Assets	-	4,500,000
<b>Total Other Bank Balances (B)</b>	<u>10,445,200</u>	<u>14,379,975</u>
<b>Total (A + B)</b>	<u>39,403,190</u>	<u>33,667,714</u>
<b>NOTE NO. 18</b>		
<b>Short Term Loans &amp; Advances</b>		
<b>Other Loans and Advances - (Unsecured, Considered Good)</b>		
Loans and Advances to Staff members	2,373,514	3,189,202
Advance to Suppliers	3,850,494	1,852,399
Advance recoverable in Cash or in kind or for value to be received	2,492,726	5,818,389
Balance with Central Excise Collectorate	2,860,216	4,202,930
	<u>11,576,950</u>	<u>15,062,920</u>
<b>NOTE NO. 19</b>		
<b>Other Current Assets</b>		
Interest Receivable on FDR	157,833	214,056
Deferred Premium on Forward Contracts	-	2,656,243
Special Additional Duty Receivable	41,026,735	29,562,796
	<u>41,184,568</u>	<u>32,433,095</u>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)

	Year Ended 31.03.2015 ₹	Year Ended 31.03.2014 ₹
<b>NOTE NO. 20</b>		
<b>Other Income</b>		
<b>Other Operating Income</b>		
Interest Income	1,145,388	1,222,004
Discount Received	557,215	192,680
Sales of Scrap	1,642,722	2,012,388
	<u>3,345,325</u>	<u>3,427,072</u>
<b>Other Non-operating Income</b>		
Profit on Sale of Fixed Assets	15,713	144,809
Dividend from Current Investment	617,578	-
Amounts Written back	1,138,618	1,196,419
Miscellaneous Income	644,818	1,095,123
	<u>2,416,727</u>	<u>2,436,351</u>
	<u>5,762,052</u>	<u>5,863,423</u>
<b>NOTE NO. 21</b>		
<b>Cost of Material Consumed</b>		
<b>Raw Material Consumed</b>		
Opening Stock	47,152,992	30,897,194
Add : Purchases	212,325,225	209,365,855
<b>Sub-Total</b>	<u>259,478,217</u>	<u>240,263,049</u>
Less: Sales	(793,757)	(2,660,448)
Less: Closing Stock	(63,381,194)	(47,152,992)
Raw Material Consumed	<u>195,303,266</u>	<u>190,449,609</u>
Add: Processing Charges	16,079,906	22,591,346
	<u>211,383,172</u>	<u>213,040,955</u>
Less: Components transferred for warranty claims	(1,662,673)	(618,003)
Less : Stock Write down during the year (Refer Note 26)	-	(2,770,237)
<b>Net Consumption</b>	<u>209,720,499</u>	<u>209,652,715</u>
<b>Packing Materials Consumed</b>	<u>25,159,634</u>	<u>26,914,600</u>
	<u>234,880,133</u>	<u>236,567,315</u>
<b>NOTE NO. 22</b>		
<b>Changes in Inventories of Finished Goods &amp; Work in Progress and Stock in Trade</b>		
<b>Finished Goods</b>		
Opening Stock	99,495,688	93,707,910
Closing Stock	(93,389,395)	(99,495,688)
	<u>6,106,293</u>	<u>(5,787,778)</u>
<b>Work-in-Progress</b>		
Opening Stock	1,745,229	6,309,629
Closing Stock	(2,545,924)	(1,745,229)
	<u>(800,695)</u>	<u>4,564,400</u>
<b>Stock-in-Trade</b>		
Opening Stock	309,668,773	155,096,813
Closing Stock	(433,572,644)	(309,668,773)
	<u>(123,903,871)</u>	<u>(154,571,960)</u>
<b>(Increase)/Decrease</b>	<u>(118,598,273)</u>	<u>(155,795,338)</u>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)**

	Year Ended 31.03.2015 ₹	Year Ended 31.03.2014 ₹
<b>NOTE NO. 23</b>		
<b>Employee Benefit Expenses</b>		
Salaries, Wages and Bonus etc.	200,728,129	154,600,392
Contribution to Provident & other Funds	19,975,523	14,029,357
Welfare Expenses	6,396,341	6,741,637
	<u>227,099,993</u>	<u>175,371,386</u>
<b>NOTE NO. 24</b>		
<b>Finance Cost</b>		
<b>Interest Expense:</b>		
Term Loans	2,187,332	2,567,244
Cash Credits / WCDL / Buyer's Credit	13,995,923	30,801,433
Fixed Deposits	247,210	1,894,296
ICD & Others	7,302,417	14,789,949
<b>Other Borrowing Costs</b>		
Bank Charges for Buyer's Credit	5,358,124	3,718,312
	<u>29,091,006</u>	<u>53,771,234</u>
<b>NOTE NO. 25</b>		
<b>Other Expenses</b>		
Consumption of Stores and Spares	2,571,131	2,628,734
Packing Materials for Traded Goods	34,130,132	21,013,831
Excise Duty on Closing Stock	4,723,928	4,282,055
Power and Fuel	14,167,074	8,047,074
Repairs and Maintenance		
- Building	1,175,442	323,655
- Plant & Machinery	904,111	2,306,737
- Others	3,206,718	2,860,330
Rent	71,483,683	54,928,229
Rates and Taxes	5,288,679	3,308,080
Insurance	693,541	1,357,149
Directors' Fees	361,000	140,500
Postage, Telegram & Telephone Expenses	8,211,189	6,867,637
Legal & Professional Fees	13,765,683	12,626,571
Auditors' Remuneration	590,000	490,000
Amounts W/off	715,259	928,965
Bank Charges	3,330,041	1,975,018
Freight, Handling & Octroi	133,008,349	112,720,066
Contractual Labour - Mfg.	12,988,410	11,573,984
Contractual Labour - Sales outlets	51,074,847	21,896,813
Travelling & Conveyance	48,845,645	42,915,675
Advertisement & Sales Promotion	46,784,137	68,673,832
Discounts	51,946,902	51,032,359
Net Loss on Exchange Fluctuation	5,211,813	37,597,159
Warranty Claims	1,759,523	621,318
Loss on Sale of Fixed Assets	1,313,616	502,779
Premium on Forward Contracts	5,464,967	4,796,923
Miscellaneous Expenditure	45,912,033	35,058,827
	<u>569,627,853</u>	<u>511,474,300</u>
<b>NOTE NO. 26</b>		
<b>Exceptional Items</b>		
VRS to Employees	9,590,447	-
Stock Write down	-	2,770,237
	<u>9,590,447</u>	<u>2,770,237</u>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)**

27. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) ₹ 2.58 lacs (₹ 6.68 lacs).

	Year Ended 31.03.2015 (₹ in Lacs)	Year Ended 31.03.2014 (₹ in Lacs)
<b>28. Expenditure in Foreign Currency</b>		
<b>Particulars</b>		
Foreign Travelling	7.26	12.40
Capital Expenditure	11.44	32.87
Interest on Buyers Credit	16.54	33.96
Legal and Professional Fees	5.82	NIL
Rent	4.85	NIL

**29. CIF Value of Imports****Particulars**

Traded Goods	9010.45	6208.48
Components	180.92	57.18
Capital Goods	4.98	267.07

**30. Contingent Liabilities not provided for :****Sr. No. Particulars**

(a) Counter Guarantees given by the Company	21.87	50.72
(b) Claims / demands against the Company by employees/ex-employees, disputed /not acknowledged as debts :	Amount not ascertainable	Amount not ascertainable
(c) Disputed Sales Tax Liabilities (Net of Advance ₹ 21.23 Lacs)	59.67	66.23
(d) Rent and Telephone Bills Disputes	0.58	NIL

**31. Depreciation:**

Effective from 01.04.2014, the Company has adopted the useful lives of its Tangible Fixed Assets as per Part C of Schedule II of the Companies Act, 2013 and provided depreciation accordingly, except in respect of Furniture and Fixtures installed at the Company's retail stores, for which, the useful life of 2 years has been adopted, as hitherto. The same is based on the nature of assets at the said stores and the internal evaluation of the uncertainty of the number of years for which such stores may continue to remain in operation at the same location.

In respect of assets of which the remaining useful lives have been exhausted as on April 1, 2014, the carrying amount of assets after retaining residual value, amounting to ₹8.13 lacs (Net of Deferred Tax Credit of ₹3.9 lacs) has been recognized in the opening balance of General Reserve.

The provision of depreciation in terms of Companies Act 2013 as aforesaid has resulted in higher provision by ₹ 45.27 lacs for the year as compared to the provision in terms of erstwhile Companies Act, 1956.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)****32. Employee Benefits:**

Disclosures in terms of Revised Accounting Standard 15 on "Employee Benefits" ("AS-15"), issued by the Institute of Chartered Accountants of India :

**Reconciliation of opening and closing balances of the present value of the defined benefit obligation :****Gratuity (Funded)**

	₹	₹
Obligation at period beginning (April 1, 2014)	1,50,04,880	1,48,74,236
Current service cost	9,65,407	9,19,399
Interest cost	13,87,951	11,89,939
Past Service Cost	-	-
Actuarial (gain) / loss	42,02,755	(7,73,344)
Benefits paid	(45,72,739)	(12,05,350)
<b>Obligations at the year-end (March 31, 2015)</b>	<b>1,69,88,254</b>	<b>1,50,04,880</b>
Plan assets at period beginning, at fair value	1,41,46,387	1,40,53,751
Expected return on plan assets	12,30,736	12,22,676
Actuarial gain / (loss)	7,50,249	(41,436)
Contributions	10,58,493	1,16,746
Benefits paid	(45,72,739)	(12,05,350)
<b>Plan assets at the year end, at fair value</b>	<b>1,26,13,126</b>	<b>1,41,46,387</b>

**RECONCILIATION OF PRESENT VALUE OF THE OBLIGATION AND THE FAIR VALUE OF THE PLAN ASSETS**

Fair value of plan assets at the end of the year	1,26,13,126	1,41,46,387
Present value of the defined benefit obligations at the end of the year	1,69,88,254	1,50,04,880
<b>Liability/(Asset) recognized in the Balance Sheet</b>	<b>43,75,128</b>	<b>8,58,493</b>

**COST FOR THE YEAR**

Current Service cost	9,65,407	9,19,399
Interest cost	13,87,951	11,89,939
Past Service Cost	-	-
Expected return on plan assets	(12,30,736)	(12,22,676)
Actuarial (gain)/loss	44,74,857	(7,31,908)
<b>Net Cost recognized in the Statement of Profit and Loss</b>	<b>55,97,479</b>	<b>1,54,754</b>

**ASSUMPTIONS USED TO DETERMINE THE BENEFIT OBLIGATIONS;**

Interest rate	7.98%	9.25%
Estimated rate of return on plan assets	8.70%	8.70%
Expected rate of increase in salary	3.00%	3.00%
Expected return on plan assets	12,30,736	12,22,676

**33. Segment Reporting :**

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

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)

## 34. Related Party Disclosures :

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

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

Safari Sales Private Limited\* : Enterprise in which Key Management Personnel has significant influence  
Safari Investments Private Limited : Enterprise in which Key Management Personnel has significant influence  
Tarapur Vastra Udyog Private Limited : Enterprise in which relative of Key Management Personnel has significant influence  
Safari Lifestyles Limited : Wholly Owned Subsidiary of Safari Industries (India) Limited

#### Key Management Personnel:

Mr. Sudhir Jatia : Chairman and Managing Director

#### Relative of Key Management Personnel:

Mr. Mohanlal Jatia : Father of Mr. Sudhir Jatia

Mr. Sanjay Jatia : Brother of Mr. Sudhir Jatia

### ii) Balances as at the year ended March 31, 2015 :

#### Particulars

(₹ in Lakhs)

**Receivable from Safari Sales Private Limited\***

**60.78**

(93.18)

### iii) Transactions with Related Parties during the year :

#### Nature of Transactions

Key Management  
Personnel

Enterprise in which  
Key Management  
Personnel has  
Significant influence

Enterprise in which  
relative of Key  
Management Personnel  
has Significant influence

Subsidiary  
Company

(₹ in Lacs)

(₹ in Lacs)

(₹ in Lacs)

(₹ in Lacs)

#### Remuneration paid to:

Mr Sudhir Jatia

**13.59**

-

-

-

(13.59)

(-)

(-)

(-)

Sale of Moulded & Soft Luggage (Net of returns) to Safari Sales Private Limited\*

-

-

-

-

(-)

(-9.56)

(-)

(-)

Commission on Sales to

-

-

-

-

Tarapur Vastra Udyog Private Limited

(-)

(-)

(5.90)

(-)

Purchase of Fixed Assets from

-

-

-

-

Safari Sales Private Limited\*

(-)

(45.56)

(-)

(-)

Rent (inclusive of service tax) paid to

-

**40.45**

-

-

Safari Sales Private Limited\*

(-)

(40.45)

(-)

(-)

Investment in Equity Shares of

-

-

-

**5.00**

Safari Lifestyles Limited

(-)

(-)

(-)

(-)

(Figures in bracket relate to previous year)

(\*Merged with Ramgopal Textiles Ltd during the year)

## 35. Disclosure for operating lease under Accounting Standard 19 - "Leases"

The Company has entered into agreements for taking on leave and license under operating lease for office Premises/warehouses, including furniture & fittings therein, as applicable. These agreements are not non-cancelable and are for tenures between 3 months



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)**

& 10 years and are renewable by mutual consent on mutually agreeable terms. The specified disclosure in respect of these agreements is given below:

<b>Lease Rent payable</b>	<b>Year Ended 31.03.2015 (₹ in Lakhs)</b>	<b>Year Ended 31.03.2014 (₹ in Lakhs)</b>
Within 1 Year	<b>869.69</b>	551.93
After 1 year but before 5 years	<b>1,924.66</b>	1,321.45
After 5 Years	<b>378.80</b>	373.50
<b>TOTAL</b>	<b>3173.15</b>	2,246.88

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

**36. Earnings Per Share :**

**Basic & Diluted Earnings Per Share as per Accounting Standard AS-20 is as under.**

	<b>Year Ended 31.03.2015 (₹)</b>	<b>Year Ended 31.03.2014 (₹)</b>
a) Net Profit/(Loss) available for Equity Share holders	<b>427,02,873</b>	11,60,398
b) Weighted Average No. of Equity Shares for Basic Earnings per Share	<b>36,15,740</b>	29,90,000
c) Basic Earnings per Share ( Equity share of ₹10/- each)	<b>11.81</b>	0.39
d) Weighted Average No. of Shares for Diluted Earnings per Share	<b>37,97,233</b>	29,90,000
e) Diluted Earnings per Share ( Equity share of ₹10/- each)	<b>11.25</b>	0.39

**37. Deferred Taxation :**

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

<b>Item of timing difference</b>	<b>Balance of Assets/(Liabilities) as on 01.04.2014</b>	<b>Adjustments towards Depreciation#</b>	<b>(Charge)/Credit for the year including reversal</b>	<b>Balance of Assets/(Liabilities) as on 31.03.2015</b>
Depreciation	(59,91,081)	3,90,434	20,62,090	<b>(35,38,557)</b>
Deferred Revenue Expenditures	52,42,750	-	6,86,148	<b>59,28,898</b>
Bonus	-	-	8,47,788	<b>8,47,788</b>
<b>Total</b>	<b>(7,48,331)</b>	<b>3,90,434</b>	<b>35,96,026</b>	<b>32,38,129</b>

# Represents Adjustment made against opening reserves in terms of Schedule II of the Companies Act, 2013.

**38. Provision for Warranty Claims in terms of Accounting Standard -29 :**

<b>Balance at 01.04.2014</b>	<b>Additions during the year</b>	<b>Amount used/paid during the year</b>	<b>Balance as at 31.03.2015</b>
<b>27,579</b>	<b>17,59,523</b>	<b>16,62,673</b>	<b>1,24,429</b>
(24,264)	(6,21,318)	(6,18,003)	(27,579)

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015(contd..)****39. Disclosure in respect of Derivative Instruments:**

The Company enters into forward exchange contracts to hedge its exposure in foreign currency. The information on derivative instrument is as follows:

(i) Foreign exchange contract outstanding:

Particulars	As at 31.03.2015		As at 31.03.2014	
	Amt in USD	₹ In lacs	Amt in USD	₹ In lacs
Buyer's Credit	Nil	Nil	19,88,806	1,214

(ii) Foreign currency exposures not covered by derivatives instrument:

Particulars	As at 31.03.2015		As at 31.03.2014	
	Amt in USD	₹ In lacs	Amt in USD	₹ In lacs
Buyers Credit	31,62,214	1,979	Nil	Nil
Import Trade Payables	7,78,626	487	35,14,478	2,165

**40. Micro, Small and Medium Enterprises**

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

Accordingly no amount of dues outstanding as at 31st March, 2015 have been identified as relating to the Micro, Small and Medium Enterprise referred to in the said Act.

**41. Items / Adjustments relating to prior period:**

Operating, Administrative, Financial & other Expenses

Year Ended 31.03.2015 (₹ in lacs)	Year Ended 31.03.2014 (₹ in lacs)
-	7.37
-	7.37

**42. Payments to Auditors :**

Audit Fees	3.00	3.00
For Taxation, Company Law etc	1.08	0.08
Tax Audit	0.60	0.60
For Certification and Others	1.22	1.22
<b>TOTAL *</b>	<b>5.90</b>	<b>4.90</b>

\*The above figures are excluding Service Tax

**43. Break-up of Managerial remuneration paid to Managing Director.**

Salary	12.00	12.00
Contribution to Provident Fund	1.44	1.44
Medical Reimbursement	0.15	0.15
<b>TOTAL</b>	<b>13.59</b>	<b>13.59</b>

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

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

As per our Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 100991W)  
**H. G. BUCH**  
Partner  
(M. No. 33114)  
Mumbai, Date: 15th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**SUDHIR JATIA**  
(Chairman & Managing Director)

**PUNKAJ LATH**  
(Director)

**VIRENDRA N. GANDHI**  
(Chief Financial Officer)  
Mumbai, Date: 15th May, 2015

**JIGNA PARIKH**  
(Company Secretary)

## INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED MARCH 31, 2015

To,  
The Members,  
SAFARI INDUSTRIES (INDIA) LIMITED.

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **SAFARI INDUSTRIES (INDIA) LIMITED** (hereinafter referred to as "the Holding Company") and **SAFARI LIFESTYLES LIMITED**, its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated balance sheet as at March 31, 2015, the consolidated statement of profit and loss, the consolidated cash flow statement for the period then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the relevant Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective company of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us in respect of the audit of financial statements of the respective company of the Group, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our comments in the auditors' reports of the Holding company and the Subsidiary Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
6. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 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 of the aforesaid consolidated financial statements.
  - In our opinion, proper books of accounts of the respective company of the Group as required by law, relevant for preparation of the aforesaid consolidated financial statements have been kept by the respective company so far as it appears from our examination of those books.
  - The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the books of accounts maintained by the respective company of the Group, relevant for the preparation of the consolidated financial statements.
  - In our opinion, the aforesaid consolidated financial statements comply with the relevant Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of the written representations received from the directors of the Holding Company and the Subsidiary Company as on March 31, 2015 taken on record by their respective Boards of Directors, none of the directors of the Group companies is disqualified as on March 31, 2015 from being appointed as a director of the respective company in terms of Section 164 (2) of the Act.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, refer note 26 to the consolidated financial statements.
    - None of the companies in the Group had any long term contracts, including derivative contracts, as on March 31, 2015.
    - None of the companies in the Group had any amounts which were required to be transferred as on March 31, 2015 to the Investor Education and Protection Fund.

Mumbai  
Date : 15th May, 2015

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 100991W)  
H. G. Buch  
Partner  
(M. No. 33114)

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT [Referred to in paragraph 5 of the Independent Auditor's Report of even date to the members of the Company on the consolidated financial statements for the year ended March 31, 2015.]**

On the basis of such checks, as we considered appropriate and in terms of information and explanations given to us, we report that:

1. Post incorporation on October 30, 2014, the Subsidiary Company has not commenced any operations, nor acquired any Fixed Asset, nor any Inventory, not given or taken any Loan, not accepted any Deposit, nor borrowed any fund, not given any guarantee. Accordingly, clauses (i) to (xi) of the Companies (Auditor's Report) Order, 2015 are not applicable so far as they relate to the subsidiary company in the Group.
2. Accordingly comments in respect of such clauses in the respected paragraphs below are in respect of the Holding Company of the Group.
  - (i) (a) The Holding Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets
  - (b) As explained to us, the Holding Company has a programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, the management of the Holding Company has physically verified fixed assets of significant value during the year and no material discrepancies were noticed on such verification. In case of fixed assets lying with third parties, confirmations have been obtained.
  - (ii) (a) Inventories have been physically verified by the management of the Holding Company during the year, except material lying with third parties in respect of which confirmations are obtained. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management of the Holding Company are reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
  - (c) The Holding Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the size of operations of the Company and the same have been properly dealt with in the books of account.
  - (iii) As per the information furnished to us, the Holding Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a)&(b) Accordingly, Clause (iii)(a) relating to regularity of receipt of principal amount and interest and Clause (iii)(b) relating to steps taken for recovery of overdue principal and interest of more than rupees one lakh, are not applicable.
  - (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Holding Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.
  - (v) During the year the Holding Company has not accepted any deposits from public. In respect of deposits accepted in earlier years (which have been fully repaid during the year) the provisions of section 73 to 76 of the Act and other relevant provisions of the Act and the Rules framed thereunder and the directives issued by the Reserve Bank of India, where applicable, have been complied with.
  - As informed to us, No order has been passed by Company Law Board or Reserve Bank of India or any Court or any other Tribunal during the year.
  - (vi) The maintenance of cost records has not been specified by the Central Government under section 148(I) of the Act, read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 notified by Ministry of Corporate Affairs, Government of India vide notification dated June 30th, 2014.
  - (vii) (a) According to the information and explanations given to us and the records examined by us, during the year the Holding Company has generally been regular in depositing undisputed statutory dues with appropriate authorities, being Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Value Added tax, cess and any other material statutory dues. There are no undisputed statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.

- (b) The disputed amounts that have not been deposited as on March 31, 2015 in respect of Sales Tax and Value Added Tax are as under:

Name of the Statute	Nature of the dues	Payable ₹ in Lacs	Period to which it relates	Forum where dispute is pending
Orissa Sales Tax Act, 1956	Sales Tax	16.89	2002-03	Sales Tax Tribunal
Orissa Sales Tax Act, 1956	Sales Tax	8.02	2003-04	Sales Tax Tribunal
Orissa Sales Tax Act, 1956	Sales Tax	17.37	2004-05	Sales Tax Tribunal
Bihar Value Added Tax Act, 2005	Interest on Value Added Tax	1.26	2009-10	Commercial Tax Tribunal
Bihar Value Added Tax Act, 2005	Value Added Tax	1.98	2008-09	Commercial Tax Tribunal
Bihar Value Added Tax Act, 2005	Value Added Tax	2.76	2009-10	Commercial Tax Tribunal
Uttar Pradesh Value Added Tax, 2008	Value Added Tax	9.46	2014-15	Commercial Tax Tribunal
Uttar Pradesh Value Added Tax, 2008	Interest on Value Added Tax	1.33	2007-08	Assistant Commissioner
Central Sales Tax Act, 1956	Penalty for non-filing of CST return	0.60	2007-08	Sales Tax Officer

- (c) According to the information and explanations given to us, during the year there were no amounts required to be transferred to Investor Education and Protection Fund.

- (viii) There are no accumulated losses of the Holding Company as on March 31, 2015. The Holding Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) As per the information and explanation given to us, the Holding Company has not defaulted in the repayment of dues to the Bank during the year.
- (x) As per the information and explanations given to us, the Holding Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xi) As per the information and explanations given to us, during the year the term loans have been applied for the purpose for which they were obtained.
- (xii) Based on the audit procedures performed and information and explanations given to us by the management of the respective Company in the Group, we report that no fraud on or by the respective Company in the Group has been noticed or reported during the course of our audit.

Mumbai  
Date : 15th May, 2015

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 100991W)  
H. G. Buch  
Partner  
(M. No. 33114)

# **CONSOLIDATED FINANCIAL STATEMENTS** **BALANCE SHEET AS AT 31ST MARCH 2015**

	NOTE NO.	₹	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
<b>I. Equity and Liabilities</b>				
<b>1. Share Holders' Fund</b>				
(a) Share Capital	2	39,850,000		29,900,000
(b) Reserves & Surplus	3	700,186,384		93,438,055
(c) Money received against share warrants		24,750,000		-
			<b>764,786,384</b>	<b>123,338,055</b>
<b>2. Non-Current Liabilities</b>				
(a) Long Term Borrowings	4	779,295		34,259,006
(b) Deferred Tax Liabilities (Net)	5	-		748,331
(c) Other Long Term Liabilities	6	-		750,000
			<b>779,295</b>	<b>35,757,337</b>
<b>3. Current Liabilities</b>				
(a) Short Term Borrowings	7	328,882,481		483,113,530
(b) Trade Payables	8	138,244,228		302,497,476
(c) Other Current Liabilities	9	52,872,553		71,673,287
(d) Short Term provisions	10	10,673,207		2,604,481
			<b>530,672,468</b>	<b>859,888,774</b>
<b>Total</b>			<b>1,296,238,147</b>	<b>1,018,984,166</b>
<b>II. Assets</b>				
<b>1. Non-Current Assets</b>				
(a) Fixed Assets:	11			
(i) Tangible Assets		118,140,581		116,106,431
(ii) Intangible Assets		4,863,014		4,324,201
(iii) Capital Work in Progress		-		478,000
(iv) Intangible Assets under Development		1,023,641		553,652
(b) Deferred Tax Assets (Net)	5	3,238,129		-
(c) Long Term Loans and Advances	12	77,764,392		35,275,897
			<b>205,029,757</b>	<b>156,738,181</b>
<b>2. Current Assets</b>				
(a) Current Investment	13	617,578		-
(b) Inventories	14	596,085,296		463,873,609
(c) Trade Receivables	15	401,899,890		317,208,647
(d) Cash and Bank Balances	16	39,844,108		33,667,714
(e) Short term Loan and Advances	17	11,576,950		15,062,920
(f) Other Current Assets	18	41,184,568		32,433,095
			<b>1,091,208,390</b>	<b>862,245,985</b>
<b>Total</b>			<b>1,296,238,147</b>	<b>1,018,984,166</b>
Significant Accounting Policies	I			
Notes to Accounts	2 to 33			

As per our Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 100991W)  
**H. G. BUCH**  
Partner  
(M. No. 33114)  
Mumbai, Date: 15th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**SUDHIR JATIA**  
(Chairman & Managing Director)

**PUNKAJJ LATH**  
(Director)

**VIRENDRA N. GANDHI**  
(Chief Financial Officer)

**JIGNA PARIKH**  
(Company Secretary)

Mumbai, Date: 15th May, 2015



# **CONSOLIDATED FINANCIAL STATEMENTS** **STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2015**

	NOTE NO.	For the Period Ended 31.03.2015 ₹	For the Period Ended 31.03.2014 ₹
<b>I . Revenue from Operations</b>			
Sales		<b>2,207,978,404</b>	1,712,749,270
Less : Excise Duty		<b>44,338,089</b>	48,089,748
Net Sales		<b>2,163,640,315</b>	1,664,659,522
<b>II . Other Income</b>	19	<b>5,762,052</b>	5,863,423
<b>III . Total Revenue (I+II)</b>		<b>2,169,402,367</b>	1,670,522,945
<b>IV. Expenses:</b>			
Cost of Materials Consumed	20	<b>234,880,133</b>	236,567,315
Purchase of Stock-in-Trade		<b>1,130,698,895</b>	828,183,154
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	<b>(118,598,273)</b>	(155,795,338)
Employee Benefit Expenses	22	<b>227,099,993</b>	175,371,386
Finance Cost	23	<b>29,091,006</b>	53,771,234
Depreciation and Amortization Expenses		<b>28,905,466</b>	12,784,643
Other Expenses	24	<b>569,715,587</b>	511,474,300
<b>Total Expenses</b>		<b>2,101,792,807</b>	1,662,356,694
<b>V. Profit Before Exceptional Items &amp; Tax</b>		<b>67,609,560</b>	8,166,251
<b>VI Exceptional Items</b>	25	<b>(9,590,447)</b>	(2,770,237)
<b>VII. Profit Before Tax</b>		<b>58,019,113</b>	5,396,014
<b>VIII. Tax expense:</b>			
(1) Current tax		<b>(19,000,000)</b>	-
(2) Deferred Tax (Refer note no.5)		<b>3,596,026</b>	(4,235,616)
<b>IX. Profit for the Period</b>		<b>42,615,139</b>	1,160,398
<b>X. Earnings Per Equity Share:</b>			
(1) Basic		<b>11.79</b>	0.39
(2) Diluted		<b>11.22</b>	0.39
<b>Significant Accounting Policies</b>	I		
<b>Notes to accounts</b>	2 to 33		

As per our Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 100991W)  
**H. G. BUCH**  
Partner  
(M. No. 33114)  
Mumbai, Date: 15th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**SUDHIR JATIA**  
(Chairman & Managing Director)

**PUNKAJJ LATH**  
(Director)

**VIRENDRA N. GANDHI**  
(Chief Financial Officer)

**JIGNA PARIKH**  
(Company Secretary)

Mumbai, Date: 15th May, 2015



# **CONSOLIDATED FINANCIAL STATEMENTS** **CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2015**

	<b>For the Period Ended 31.03.15</b>		<b>For the Period Ended 31.03.14</b>	
	₹	₹	₹	₹
<b>A. Cash Flow from Operating Activities</b>				
Net Profit before tax and extraordinary items.		<b>67,609,560</b>		<b>8,166,251</b>
Adjustments for :				
Depreciation	<b>28,905,466</b>		<b>12,784,643</b>	
Interest (Net)	<b>27,945,618</b>		<b>52,549,230</b>	
(Profit) / Loss on sale of Fixed Assets	<b>1,297,903</b>		<b>357,970</b>	
Adjustments for (Write Back) / Writeoff	<b>(423,359)</b>		<b>(267,454)</b>	
Exchange Fluctuation (Gain)/ Loss	<b>1,633,923</b>		<b>5,241,945</b>	
Dividend Income	<b>(617,578)</b>		<b>-</b>	
		<b>58,741,973</b>		<b>70,666,334</b>
Operating profit before working capital changes		<b>126,351,533</b>		<b>78,832,585</b>
Adjustments for :				
Trade & other receivables	<b>(133,864,309)</b>		<b>(43,340,572)</b>	
Inventories	<b>(132,211,687)</b>		<b>(174,655,608)</b>	
Trade & other Payables	<b>(154,294,476)</b>		<b>114,149,115</b>	
		<b>(420,370,472)</b>		<b>(103,847,065)</b>
Cash generated from operations		<b>(294,018,939)</b>		<b>(25,014,480)</b>
Direct taxes paid		<b>(17,622,600)</b>		<b>(121,914)</b>
Cash flow before extra ordinary items		<b>(311,641,539)</b>		<b>(25,136,394)</b>
Voluntary Retirement Scheme		<b>(9,590,447)</b>		<b>-</b>
Net cash from operating activities		<b>(321,231,986)</b>		<b>(25,136,394)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets	<b>(35,717,092)</b>		<b>(91,496,396)</b>	
Sale of fixed assets	<b>1,745,399</b>		<b>636,726</b>	
Proceeds from fixed deposit with bank	<b>3,934,773</b>		<b>(3,346,317)</b>	
Interest received	<b>1,201,611</b>		<b>1,187,588</b>	
Net cash used in investing activities		<b>(28,835,309)</b>		<b>(93,018,399)</b>
<b>C. Cash flow from financing activities</b>				
Capital Raised	<b>621,750,000</b>		<b>-</b>	
Issue Expenses	<b>(17,307,621)</b>		<b>-</b>	
Increase/(Decrease) Long Term borrowings	<b>(58,738,858)</b>		<b>294,542</b>	
Increase/(Decrease) Short Term borrowings	<b>(155,693,843)</b>		<b>169,080,649</b>	
Interest paid	<b>(29,829,464)</b>		<b>(53,545,499)</b>	
Dividend paid	<b>(1,750)</b>		<b>(2,350)</b>	
Net Cash used in financing activities		<b>360,178,464</b>		<b>115,827,342</b>
Net Increase/(Decrease) in cash & cash equivalents		<b>10,111,170</b>		<b>(2,327,451)</b>
Opening cash & cash equivalents		<b>19,287,739</b>		<b>21,615,190</b>
<b>Closing cash &amp; cash equivalents</b>		<b>29,398,908</b>		<b>19,287,739</b>

As per our Report of even date  
For **BANSI S. MEHTA & CO.**

Chartered Accountants  
(Firm Regn. No. 100991W)

**H. G. BUCH**

Partner  
(M. No. 33114)

Mumbai, Date: 15th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**SUDHIR JATIA**

(Chairman & Managing Director)

**PUNKAJ LATH**

(Director)

**VIRENDRA N. GANDHI**

(Chief Financial Officer)

**JIGNA PARIKH**

(Company Secretary)

Mumbai, Date: 15th May, 2015

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015

### NOTE NO. I

#### A. BASIS OF CONSOLIDATION

##### 1. Basis of Preparation:

The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard - 21 (AS-21) - "Consolidated Financial Statements" as referred to in section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act.

##### 2. Principles of Consolidation

- a. The Consolidated Financial Statements relates to Safari Industries (India) Limited ("the Company") and its subsidiary Safari Lifestyles Limited ("collectively referred to as Group"). The financial statements of the subsidiary company used in consolidation are drawn /prepared for consolidation up to the same reporting date as the Company.

The consolidated statements are prepared on the following basis:

- i. The financial statements of subsidiary company have been combined on line to line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions and the unrealized profits/losses as per AS-21.
  - ii. The difference between the cost of investments in subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the CFS as Goodwill or Capital Reserve, as the case may be.
- b. The CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.

##### 3. Company included in Consolidation

The following company is considered for the CFS:

Name of Company	Subsidiary/ Associate	Country of incorporation	% of holding
Safari Lifestyles Limited	Subsidiary	India	100.00

#### B. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Preparation:

The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard - 21 (AS-21) - "Consolidated Financial Statements" as referred to in section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Company (Accounts) Rules, 2014 and the relevant provisions of the Act.

##### 2. Use of Estimates:

The preparation of the Consolidated Financial Statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively.

##### 3. Significant Accounting Policies and additional information:

The other Significant Accounting Policies are set out in Significant Accounting Policies as given in the Standalone Financial Statements of the Holding Company, Safari Industries (India) Limited and its subsidiary Safari Lifestyles Limited.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (contd..)**

	AS AT 31.03.2015 ₹		AS AT 31.03.2014 ₹	
<b>NOTE NO. 2</b>				
<b>A. Share Capital</b>				
<b>Authorised :</b>				
1,00,00,000 (1,00,00,000 ) Shares of ₹ 10/- each	<u>100,000,000</u>		<u>100,000,000</u>	
[50,00,000 (40,00,000) Equity Shares and				
50,00,000 (60,00,000) Unclassified Shares]				
<b>Issued, Subscribed &amp; Paid-up :</b>				
39,85,000 (29,90,000 ) Equity Shares of ₹ 10/- each fully paid- up	<u>39,850,000</u>		<u>29,900,000</u>	
<b>B. The Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year</b>				
	<b>2014-15</b>		<b>2013-14</b>	
	<b>No. of Shares</b>	<b>In ₹</b>	<b>No. of Shares</b>	<b>in ₹</b>
Equity shares at the beginning of the year	<b>2,990,000</b>	<b>29,900,000</b>	2,990,000	29,900,000
Add :- Shares issued on Preferential Basis	<b>995,000</b>	<b>9,950,000</b>	-	-
Equity shares at the end of the year	<b>3,985,000</b>	<b>39,850,000</b>	2,990,000	29,900,000
<b>C. RIGHTS, PREFERENCE AND RESTRICTION ATTACHING TO VARIOUS CLASSES OF SHARES</b>				
1) Each Equity Shareholder is entitled to one vote per share.				
2) Of the 19,52,500 equity shares held by Mr. Sudhir Jatia, Promoter& Managing Director of the Company, 17,87,500 share (his holding prior to preferential allotment) are subject to a lock-in of 6 months and 1,65,000 equity shares (shares allotted to him on conversion of the share warrants) are subject to a lock-in of 3 years, from the date of the respective trading approval granted/to be granted by the Bombay Stock Exchange, in accordance with the provisions of SEBI (Issue of Capital Disclosure Requirement) Regulations 2009.				
8,30,000 Shares allotted to Tano India Private Equity Fund II are subject to a 1 year lock-in from the date of the trading approval granted by the Bombay Stock Exchange				
<b>D. Shares in the Company held by each shareholder holding more than 5% of paid up capital</b>				
	<b>AS AT 31.03.2015</b>		<b>AS AT 31.03.2014</b>	
	<b>No. of Shares</b>	<b>% of holding</b>	<b>No. of Shares</b>	<b>% of holding</b>
Safari Investments Pvt. Ltd.	<b>454,693</b>	<b>11.41%</b>	454,693	15.21%
Sudhir Mohanlal Jatia	<b>1,952,500</b>	<b>49.00%</b>	1,787,500	59.78%
Tano India Private Equity Fund II	<b>830,000</b>	<b>20.83%</b>	-	-

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 ST MARCH, 2015 (contd..)**

		<b>AS AT</b> <b>31.03.2015</b> ₹	<b>AS AT</b> <b>31.03.2014</b> ₹
<b>NOTE NO. 3</b>			
<b>Reserves &amp; Surplus</b>			
<b>Capital Reserve</b>			
At the beginning and at the end of the year	(A)	<u>1,117,722</u>	<u>1,117,722</u>
<b>General Reserve</b>			
Opening Balance		42,692,569	42,692,569
Transferred from surplus		20,000,000	-
Adjustment towards Depreciation (Net of Deferred Tax)		(812,939)	-
<b>Closing Balance</b>	(B)	<u>61,879,630</u>	<u>42,692,569</u>
<b>Securities Premium Reserve</b>			
Opening Balance		9,750,000	9,750,000
Additions during the year		587,050,000	-
Share Issue Expenses		(17,307,621)	-
<b>Closing Balance</b>	(C)	<u>579,492,379</u>	<u>9,750,000</u>
<b>Surplus in Statement of Profit &amp; Loss</b>			
Opening Balance		39,877,764	38,717,366
Profit for the year		42,615,139	1,160,398
<b>Balance available for Appropriation</b>		<u>82,492,903</u>	<u>39,877,764</u>
<b>Less : Appropriation</b>			
- Proposed Dividend on Equity Shares		(3,985,000)	-
- Dividend Distribution Tax		(811,250)	-
- Amount transferred to general reserve		(20,000,000)	-
	(D)	<u>57,696,653</u>	<u>39,877,764</u>
<b>TOTAL RESERVES &amp; SURPLUS</b>	(A+B+C+D)	<u><u>700,186,384</u></u>	<u><u>93,438,055</u></u>

**NOTE NO. 4****Long Term Borrowings****Term Loans - Secured****From Banks**

Term Loan	-	32,625,000
Vehicle Loan	<u>779,295</u>	<u>1,634,006</u>
	<u><u>779,295</u></u>	<u><u>34,259,006</u></u>

Vehicle Loan is repayable in 84 equal instalments, repayments have started in January 2013.

Vehicle Loan from bank is secured by a charge on the specific vehicle.

**NOTE NO. 5****Deferred Tax (Liability) / Asset**

Deferred Tax (Liabilities)	(3,538,557)	(5,991,081)
Deferred Tax Assets	<u>6,776,686</u>	<u>5,242,750</u>
Deferred Tax (Liability) / Asset (Net)	<u><u>3,238,129</u></u>	<u><u>(748,331)</u></u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (contd..)**

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
<b>NOTE NO. 6</b>		
<b>Other Long Term Liabilities</b>		
Security Deposits	-	750,000
	-	750,000
<b>NOTE NO. 7</b>		
<b>Short Term Borrowings</b>		
<b>Loans repayable on demand</b>		
<b>From Banks - Secured</b>		
Cash Credit facility	130,956,974	67,945,163
Working Capital Demand Loan	-	141,516,028
Buyers line of credit	197,925,507	126,152,339
	<u>328,882,481</u>	<u>335,613,530</u>
All the above Short Term Borrowings are secured by ;		
1. Hypothecation of stocks of Raw-materials, Semi-finished goods, Finished goods, Packing materials, Stores & Spares and book debts of the company.		
2. First pari-passu charge on the movable Plant and Machinery lying at the company's Halol Plant.		
3. Equitable mortgage on the immovable properties situated at the Company's Halol plant.		
<b>From Other Parties - Unsecured</b>		
Intercompany Deposits	-	147,500,000
	<u>328,882,481</u>	<u>483,113,530</u>
<b>NOTE NO. 8</b>		
<b>Trade Payables</b>		
Creditors for Goods & Services	138,244,228	302,497,476
	<u>138,244,228</u>	<u>302,497,476</u>
<b>NOTE NO. 9</b>		
<b>Other Current Liabilities</b>		
Current Maturities of Long Term Debt	151,420	25,410,567
Interest accrued but not due on Fixed Deposits	-	738,458
Advance From Customers	1,396,477	1,825,061
Unclaimed dividends	321,941	323,691
Excise Duty Payable	4,723,928	4,282,055
VAT/CST Payable	10,779,874	7,508,877
Bonus / Ex-Gratia Payable	2,613,682	3,384,207
Other Payables	32,885,231	28,200,371
	<u>52,872,553</u>	<u>71,673,287</u>
<b>NOTE NO. 10</b>		
<b>Short Term Provisions</b>		
<b>Provision for Employee benefits</b>		
Gratuity Payable	4,375,128	2,576,902
<b>Others</b>		
Provision for Warranty Claims	124,429	27,579
Proposed Dividend on Equity Shares	3,985,000	-
Dividend Distribution Tax	811,250	-
Provision for Tax (Net of Advance Tax)	1,377,399	-
	<u>10,673,206</u>	<u>2,604,481</u>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (contd..)

## NOTE NO. 11

### Fixed Assets

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	As at 01.04.2014	Adjustment #	For the Year On	Deductions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>(i) TANGIBLE ASSETS</b>											
Leasehold Land	949,908	-	-	949,908	260,537	-	9,082	-	269,619	680,289	689,371
Buildings	23,554,817	90,284	-	23,645,101	16,472,058	-	414,210	-	16,886,268	6,758,833	7,082,759
Plant and Machinery	151,218,682	14,922,016	26,024,548	140,116,150	85,465,788	70,952	9,818,081	24,723,321	70,631,500	69,484,650	65,752,894
Computers	15,371,822	2,013,704	228,277	17,157,249	7,046,940	276,664	3,985,433	217,168	11,091,869	6,065,380	8,324,882
Jigs, Tools & Dies	4,120,949	1,275,790	-	5,396,739	3,443,453	-	73,080	-	3,516,533	1,880,206	677,496
Furniture, Fixture and Equipments	29,717,532	13,451,303	3,521,120	39,647,715	12,397,923	214,288	10,507,297	2,632,244	20,487,264	19,160,451	17,319,609
Electrical Installation	6,050,633	132,296	-	6,182,929	2,663,739	4,390	341,813	-	3,009,942	3,172,987	3,386,894
Office Equipments & Other Assets	9,411,914	2,082,461	32,500	11,461,875	2,951,784	637,079	1,566,116	5,766	5,149,213	6,312,662	6,460,130
Vehicles	7,796,156	-	1,083,327	6,712,829	1,383,760	-	971,918	267,971	2,087,707	4,625,122	6,412,396
<b>Total (i)</b>	<b>248,192,413</b>	<b>33,967,854</b>	<b>30,889,772</b>	<b>251,270,495</b>	<b>132,085,982</b>	<b>1,203,373</b>	<b>27,687,030</b>	<b>27,846,470</b>	<b>133,129,915</b>	<b>118,140,580</b>	<b>116,106,431</b>
Previous Year	(161,755,998)	(90,793,307)	(4,356,892)	(248,192,413)	(123,448,478)	-	(11,999,700)	(3,362,196)	(132,085,982)	(116,106,431)	(38,307,520)
<b>(ii) INTANGIBLE ASSETS</b>											
Trademarks	28,000	-	-	28,000	11,200	-	5,600	-	16,800	11,200	16,800
Computer Software	5,375,174	1,757,249	-	7,132,423	1,067,773	-	1,212,836	-	2,280,609	4,851,814	4,307,401
<b>Total (ii)</b>	<b>5,403,174</b>	<b>1,757,249</b>	<b>-</b>	<b>7,160,423</b>	<b>1,078,973</b>	<b>-</b>	<b>1,218,436</b>	<b>-</b>	<b>2,297,409</b>	<b>4,863,014</b>	<b>4,324,201</b>
Previous Year	(2,733,737)	(2,669,437)	-	(5,403,174)	(294,030)	-	(784,943)	-	(1,078,973)	(4,324,201)	(2,439,707)
<b>(iii) CAPITAL WORK IN PROGRESS</b>	<b>478,000</b>		<b>478,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>478,000</b>
Previous Year	-	(478,000)	-	(478,000)	-	-	-	-	-	(478,000)	-
<b>(iv) INTANGIBLE ASSETS UNDER DEVELOPMENT</b>	<b>553,652</b>	<b>469,989</b>		<b>1,023,641</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,023,641</b>	<b>553,652</b>
Previous Year	-	(553,652)	-	(553,652)	-	-	-	-	-	(553,652)	-
<b>Total (i)+(ii)+(iii)+(iv)</b>	<b>254,627,239</b>	<b>36,195,092</b>	<b>31,367,772</b>	<b>259,454,559</b>	<b>133,164,955</b>	<b>1,203,373</b>	<b>28,905,466</b>	<b>27,846,470</b>	<b>135,427,324</b>	<b>124,027,235</b>	<b>121,462,284</b>
Previous Year	(164,489,735)	(94,494,396)	(4,356,892)	(254,627,239)	(123,742,508)	-	(12,784,643)	(3,362,196)	(133,164,955)	(121,462,284)	(40,747,227)

# Represents Adjustment made against opening reserves in terms of Schedule II of the Companies Act, 2013.

## NOTE NO. 12

### Long Term Loans & Advances

#### Unsecured and Considered good

##### Security Deposits

Deposits for Premises & Others

AS AT  
31.03.2015  
₹

72,387,620

AS AT  
31.03.2014  
₹

30,342,089

##### Other Deposits

Deposit with Sales Tax Authorities

2,125,537

1,682,573

##### Income Tax Refund Receivable

3,251,235

3,251,235

**77,764,392**

**35,275,897**

## NOTE NO. 13

### Current Investment - Lower of Cost and Fair Value

#### Others - Quoted

Investment in Mutual Fund

(HDFC Liquid Fund - Direct Plan - Dividend Daily Reinvest )

( 60,557.55 Units at NAV of Rs. 10.1982 per unit)

617,578

-

**617,578**

-

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (contd..)**

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
<b>NOTE NO. 14</b>		
<b>Inventories</b>		
Raw Materials and Components (including Goods in Transit CY ₹12.68 Lacs, PY ₹NIL)	63,381,194	47,152,992
Packing Materials	2,154,445	4,190,680
Work in Progress	2,545,924	1,745,229
Finished Goods (including Goods in Transit CY ₹32.27 lacs, PY ₹118.82 lacs)	93,389,395	99,495,688
Stock in Trade (Including Goods in Transit CY ₹1093.45 lacs, PY ₹893.22 lacs)	433,572,644	309,668,773
Stores and Spares	1,041,694	1,620,247
	<u>596,085,296</u>	<u>463,873,609</u>
<b>NOTE NO. 15</b>		
<b>Trade Receivables (Unsecured, considered good)</b>		
Outstanding for a period exceeding six months from the due date for payments	19,485,764	34,116,543
Others	382,414,126	283,092,104
	<u>401,899,890</u>	<u>317,208,647</u>
<b>NOTE NO. 16</b>		
<b>Cash and Bank Balances</b>		
<b>Balances with Banks</b>		
- In current accounts	28,463,687	18,444,953
- In Unclaimed Dividend Accounts	321,941	323,691
<b>Cash in Hand</b>	613,280	519,095
<b>Total Cash and Cash Equivalents (A)</b>	<u>29,398,908</u>	<u>19,287,739</u>
<b>Other Bank Balances</b>		
<b>Fixed Deposit with Scheduled Bank</b>		
- Pledged with the Bank against Bank Guarantees / LC	10,445,200	9,879,975
- Other Deposits as Liquid Assets	-	4,500,000
<b>Total Other Bank Balances (B)</b>	<u>10,445,200</u>	<u>14,379,975</u>
<b>Total (A + B)</b>	<u>39,844,108</u>	<u>33,667,714</u>
<b>NOTE NO. 17</b>		
<b>Short Terms Loans &amp; Advances</b>		
<b>Other Loans and Advances - (Unsecured, considered good)</b>		
Loans and Advances to Staff members	2,373,514	3,189,202
Advance to Suppliers	3,850,494	1,852,399
Advance recoverable in Cash or in kind or for value to be received	2,492,726	5,818,389
Balance with Central Excise Collectorate	2,860,216	4,202,930
	<u>11,576,950</u>	<u>15,062,920</u>
<b>NOTE NO. 18</b>		
<b>Other Current Assets</b>		
Interest Receivable on FDR	157,833	214,056
Deferred Premium on Forward Contracts	-	2,656,243
Special Additional Duty Receivable	41,026,735	29,562,796
	<u>41,184,568</u>	<u>32,433,095</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (contd..)**

	For the Period Ended 31.03.2015 (₹)	For the Period Ended 31.03.2014 (₹)
<b>NOTE NO. 19</b>		
<b>Other Income</b>		
<b>Other Operating Income</b>		
Interest Income	1,145,388	1,222,004
Discount Received	557,215	192,680
Sales of Scrap	1,642,722	2,012,388
	<u>3,345,325</u>	<u>3,427,072</u>
<b>Other Non-operating Income</b>		
Profit on Sale of Fixed Assets	15,713	144,809
Dividend from Current Investment	617,578	-
Amounts Written back	1,138,618	1,196,419
Miscellaneous Income	644,818	1,095,123
	<u>2,416,727</u>	<u>2,436,351</u>
	<u>5,762,052</u>	<u>5,863,423</u>
<b>NOTE NO. 20</b>		
<b>Cost of Materials Consumed</b>		
<b>Raw Material Consumed</b>		
Opening Stock	47,152,992	30,897,194
Add : Purchases	212,325,225	209,365,855
<b>Sub-Total</b>	<u>259,478,217</u>	<u>240,263,049</u>
Less: Sales	(793,757)	(2,660,448)
Less: Closing Stock	(63,381,194)	(47,152,992)
Raw Material Consumed	<u>195,303,266</u>	<u>190,449,609</u>
Add: Processing Charges	16,079,906	22,591,346
	<u>211,383,172</u>	<u>213,040,955</u>
Less: Components transferred for warranty claims	(1,662,673)	(618,003)
Less : Stock Write down during the year (Refer Note 25)	-	(2,770,237)
<b>Net Consumption</b>	<u>209,720,499</u>	<u>209,652,715</u>
<b>Packing Materials Consumed</b>	<u>25,159,634</u>	<u>26,914,600</u>
	<u>234,880,133</u>	<u>236,567,315</u>
<b>NOTE NO. 21</b>		
<b>Changes in Inventories of Finished Goods &amp; Work in Progress and Stock in Trade</b>		
<b>Finished Goods</b>		
Opening Stock	99,495,688	93,707,910
Closing Stock	(93,389,395)	(99,495,688)
	<u>6,106,293</u>	<u>(5,787,778)</u>
<b>Work-in-Progress</b>		
Opening Stock	1,745,229	6,309,629
Closing Stock	(2,545,924)	(1,745,229)
	<u>(800,695)</u>	<u>4,564,400</u>
<b>Stock-in-Trade</b>		
Opening Stock	309,668,773	155,096,813
Closing Stock	(433,572,644)	(309,668,773)
	<u>(123,903,871)</u>	<u>(154,571,960)</u>
<b>(Increase)/Decrease</b>	<u>(118,598,273)</u>	<u>(155,795,338)</u>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (contd..)**

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
<b>NOTE NO. 22</b>		
<b>Employee Benefit Expenses</b>		
Salaries, Wages and Bonus etc.	200,728,129	154,600,392
Contribution to Provident & other Funds	19,975,523	14,029,357
Welfare Expenses	6,396,341	6,741,637
	<u>227,099,993</u>	<u>175,371,386</u>
<b>NOTE NO. 23</b>		
<b>Finance Cost</b>		
<b>Interest Expense:</b>		
Term Loans	2,187,332	2,567,244
Cash Credits / WCDL / Buyer's Credit	13,995,923	30,801,433
Fixed Deposits	247,210	1,894,296
ICD & Others	7,302,417	14,789,949
<b>Other Borrowing Costs</b>		
Bank Charges for Buyer's Credit	5,358,124	3,718,312
	<u>29,091,006</u>	<u>53,771,234</u>
<b>NOTE NO. 24</b>		
<b>Other Expenses</b>		
Consumption of Stores and Spares	2,571,131	2,628,734
Packing Materials for Traded Goods	34,130,132	21,013,831
Excise Duty on Closing Stock	4,723,928	4,282,055
Power and Fuel	14,167,074	8,047,074
Repairs and Maintenance		
- Building	1,175,442	323,655
- Plant & Machinery	904,111	2,306,737
- Others	3,206,718	2,860,330
Rent	71,483,683	54,928,229
Rates and Taxes	5,288,679	3,308,080
Insurance	693,541	1,357,149
Director's Fees	361,000	140,500
Postage, Telegram & Telephone Expenses	8,211,189	6,867,637
Legal & Professional Fees	13,828,378	12,626,571
Auditors Remuneration	615,000	490,000
Amounts W/off	715,259	928,965
Bank Charges	3,330,080	1,975,018
Freight, Handling & Octroi	133,008,349	112,720,066
Contractual Labour - Mfg.	12,988,410	11,573,984
Contractual Labour - Sales outlets	51,074,847	21,896,813
Travelling & Conveyance	48,845,645	42,915,675
Advertisement & Sales Promotion	46,784,137	68,673,832
Discounts	51,946,902	51,032,359
Net Loss on Exchange Fluctuation	5,211,813	37,597,159
Warranty Claims	1,759,523	621,318
Loss on Sale of Fixed Assets	1,313,616	502,779
Premium on Forwards Contract	5,464,967	4,796,923
Miscellaneous Expenditure	45,912,033	35,058,827
	<u>569,715,587</u>	<u>511,474,300</u>
<b>NOTE NO. 25</b>		
<b>Exceptional Items</b>		
VRS to Employees	9,590,447	-
Stock Write down	-	2,770,237
	<u>9,590,447</u>	<u>2,770,237</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (contd..)****26. CONTINGENT LIABILITIES NOT PROVIDED FOR**

Sr. No.	Particulars	For the Period Ended 31.03.15	For the Period Ended 31.03.14
		(₹ in Lakhs)	(₹ in Lakhs)
(a)	Counter Guarantees given by the Company	21.87	50.72
(b)	Claims / demands against the Company by employees, disputed / not acknowledged as debts :	Amount not ascertainable	Amount not ascertainable
(c)	Disputed Sales Tax Liabilities (Net of Advance ₹ 21.23 Lacs)	59.67	66.23
(d)	Rent and Telephone Bills Disputes	0.58	NIL

**27. ADDITIONAL INFORMATION**

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit	
	As % of Consolidated Net Assets	₹	As % of Consolidated Profit	₹
<b>PARENT</b>				
Safari Industries (India) Limited	99.95	764374118	100.21	42702873
<b>SUBSIDIARY-INDIAN</b>				
Safari Lifestyles Limited	0.05	412266	-0.21	-87734
<b>Total</b>	<b>100.00</b>	<b>764786384</b>	<b>100.00</b>	<b>42615139</b>

**28. Related Party Disclosures :****Related Party Disclosures, as required by Accounting Standard - 18 :****i) Name of the related parties & description of relationship.**

Safari Sales Private Limited*	: Enterprise in which Key Management Personnel has significant influence
Safari Investments Private Limited	: Enterprise in which Key Management Personnel has significant influence
Tarapur Vastra Udyog Private Limited	: Enterprise in which relative of Key Management Personnel has significant influence
<u>Key Management Personnel :</u>	
Mr. Sudhir Jatia	: Chairman and Managing Director
<u>Relative of Key Management Personnel :</u>	
Mr. Mohanlal Jatia	: Father of Mr. Sudhir Jatia
Mr. Sanjay Jatia	: Brother of Mr. Sudhir Jatia

**ii) Balances as at the year ended March 31, 2015 :**

Particulars	(₹ in Lakhs)
Receivable from Safari Sales Private Limited*	60.78 (93.18)

(\*Merged with Ramgopal Textiles Ltd during the year)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (contd..)****iii) Transactions with Related Parties :****Nature of Transactions****Key Management Personnel****Enterprise in which Key Management Personnel has Significant influence****Enterprise in which relative of Key Management Personnel has Significant influence****(₹ in Lacs)****(₹ in Lacs)****(₹ in Lacs)****Remuneration paid to:**

Mr Sudhir Jatia

**13.59**

-

-

(13.59)

(-)

(-)

Sale of Moulded &amp; Soft Luggage (Net of returns) to Safari Sales Private Limited\*

-

-

-

(-)

(-9.56)

(-)

Commission on Sales to

-

-

-

Tarapur Vastra Udyog Private Limited

(-)

(-)

(5.90)

Purchase of Fixed Assets from

-

-

-

Safari Sales Private Limited\*

(-)

(45.56)

(-)

Rent paid to Safari Sales Private Limited\*

-

**40.45**

-

(-)

(40.45)

(-)

Investment in Equity Shares of

-

-

-

Safari Lifestyles Limited\*

(-)

(-)

(-)

(Figures in bracket relate to previous year)

(\*Merged with Ramgopal Textiles Ltd during the year)

**29. Earnings Per Share :****Basic & Diluted Earnings Per Share as per Accounting Standard AS-20 is as under.****For the Period Ended****31.03.15****31.03.14****(₹)****(₹)**

a) Net Profit/(Loss) available for Equity Share holders

**42,615,139**

1,160,398

b) Weighted Average No. of Equity Shares for Basic Earnings per Share

**3,615,740**

2,990,000

c) Basic Earnings per Share( Equity share of ₹10/- each)

**11.79**

0.39

d) Weighted Average No. of Shares for Diluted Earnings per Share

**3,797,233**

2,990,000

e) Diluted Earnings per Share

**11.22**

0.39

**30. Payments to Auditors :****(₹ in lacs)****For the Period Ended****31.03.15****31.03.14**

Audit Fees

**3.25**

3.00

For Taxation, Company Law etc

**1.08**

0.08

Tax Audit

**0.60**

0.60

For Certification and Others

**1.22**

1.22

**TOTAL \*****5.90****4.90**

\*The above figures are excluding Service Tax

**31.** Additional information not impacted by the Consolidation of Financial Statements is also set out in the Notes [forming part of the Financial Statements] of the Holding Company and Subsidiary Company, respectively.**32.** Trade receivables, Trade Payables and Advances/Deposits balances are subject to confirmation and subsequent reconciliation.**33.** Previous year figures have been regrouped or reclassified wherever necessary. Figures in bracket relates to previous year.

As per our Report of even date

For **BANSI S. MEHTA & CO.**

Chartered Accountants

(Firm Regn. No. 100991W)

**H. G. BUCH**

Partner

(M. No. 33114)

Mumbai, Date: 15th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**SUDHIR JATIA**

(Chairman &amp; Managing Director)

(DIN : 00031969)

**PUNKAJ LATH**

(Director)

(DIN : 00172371)

**VIRENDRA N. GANDHI**

(Chief Financial Officer)

**JIGNA PARIKH**

(Company Secretary)

Mumbai, Date: 15th May, 2015

## **SAFARI INDUSTRIES (INDIA) LTD.**

**Registered office:** 403, A wing, THE QUBE, CTS no. 1498, A/2, M.V. Road, Behind Taj Flight Kitchen,  
Marol, Andheri (E), Mumbai - 400 059

CIN: L25200MH1980PLC022812 | (T): 91-22-4038 1888 | (F): 91-22-4038 1850

www.safari.in | Email id: investor@safari.in

### **ATTENDANCE SLIP**

**35th Annual General Meeting- 5th August 2015**

Reg. Folio/ID No. \_\_\_\_\_

Name \_\_\_\_\_

I certify that I am a registered shareholder / proxy of registered shareholder of the Company.

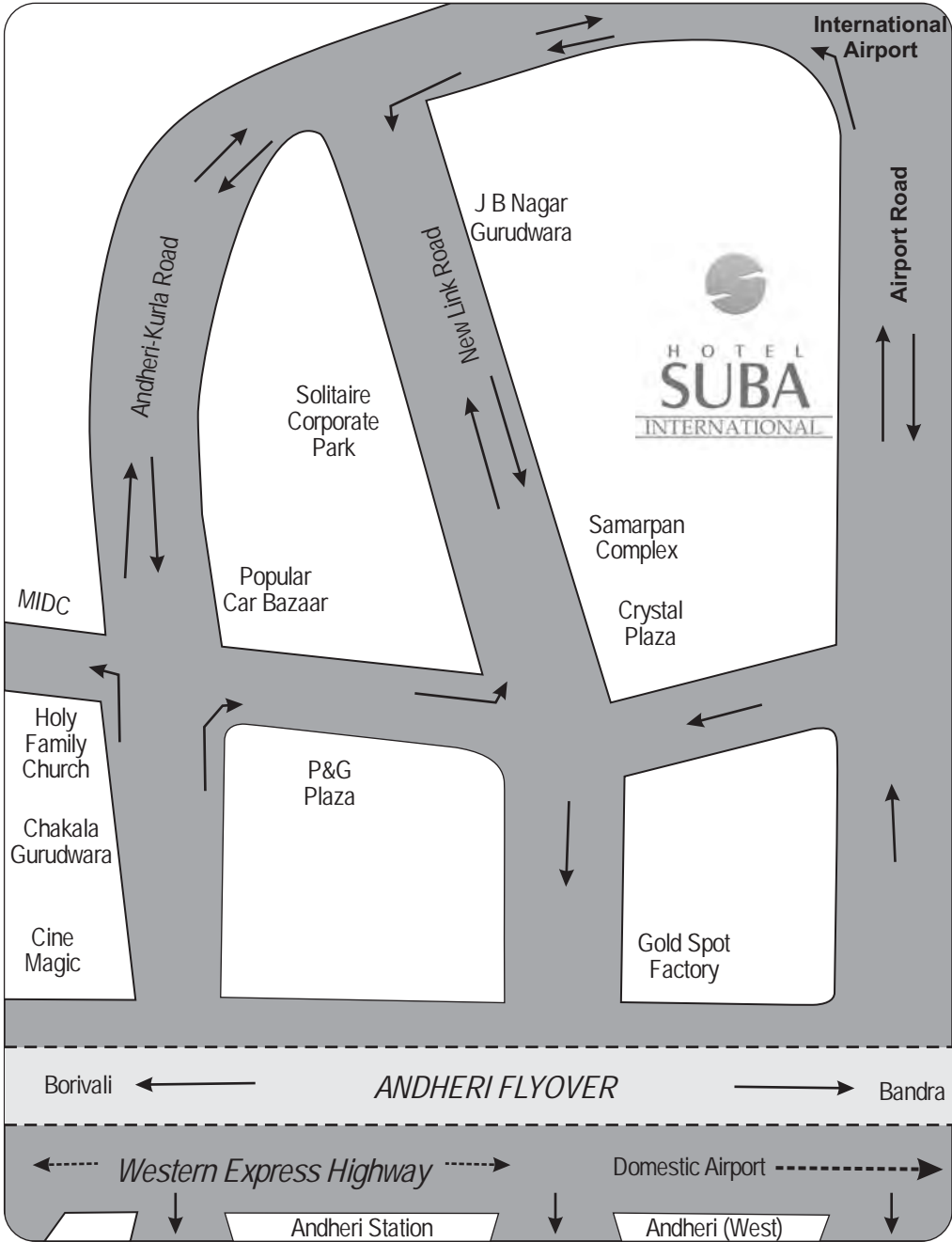
I hereby record my presence at the 35th Annual General Meeting of the Company to be held on Wednesday, 5th August, 2015, at Hamra Banquet Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (E), Mumbai - 400 099 at 10.00 am.

\_\_\_\_\_  
If signed by Proxy, his name  
should be written here in BLOCK letters,

\_\_\_\_\_  
Member's / Proxy's Signature

NOTE : Shareholder / Proxy holders are requested to bring this Attendance Slip to the Meeting and hand over the same at the entrance duly signed.

ROAD MAP TO AGM VENUE



# SAFARI INDUSTRIES (INDIA) LTD.

Registered office: 403, A wing, The Qube, CTS no. 1498, A/2, M.V. Road, Behind Taj Flight Kitchen, Near International Airport, Marol, Andheri (E), Mumbai 400 059, CIN: L25200MH1980PLC022812 | (T): 91-22-4038 1888 | (F): 91-22-4038 1850  
www.safari.in | Email id: investor@safari.in

## PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of member(s):			
Registered address:			
Email id:			
Folio No./ Client id:		DP ID:	

I/We being a member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1	Name			
	Address			
	Email id:		Signature	

Or failing him:

2	Name			
	Address			
	Email id:		Signature	

Or failing him:

3	Name			
	Address			
	Email id:		Signature	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on the Wednesday 5th day of August 2015 at Hamra Banquet Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (E), Mumbai - 400 099 at 10.00 am and at any adjournment thereof in respect of the such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
		For	Against
1.	To receive, consider and adopt the Audited standalone financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon.		
2.	To receive, consider and adopt the Audited consolidated financial statement of the Company for the financial year ended March 31, 2015 and the Auditors Report thereon.		
3.	To declare dividend on equity shares for the financial year ended March 31, 2015.		
4.	To appoint a Director in place of Mr. Anuj Patodia, who retires by rotation and being eligible, offers himself for re-appointment.		

Resolution No.	Resolution	Vote	
		For	Against
5.	To appoint M/s. Bansi S. Mehta & Co., Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.		
6.	To appoint Mr. Hetal Gandhi as a Non-Independent, Non-Executive Director of the Company.		
7.	To appoint Mrs. Vijaya Sampath as an Independent Director of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Affix a  
Fifteen paise  
revenue  
stamp

\_\_\_\_\_  
Signature of member (s)

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Note:**

- (1) The Proxy form, in order to be effective, should be completed, duly signed and stamped and must be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the aforesaid meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
- (4) Please indicate your option by putting an 'X' in the appropriate column against the resolutions indicated. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



**SAFARI INDUSTRIES (INDIA) LTD.**

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