safari

ANNUAL REPORT
2021 - 2022

42ND ANNUAL GENERAL MEETING
Thursday, 11th August 2022 at 1.30 p.m. (IST)
Through Video Conferencing ("VC") /
Other Audio Visual Means ("OAVM")

CONTENTS

BOARD OF DIRECTORS :
Mr. Sudhir Jatia *(Chairman & Managing Director)*
Dr. Shailesh Mehta
Mr. Punkajj Lath
Mr. Dalip Sehgal
Mrs. Vijaya Sampath
Mr. Rahul Kanodia
Mr. Anuj Patodia *(upto 11th August 2021)*
Mr. Piyush Goenka
Mr. Sumeet Nagar
Mr. Gaurav Sharma

CHIEF FINANCIAL OFFICER :
Mr. Vineet Poddar

COMPANY SECRETARY :
Mr. Rameez Shaikh

REGISTERED OFFICE :
302-303, A Wing, The Qube, CTS No. 1498,
A/2, MV Road, Marol,
Andheri (East), Mumbai 400059
(T) +91-22-40381888
(F) +91-22-40381850
(E) investor@safari.in
(W) www.safaribags.com

CIN :
L25200MH1980PLC022812

FACTORY :
1701/1, 2200 & 2201, GIDC Industrial Estate,
Halol 389350, Dist: Panchmahal (Gujarat)

BANKERS :
Axis Bank Ltd
Citi Bank N.A.
HDFC Bank Ltd
IndusInd Bank Ltd

AUDITORS :
M/s. Lodha & Co.
Chartered Accountants

LEGAL ADVISORS :
M/s. Vertices Partners
Advocates & Solicitors

REGISTRAR & SHARE TRANSFER AGENT :
Adroit Corporate Services Pvt. Ltd.
18-20, Jaferbhoy Industrial Estate, Makwana Road,
Marol Naka, Andheri (E), Mumbai - 400 059.
Tel.: 91-22-4227 0400, 2859 4060 / 6060
E-mail: info@adroitcorporate.com

FINANCIAL HIGHLIGHTS (STANDALONE)

(₹ in Lakh)

		2021-22	2020-21	2019-20	2018-19	2017-18
A.	**Statement of Profit and Loss**					
	Revenue from Operations	**70,544.09**	32,797.55	68,134.44	57,262.96	41,963.64
	Other Income	**839.24**	332.57	76.55	130.53	94.16
	Total Income	**71,383.33**	33,130.12	68,210.99	57,393.49	42,057.80
	Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	**6,333.70**	(260.37)	7,167.72	5,322.34	4,236.33
	Finance Cost*	**483.90**	578.61	1,002.07	447.42	288.61
	Depreciation and Amortisation expenses*	**1,944.80**	2,042.37	2,149.50	815.08	612.80
	Profit/(Loss) Before Exceptional and Extraordinary Items	**3,905.00**	(2,881.35)	4,016.15	4,059.84	3,334.92
	Exceptional and Extraordinary Items	**(928.02)**	-	-	-	-
	Profit/(Loss) Before Tax	**2,976.98**	(2,881.35)	4,016.15	4,059.84	3,334.92
	Tax Expense	**676.46**	(795.74)	965.07	1,361.81	1,213.97
	Profit/(Loss) After Tax	**2,300.52**	(2,085.61)	3,051.08	2,698.03	2,120.95
	Dividend (including proposed dividend and corporate dividend tax)	**179.12**	-	-	134.57	134.38
	Dividend %	**40.00**	-	-	25.00	25.00
B.	**Balance Sheet**					
	Share Capital	**447.79**	447.73	447.28	446.51	445.00
	Reserves & Surplus	**29,660.05**	27,378.36	22,537.55	19,547.92	16,800.34
	Loan Funds	**1,102.40**	968.59	7,525.90	10,422.83	5,500.16
	Total Capital Employed	**31,210.24**	28,794.68	30,510.73	30,417.26	22,745.50
	Fixed Assets	**4,202.35**	3,780.96	4,271.36	2,894.29	3,162.69
	Investments	**2,005.00**	5.00	5.00	5.00	5.00
	Cash and other bank balances	**5,917.61**	6,442.03	80.56	69.33	278.77
	Net Assets (Current and Non-Current)	**19,085.28**	18,566.69	26,153.81	27,448.64	19,299.04
	Total Assets Employed	**31,210.24**	28,794.68	30,510.73	30,417.26	22,745.50

**Due to transition from Ind AS 17 to Ind AS 116 on Leases, the nature of expense in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right-of-use assets and for interest accrued on lease liability respectively, and therefore, these expenses for the financial years 2021-22, 2020-21 and 2019-20 are not comparable to the previous years, to that extent.*

NOTICE

NOTICE is hereby given that the **42nd Annual General Meeting** of the Members of Safari Industries (India) Limited ("Company") will be held on Thursday, 11th day of August, 2022 at 01:30 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt:
   a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2022, the reports of the Board of Directors and Auditors thereon; and
   b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2022 and report of the Auditors thereon.

2. To declare dividend on equity shares for the financial year ended 31st March 2022.

3. To appoint a Director in place of Mr. Sumeet Nagar (DIN: 02099103), 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 M/s. Walker Chandiok & Co LLP, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the 47th Annual General Meeting of the Company and to fix their remuneration and for the purpose, to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Walker Chandiok & Co LLP, Chartered Accountants, having Firm Registration No. 001076N/N500013, be and are hereby appointed as the Statutory Auditors of the Company to hold office for five consecutive years from the conclusion of this Meeting until the conclusion of the 47th Annual General Meeting of the Company, and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration, terms of appointment, scope of audit for the said period in addition to reimbursement of actual out of pocket expenses as may be incurred by them in the performance of their duties."

BY ORDER OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

Place: Mumbai
Date: 13th May 2022

RAMEEZ SHAIKH
Company Secretary

NOTES :

1. In view of the continuing COVID -19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020, Circular No. 20/2020 dated 5th May 2020, Circular No. 02/2021 dated 13th January 2021, Circular No. 19/2021 dated 8th December 2021, Circular No. 21/2021 dated 14th December 2021 and Circular No. 02/2022 dated 5th May 2022 (collectively referred to as 'MCA Circulars') and SEBI Circular No. SEBI/ HO/ CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 read with SEBI/ HO/ CFD/ CMD2/ CIR/ P/ 2021/11 dated 15th January 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022 issued by the Securities and Exchange Board of India ("SEBI Circulars") permitted the holding of an Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars, the AGM of the Company is proposed to be held through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In compliance with the aforesaid MCA Circulars and SEBI Circulars, this Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories. Members may note that the Notice will also be available on the Company's website www.safaribags.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL www.evoting.nsdl.com. Members who have not registered their email address with the Company can register the same by sending an email at info@adroitcorporate.in. Post successful registration of email address, the Member will get the soft copy of the Notice of AGM.
4. Members are entitled to receive the Notice in physical form, upon request sent through registered email ID to RTA and/or the Company at info@adroitcorporate.in and/or investor@safari.in.
5. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 16th July 2022 to Friday, 29th July 2022 (both days inclusive) for the purpose of payment of dividend for FY 2021-22.
8. Subject to the provisions of the Act, the dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid within the time prescribed under law, to those Members whose name appear on the Register of Members as on 15th July 2022. The dividend for the shares held in dematerialized form, will be paid to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
9. Pursuant to the provisions of the Income Tax Act, 1961 ("IT Act"), dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at rates prescribed in the IT Act. In order to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act with their Depository Participant(s) or in case shares are held in physical form, with the Company/RTA by sending an email at investor@safari.in and/or info@adroitcorporate.com respectively. For details, Members may refer to the "Communication on TDS on Dividend Distribution" on the website of the Company i.e. www.safaribags.com
10. Dividend, if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participant(s). In

order to avail the facility of ECS/NECS, Members holding shares in physical form are requested to provide/ update bank account details with the Registrar and Share Transfer Agent or Company. Please refer point no. 22 for the process to be followed for updation of bank details.

11. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

12. Details in terms of Regulation 36 of the Listing Regulations relating to Item No. 4 of the Notice, is annexed hereto.

13. Additional information pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meeting (SS-2), in respect of the Directors seeking appointment/ re-appointment at the AGM is furnished as Annexure to the Notice.

14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act and Certificate from Secretarial Auditor of the Company certifying that the Safari Employee Stock Option Scheme, 2016 and Safari Employees Stock Appreciation Rights Scheme, 2022 are being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available for inspection on the Company's website at www.safaribags.com. Any Member who may desire to inspect such documents shall write from their registered email ID along with their respective Client ID and DP ID/Folio No. to the Company on investor@safari.in

15. Members desirous of obtaining any information with regards to this Notice are requested to write to the Company at least one week before the AGM to enable the Company to make available the required information at the AGM. The same will be replied by the Company suitably.

16. Corporate Members are required to send a certified copy of the Board Resolution pursuant to Section 113 of the Act, authorising their representative to attend and vote at the AGM to the Company at investor@safari.in or RTA at info@adroitcorporate.com with a copy marked to evoting@nsdl.co.in

17. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN and mobile number at investor@safari.in at least one week before the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.

18. When a pre-registered speaker is invited to speak at the Meeting but does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.

19. The Board of Directors has appointed Mr. Ninad Awachat, Practicing Company Secretary as the Scrutinizer ("Scrutinizer") to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

20. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The voting results declared along with the Scrutinizer's report shall be communicated to BSE Limited, National Stock Exchange of India Limited and NSDL and it will also be displayed on the Company's website at www.safaribags.com.

21. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

22. a) Pursuant to Regulation 40 of Listing Regulations read with SEBI Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022 as may be amended from time to time ("Investor Requests Circulars"), the Members holding shares in physical mode are requested to update their PAN, address with pin code, email address, mobile number, bank account details, specimen signature and nomination by holders of physical securities ('KYC Details') with M/s. Adroit Corporate Services Private Limited ("RTA") and/or the Company. Members holding shares in electronic form are requested to furnish details for change/updation of KYC Details to their respective Depository Participant.

b) In order to update KYC Details, the Members are required to submit duly signed relevant forms ISR-1, ISR-2, ISR-3, ISR-4, SH-13 and SH-14 as may be amended from time to time ("Forms") along with required supporting documents as stated in the respective Forms, if any. The Forms are available on Company's website link at https://www.safaribags.com/page/investor-relations/investor-contacts

c) The Members may submit the duly signed Forms in order to update their KYC Details through any one of the following modes for submission:

- In Person Verification (IPV): by producing the originals to the authorised person of the RTA, who will retain copy(ies) of the document(s).
- In hard copy: by furnishing self-attested photocopy(ies) of the relevant documents, with date.
- With e-sign: In case your email is already registered with us, you may send the scanned copies of your KYC Details with e-sign only from your registered email ID at our dedicated email-id: info@adroitcorporate.com. Kindly mention the email subject line as 'KYC Updation - (Company Name) Folio No:____________'

d) All the requests relating to issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission; transposition will be processed upon receipt of relevant documents alongwith requisite Forms on which RTA will issue Letter of Confirmation to the shareholder/claimant with a validity of 120 days, basis which the shareholder/ claimant has to dematerialise the shares in order to give effect to the requests. If shareholder/claimant fails to submit the demat request within the aforesaid period of 120 days from the date of Letter of Confirmation, RTA/Company shall credit the securities to the suspense escrow demat account of the Company.

e) The folios wherein any one of the cited KYC Details are not available with the Company and/or RTA on or after 1st April 2023, shall be frozen as per the Investor Requests Circulars.

f) If the folios continue to remain frozen as on 31st December 2025, the frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

23. Pursuant to the provisions of Section 124(5) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') including any statutory modification(s) or re-enactment thereof for the time being in force, dividend for the financial year ended 31st March 2015, which remains unclaimed for a period of seven (7) years from the date of its transfer to the unpaid dividend account of the Company would be transferred to Investor Education and Protection Fund (IEPF). The Members who have so far not yet claimed their dividend for the previous years are advised to submit their claim to the Company and/or RTA by 10th September 2022.

24. Pursuant to the provisions of Section 124(6) of the Act read with IEPF Rules, as amended, all the shares in respect of which dividend has not been claimed for 7 consecutive years or more shall be transferred by the Company in the name of IEPF. The Members who have not claimed/encashed the dividend in the last 7 consecutive years from F.Y. 2014-15 are requested to claim the same to avoid transfer of shares to IEPF by 10th September 2022.

25. Shareholders may note that the unclaimed dividend amount transferred to IEPF and the shares transferred to the demat account of the IEPF including all benefits accruing on such shares, if any, can be claimed back from the IEPF

by making an online application in Form IEPF-5 (available on www.iepf.gov.in) along with the fee prescribed to the IEPF authority with a copy to the Company.

26. The details of unclaimed amounts lying with the Company as on 31st March 2022 and list of Shareholders whose equity shares are liable to be transferred to IEPF on or before 10th October 2022 are available on the website of the Company i.e. www.safaribags.com.

27. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.

28. Voting through remote e-Voting:

   a) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination, Remuneration and Compensation Committee, Stakeholders Relationship Committee and Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

   b) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), read with MCA Circulars and SEBI Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

   c) In line with the MCA Circular No. 17/2020 dated 13thApril 2020, the Notice of the AGM has been uploaded on the website of the Company at www.safaribags.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. www.evoting.nsdl.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-Voting period begins on Monday, 8th August 2022 (9:00 am) and ends on Wednesday, 10th August 2022 (5:00 pm). The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 4th August 2022, may cast their vote electronically. The voting right of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 4th August 2022.

Any person holding shares in physical form and non-individual Shareholders, who acquires shares of the Company and becomes Member of the Company after the Notice is sent through e-mail and holding shares as of the cut-off date i.e. Thursday, 4th August 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, and/or forgot password, please follow Step 1: "Access to NSDL e-voting system" below or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, 4th August 2022 may follow steps mentioned in the Notice of the AGM under Step 1:"Access to NSDL e-voting system".

In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the Meeting.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for individual Shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December 2020 on e-Voting facility provided by listed companies, individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on Company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the Meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest, the user will also be able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through login through the depository participants your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the Meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for Shareholders other than individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Shareholders other than individual Shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those Shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and general meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the general meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders:

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant board resolution/ authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ninadawchat@yahoo.co.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Anubhav Saxena at evoting@nsdl.co.in

Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@safari.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@safari.in. If you are an individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for individual Shareholders holding securities in demat mode.**
3. Alternatively, Shareholder/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. **In terms of SEBI circular dated 9th December 2020 on e-voting facility provided by listed companies, individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with depositories and depository participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.**

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through laptops for better experience.
3. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the Meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.

DETAILS IN TERMS OF REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

ITEM NO. 4 :

In accordance with Section 139 of the Companies Act, 2013 ('Act'), read with the Companies (Audit and Auditors) Rules, 2014, M/s. Lodha & Co., Chartered Accountants (Firm Registration No. 301051E), Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of the 42nd AGM of the Company.

The Board of Directors of the Company at their meeting held on 13th May 2022, on recommendation of the Audit Committee, have recommended to the Members of the Company for appointment of M/s. Walker Chandiok & Co LLP (Firm Registration No. 001076N/N500013) as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of 42nd AGM till the conclusion of 47th AGM of the Company. The remuneration plus out of pocket expenses and applicable taxes for their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc., M/s. Walker Chandiok & Co LLP has been recommended to be appointed as the Statutory Auditors of the Company.

M/s. Walker Chandiok & Co LLP is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in 1935, with 13 offices across the country, 53 partners and a team of over 1,500+ staff. They provide audit, tax and advisory services in India and has experience across a range of industries, market segments and geographical corridors and they audit over 100+ large and listed Indian accounts.

Pursuant to Section 139 of the Act and the rules framed thereunder, the Company has received written consent from M/s. Walker Chandiok & Co LLP and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. Accordingly, The Board of Directors recommends the resolution for approval of the Members of the Company as an Ordinary Resolution.

BY ORDER OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

Place: Mumbai
Date: 13th May 2022

RAMEEZ SHAIKH
Company Secretary

Additional Information of Director recommended for re-appointment in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards on General Meeting (SS-2):

Name of Director	**Mr. Sumeet Nagar**
Date of birth/age	28th March 1972/ 50 years
Qualification	IIT Bombay & MBA
Expertise in specific functional areas	Mr. Sumeet Nagar has over a decade of experience in portfolio management and investment analysis as well as tremendous experience in operating roles.
Date of first appointment on the Board	5th February 2020
Terms and conditions of appointment/ re-appointment	Appointed as Non-Independent, Non-Executive Director whose term of office is liable to retire by rotation.
Details of remuneration sought to be paid	Mr. Sumeet Nagar has waived off sitting fees and any sought of remuneration to be paid.
Details of last drawn remuneration	Not Applicable
Directorship held in other companies	• Malabar Investment Advisors Private Limited • Malabar AIF Managers Private Limited • Malabar Investment Managers Private Limited
Chairmanship/ Membership in Committees of other Boards	Nil
Shareholding in the Company	Nil
Relationship with other Directors & KMP of the Company	None
Number of meetings of the Board attended during the financial year 2021-22.	Attended 4 out of 4 meetings

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the 42nd(Forty Second) Directors' Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended as on 31st March 2022.

1. STATE OF AFFAIRS OF THE COMPANY:

a) FINANCIAL RESULTS: **(₹ in Lakh)**

Particulars	Standalone		Consolidated	
	2021-22	2020-21	**2021-22**	2020-21
Revenue from operations	**70,544.09**	32,797.55	**70,568.24**	32,797.55
Other income	**839.24**	332.57	**798.43**	333.29
Total income	**71,383.33**	33,130.12	**71,366.67**	33,130.84
Expenses	**67,478.33**	36,011.47	**67,527.36**	36,014.54
Profit / (Loss) before exceptional items and tax	**3,905.00**	(2,881.35)	**3,839.31**	(2,883.70)
Exceptional items	**(928.02)**	-	**(928.02)**	-
Profit / (Loss) before tax	**2,976.98**	(2,881.35)	**2,911.29**	(2,883.70)
Tax expense	**676.46**	(795.74)	**674.53**	(794.01)
Profit / (Loss) after tax	**2,300.52**	(2,085.61)	**2,236.76**	(2,089.69)
Other comprehensive income	**(47.37)**	(116.23)	**(47.37)**	(116.23)
Total comprehensive income for the period	**2,253.15**	(2,201.84)	**2,189.39**	(2,205.92)

b) PERFORMANCE REVIEW:

Standalone:

The total income of the Company for the financial year 2021-22 stood at ₹ 71,383.33 Lakh as against last years' ₹ 33,130.12 Lakh. Profit before tax for the year was at ₹ 2,976.98 Lakh as against last year's Loss before tax of ₹ 2,881.35 Lakh. The total comprehensive income was ₹ 2,253.15 Lakh as against ₹ (2,201.84) Lakh of the previous year.

As on 31st March 2022, the Reserves and Surplus of the Company were at ₹ 29,660.05 Lakh.

Consolidated:

The total income of the Company for the financial year 2021-22 stood at ₹ 71,366.67 Lakh as against last year's ₹ 33,130.84 Lakh. Profit before tax for the year was at ₹ 2,911.29 Lakh as against last years' Loss before tax of ₹ 2,883.70 Lakh. The total comprehensive income was ₹ 2,189.39 Lakh as against ₹ (2,205.92) Lakh of the previous year.

Highlights on the performance of wholly owned subsidiaries and their contribution to the overall performance of the Company:

a) Safari Lifestyles Limited:

The total income of the Safari Lifestyles Limited for the financial year 2021-22 stood at ₹ 95.21 Lakh as against last year's ₹ 0.72 Lakh. Loss before tax was at ₹ 15.91 Lakh as against last year's Loss of ₹ 2.36 Lakh. The total comprehensive income was ₹(16.67) Lakh as against ₹(4.08) Lakh of the previous year.

DIRECTORS' REPORT (contd..)

b) **Safari Manufacturing Limited:**

During the year under review, Safari Manufacturing Limited, wholly owned subsidiary of the Company was incorporated on 9th November 2021. The total income of the Safari Manufacturing Limited for the financial year 2021-22 stood at ₹ 1.20 Lakh. Loss before tax was at ₹ 48.59 Lakh. The total comprehensive income was ₹ (45.90) Lakh.

Safari Manufacturing Limited was incorporated as wholly owned subsidiary company of the Company during the year under review and hence comparable figures of previous year are not available.

During the year under review, Safari Industries (India) Limited entered a Memorandum of Understanding ("MOU") with Lear Automotive (India) Private Limited for purchasing a land with constructed property along with the buildings and utilities present on site situated at Mouje: Halol, Taluka Halol, District Panchmahal, Gujarat ("said property") for a total consideration of ₹ 22.51 Crore (Rupees Twenty-Two Crores and Fifty One Lakh Only) including all taxes if any.

In this connection, Safari Manufacturing Limited was incorporated with the same main object as that of the Company and in continuation to the aforesaid MOU, Safari Manufacturing Limited executed Sale-Purchase Agreement and Deed of Conveyance with Lear Automotive (India) Private Limited for the purpose of purchasing the said property. The said property is proposed to be used for setting up Luggage manufacturing unit of Safari Manufacturing Limited.

2. **DIVIDEND:**

The Board of Directors are pleased to recommend for your consideration a dividend of ₹ 0.80 per equity share of ₹ 2/- each i.e. 40% on the paid up value. (in previous year, no dividend was recommended and paid) for the financial year 2021-22.

The total payout, if the dividend is approved by the Members at the Meeting will be ₹ 179.15 Lakh.

3. **TRANSFER TO RESERVES:**

It is not proposed to transfer any amount to reserves out of the profits earned during FY 2021-22.

4. **SHARE CAPITAL:**

During the year under review, the Company's paid-up share capital increased from ₹ 4,47,73,000/- (Rupees Four Crore Forty Seven Lakh Seventy Three Thousand Only) to ₹ 4,47,79,000/- (Rupees Four Crore Forty Seven Lakh Seventy Nine Thousand Only) due to issuance of Equity Shares through ESOP Allotments.

Equity shares with differential rights:

The Company has not issued any equity shares with differential rights and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

Sweat equity shares:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

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

In accordance with the applicable provisions of Section 124 and 125 of the Companies Act, 2013 (the Act) and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereof, the relevant dividend amounts which remain unpaid and unclaimed for a period of seven years have been transferred to the Investor Education and Protection Fund from time to time. Further, Equity Shares in respect of which dividend has not been encashed by the Members during the last seven years, from the date of transfer to the unpaid dividend account of the Company, has been transferred to the designated Suspense Account as prescribed by the IEPF Authority from time to time.

Details of the unpaid and unclaimed dividend amount lying with the Company as on 31st March 2022 have been uploaded on the Company's website (https://safaribags.com/page/investor-relations/unclaimed-unpaid-dividends)

DIRECTORS' REPORT (contd..)

6. DIRECTORS:

a) RETIREMENT BY ROTATION:

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Sumeet Nagar, Director (DIN: 02099103) of the Company is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

The aforesaid re-appointment with a brief profile and other related information of Mr. Sumeet Nagar forms part of the Notice convening the ensuing AGM.

b) INDEPENDENT DIRECTORS:

Dr. Shailesh Mehta, Non-Executive and Independent Director of the Company was re-appointed on 28th July 2019 for a period of 3 years. He shall cease to be a director of the Company since his tenure as Non-Executive and Independent Director expires on 27th July 2022 and pursuant to Section 149 of the Act, he will not be eligible for re-appointment.The Board wishes to place on record it's appreciation for the valuable contribution made by him.

During the year under review, pursuant to Section 134(3)(d) of the Act, declarations were received from all the Independent Directors confirming they fulfil the criteria of independence specified under Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms and conditions of appointment of Independent Directors are placed on the website of the Company at https://www.safaribags.com/page/investor-relations/terms-of-appointment-of-independent-director

c) KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 203 of the Act, the following are the Key Managerial Personnel of the Company:

Sr. No.	Name	Designation
1.	Mr. Sudhir Jatia	Managing Director
2.	Mr. Vineet Poddar	Chief Financial Officer
3.	Mr. Rameez Shaikh	Company Secretary

d) NOMINATION AND REMUNERATION POLICY:

The Company has adopted a Nomination and Remuneration Policy on criteria for determining Directors' appointment and remuneration including qualifications, positive attributes, independence of a director and other matters provided under Section 178 (3) of the Act. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

The said 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 is to inter-alia:

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

DIRECTORS' REPORT (contd..)

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.

The Nomination and Remuneration Policy of the Company can be viewed on website of the Company at https://www.safaribags.com/page/investor-relations/policies

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

During the year under review, performance evaluation of the Board as a whole, its Committees and Individual Directors have been carried out as per the provisions of the Act. All Independent Directors of the Company at their meeting held on 8th February 2022 have evaluated the performance of the Board as a whole, Committees of Board, the Chairman of the Company and the Non-Independent Directors as per the criteria adopted by the Nomination, Remuneration and Compensation Committee and the Board.

The performance evaluation of the Board was based on various parameters such as qualification of Board Members, their diversity of experience and background, whether the Members of the Board met all applicable independence requirements, sufficient number of Board meetings and Committee meetings etc. The performance of the individual Directors was evaluated on parameters such as qualifications, experience, independence, participation in Board Meetings and Committee Meetings, etc.

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.

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

During the year under review, the Board of Directors have held four (4) Board Meetings. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report which is annexed as **Annexure A.**

g) **COMPOSITION OF AUDIT COMMITTEE:**

The Audit Committee of the Board of Directors of the Company comprises of the following members as on 31st March 2022:

Sr. No.	Name of Member	Position	Category
1	Dr. Shailesh Mehta	Chairman	Non-Executive Independent
2	Mr. Punkajj Lath	Member	Non-Executive Independent
3	Mr. Dalip Sehgal	Member	Non-Executive Independent
4	Mr. Gaurav Sharma	Member	Non-Executive Non-Independent

Recommendations of the Audit Committee not accepted by the Board of Directors of the Company, along with the reasons thereof: None

7. **CORPORATE GOVERNANCE REPORT:**

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Corporate Governance Report together with a Certificate from M/s. Ninad Awachat & Associates, Practicing Company Secretaries confirming compliance thereto is enclosed with the Corporate Governance Report as **Annexure A**.

In compliance with the requirements of Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a certificate from the Managing Director and Chief Financial Officer of the Company was placed before the Board. The same is enclosed as a part of the Corporate Governance Report.

All the Board Members and Senior Management Personnel of the Company had affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Managing Director is enclosed as a part of the Corporate Governance Report.

DIRECTORS' REPORT (contd..)

8. PARTICULARS OF EMPLOYEES:

The information pursuant to Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure B** and forms part of this Report.

The statement containing particulars of remuneration of employees as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure C** of this Report.

In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members excluding the aforesaid **Annexure C**. This Annexure will be available on the website of the Company 21 days prior to the date of the AGM. The information is also available for inspection by the Members at the Registered Office of the Company during business hours on all working days except Saturdays, Sundays and Public Holidays up to the date of the AGM. Any Member desirous of obtaining a copy of the said Annexure may write to the Company Secretary at the Registered Office Address and/or send an E-mail at investor@safari.in.

9. SAFARI EMPLOYEE STOCK OPTION SCHEME 2016:

Presently, the Company has Employee Stock Option (ESOP) Scheme namely Safari Employee Stock Option Scheme 2016 ("the ESOP Scheme") which helps the Company to retain and attract the right talent. The Nomination, Remuneration and Compensation Committee monitors the Company's ESOP scheme.

There are no changes in the ESOP Scheme and the ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The disclosures required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are available on the website of the Company at https://www.safaribags.com/page/investor-relations/annual-reports

10. SAFARI EMPLOYEES STOCK APPRECIATION RIGHTS SCHEME 2022:

During the year under review, the Board of Directors in their meeting held on 8th February 2022 and Members of the Company vide Postal Ballot, results of which were declared on 15th March 2022, approved implementation of Safari Employees Stock Appreciation Rights Scheme, 2022 ('ESAR'/'the ESAR Scheme') with an objective of re-warding the employees for association, dedication and contribution to the goals of the Company. The Company intends to use this ESAR Scheme to attract and retain key talents working with the Company by way of rewarding their performance and to motivate them to contribute to the overall corporate growth and profitability. The ESAR Scheme covers eligible employees of the Company and its wholly owned subsidiaries.

The ESAR Scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

11. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134 OF THE ACT:

The Directors hereby confirm:

a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b) that they 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 of the Company for that period.

c) that they have taken proper and sufficient care for the 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 fraud and other irregularities.

d) that they have prepared the annual accounts on a going concern basis.

e) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

f) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS' REPORT (contd..)

12. AUDITORS:

M/s. Lodha & Co., Chartered Accountants (Firm Registration No. 301051E), Statutory Auditors of the Company will be completing their tenure of 5 (five) years as the Statutory Auditors at the ensuing AGM of the Company.

The Board of Directors places on record its appreciation to the services rendered by M/s. Lodha & Co., Chartered Accountants as the Statutory Auditors of the Company.

The Board of Directors of the Company on the recommendation of the Audit Committee recommends the appointment of M/s. Walker Chandiok & Co LLP (Firm Registration No. 001076N/N500013) as the Statutory Auditors of the Company for a term of five (5) years from the conclusion of the ensuing 42nd AGM of the Company till the conclusion of 47th AGM.

M/s. Walker Chandiok & Co LLP have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for appointment as Statutory Auditors of the Company.

The Auditor's Report for the year under review does not contain any qualification, reservation or adverse remark.

13. INTERNAL AUDITORS:

Based on the recommendation of the Audit Committee of the Company, the Board of Directors of the Company had appointed M/s. Moore Singhi Advisors LLP as the Internal Auditors of the Company.

14 SECRETARIAL AUDIT REPORT:

In accordance with the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Ninad Awachat & Associates, Practicing Company Secretaries (Membership No. 26995 & CP No. 9668) to conduct Secretarial Audit for the financial year 2021-22.

The Report of the Secretarial Auditor is annexed hereto as **Annexure D**. The said Report does not contain any qualification, reservation or adverse remark.

15. ACCOUNTING TREATMENT:

The Accounting Treatment is in line with the applicable Indian Accounting Standards (IND-AS) recommended by the Institute of Chartered Accountants of India and prescribed by the Central Government, as may be amended from time to time.

16. SUBSIDIARIES:

As on the financial year ended 31st March, 2022, the Company has following 2 (two) wholly owned subsidiaries:

a) Safari Lifestyles Limited; and

b) Safari Manufacturing Limited.

During the year under review, Safari Manufacturing Limited was incorporated on 9th November 2021 as wholly owned subsidiary of the Company.

Further, during the year under review, no companies have become/ceased to be joint venture or associate companies of the Company.

The Consolidated Financial Statements of the Company include the financial statements of the aforesaid wholly owned subsidiaries of the Company for the financial year 2021-22. The Financial Statements of wholly owned subsidiaries are also placed on the website of the Company. Any Member desirous of obtaining a copy of the said Financial Statements may send an e-mail to the Company Secretary at investor@safari.in for the same.

The Report on the performance and financial position of wholly owned subsidiaries in Form AOC-1 pursuant to first proviso to Sub-section (3) of Section 129 of the Act and Rule 5 of Companies (Accounts) Rules, 2014 is annexed to this Report as **Annexure E.**

DIRECTORS' REPORT (contd..)

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

The Board of Directors has adopted a Policy on Internal Financial Controls 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 Company has adopted Risk Management Policy, the brief of the same is disclosed in the Corporate Governance Report annexed as **Annexure A** to this report.

19. PARTICULARS OF CONTRACTS WITH RELATED PARTIES:

All the related party transactions entered by the Company during the year under review were in the ordinary course of business, on arm's length basis and in accordance with the provisions of the Act read with the Rules issued thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no material related party transactions entered during the year under review.

Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

20. VIGIL MECHANISM/WHISTLE BLOWERS POLICY:

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In order to achieve the same, the Company has formulated a Whistle Blowers Policy to provide a secure environment and to encourage all employees, Directors, Members, customers, vendors and/ or third party intermediaries 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/persons who report such practices in good faith.

The Policy has been uploaded on the website of the Company at https://www.safaribags.com/page/investor-relations/policies

21. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS UNDER SECTION 186 OF THE ACT:

Details of loans, guarantees and investments made are given in Notes to the Standalone Financial Statements.

22. ANNUAL RETURN:

The Annual Return for financial year 2021-22 has been uploaded on the website of the Company at https://www.safaribags.com/page/investor-relations/annual-return

23. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been duly followed by the Company.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

Details on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo, etc. are given in the **Annexure F** to this Report.

25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure G** to this Report.

26. CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

The Company has adopted a CSR Policy in accordance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The same is available on the website of the Company at https://www.safaribags.com/page/investor-relations/corporate-social-responsibility

The composition of the CSR Committee is disclosed in the Corporate Governance Report which is annexed as **Annexure A** to this report. The report on CSR activities undertaken by the Company for the year under review is annexed to this Report as **Annexure H**.

DIRECTORS' REPORT (contd..)

27. BUSINESS RESPONSIBILITY REPORT:

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report for the year under review is annexed as **Annexure I** to this Report.

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

The information required as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in the Corporate Governance Report which is annexed as **Annexure A** to this Report.

The Policy for Prevention of Sexual Harassment of Women at Workplace has been uploaded on the website of the Company at https://safaribags.com/page/investor-relations/policies

29. DIVIDEND DISTRIBUTION POLICY:

In compliance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy formulated by the Company is available on the website of the Company at https://safaribags.com/page/investor-relations/policies

30. GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/ events during the year under review:

a) Details relating to deposits covered under Chapter V of the Act.

b) Change in nature of Company's business.

c) 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.

d) Material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year and the date of Report.

e) No material fraud has been reported by the Auditors to the Audit Committee of the Board.

f) Maintenance of cost records as specified by the Central Government under Sub-section (1) of Section 148 of the Act is not applicable to the Company.

g) No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

31. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the dedicated services of the employees of your Company at all levels. Further, the Directors would also like to express their gratitude for the continued support of all the stakeholders and last but not the least our valued Members, for all their support and trust reposed in the Company.

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

SUDHIR JATIA
Chairman & Managing Director
DIN:00031969

Place: Mumbai
Date: 13th May 2022

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure A
REPORT ON CORPORATE GOVERNANCE

1. **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine a Management's ability to make sound decisions vis-à-vis all its stakeholders - in particular, its Members, creditors, the state and employees.

We firmly believe that Board independence is essential to bring objectivity and transparency in the management and in the dealing of the Company. We keep our governance practices under continuous review.

2. **BOARD OF DIRECTORS:**

(A) Composition and categories of Directors:

The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Section 149 of the Companies Act, 2013 ('Act'). The composition of the Board of Directors consists of an optimum combination of Executive and Non-Executive Directors and an optimum representation of Independent Directors as follows:

Name of Director	Category
Mr. Sudhir Jatia	Promoter and Executive
Dr. Shailesh Mehta	Non-Executive and Independent
Mr. Punkajj Lath	Non-Executive and Independent
Mr. Dalip Sehgal	Non-Executive and Independent
Mrs. Vijaya Sampath	Non-Executive and Independent
Mr. Rahul Kanodia	Non-Executive and Independent
Mr. Piyush Goenka	Non-Executive and Non-Independent
Mr. Sumeet Nagar	Non-Executive and Non-Independent
Mr. Gaurav Sharma	Non-Executive and Non-Independent

Mr. Anuj Patodia (DIN: 00026458) retired by rotation at the 41st Annual General Meeting of the Company held on 11th August 2021 and did not offer himself for re-appointment.

(B) Attendance of each Director at the Board Meetings and the last AGM:

4 (Four) meetings of the Board of Directors were held during the financial year 2021-22 i.e. on 13th May 2021, 11th August 2021, 30th October 2021 and 8th February 2022.

The attendance record of all Directors is as follows:

Name of Director	No. of Board Meetings		Attendance at last AGM held on 11th August 2021
	Held	Attended	
Mr. Sudhir Jatia	4	4	Yes
Dr. Shailesh Mehta	4	4	Yes
Mr. Punkajj Lath	4	4	Yes
Mr. Dalip Sehgal	4	4	Yes
Mrs. Vijaya Sampath	4	3	Yes
Mr. Rahul Kanodia	4	4	Yes
Mr. Piyush Goenka	4	4	Yes
Mr. Sumeet Nagar	4	4	Yes
Mr. Gaurav Sharma	4	4	Yes
Mr. Anuj Patodia*	2	1	No

** Mr. Anuj Patodia ceased to be Director of the Company w.e.f 11th August 2021.*

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

(C) Number of other Board of Directors or Committees in which a Director is a Member or Chairperson:

Name of Director	No of other Directorship($)	Number of Memberships in Committees of other Companies (*)	Number of Chairperson in Committees of other Companies (*)
Mr. Sudhir Jatia	2	-	-
Dr. Shailesh Mehta	3	2	1
Mr. Punkajj Lath	3	1	-
Mr. Dalip Sehgal	1	2	1
Mrs. Vijaya Sampath	9	7	1
Mr. Rahul Kanodia	4	2	-
Mr. Piyush Goenka	2	1	-
Mr. Sumeet Nagar	-	-	-
Mr. Gaurav Sharma	1	-	-

($) includes public companies only.

(*) Only two committees, namely, Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of Listing Regulations.

All the Directors have informed the Company periodically about their Directorship and Membership on the Board/ Committees of the Board of other companies.

As per the disclosures received, none of the Directors of the Company are directors in more than 20 companies including 10 public limited companies or act as a director in more than 7 listed companies (including independent directorship) or act as an independent director in more than 3 listed companies in cases where he/she is serving as whole time director or managing director in any listed company. Further, none of the Directors hold membership in more than 10 committees or act as the chairman of more than 5 committees across all public limited companies and listed companies in which he/ she is a director.

Details of Directorships held by Directors in other listed entities and category of such directorship is as follows:

a) Dr. Shailesh Mehta

Sr. No	Name of Listed Entity	Category of Directorship
1	Manappuram Finance Limited	Non-Executive Independent
2	Aptus Value Housing Finance India Limited	Non-Executive Non-Independent

b) Mr. Dalip Sehgal

Sr. No	Name of Listed Entity	Category of Directorship
1	S H Kelkar and Company Limited	Non-Executive Independent

c) Mrs. Vijaya Sampath

Sr. No	Name of Listed Entity	Category of Directorship
1	Eris Lifesciences Limited	Non-Executive Independent
2	Varroc Engineering Limited	Non-Executive Independent
3	Craftsman Automation Limited	Non-Executive Independent
4	Intellect Design Arena Limited	Non-Executive Independent
5	Ingersoll Rand India Limited	Non-Executive Independent
6	VA Tech Wabag Limited	Non-Executive Independent

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

d) **Mr. Rahul Kanodia**

Sr. No	Name of Listed Entity	Category of Directorship
1	Datamatics Global Services Limited	Executive-Non-Independent

e) **None of the following director holds directorship in other listed entity:**

1. Mr. Sudhir Jatia;
2. Mr. Punkajj Lath;
3. Mr. Piyush Goenka;
4. Mr. Sumeet Nagar;
5. Mr. Gaurav Sharma.

(D) Disclosure of relationships between Directors:

As on 31st March 2022, none of the Directors are related to each other.

(E) Number of shares and convertible instruments held by Non- Executive Directors:

As on 31st March 2022, none of the Non- Executive Directors hold any shares or convertible instruments of the Company.

(F) Web link where details of familiarisation programmes imparted to Independent Directors is disclosed:

The Board of Directors of the Company has adopted a Familiarization Program for Independent Directors of the Company. Details of the Familiarization Program has been disclosed on the website of the Company. The same can be viewed at https://safaribags.com/page/investor-relations/policies

(G) Fulfilment of the criteria to be Independent Director:

In opinion of the Board, all the Independent Directors of the Company meet the requirements laid down under Section 149 of the Act and Regulation 16 of the Listing Regulations and have declared that they do not fall under any disqualifications specified thereunder.

(H) Separate Meeting of Independent Directors:

As stipulated under Section 149 of the Act read with Schedule IV pertaining to the Code of Independent Directors and Regulation 25 of Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 8th February 2022 with the following agenda:

- To review performance of the Board on different lines as stipulated in the Schedule IV of the Act and Listing Regulations as follows:
  - ➢ Performance evaluation of Non-Independent Directors;
  - ➢ Performance evaluation of Board as a whole and Committees of the Board;
  - ➢ Performance evaluation of Chairman;
  - ➢ Evaluation of flow of Information.

(I) Skills/expertise/competence of Board of Directors:

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. These Directors are nominated based on well-defined selection criteria. The Nomination Remuneration and Compensation Committee considers, inter alia, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of such Director. The Board of Directors have, based on the recommendations of the Nomination, Remuneration and Compensation Committee, identified the following core key skills/expertise/competencies

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board of Directors of the Company and mapped against each of the Directors:

Name of Director	Finance	Law, Governance and Risk	Sales, Marketing	Investment	Research, Technical Operations
Mr. Sudhir Jatia		✓	✓		✓
Dr. Shailesh Mehta	✓			✓	
Mr. Punkajj Lath			✓		✓
Mr. Dalip Sehgal			✓		✓
Mrs. Vijaya Sampath		✓			
Mr. Rahul Kanodia			✓		✓
Mr. Piyush Goenka	✓			✓	
Mr. Sumeet Nagar				✓	
Mr. Gaurav Sharma				✓	

3. AUDIT COMMITTEE:

Composition and Meetings of the Audit Committee:

As on 31st March 2022, the Audit Committee comprises of Members as stated below. The Committee met 4 (Four) times during the financial year 2021-22 i.e. on 13th May 2021, 11th August 2021, 30th October 2021 and 8th February 2022.

The composition and attendance of Members at the Committee Meeting is given below:

Name of Member	Category	Number of meetings attended
Dr. Shailesh Mehta	Chairman	4 out of 4
Mr. Punkajj Lath	Member	4 out of 4
Mr. Dalip Sehgal	Member	4 out of 4
Mr. Gaurav Sharma[1]	Member	3 out of 3
Mr. Piyush Goenka[2]	Member	1 out of 1

[1] *Mr.Gaurav Sharma was appointed as member of the Audit Committee with effect from 14th May 2021.*

[2] *Mr.Piyush Goenka ceased to be member of the Audit Committee with effect from 14th May 2021.*

The Company Secretary acts as the Secretary to the Audit Committee.

In accordance with Listing Regulations and Section 177 of the Act, the terms of reference of the Audit Committee inter-alia include:

1) Oversee company's financial process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2) Reviewing, with the management, the quarterly and annual financial statements and auditors report thereon before submission to the board for approval;
3) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take steps in this matter; and,
4) Approval of appointment of Chief Financial Officer after assessing qualification, experience and background etc. of the candidate etc.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

4. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE:

Composition and Meetings of the Nomination, Remuneration and Compensation Committee

As on 31st March 2022, the Committee comprises of Members as stated below. The Committee met 4 (Four) times during the financial year 2021-22 i.e. on 13th May 2021, 11th August 2021, 30th October 2021 and 8th February 2022.

The Composition and attendance of Members at the Committee meeting is given below:

Name of Member	Category	Number of meetings attended
Mr. Punkajj Lath	Chairman	3 out of 4
Dr. Shailesh Mehta	Member	4 out of 4
Mrs. Vijaya Sampath	Member	3 out of 4
Mr. Gaurav Sharma[1]	Member	2 out of 3
Mr. Piyush Goenka[2]	Member	4 out of 4

[1] *Mr. Gaurav Sharma was appointed as member of the Nomination, Remuneration and Compensation Committee with effect from 14th May 2021.*

[2] *Mr. Piyush Goenka ceased to be member of the Nomination, Remuneration and Compensation Committee with effect from 1st March 2022.*

In accordance with Listing Regulations and Section 178 of the Act, the terms of reference of the Nomination, Remuneration and Compensation Committee inter-alia include:

A. Compensation Policies:

1. To review performance of Directors and Senior Managerial Personnel.
2. To make recommendations to the Board with respect to incentive compensation plans.
3. To recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees.
4. Implementation, approval, oversight and superintendence of Employee Stock Option Purchase ("ESOP") scheme, also known as 'Safari Employee Stock Option Scheme 2016 and Stock Appreciation Rights ("SAR") Scheme, also known as 'Safari Stock Appreciation Rights Scheme 2022'.
5. Recommending to the Board the compensation/ remuneration in whatever form of Senior Management.

B. Nomination of Directors:

1. Review and recommend the structure, size and composition (based on skills, experience, knowledge and diversity) of the Board.
2. Identifying the persons who are qualified to become directors and Senior Management in accordance with criteria laid down.
3. To formulate the criteria to determine the qualifications, qualities, skills, positive attributes, independence of a Director.
4. For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience etc.
5. To develop and recommend to the Board for approval a succession plan for top level management.
6. To develop, recommend and review, a succession plan for top level management.
7. To consider and recommend whether to extend or continue the term of appointment of the Independent Directors.

C. Performance Evaluation and Leadership Development

1. Evaluation of performance of Independent Directors and Board of Directors.
2. Devising policy on diversity of Board of Directors.
3. To carry out such other tasks and programs as may be necessary to enable the Directors, Key Managerial Personnel and Senior Management to discharge their functions efficiently.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Performance evaluation criteria for Independent Directors of the Company:

During the year under review, performance evaluation of the Independent Directors was carried out by the entire Board excluding the Independent Director being evaluated as per the criteria adopted by the Board. The performance evaluation was evaluated on the various parameters such as participation at Board/Committee Meetings, relationship, knowledge and skill, independence, overall rating of Director performance.

5. REMUNERATION OF DIRECTORS:

Remuneration to Managing Director:

Mr. Sudhir Jatia was re-appointed as the Managing Director of the Company for a period of 5 years with effect from 18th April 2021 till 17th April 2026. His remuneration includes basic salary, contribution to provident fund, gratuity, variable performance pay upto 1% of the net profit calculated as per Section 198 of the Act and perquisites (including monetary value of taxable perquisites) etc.

The remuneration paid to Mr. Sudhir Jatia for the financial year 2021-22 is as follows:

Particulars of Remuneration	₹ (In Lakh)
Gross salary Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	86.40
Value of perquisites u/s 17(2) Income-tax Act, 1961	7.68
Total	94.08

Service contract/ notice period/ severance fees:

As per the Employment Agreement entered into by the Company with Mr. Sudhir Jatia, Managing Director, either party can terminate the agreement by giving 6 (six) months' notice in writing to the other party. The Employment Agreement does not contain any provisions for payment of any severance fees in case of cessation of employment of the Managing Director.

Remuneration and sitting fees paid to Non-Executive Directors:

During the financial year 2021-22, the Non-executive Directors were paid sitting fees of ₹ 50,000/- per meeting of Board, ₹ 20,000/- per meeting of Audit Committee, ₹ 10,000/- per meeting of Nomination, Remuneration and Compensation Committee, Corporate Social Responsibility Committee, ₹ 1,500/- per meeting of Stakeholders' Relationship Committee and ₹ 5,000/- per meeting of Risk Management Committee.

The remuneration paid to other Directors for the financial year 2021-22 is as follows:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ in Lakh)
1	**Independent Directors**	**Dr. Shailesh Mehta**	**Mr. Punkajj Lath**	**Mr. Dalip Sehgal**	**Mrs. Vijaya Sampath**	**Mr. Rahul Kanodia**	
	Fee for attending Board/ Committee meetings	3.20	3.35	2.80	2.00	2.00	13.35
	Commission*	5.25	4.00	4.00	4.00	2.50	19.75
	Others, please specify	–	–	–	–	–	–
	Total (1)	**8.45**	**7.35**	**6.80**	**6.00**	**4.50**	**33.10**
2	**Other Non-Executive Directors**	**Mr. Anuj Patodia[1]**	**Mr. Piyush Goenka[2]**	**Mr. Sumeet Nagar[3]**	**Mr. Gaurav Sharma[3]**		
	Fee for attending Board/ Committee meetings	0.50	2.00	–	–		2.50
	Commission*	–	4.75	–	–		4.75
	Others, please specify	–	–	–	–		–
	Total (2)	**0.50**	**6.75**	**–**	**–**		**7.25**
	Total (1+2)						**40.35**

[1] *During the year, Mr. Anuj Patodia retired by rotation on and from 11th August 2021.*

[2] *Mr. Piyush Goenka has waived off his entitlement to receive sitting fees of Committees.*

[3] *Mr. Sumeet Nagar and Mr. Gaurav Sharma have waived off their entitlement to receive sitting fees and commission.*

* *Commission to Non-Executive Directors will be paid after the financial statements are approved by the Members at the ensuing 42nd Annual General Meeting.*

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Composition and Meetings of the Stakeholders Relationship Committee:

As on 31st March 2022, the Committee comprises of Members as stated below. The Committee met 10 (Ten) times during the financial year 2021-22.

The Composition and attendance of Members at the Committee meeting is given below:

Name of Member	Category	Number of meetings attended
Mr. Punkajj Lath	Chairman	10 out of 10
Mr. Sudhir Jatia	Member	10 out of 10
Mr. Piyush Goenka	Member	10 out of 10

Mr. Rameez Shaikh, Company Secretary acts as Compliance Officer of the Company.

The details of Shareholders' complaints received and disposed-off during the year under review is as follows:

Number of Complaints	
Pending at the beginning of the financial year	Nil
Received during the financial year	3
Disposed off during the financial year	3
Pending at the end of the financial year	Nil

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :

Composition and Meetings of the CSR Committee:

As on 31st March 2022, the CSR Committee comprises of Members as stated below. The Committee met 3 (Three) times during the financial year 2021-22 i.e. on 13th May 2021, 11th August 2021 and 8th February 2022.

The Composition and attendance of members at the CSR Committee meeting is given below:

Name of Member	Category	Number of meetings attended
Mr. Sudhir Jatia	Chairman	3 out of 3
Mr. Piyush Goenka	Member	3 out of 3
Mrs. Vijaya Sampath	Member	2 out of 3
Mr.Gaurav Sharma[1]	Member	1 out of 2

[1] *Mr. Gaurav Sharma was appointed as member of the CSR Committee with effect from 14th May 2021.*

The Board of Directors of the Company has adopted a CSR Policy and Annual Action Plan for the Financial Year 2021-22 which was reviewed and recommended by the CSR Committee of the Company. The CSR Policy and Annual Action Plan of the Company are placed on Company's website and the web link https://www.safaribags.com/page/investor-relations/corporate-social-responsibility

8. RISK MANAGEMENT COMMITTEE:

Composition and Meetings of Risk Management Committee:

During the year under review, the Company has constituted Risk Management Committee and as on 31st March 2022, the Risk Management Committee comprises of Members as stated below. The Committee met 2 (Two) times during the financial year 2021-22 i.e. on 11th August 2021 and 7th February 2022.

The Composition and attendance of members at the Risk Management Committee meeting is given below:

Name of Member	Category	Number of meetings attended
Mr. Sudhir Jatia	Chairman	2 out of 2
Mr. Punkajj Lath	Member	2 out of 2
Mr. Piyush Goenka	Member	2 out of 2

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

In accordance with Listing Regulations the terms of reference of the Risk Management Committee inter-alia include:

1. To formulate a detailed Risk Management Policy;
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
4. To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Committee;
7. To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

9. GENERAL BODY MEETINGS:

A. Annual General Meeting:

The particulars of the last three AGM of the Company are given hereunder:

Financial Year	Date and Time	Venue	Special Resolution Passed if any
2018-19	39th AGM 12th August 2019 at 2:00 pm	The Gem Banquet, Podium Level, The QUBE, CTS no. 1498, A/2, M. V. Road, Marol, Andheri (East), Mumbai - 400 059	Nil
2019-20	40th AGM 13th August 2020 at 12:00 noon	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	Yes 1. Re-appointment of Mrs.Vijaya Sampath (DIN 00641110) as an Independent Director of the Company for second term; 2. Increase in limit of total shareholding of all Registered Foreign Portfolio Investors (FPIs) / Registered Foreign Institutional Investors (FIIs) put together upto 49% of the paid-up equity share capital of the Company; 3. Amendment in the Object Clause and Liability Clause of Memorandum of Association of Company.
2020-21	41st AGM 11th August 2021 at 1:30 pm	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	Yes 1. Re-appointment of Mr. Rahul Kanodia (DIN 00075801) as an Independent Director of the Company for second term.

B. Postal Ballot:

During the year under review, Postal Ballot was conducted for approving following special resolutions, results of which were declared on 15th March 2022:

Item No.	Brief Particulars of the Special Resolutions passed
1	To consider and approve Safari Employees Stock Appreciation Rights Scheme 2022.
2	To consider and approve grant of Employee Stock Appreciation Rights to the employees of the Subsidiary(ies) of the Company under Safari Employees Stock Appreciation Rights Scheme 2022.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

The Postal Ballot activity was conducted by the Company and M/s. Ninad Awachat & Associates, Company Secretaries who was appointed as Scrutinizer for the same. The above special resolutions were passed with requisite majority.

10. MEANS OF COMMUNICATION:

Publication of results:

The quarterly, half-yearly and annual Financial Results of the Company are published in Business Standard (English financial national daily) and Sakal (vernacular newspaper).

Website and News Releases:

All official news releases and Financial Results are communicated by the Company through its corporate website https://www.safaribags.com/. The quarterly half-yearly and annual Financial Results, Shareholding Pattern and all other corporate communications to the Stock Exchanges are filed through the BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) / Digital Exchange Portal.

Presentation made to institutional investors or to the analysts:

There were no presentations made to the institutional investors or analysts during the financial year ended 31st March 2022.

11. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting (AGM):

- Day, Date, Time: Thursday, 11th August 2022 at 01:30 pm.
- Venue: Annual General Meeting through Video Conferencing / Other Audio Visual Means facility.

Financial year: 1st April 2021 to 31st March 2022

Dividend Payment Date: Dividend, if declared, will be paid/dispatched within the time prescribed under the law.

Listing Details:

BSE Limited
Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

The National Stock Exchange of India Limited
Exchange Plaza, Plot C/1, Block G,
BKC, Bandra (E), Mumbai - 400 051.

Stock Code: **BSE:** 523025 **NSE:** SAFARI

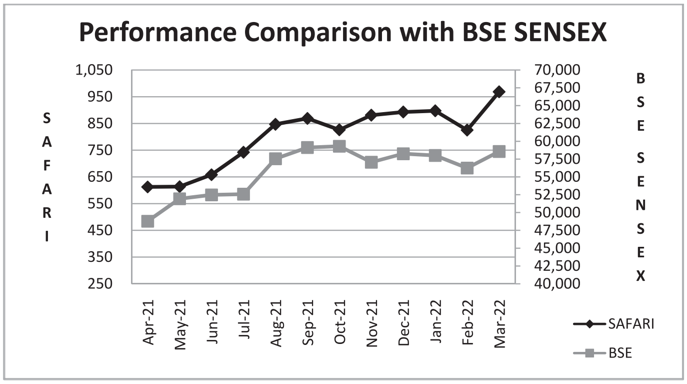
Listing Fees: The Company has paid the annual listing fees for the financial year 2022-23.

Market Price data: High, Low during each month in financial year 2021-22:

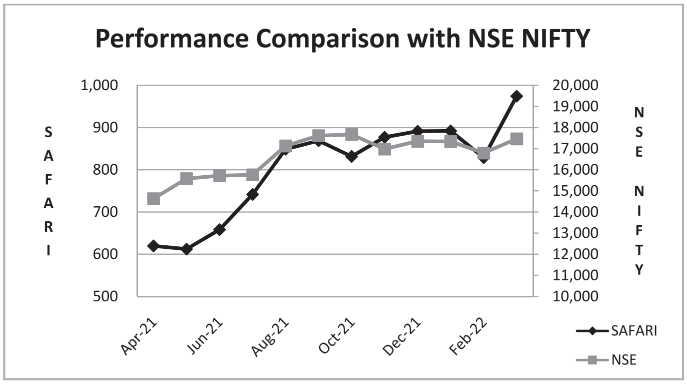
Month	BSE High	BSE Low	NSE High	NSE Low
April 2021	645.10	535.10	646.50	542.05
May 2021	642.70	563.70	639.50	567.00
June 2021	713.55	604.60	717.85	610.50
July 2021	841.25	648.95	842.45	657.00
August 2021	859.85	682.90	859.00	674.45
September 2021	899.75	809.55	900.00	810.00
October 2021	888.00	755.50	883.95	750.00
November 2021	985.40	810.00	987.00	786.40
December 2021	923.50	824.20	920.75	830.00
January 2022	972.45	868.95	950.00	869.75
February 2022	1,049.15	781.00	1,051.05	780.05
March 2022	999.00	815.00	994.05	815.00

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Performance in comparison with BSE Sensex based on monthly closing price:



Performance in comparison with NSE Nifty based on monthly closing price:



Suspension from trading: No Securities of the Company are suspended from trading during the financial year 2021-22.

Registrar and Share Transfer Agents:

Adroit Corporate Services Private Limited

18-20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059.
(T) 91-22-4227 0400/ 91-22-2859 4060 (E) info@adroitcorporate.com

Share Transfer System:

Adroit Corporate Services Private Limited ('Adroit'), Share Transfer Agent of the Company, handles share and shareholders related matters. Adroit has adequate infrastructure to process share transfer related matters. Pursuant to Regulation 40 of Listing Regulations read with SEBI Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022 as amended from time to time, all the requests relating to issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates/folios; transmission; transposition shall be processed by delivering Letter of Confirmation to the Shareholder/claimant with a validity of 120 days, basis which the Shareholder/ claimant has to dematerialise the shares in order to give effect to the requests. If Shareholder/claimant fails to submit the demat request within the aforesaid period of 120 days from the date of Letter of Confirmation, Adroit/Company shall credit the securities to the suspense escrow demat account of the Company.

The Company obtains, from a Company Secretary in practice, yearly certificate of Compliance with the share transfer formalities as required under Regulation 40 (9) of Listing Regulations, and files a copy of the same with the Stock Exchanges.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Distribution of shareholding as on 31st March 2022:

Nominal Value (₹)	No. of Shareholders	% to total	No. of Shares	Amount in ₹	% to Total
Upto 5,000	14,335	98.61	21,17,887	42,35,774	9.46
5001 to 10,000	88	0.61	3,18,199	6,36,398	1.42
10,001 to 20,000	42	0.29	2,90,291	5,80,582	1.30
20,001 to 50,000	35	0.24	5,90,264	11,80,528	2.64
50,001 to Above	37	0.26	1,90,72,859	3,81,45,718	85.19
Total	**14,537**	**100.00**	**2,23,89,500**	**4,47,79,000**	**100.00**

Dematerialization of Shares and Liquidity:

98.65% of shareholding was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March 2022.

The Company's shares are actively traded in the dematerialised form on BSE Limited and The National Stock Exchange of India Limited.

Outstanding GDRs/ADRs/Warrants/Convertible Instruments, conversion date and likely impact on equity:

The Company has not issued any Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/Warrants.

The Company has granted stock options to its eligible employees under the Safari Employee Stock Option Scheme 2016. The Company allots Equity Shares from time to time on exercise of stock options by the employees pursuant to the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the terms and conditions of the Safari Employee Stock Option Scheme 2016. As on 31st March 2022, 68,000 stock options were outstanding.

13,15,790 Compulsorily Convertible Debentures ("CCDs") issued and allotted on preferential basis to Investcorp Private Equity Fund II will be compulsorily converted into fully paid-up Equity Shares of the Face Value of ₹ 2/- (Rupees Two) each of the Company (the "Equity Shares"), at a conversion price of ₹ 570/- (Rupees Five Hundred and Seventy) per Equity Share (including a premium of ₹ 568/- per Equity Share); and shall carry coupon rate of 6% per annum, payable quarterly, calculated on the face value of the CCDs, commencing from the date of its allotment and until the date of its conversion into the Equity Shares. The CCDs shall be convertible at any time, at the discretion of the Investor, on or before the date falling within 18 (eighteen) months from the date of allotment of CCDs.

Commodity price risk or foreign exchange risk and hedging activities:

- **Risk Management Policy:**

  The Company is committed to high standards of business conduct and good risk management to:

  - Protect the Company's assets;
  - Achieve sustainable business growth;
  - Avoid major surprises relating to overall control environment;
  - Safeguard shareholder investment;
  - Ensure compliance with applicable legal and regulatory requirements.

  The Board has adopted a Risk Management Policy to mitigate inherent risks and help accomplish the growth plans of the Company. Accordingly, various potential risks relevant to the Company has been identified by the Risk Management Committee. The Risk Management Committee and Board reviews the same periodically and suggests measures to mitigate and control these risks.

- **Commodity risks exposure:**

  The Company has adequate risk assessment and minimization system in place for commodities. The risks are averted by taking prudent hedging activities on foreign currency exposure and widening source base. The Company does not have material exposure of any commodity. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated 15th November 2018.

Plant Location:

The Company's Plant is located at Plot No. 1701/1, 2200 & 2201, GIDC Industrial Estate, Halol 389350, District Panchmahal, Gujarat.

Address for correspondence:

Registered Office:

302-303, A Wing, The Qube, CTS No. 1498, A/2, M. V. Road, Marol, Andheri (East), Mumbai 400059.

Website: www.safaribags.com **Email:** investor@safari.in

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Credit Ratings:

The Company has received following credit ratings:

Total Bank Loan Facilities	₹ 150 Crore
Long Term rating	CRISIL A-/Positive
Short term rating	CRISIL A2+

12. OTHER DISCLOSURES:

(a) Materially significant related party transactions:

There were no materially significant transactions with related parties during the financial year 2021-2022 that were in conflict with the interest of the Company. Suitable disclosure as required under Indian Accounting Standards (Ind AS 24) has been made in the notes of the Financial Statements and in the Director's Report as required under Section 134 of the Act.

(b) Details of non-compliance:

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years except the following:

During the preceding Financial Year i.e. 2020-21, BSE limited and National Stock Exchange of India Limited had issued notice to the Company for non-compliance with Regulation 29 of the Listing Regulations with respect to its Board Meeting held on 12th February 2021 and subsequently both stock exchanges had levied fine of ₹ 10,000/- each exclusive of taxes.

The Company had applied for waiver of fine before both the Stock Exchanges, however only BSE Limited has approved the waiver application.

(c) Establishment of Vigil Mechanism/Whistle Blowers Policy:

The Company has adopted the Whistle Blowers Policy to report concerns about any actual or possible violation of the Company's Code of Conduct or any other unlawful or unethical or improper practice or any wrongful conduct or act or activity concerning the Company. A copy of the Whistle Blowers Policy of the Company has been put up on Company's Website and the web link is https://www.safaribags.com/page/investor-relations/policies

(d) Compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all mandatory requirements as laid down in Listing Regulations. In addition, Company has adopted the following non-mandatory requirement:

- Reporting by internal auditor: The internal auditor directly reports to the Audit Committee of the Company.

(e) Policy determining Material Subsidiaries:

In compliance with the Regulation 16(1)(c) of Listing Regulations, the Company has formulated a Policy for determining 'Material' Subsidiaries and such Policy has been put up on the Company's website. The same can be viewed at https://www.safaribags.com/page/investor-relations/policies

The Company has two unlisted Indian subsidiaries viz. Safari Lifestyles Limited and Safari Manufacturing Limited which are not material subsidiaries.

(f) Policy on Related Party Transactions:

In compliance with the Regulation 23(1) of Listing Regulations, the Company has formulated a Policy on Related Party Transactions and such Policy has been put up on the Company's website. The same can be viewed at https://www.safaribags.com/page/investor-relations/policies

(g) Utilization of funds:

The amount raised from issuance and allotment of 13,15,790 CCDs each priced at Face Value of ₹ 570/- per CCD for an aggregate amount of ₹ 75,00,00,300 (Rupees Seventy Five Crore Three Hundred only) on preferential basis to Investcorp Private Equity Fund II is utilized/committed to the tune of ₹ 66 Crore towards Halol Polycarbonate Luggage production expansion, design and development, setting up of new Polypropylene Luggage manufacturing plant, retail stores, etc. As at 31st March 2022, the balance unutilized amount has been placed in bank fixed deposits.

(h) Certificate on disqualification or debar of Board of Directors:

The statement relating to non-disqualification and non-debarring of Board of Directors by SEBI or Ministry of Corporate Affairs or any regulatory authority is set out as a part of Compliance Certificate on Corporate Governance issued by Practicing Company Secretary i.e. **Annexure II** of this Corporate Governance Report.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

(i) Recommendation of Committee to the Board for approval:

During the year under review, none of the recommendations of the Committees of the Board were disapproved by the Board of Directors of the Company.

(j) Fees paid to statutory auditors on consolidated basis:

Total fees for all the services paid by the Company, Safari Lifestyles Limited and Safari Manufacturing Limited, wholly owned subsidiaries on consolidated basis to M/s. Lodha & Co., Statutory Auditors of the Company and all its network firms/entities in which they are part, forms part of notes to Consolidated Financial Statements of this Annual Report.

(k) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Policy for Prevention of Sexual Harassment of Women at Workplace has been uploaded on the website of the Company at https://www.safaribags.com/page/investor-relations/policies

The Company has formed a Committee to redress complaints received regarding sexual harassment. During the year under review, following are the details of the complaints:

- No. of complaints filed during FY2021-22 : Nil
- No. of complaints disposed off during FY2021-22 : Nil
- No. of complaints pending as on 31st March 2022 : Nil

(l) Disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:

Not applicable

(m) Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub - Regulation (2) of Regulation 46 of Listing Regulations:

The Company has complied with all Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

(n) Managing Director/ CFO Certification:

The Company has obtained a certificate from the Managing Director and Chief Financial Officer of the Company in respect of matters stated in Regulation 17 (8) of Listing Regulations is annexed as **Annexure I** to this Corporate Governance Report.

(o) Compliance Certificate by M/s. Ninad Awachat & Associates, Practicing Company Secretaries:

The Company has obtained a Certificate from M/s. Ninad Awachat & Associates, Practicing Company Secretaries regarding compliance of Corporate Governance as stipulated, which is annexed as **Annexure II** to this Corporate Governance Report.

(p) Code of Conduct:

The Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company by including duties of Independent Directors. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The Code of Conduct is placed on the website of the Company at https://www.safaribags.com/page/investor-relations/code-of-conduct

A declaration signed by the Company's Managing Director for the compliance of these requirements is annexed as **Annexure III** to this Corporate Governance Report.

(q) Disclosures with respect to demat suspense account/ unclaimed suspense account:

Not applicable

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

SUDHIR JATIA
Chairman & Managing Director
DIN:00031969

Place: Mumbai
Date: 13th May 2022

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure I
CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To,

The Board of Directors,
Safari Industries (India) Limited

We, Sudhir Jatia, Managing Director and Vineet Poddar, Chief Financial Officer of Safari Industries (India) Limited, to the best of our knowledge and belief, certify that:

a. We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March 2022 and to the best of our knowledge and belief:
   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent or illegal or violative of the Company's Code of Conduct.
c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
d. We have indicated to the Auditors and the Audit Committee:
   1. That there are no significant changes in internal control over financial reporting during the year;
   2. That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
   3. That there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate is being given to the Board pursuant to Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SUDHIR JATIA
Managing Director

VINEET PODDAR
Chief Financial Officer

Place: Mumbai
Date: 13th May 2022

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure II

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Part E of Schedule V Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of Safari Industries (India) Limited

I have examined the compliance of conditions of Corporate Governance by Safari Industries (India) Limited, ('**the Company**'), for the year ended on March 31, 2022 as stipulated under Regulations 17 to 27, Clause (b) to (i) of Sub-regulation (2) of Regulation 46 and Para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On basis of written representation given by all the directors of the Company and to the best of my knowledge and belief, data and documents reviewed by me on publicly available websites, I state that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **NINAD AWACHAT & ASSOCIATES**
Company Secretaries

Ninad Awachat
Proprietor
Membership No : 26995
C.P No : 9668

Date : 13th May 2022
Place : Mumbai
UDIN : A026995D000318770

Annexure III

Declaration regarding compliance by the Members of Board of Directors and Senior Management Personnel with the Code of Conduct of Board of Directors and Senior Management.

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. This Code of Conduct is available on the Company's website.

I hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company for the year ended 31st March 2022.

SUDHIR JATIA
Chairman & Managing Director
Safari Industries (India) Limited

Place: Mumbai
Date: 13th May 2022

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure B

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) 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:

Name of the Director	Ratio
Mr. Sudhir Jatia	29.78 : 1
Dr. Shailesh Mehta*	1.55 : 1
Mr. Rahul Kanodia*	0.74 : 1
Mr. Dalip Sehgal*	1.18 : 1
Mr. Punkajj Lath*	1.18 : 1
Mr. Piyush Goenka*	1.40 : 1
Mrs. Vijaya Sampath*	1.18 : 1

* *Commission to Non-Executive Directors will be paid after the financial statements are approved by the Members at the ensuing 42nd Annual General Meeting.*

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:

Name	Designation	Percentage increase
Mr. Sudhir Jatia	Managing Director	1,613.55%*
Dr. Shailesh Mehta#	Non-Executive, Independent Director	-
Mr. Rahul Kanodia#	Non-Executive, Independent Director	-
Mr. Dalip Sehgal#	Non-Executive, Independent Director	-
Mr. Punkajj Lath#	Non-Executive, Independent Director	-
Mr. Piyush Goenka#	Non-Executive, Non-Independent Director	-
Mrs. Vijaya Sampath#	Non-Executive, Independent Director	-
Mr. Vineet Poddar	Chief Financial Officer	3.32%
Mr. Rameez Shaikh	Company Secretary	11.37%

**Mr. Sudhir Jatia in the meeting of the Board held on 4th June 2020 had willingly gave up his remuneration for the rest of the FY 2020-21, hence the substantial increase in percentage.*

#During the year ended 31st March 2021, no commission which formed part of the remuneration was paid to the aforesaid Non-Executive Directors.

3. The percentage increase in the median remuneration of employees in the financial year: 28%
4. The number of permanent employees on the rolls of Company as on 31st March 2022: 1004 employees
5. For the FY 2021-22, the average annual increase in the remuneration of employees (excluding the remuneration of managerial personnel) was 5.82% and for the managerial remuneration was 8.79%.
6. The remuneration paid to the Directors, KMPs and other employees is as per the Nomination and Remuneration Policy of the Company.

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

Place: Mumbai
Date: 13th May 2022

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure D

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of 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 March 31, 2022 (**"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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 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 Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 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, Overseas Direct Investment and External Commercial Borrowing were not attracted to the Company during 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, 2015;
      c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
      d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
      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, 2013 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)

   I have also examined compliance with the applicable clauses of the following:
   (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015.
   (ii) The Listing Agreement entered into by the Company with BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015).

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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. Further 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, if any, 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 applicable general laws, rules, regulations and guidelines. The list of major head / groups of applicable general laws, rules, regulations and guidelines are mentioned in Annexure I, apart from these, as per Management, there are no other laws specifically applicable to the Company.

I further report that during the audit period, following specific events/actions which took place in the Company:

(i) The Company has incorporated a new wholly owned subsidiary company namely "Safari Manufacturing Limited" ("Subsidiary") on 9th November 2021. The Company along with its nominee shareholders holds 100% of Equity Share Capital of the said Company by subscribing to 50,00,000 Equity Shares of Rs. 10 each amounting to ₹ 5,00,00,000/-. The Company also holds 1,50,00,000 Redeemable Preference Shares of ₹ 10/- each amounting to ₹ 15,00,00,000/-. The said Subsidiary does not fall within the purview of definition of "Material Subsidiary" as mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ii) During the year under review, the Board of Directors in their meeting held on 8th February 2022 and Members of the Company vide Postal Ballot, results of which were declared on 15th March 2022, approved implementation of Safari Employees Stock Appreciation Rights Scheme, 2022 ('ESAR' / 'the ESAR Scheme'). The ESAR Scheme covers eligible employees of the Company and its wholly owned subsidiaries.

For **NINAD AWACHAT & ASSOCIATES**
Company Secretaries

Ninad Awachat
Proprietor
Membership No : 26995
C.P No : 9668

Date : 13th May 2022
Place : Mumbai
UDIN : A026995D000318748

Annexure I:

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure E
Form AOC-1

(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

(₹ in Lakh)

Sr. No.	1	2
Name of the Subsidiary	Safari Lifestyles Limited	Safari Manufacturing Limited
Date since the Company was acquired	30/10/2014	09/11/2021
Reporting period	01/04/2021 to 31/03/2022	09/11/2021 to 31/03/2022
Reporting currency	INR	INR
Share capital	5.00	2,000.00
Reserves and surplus	56.30	(50.13)
Total Assets	301.45	3,443.12
Total Liabilities	240.15	2,993.26
Investments	-	-
Turnover	58.91	-
Profit / (Loss) before taxation	(15.91)	(48.59)
Provision for taxation	(0.76)	2.69
Profit / (Loss) after taxation	(16.67)	(45.90)
Proposed Dividend	NIL	NIL
% of shareholding	100%	100%

1. Names of subsidiaries which are yet to commence operations: Safari Manufacturing Limited
2. 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.

For and on behalf of the board of Directors

SUDHIR JATIA
Chairman & Managing Director
(DIN : 00031969)

PUNKAJJ LATH
Director
(DIN : 00172371)

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

Place: Mumbai
Date: 13th May 2022

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure F

Statement on Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

(A) CONSERVATION OF ENERGY :

i. The steps taken or impact on conservation of energy:
   - Extruder Machines: Two Barrels (Main and Sub) Hot fumes suction / removal process was done with two numbers of pumps installed in machine, which is now being done by one pump with necessary changes made in system installation. This stoppage of one pump has given significant saving in power consumption of Extruder.
   - Air Compressor: Existing Air Compressor is conventional type, installed variable frequency drive to reduce energy consumption.
   - Different process optimizations / process improvement has given significant energy units saving:
     - ➢ Auto-level controller for water for RO drinking water plant.
     - ➢ Usage of STP and RO waste water for gardening purpose in place of pumping system.
     - ➢ Installation of temperature controller in cooling tower (100TR) unit to stop idle running of Fan.

ii. The steps taken by the Company for utilizing alternate sources of energy: No such steps were taken during the year under review.

iii. Capital Investment on energy conservation equipment: No significant investments were made during the year under review.

(B) TECHNOLOGY ABSORPTION :

i. Efforts made towards technology absorption:
   - Two Stage Thermoforming Machines : We have replaced our three stage forming machines with two stage forming machines, by using two stage forming machines, we have reduced the sheet size and offcut generation, which has resulted in saving of electricity per luggage and increase in extruder capacity.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution :
   - Following value engineering projects resulted into major cost benefits:
     - ➢ Alternate material for cost saving: Logos in PVC material are replaced with ABS material to reduce the cost without compromising the aesthetic value.
     - ➢ Developed local suppliers for lining used in interior, earlier it was imported from China.
     - ➢ Developed and launched new range of PP luggage as alternative to PC luggage benefited in lower raw material cost.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

iv. The expenditure incurred on Research and Development: Nil

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange used : ₹ 20,552.93 Lakh

Foreign exchange earned : ₹ 35.10 Lakh

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

Place: Mumbai
Date: 13th May 2022

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure G

MANAGEMENT DISCUSSION AND ANALYSIS

A. Industry Structure and Developments:

While during the first quarter of the year, the market witnessed a decline in demand due to the second wave of the COVID 19 pandemic, the bounce back in demand has been strong and sustained especially for the organised sector. The supply disruptions across the globe and high ocean freight rates have made the avenues of supply for unorganised players increasingly unviable, creating a supply gap in the market which is benefitting the organised sector.

With the pandemic largely under control in the latter part of the year, the travel industry is seeing an unprecedented boom with consumers looking to get out of their houses after long period of lock-downs. Marriage demand has also been strong led by the opening of the economy and easing of restrictions. For a large part of the year, the demand in the backpack segment remained muted due to limited opening of schools and offices, but there was a strong bounce back at the end of the year.

The E-commerce channel saw the strong demand throughout the year, as the pandemic has accelerated the jump in digital penetration as well as e-commerce adoption for higher ticket purchases. In Hyper channel, value retailers have shown strong growth, but the overall growth in the channel has been impacted due to poor participation in the market revival by one of the largest players in the sector. The General Trade segment also saw a strong revival in demand with the pandemic leading to consumer preference for walking into high-street stores rather than the enclosed environment of Malls and also due to the market vacuum created by store closures of a large Hyper market player. The demand in the Canteen Stores Department segment was stable during the second half of the year.

The overall long-term outlook for the sector remains very robust with a travel coming back in a big way, opening of schools and offices, and marriage demand seeing a strong upswing. Other structural factors driving industry growth continue to be in place such as accelerated shift in consumer preference away from unorganised labels to brands, increase in ownership of multiple bags and shortening replacement cycles.

Company Development:

The Company continued to grow ahead of the market and the Company offers a competitive and innovative range, catering to consumer needs in all significant product categories. In order to meet the rising demand for hard luggage, the Company is also setting up a new manufacturing plant through its wholly owned subsidiary in Halol, Gujarat for additional capacity for polypropylene zippered hard luggage.

The Company entered another product category with the launch of new luggage range under the Genie brand targeted at women consumers. Products designed specifically keeping the needs of women in mind, targets a large but unmet need within the luggage category. The Company has also started selling the Genie products through its brand website viz. https://genietravel.com/

With a strong focus on engaging younger consumers, the Company continued its efforts on building the Safari brand via strong advertising presence on digital platforms. To enhance its physical and mental brand availability, the Company added several retail stores in prestigious high footfall locations.

The Company has significantly enhanced its sourcing from manufacturing bases in India and Bangladesh reducing its dependence on Chinese imports. This shift has helped improve supply security as well as relative cost savings given the continued global supply chain disruptions.

The Company also started a new International Business division focussed on export of luggage and backpacks. In the initial phase, the focus of this division will be to expand business in geographies with large Indian diaspora taking advantage of the latent equity of the 'Safari' brand in this segment.

B. Opportunities and Threats:

While the consumer demand has come back strongly in the latter half of the year, the disruption in global supply chains has resulted in continued upwards pressure on raw material cost and sourcing costs. While to manage overall sourcing costs, the Company has significantly increased its procurement of soft luggage and backpack categories from domestic market and Bangladesh, the sourcing costs from these locations have also increase due to overall raw material inflation. The Company has taken multiple price increases for its products to mitigate increased input cost in the latter half of the year.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

With a large scale shift away from China sourcing to India and Bangladesh, the available production capacity for the industry continues to fall short compared to the market demand. The Company has been actively investing both in expanding owned production capacity for hard luggage, and in helping vendors expand their facilities for soft luggage and backpack production.

While the COVID 19 pandemic has receded, there continues to be significant cost and supply side uncertainty. To continue to outperform the market and sustain profitable growth is the most important medium-term challenge. The Company's linear structure facilitates faster and better decision making which allows the Company to grab opportunities in time.

C. Segment/Product-wise Performance:

The luggage category had a huge demand boost throughout the year with the exception of the first quarter. The trend of rising consumer preference for zippered hard luggage category continued as it is perceived to be more premium and durable. This trend was also accelerated by relatively higher availability and lower pricing for zippered hard luggage compared to soft luggage. The Company continued to invest in zippered hard luggage by continuing to expand its range of polycarbonate zippered cases as well as launch of polypropylene zippered cases.

Due to supply gaps from smaller unorganised players and a sharp uptick in marriages, the demand for the soft luggage was also robust and is expected to remain strong. While the backpack category declined during the year, the phased opening up of schools, colleges as well as office from fourth quarter is expected to drive a sharp bounce back in this segment.

D. Outlook:

The Company has emerged stronger post the pandemic and will continue to build on this momentum with focus on specific channels and categories that are showing faster market growth.

Given an accelerated consumer trend towards zippered hard luggage, the Company is expanding its production capacity in its existing production facility and also setting up a new manufacturing plant through its wholly owned subsidiary to manufacture polypropylene zippered case.

The Company has also made significant investments in modernising and improving its warehousing capability. The Company continues reaping benefits of implementing SAP system which has a positive impact on operations and value chain. These improvements will help the Company in reducing costs and making its supply chain leaner and more responsive to the changing market.

The upward movement in raw material and sourcing costs as well as adverse currency exchange rates have kept margins under pressure throughout the year. To manage this, apart from the shift in sourcing the Company has taken multiple price increases in the latter half of the year and will continue to work towards further improving price realisation through product mix improvement.

While there continue to be some uncertainties, the overall growth drivers are well in place for the Company to continue on a high growth trajectory with improving profitability.

E. Risks and Concerns:

The Company is exposed to various risks and uncertainties which may adversely impact its performance. The Company's future growth prospects and cash flow generation could be materially impacted by any of these risks or opportunities. The major risks as identified by the Company are demand-risks due to any resurgence in the COVID 19 pandemic, currency risk associated with imports, unfair competition, etc.

The Company follows the Enterprise Risk Management (ERM) framework to manage and mitigate such risks which is primarily based on the integrated framework for enterprise risk management and internal controls developed by the Company.

F Internal Control Systems and their adequacy:

M/s. Moore Singhi Advisors LLP were appointed as the Internal Auditors of the Company to review internal controls periodically with specific reference to evaluation of the current business processes, identify gaps, inefficiencies, process exceptions and suggest action plans, verify adherence to risk mitigation plans, to review sourcing and supply chain management, plant operations and effectiveness, sales planning and distribution channels, branches of the Company, warehouse and retail operations, to provide assurance regarding various compliances by assessing the reliability of financial controls and IT controls and compliance with applicable laws and regulations. The Company has a regular check on expenses

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

including capital expenditure. The Company has documented policies and SOPs with regards to all major activities. The Internal Auditors submit their reports to the Audit Committee quarterly. The management considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the Audit Committee of the Company. Significant policies with changes during the year, if any, have been disclosed in the notes to the financial statements.

G Financial Performance with respect to operational performance:

Sales:

The Total Income of the Company for the year ended 31st March 2022 was at ₹ 71,383.33 Lakh (previous year ₹ 33,130.12 Lakh).

Expenditure:

The Total Expenses of the Company for the year ended 31st March 2022 was at ₹ 67,478.33 Lakh (previous year ₹ 36,011.47 Lakh).

Profit:

Profit after Tax for the year under review amounted to ₹ 2,300.52 Lakh (Previous Year loss ₹ 2,085.61 Lakh).

H Material Developments in Human Resources / Industrial Relations front, including number of people employed:

The Company has in place ESOP Scheme and ESAR Scheme to retain and attract skilled and experienced personnel. During the year, the Company faced challenges in retaining and attracting required talent in various functions. Also based on well-defined training process, the Company identified the needs of training and required training was imparted to employees to improve their efficiencies and capabilities.

During the year, Industrial Relations remained cordial.

The employee strength as on 31st March 2022 was 1004.

I Financial ratios:

Sr. No.	Particulars*	FY 2021-22	FY 2020-21
i.	Debtors Turnover (days)	**53**	133
ii.	Inventory Turnover (days)	**67**	152
iii.	Interest Coverage Ratio	**7.15**	-3.98
iv.	Current Ratio	**2.61**	3.01
v.	Debt Equity Ratio	**0.04**	0.03
vi.	Operating Profit Margin (%)	**4.91%**	-7.02%
vii.	Net Profit Margin (%)	**3.26%**	-6.36%

** Profits earned in current year as a result of higher operations as compared to previous year in which the Company incurred losses due to lower level of operations impacted by COVID 19.*

J Return on Net Worth:

Financial Year	FY 2021-22	FY 2020-21
Return on net worth (%)*	**7.94%**	-8.21%

** Profits earned in current year as a result of higher operations as compared to previous year in which the Company incurred losses due to lower level of operations impacted by COVID 19.*

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

Place: Mumbai
Date: 13th May 2022

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure H

Report on CSR Activities of the Company as per Companies (Corporate Social Responsibility Policy) Rules, 2014

1. Brief outline on CSR Policy of the Company:

   The CSR Policy adopted by the Company includes all the activities which are prescribed under Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

2. The Composition of the CSR Committee:

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sudhir Jatia	Chairman / Managing Director	3	3
2	Mrs. Vijaya Sampath	Member / Non-executive Independent Director	3	2
3	Mr. Piyush Goenka	Member / Non-executive Non- Independent Director	3	3
4	Mr. Gaurav Sharma*	Member / Non-executive Non- Independent Director	2	1

* *Mr. Gaurav Sharma was appointed as the Member of the Committee w.e.f. 14th May 2021.*

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

   The CSR Committee composition : https://www.safaribags.com/page/about-us

   The CSR Policy : https://safaribags.com/page/investor-relations/corporate-social-responsibility

   CSR Projects : https://safaribags.com/page/investor-relations/corporate-social-responsibility

4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):Not applicable
5. Details of the amount available for set off in pursuance of Sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil
6. Average net profit of the Company as per Section 135(5): ₹ 1,766.82 Lakh
7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 35.34 Lakh

   (b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 35.34 Lakh

8. (a) CSR amount spent or unspent for the financial year: **(₹ in Lakh)**

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
35.78	Nil	–	–	Nil	–

   (b) Details of CSR amount spent against ongoing projects for the financial year: None

   (c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Amount spent for the Project (₹ In Lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District			Name	CSR Regn. number
1	Provide food to the people who are in need of them.	Eradicating hunger poverty and malnutrition	Yes	Maharashtra	Mumbai	10.00	No	Annam	CSR00007441

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Sr No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Amount spent for the Project (₹ In Lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District			Name	CSR Regn. number
2	Initiating JEE Coaching Program aimed at supporting grade 11 and 12 students from 1 Jawahar Navodaya Vidyalaya in the JNV Palghar, Maharashtra.	Promoting education, including special education and employment enhancing vocation skills especially for children.	No	Maharashtra	Palghar	15.00	No	Avanti Fellows	CSR00000837
3	Assistance by way of donation for hostel building redevelopment of Vidya Vinay Sabha Gurukul, Lonavala.	Promoting education, including special education and employment enhancing vocation skills especially for children	No	Maharashtra	Lonavala	10.00	No	Rotary Club of Mumbai Western Elite Charitable Trust	CSR00004275
4	Providing basic infrastructure facility such as office tables, computer tables, chairs etc. to set up a Covid-19 RTPCR test laboratory to Government Hospital, Halol	Promoting health care including preventive health care	Yes	Gujarat	Halol	0.78	Yes	--	--

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 35.78 Lakh

(g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (₹ In Lakh)
(i)	Two percent of average net profit of the Company as per Section 135(5)	35.34
(ii)	Total amount spent for the financial year	35.78
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.44
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.44

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year(asset-wise details) : Not applicable
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not applicable

Responsibility Statement: We hereby confirm that the CSR Policy as approved by the Board has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with the CSR objectives.

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

Place: Mumbai
Date: 13th May 2022

SUDHIR JATIA
Chairman & Managing Director
and Chairman of CSR Committee
DIN: 00031969

The following are the areas of emphasis for CSR activities under the CSR Policy:

a) Providing facilities to communities and other sections of the society located near to the Company's Plant - Halol - Gujarat in the form of primary health care support and sanitation, promoting education especially among children, women, senior citizen;
b) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
c) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
d) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
e) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
f) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
g) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
h) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
i) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) any other fund set up by the Central Government for socio economic development and relief and welfare of the scheduled castes, tribes, other backward classes, minorities and women;
j) (1) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
   (2) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
k) Rural development projects;
l) Slum Area Development;
m) Disaster management, including relief, rehabilitation and reconstruction activities.
n) Such other activity as the Board may consider appropriate which is in line with Schedule VII of the Companies Act, 2013 as amended from time to time.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure I

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors hereby present the "Business Responsibility Report" of the Company for the Financial Year 2021-22.

The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN)	L25200MH1980PLC022812
2	Name of the Company	Safari Industries (India) Limited
3	Registered office address	302-303, A wing, The Qube, CTS No.1498, M.V. Road, Marol, Andheri (East), Mumbai 400059
4	Website	www.safaribags.com
5	E-mail ID	investor@safari.in
6	Financial Year reported	1st April 2021 to 31st March 2022
7	Sectors that the Company is engaged in (Industrial activity code wise)	Hard Luggage - 22205 Soft Luggage - 15121
8	List three key products the Company manufactures/provides (as in Balance Sheet)	1. Hard Luggage Case; 2. Soft Luggage Case; and 3. Backpacks
9	Total number of locations where business activity is undertaken by the Company: a) Number of International Locations (Provide details of major 5) b) Number of National Locations	Following are details pertaining to presence of the Company and activities, operations undertaken by it at national and international level: a) The Company has Representative office at China. b) The Registered Office of the Company is situated in Mumbai, Maharashtra. The Company has presence across India in 17 states and has plant/factory located at Halol, Gujarat.
10	Markets served by the Company	1. Local - ✓ 2. State - ✓ 3. National - ✓ 4. International - ✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON 31ST MARCH 2022

1	Paid up capital (INR)	As on 31st March 2022, the Paid up Capital of the Company stood at ₹ 4,47,79,000/- consisting of 2,23,89,500 equity shares of ₹ 2/- each.
2	Total turnover (INR)	₹ 70,544.09 Lakh
3	Total profit/(loss) after taxes (INR)	₹ 2,300.52 Lakh
4	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax	Please refer **Annexure H** to Director's Report for details on CSR initiatives undertaken by the Company.
5	List of activities in which expenditure in 4 above has been incurred	Please refer **Annexure H** to Director's Report for details on CSR initiatives undertaken by the Company.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has two wholly owned subsidiaries as follows: a) Safari Lifestyles Limited; b) Safari Manufacturing Limited.
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the Parent Company? If yes, then indicate the number of such subsidiary Companies	At present, the subsidiary companies are not engaged in BR initiatives of the Company considering the size and scale of operations at which the wholly owned subsidiaries operate.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No other entity with whom the Company does business with viz. suppliers, distributors etc. participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director responsible for BR

a) Details of the Director/Director(s) responsible for implementation of the BR policy/policies:

1	DIN	00031969
2	Name	Mr. Sudhir Jatia
3	Designation	Chairman & Managing Director

b) Details of the BR Head

1	DIN	00031969
2	Name	Mr. Sudhir Jatia
3	Designation	Chairman & Managing Director
4	Telephone No	022-4038 1888
5	Email ID	investor@safari.in

2. Principle-wise (as per NVGs) BR Policy/Policies:

The NVG released by the Ministry of Corporate Affairs are based on nine principles in the realm of Business Responsibility. These are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

a) Details of compliance (Reply in Y/N)

Sr	Questions	Principles (as defined under Section E)								
		P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1	Do you have a Policy/Policies for the Principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the Policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the Policy conform to any National/ International standards?	Yes, all formulated policies are in line with standard business practices followed and meet regulatory requirements as per industry benchmarks.								
4	Has the Policy been approved by the Board? If yes has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Yes, policies mandated under the Companies Act, 2013 ('The Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') are approved by the Board and circulated amongst relevant stakeholders. Other policies are approved by the Chairman and Managing Director/functional heads of the Company as deemed appropriate from time to time.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the Policy?	The Company has a well-established internal governance structure to ensure implementation of various Policies. The Company periodically reviews the implementation of Policies through our internal audit, risk management process with established practices which is placed before the Audit Committee and/or Board.								
6	Indicate the link for the Policy to be viewed online?	1. The mandatory Policies are available at following URL:- https://www.safaribags.com/page/investor-relations/policies 2. All other Policies which are of internal nature are available on the Human Resource ('HR') Portal of the Company.								
7	Has the Policy been formally communicated to all relevant internal and external stakeholders?	Yes, the Policies formulated are communicated to all concerned stakeholders i.e. internal as well as external. It has been the Company's practice to have the relevant Policies either uploaded on the HR portal for information/ implementation by the concerned stakeholders or communicated through email. Mandatory Policies are available on the Company's website www.safaribags.com. Wherever required, the Polices are also communicated to external stakeholders and/or made available on the Company's website.								
8	Does the Company have in-house structure to implement the Policy/ Policies	Yes, the Company ensures effective implementation of the formulated Policies through well defined roles and responsibilities.								
9	Does the Company have a grievance redressal mechanism related to the Policy/ Policies to address stakeholders' grievances related to the Policy/Policies?	Yes, each of the Policies formulated by the Company has an in-built grievance redressal mechanism.								
10	Has the Company carried out independent audit/ evaluation of the working of this Policy by an internal or external agency?	Internal/ External audits have been carried out for the Policies, as applicable.								

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not applicable

3. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:	The Policies and their implementation along with performance of the Company is monitored and reviewed by the Board of Directors annually.
2	Does the Company publish a BR or a Sustainability Report? How frequently is it published? What is the hyperlink for viewing this report?	Yes, pursuant to applicable framework, the Company publishes its Business Responsibility Report on an annual basis. The Business Responsibility Report for Financial Year 2021-22 and for previous years are available for public viewing at following URL: https://www.safaribags.com/page/investor-relations/annual-reports

SECTION-E : PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with ethics, transparency and accountability.

1	Does the Policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?	Yes, the Company has well formulated Code of Conduct in place which governs the way in which the directors, senior officials and all levels of employees of the Company should conduct themselves in corporate atmosphere. The Code, being ethical roadmap, is applicable at Company level and binds Company's abroad offices as well. The framework has been set up for the Company and its associates covers dealings with suppliers, customers, business partners and other stakeholders.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	No complaint has been received by the Company from stakeholders during the Financial Year 2021-22.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Principle 2 - Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	• Daypacks - these are smaller versions of backpacks useful for daily usage. Given their smaller size and less complex design they use far less fabric and other materials; • Reduction in the usage of colour master-batch in the Company's hard luggage manufacturing through better technology, to minimize its environmental impact; • Increase in Luggage sales in 3 piece and 2 piece nested sets to minimize the transportation impact on the environment.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	The Company constantly works towards reduction and optional utilization of energy, water, raw material, logistics, etc. by incorporating new techniques and innovative ideas.
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company endeavors on protection of environment, stake holders interest and cost effectiveness while procuring any raw material or goods. The main raw materials like polypropylene and polycarbonate are mainly procured from manufacturers/producers who are well reputed keeping in mind the need for quality and consistency. During the manufacturing process of luggage, most of the waste plastic raw material is reprocessed, which in turn reduces environmental impact. Adequate steps are taken for safety during transportation and optimization of logistics which in turn help to mitigate the impact on climate.
4	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes, the Company has taken various steps to procure goods and services from local and small producers, including communities surrounding the place of work of the Company at Halol Plant. The Company provides regular inputs and technical assistance in the form of imparting knowledge, training and process skills in order to upgrade their capacity and capabilities to maintain the quality and the Company also organizes training sessions to improve capacity and capability of local and small vendors. The Company is committed to grow small and medium scale entrepreneur based companies /partnership firms / LLPs who qualify parameters of our quality control department in line with ethics of the Company.
5	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Yes, the Company manufactures plastic luggage. The plastics used are polypropylene and polycarbonate. Most of the waste plastic raw material used by the plant is reprocessed which in turn reduces environmental impact.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Principle 3 - Businesses should promote well-being of all employees.

1	Total number of employees	The Company, as on 31st March 2022 had 1,004 Employees on its payroll.
2	Total number of employees hired on temporary/ contractual/casual basis	2,132
3	Number of permanent women employees	54
4	Number of permanent employees with disabilities	1
5	Do you have an employee association that is recognized by management	Yes
6	Percentage of permanent employees that are members of this recognized employee association	8%
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	

No.	Category	No. of Complaints filed during the Financial Year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8	Percentage of mentioned employees who were given safety and skill up-gradation training in the last Financial year	a) Permanent employees: 17% b) Permanent Women Employees: 2% c) Casual/Temporary/Contractual employees/ Apprentices : 22% d) Employees with disabilities: 100%

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1	Has the Company mapped its internal and external stakeholders? Yes/No	Yes, the Company has through its extensive operations mapped its internal and external major/key stakeholders viz. shareholders, Central and State Governments/ regulatory authorities, customers, employees, vendors, suppliers, media, financial institutions/banks, service providers, society at large.
2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders	Yes, the Company acknowledges the important role played by the society in its growth and development and strives to discharge its responsibility towards the society at large. The Company has identified disadvantaged, vulnerable and marginalized stakeholders belonging to the society and has meticulously included their welfare in its CSR initiative.
3	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide the details thereof, in about 50 words or so.	The Company's management believes that the society being its majority stakeholder, is entitled to certain welfare oriented enrichments. Keeping the same in mind, the Company has made efforts by contributing funds for eradicating extreme hunger and poverty, promoting health care including preventive health care, promoting education, including special education and employment enhancing vocation skills especially among children, women etc.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Principle 5 - Businesses should respect and promote human rights.

1	Does the Policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?	The Company firmly believes in upholding and promoting human rights. It adheres to all statutes which embodies the principles of human rights such as prevention of child labour and women empowerment. The HR Policy strives at the employees having a humane approach when dealing with internal and external stakeholders and includes values relating to respecting human rights and women empowerment. The Policy extends to its consultants and others who represent or act on behalf of the Company. The Company is committed towards respect and protection of humans and their rights.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint has been received by the Company from stakeholders during the Financial Year 2021-22.

Principle 6 - Businesses should respect, protect and make efforts to restore the environment.

1	Does the Policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others.	The Company places significant emphasis on environmental protection and ecological sustainability while conducting its economic activities. The Company makes efforts towards usage of sustainable energy which is derived from resources that can maintain current operations without jeopardizing the energy needs or climate of future generations. The Company covers above aspects through well-defined Environment, Health and Safety Policy.
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, being an environment conscious organization, the Company is keen on energy conservation.Accordingly, the Company places emphasis on usage of energy efficient technology and equipment. The Company also mitigates the potential environmental damaging practices by adopting environment friendly and sustainable business practices.
3	Does the Company identify and assess potential environmental risks? Y/N	Yes, the Company on regular intervals identifies such factors as and when need arises.
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Yes, a) The Company continues to maintain and operate a 40 KWD New Sewage Treatment Plant for re-utilization of waste water. b) The Polycarbonate Scrap material is reprocessed and used as raw material to marginally reduce solid wastes.
5	Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, the Company has aligned its working culture at plant level to optimize utilization of renewable resources which essentially results in lowered usage of non-renewable energy thereby reducing costs and demand for the same. These initiatives are taken on daily operational level, same is not available on webpage for public viewing.
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The Company does not exert any harmful emissions and waste which is generated by Company is within the limits as prescribed by SPCB for the Financial Year 2021-22 and all wastes generated by the Company are re-usable and recyclable.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	The Company has not received any such notice during the Financial Year 2021-22.

Principle 7 - Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner.

1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, the Company is member of following chambers Associations: a) IMC Chamber of Commerce and Industry; b) Association for Development of Luggage and Accessories; c) Federation of Gujarat Industries.
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, the Company works very closely with leading Industry Associations and Chambers at National, State and Local levels to advocate and pursue various causes that are in larger interests of industry, economy, society and the public. These have been in areas of economic reforms.

Principle 8 - Businesses should support inclusive growth and equitable development.

1	Does the Company have specified programmes/ initiatives/projects in pursuit of the Policy related to Principle 8? If yes, details thereof.	Yes, the Company placed immense emphasis on responsible business practice coupled with aim of attaining well-being of community. The major areas under purview of Company's CSR activities are poverty eradication, imparting education and promoting health care, which constitute the Human Development Index - a quality of life indicator.The details of the CSR projects / activities undertaken by the Company are described in '**Annexure - H**' of Directors' Report. The Company believes in the inclusive growth of internal and external stakeholders and accordingly has taken bird's - eye view while framing its policies and business practices which will ensure equitable development of stakeholders.
2	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	The Company partners with third parties / agencies such as NGOs and other authorized organizations to implement its CSR interventions in the thematic areas of health, education, livelihoods and ethnicity.
3	Have you done any impact assessment of your initiative?	Yes, the CSR Committee on regular basis discusses and reviews the impact of Company's CSR initiatives.
4	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	The Company, during the Financial Year 2021-22 has spent ₹ 35,78,000/- (Rupees Thirty Five Lakh Seventy Eight Thousand). The brief details of the same are provided in **Annexure H** of Directors' Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	In accordance with Company's CSR Policy, the Company's management internally reviews and discusses the proposal which carries more significance with respect to protection of environment, human life and overall welfare of the society is adopted and implemented. Upon receipt of CSR proposals, they are put up before the CSR Committee for its consideration and recommendation of the Board. The Board considers the same in detail before the approval.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	Customer satisfaction is of utmost importance for the Company. The Company receives customer complaints which are appropriately redressed. At the end of the financial year under review there was negligible percentage of unresolved complaints.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)	Yes, the Company observes the local and central laws in this regards and displays necessary and relevant information on the product label.
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	There have been no such cases filed against the Company during preceding five years and which are pending as on 31st March 2022.
4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Yes, the Company conducts consumer surveys and consumer trend mapping exercises on a periodic basis to develop a strong understanding of consumer behavior. This is used as an input into developing product innovations as well as brand communication.

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

Place: Mumbai
Date: 13th May 2022

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of StandaloneFinancial Statements

Opinion

We have audited the accompanying standalone financial statements of **Safari Industries (India) Limited** ("the Company"), which comprises of Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act)in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022,its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Auditor's response
1.	**Inventory - valuation** As at March 31, 2022, the Company held inventories of ₹ 14,607.16 lakhs. [Also, refer Note no. 11 of the standalone financial statements] Inventories valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). Future selling prices are dependent on market conditions, which can be difficult to predict due to COVID 19.	**Audit procedures performed:** We have performed following alternative audit procedures over inventory valuations: (a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the inventory valuation is in accordance with applicable accounting standard and verification of net realizable value.

INDEPENDENT AUDITORS' REPORT

Sr. No.	Key Audit Matters	Auditor's response
	There is an element of judgement relating to provisions which are based on historical evidence and the current economic conditions. The changing trends and economic environment require judgements in respect of provisions to be reassessed at each reporting date. In view of the above, the matter has been determined to be a key audit matter.	(b) We considered the inventory provision for obsolescence and items to be sold at less than cost through evaluating: • historical inventory and sales data; • management's latest forecasts; and • selling prices realised subsequent to the year end. (c) Performing substantive analytical procedures to test the correctness of inventory valuation. The procedures performed gave us a sufficient evidence to conclude about the inventory valuation.
2.	**Trade receivables-collectability and certainty** As at March 31, 2022, the Company held trade receivables of ₹ 11,488.37 lakhs. [Also, refer Note no. 12 of the standalone financial statements] Trade receivables collectability and certainty was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). As explained by the Management, due to COVID 19 related restrictions on account of nationwide lockdown, resulted in non-receipt of most of the direct confirmations from the customers and reconciliations whereof with the books of account of the Company. In view of the above, the matter has been determined to be a key audit matter.	**Audit procedures performed:** We have performed following alternative audit procedures over trade receivables : (a) Performing procedures to ensure that the changes in trade receivables between the last confirmation receipt and date of the Balance sheet are properly recorded (Roll forward procedures) (b) Performing substantive analytical procedures to test the correctness of receivables valuation (c) Testing of accuracy of trade receivables reconciliations with the general ledgers during the year, including test of reconciling items (d) We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management. The procedures performed gave us a sufficient evidence to conclude about the collectability and certainty of trade receivables.

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothingto report in this regard.

Management responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance

INDEPENDENT AUDITORS' REPORT

with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalonefinancial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

We draw your attention to the Note 31 (D) to the standalone financial statements regarding the assessment made by the management relating to impact of COVID-19 pandemic on the operations of the Company.

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
   (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are inagreement 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 Companies (Indian Accounting Standards) Rules, 2015.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
   (h) With respect to the matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial performance in its standalone financial statements. [Refer note no35to standalone financial statements]
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

INDEPENDENT AUDITORS' REPORT

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.(Refer Note no.46 (v) & (vi) to the standalone financial statements)

v. As stated in Note 32 (b) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)

Mumbai
Date : 13th May 2022

R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **22044101AIXNIQ9109**

ANNEXURE A

Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Safari Industries (India) Limitedfor the year ended 31st March, 2022:

i. a. In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets:

A. The Company has maintained proper records, showing full particularsincluding quantitative details and situation of PPE and relevant details of right-to-use assets.

B. The Company has maintained proper records, showing full particulars including quantitative details of intangible assets.

b. As explained to us and on the basis of the our examination of the records of the Company, the Company has a phased program for physical verification of all the PPE over a period of three years. In our opinion, the frequency of verification is reasonable considering the size of the Company and nature of its PPE. Pursuant to the program of the physical verification of PPE, physical verification of certain PPE has been carried out during the year and no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the standalone financial statements included under PPE are held in the name of the Company

d. The Company has not revalued any of its PPE (including right- of-use assets) and intangible assets during the year. Hence reporting under Clause 3(i)(d) of the Order is not applicable to the Company.

e. According to the information and explanations given to us, and on the basis of our examination of the books and records of the Company, neither any proceedings have been initiated during the year nor are pending as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made there under and hence, reporting under Clause 3(i)(e) of the Order is not applicable to the Company. (Refer Note no. 46 (i) to the standalone financial statements)

ii. (a) The inventories have been physically verified by the management at reasonable intervals during the year, except for goods in transit. The coverage and procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of it's business. Goods in transit have been verified by way of subsequent receipt/confirmations. As per the information and explanations given to us and on the basis of examination of records of the Company, no discrepancies of 10% or more in the aggregate for each class of inventory was noticed on physical verification of inventories as compared to book records.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. According to the information and explanations given to us, and on the basis of our examination of the books and records of the Company,the quarterly returns or statements comprising stock and book debt statements, filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters. The Company has not been sanctioned any working capital facility from financial institutions.(Refer Note no. 46 (ix) to the standalone financial statements)

iii. (a) The Company has made investments and granted loans or advances in the nature of loans, unsecured and the details of which are given below:

(₹ in lakhs)

Particulars	Investments	Loans	Guarantees
Aggregate amount granted/ provided during the year -Whollyowned subsidiary	2,000	1,183.37	-
Balance outstanding as at balance sheet date in respect of above cases: -Wholly owned subsidiary	2,000	1,183.37	-

Refer note no. 8, 37 and 38 to the standalone financial statements

(b) We are of the opinion that the terms and conditions of the above mentioned loans granted are, prima facie, not prejudicial to the interest of the Company.

(c) The Company has granted interest bearing loans aggregating ₹ 1,183.37 lakhs to a wholly owned subsidiary which is payable on demand. The Company has not demanded any repayment during the year. Having regard to the same, in our opinion, the repayments of principal amounts and interest receipts are regular. There are no advances in the nature of loan.

(Refer note no. 8, 37 and 38 to the standalone financial statements)

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loan granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) There is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

(f) The Company has granted interest bearing loan to wholly owned subsidiary which is repayable on demand and details are as follows:

Particulars	₹ in lakhs
Aggregate amount of loans granted during the year*	1,183.37
Percentage of loans granted to the total loans granted during the year	100%

* *Balance outstanding as at the year end is ₹1,183.37lakhs*

iv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 185 and186 of the Act, with respect to the investments made and loan given during the year. The Company has not provided any guarantees and security during the year.

v. According to the information and explanations given to usand on the basis of examination of records, no deposits or amounts which are deemed to be deposits have been accepted by the Company within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under sub section 1 of Section 148 of the Act in respect of company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, custom duty, duty of excise, value added tax, cess and other statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues mentioned in Clause vii (a) which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of the dues	₹ in lakhs	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh Value Added Tax, 2008	Value Added Tax	2.36	2014-15	Commercial Tax Dept. Uttar Pradesh
Bihar Value Added Tax Act, 2005	Value Added Tax	4.49	2013-14	Commissioner appeal, Bihar
Telangana Commercial Taxes	CST	1.20	2006-07 to 2014-15	

viii. According to the information and explanations given to us and based on our examination of records of the Company, there were no amounts to be recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not defaulted in the repayment of loan or other borrowings or in the payment of interest thereon to any lender.

(b) On the basis of information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year and hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the standalone financial statements, in our opinion, the Company has not utilized funds raised on short term basis for long term purposes.

(e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, the provisions of Clause 3(ix)(e) of the Order is not applicable to the Company.

(f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiaries. Accordingly, the provisions of Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence, reporting under Clause 3(x) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year or in the recent past and hence, reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.

(b) Since no fraud by the Company or any fraud on the Company has been noticed or reported during the year, reporting under Clause 3 (xi)(b) is not applicable to the Company.

(c) Based on our audit procedures performed and according to the information and explanations given to us, during the year, no whistle blower complaint was received by the Company and hence, reporting under Clause 3(xi)(c) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence, reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable accounting standard. Refer note. 37 to the standalone financial statements.

xiv. (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company's internal audit system is commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to usand based on our examination of the records of the Company, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under Clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(b) As per the information and explanations given to us and as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there are no Core Investment companies forming part of the promoter group.

xvii. The Company has not incurred any cash losses during the current financial year. However, Company has incurred cash losses of ₹ 43.32 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year. Hence reporting under Clause 3(xvi)(d) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalonefinancial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with the second proviso to sub-section (5) of Section 135 of the said act. Accordingly, reporting under paragraph 3(xx) of the Order are not applicable to the Company.

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)

Mumbai
Date : 13th May 2022

R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **22044101AIXNIQ9109**

ANNEXURE B

Annexure "B" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Safari Industries (India) Limited for the year ended 31st March, 2022:

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

We have audited the internal financial controls over financial reporting of the **Safari Industries (India) Limited** ("the Company") as of March 31, 2022in conjunction with our audit of the standalone financialstatements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the standalone financial statements (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the entity from time to time.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)

Mumbai
Date : 13th May 2022

R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **22044101AIXNIQ9109**

STANDALONE FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH 2022

₹ in lakhs

	Note no.	As at 31st March 2022	As at 31st March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	**4,154.51**	3,721.34
Right-of-use asset	5	**4,010.72**	2,897.58
Capital work-in-progress	6	**-**	6.62
Intangible assets	4	**47.84**	53.00
Financial assets			
Investments	7	**2,005.00**	5.00
Other financial assets	9	**450.52**	3,388.72
Deferred tax assets (net)	29	**681.91**	1,091.48
Income tax assets (net)		**289.15**	282.07
Other non-current assets	10	**42.47**	218.15
Total non-current assets		**11,682.12**	11,663.96
Current assets			
Inventories	11	**14,607.16**	11,397.82
Financial assets			
Trade receivables	12	**11,488.37**	9,060.15
Cash and cash equivalents	13	**3,908.52**	422.79
Other bank balances	14	**2,009.08**	6,019.24
Loans	8	**1,183.37**	-
Other financial assets	9	**262.99**	105.49
Other current assets	10	**1,219.85**	946.92
Total current assets		**34,679.34**	27,952.41
Total assets		**46,361.46**	39,616.37
Equity and liabilities			
Equity			
Equity share capital	15	**447.79**	447.73
Other equity	16	**29,660.05**	27,378.36
Total equity		**30,107.84**	27,826.09
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	**9.34**	230.20
Lease liabilities	5	**2,959.91**	2,256.99
Provisions	18	**-**	22.04
Total non-current liabilities		**2,969.25**	2,509.23
Current liabilities			
Financial liabilities			
Borrowings	17	**1,093.06**	738.39
Trade payables	19		
Total outstanding dues of micro, small and medium enterprises		**2,523.25**	1,739.46
Total outstanding dues of creditors other than micro, small and medium enterprises		**7,781.10**	5,342.85
Lease liabilities	5	**1,292.37**	859.18
Other financial liabilities	20	**46.35**	120.43
Other current liabilities	21	**364.15**	280.21
Provisions	18	**184.09**	200.53
Total current liabilities		**13,284.37**	9,281.05
Total equity and liabilities		**46,361.46**	39,616.37

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)
Mumbai, Date: 13th May 2022

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

₹ in lakhs

	Note no.	Year Ended 31st March 2022	Year Ended 31st March 2021
Income			
Revenue from operations	22	**70,544.09**	32,797.55
Other income	23	**839.24**	332.57
Total income		**71,383.33**	33,130.12
Expenses			
Cost of materials consumed	24	**17,914.92**	5,661.71
Purchases of stock-in-trade		**29,182.10**	8,734.31
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	**(2,613.02)**	4,671.74
Employee benefits expense	26	**6,746.36**	5,987.26
Finance costs	27	**483.90**	578.61
Depreciation and amortisation expense	3,4,5	**1,944.80**	2,042.37
Other expenses	28	**13,819.27**	8,335.47
Total expenses		**67,478.33**	36,011.47
Profit / (Loss) before exceptional items and tax		**3,905.00**	(2,881.35)
Exceptional items	45	**(928.02)**	-
Profit / (Loss) before tax		**2,976.98**	(2,881.35)
Tax expense			
Current tax	29	**266.09**	-
Deferred tax	29	**407.18**	(691.79)
Tax for earlier years	29	**3.19**	(103.95)
Total tax expense		**676.46**	(795.74)
Profit / (Loss) for the year		**2,300.52**	(2,085.61)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	33	**(60.86)**	(155.76)
Tax relating to these items	29	**13.49**	39.53
Total other comprehensive income		**(47.37)**	(116.23)
Total comprehensive income comprising Profit / (Loss) and other comprehensive income for the year		**2,253.15**	(2,201.84)
Earnings per equity share	34		
Basic earnings per equity share (in ₹)		**10.27**	(9.32)
Diluted earnings per equity share (in ₹) (Face value of ₹ 2 each)		**9.81**	(9.32)

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)
Mumbai, Date: 13th May 2022

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

₹ in lakhs

Equity share capital :	Balance as at 1st April 2020	Changes in equity share capital during the year 2020-21	Balance as at 31st March 2021	Changes in equity share capital during the year 2021-22	Balance as at 31st March 2022
Paid-up capital *(refer note 15)*	447.28	0.45	447.73	0.06	447.79

Other equity :	**Reserves and surplus**					**Items of other comprehensive income**	**Equity Component of Compound Financial Intrument**	**Total**
Particulars	**Capital reserve**	**Securities premium**	**General reserve**	**Equity-settled share-based payment reserve**	**Retained earnings**	**Remeasurement of defined benefit plan**	**Compulsorily Convertible Debentures *(Refer Note 15(d))***	
Balance as at 1st April 2020	**11.18**	**12,213.79**	**618.80**	**52.35**	**9,806.98**	**(165.55)**	**-**	**22,537.55**
Loss for the year	-	-	-	-	(2,085.61)	-	-	(2,085.61)
Other comprehensive income for the year	-	-	-	-	-	(116.23)	-	(116.23)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**(2,085.61)**	**(116.23)**	**-**	**(2,201.84)**
On shares issued on ESOP	-	52.20	-	-	-	-	-	52.20
Transfer from equity-settled share-based payment reserve (on options exercised)	-	42.78	-	(42.78)	-	-	-	-
Transfer from equity-settled share-based payment reserve (on options lapsed)	-	-	-	(8.91)	8.91	-	-	-
On issue of 6% compulsorily convertible debentures *(refer note 15(d))*	-	-	-	-	-	-	6,804.06	6,804.06
Effect on account of deferred tax on issue expense and interest on compulsorily convertible debentures *(refer note 29(d))*	-	-	-	-	173.89	-	-	173.89
Transfer from statement of profit and loss	-	-	-	12.50	-	-	-	12.50
Balance as at 31st March 2021	**11.18**	**12,308.77**	**618.80**	**13.16**	**7,904.17**	**(281.78)**	**6,804.06**	**27,378.36**
Profit for the year	-	-	-	-	2,300.52	-	-	2,300.52
Other comprehensive income for the year	-	-	-	-	-	(47.37)	-	(47.37)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**2,300.52**	**(47.37)**	**-**	**2,253.15**
On shares issued on ESOP	-	13.14	-	-	-	-	-	13.14
Transfer from equity-settled share-based payment reserve (on options exercised)	-	8.91	-	(8.91)	-	-	-	-
Transfer from statement of profit and loss	-	-	-	15.41	-	-	-	15.41
Balance as at 31st March 2022	**11.18**	**12,330.82**	**618.80**	**19.66**	**10,204.68**	**(329.15)**	**6,804.06**	**29,660.05**

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **LODHA & CO.,** *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2022

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

₹ in lakhs

	Year Ended 31st March 2022	Year Ended 31st March 2021
A. Cash flow from operating activities		
Profit/(loss) before exceptional items and tax	**3,905.00**	(2,881.35)
Adjustments for :		
Depreciation and amortisation expense	**1,944.80**	2,042.37
Finance costs	**483.90**	578.61
Interest income	**(643.49)**	(30.99)
Income on financial assets	**(31.79)**	-
Other income on concession/termination of leases	**(105.52)**	(259.76)
Loss on disposal/discard of property, plant and equipment (net)	**101.35**	43.45
Sundry balances written off/(written back) (net)	**1.32**	(3.98)
Unrealised exchange fluctuation gain	**(5.30)**	(112.59)
Share based payments to employees	**15.41**	12.50
Bad debts written off / provision for doubtful debts/ advances/deposits	**651.19**	889.78
Operating profit before working capital changes	**6,316.87**	278.04
Adjustments for :		
Changes in working capital		
Decrease/(increase) in inventories	**(3,209.34)**	4,605.56
Decrease/(increase) in trade receivables	**(4,007.42)**	4,857.10
Decrease in other bank balances	**10.16**	19.83
Decrease/(increase) in other financial assets	**(169.33)**	101.03
Decrease/(increase) in other assets	**(278.30)**	493.95
Increase in trade payables	**3,225.81**	1,009.05
Decrease in other financial liabilities	**(6.93)**	(198.89)
Decrease in provisions	**(99.34)**	(55.87)
Increase/(decrease) in other current liabilities	**83.92**	(49.91)
Cash generated from operations	**1,866.10**	11,059.90
Direct taxes refund / (paid) (net)	**(260.79)**	119.78
Net cash generated from operating activities	**1,605.31**	11,179.68

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022 (CONTD..)

₹ in lakhs

	Year Ended 31st March 2022	Year Ended 31st March 2021
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital advances)	**(1,309.95)**	(831.82)
Proceeds from disposal of property, plant and equipment	**104.18**	64.72
Investment in subsidiary	**(2,000.00)**	-
Loan to subsidiary	**(1,183.37)**	-
Proceeds from maturity / (investments) in term deposits (other than cash and cash equivalents) (net)	**7,000.00**	(9,000.00)
Interest received	**625.31**	6.04
Net cash from/(used in) investing activities	**3,236.17**	(9,761.06)
C. Cash flow from financing activities		
Proceeds from shares issued on ESOP	**13.20**	52.65
Proceeds from issue of 6% compulsorily convertible debentures (net of issue expenses of ₹ 59.43 Lakhs) *(Refer Note 15(d))*	**-**	7,440.57
Proceeds from long term borrowings	**-**	15.00
Repayment of long term borrowings (including current maturities)	**(434.74)**	(130.98)
Proceeds / (repayment) of short term borrowings (net)	**569.07**	(7,074.34)
Repayment of leases liabilities	**(1,010.64)**	(758.07)
Finance costs	**(492.64)**	(582.15)
Net cash used in financing activities	**(1,355.75)**	(1,037.32)
Net increase in cash and cash equivalents	**3,485.73**	381.30
Opening cash and cash equivalents	**422.79**	41.49
Closing cash and cash equivalents ***(Refer Note 13)***	**3,908.52**	422.79

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2022

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1. **Corporate information:**
Safari Industries (India) Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act as applicable in India. Its equity shares are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Company is engaged in the manufacturing and marketing of luggage and luggage accessories.

2. **Significant accounting policies:**

2.1 Basis of preparation:

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

The financial statements have been prepared on a going concern basis using accrual method of accounting and historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (including derivative instruments)
- Share-based payments
- Defined Benefit and other long-term employee benefits

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

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle of twelve months and other criteria set out in Schedule III of the Act.

2.2 Use of estimates and judgements:

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Property, plant and equipment

All the items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include purchase price, freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset. Cost also includes borrowing costs for long-term construction projects if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other expenses of repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Leasehold land and leasehold improvements are stated at historical cost less amounts amortised proportionate to expired lease periods.

Capital work-in-progress and pre-operative expenses during construction period

Capital work-in-progress includes expenditure incurred during construction period, on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion/ commencement of commercial production.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Depreciation method, estimated useful lives and residual value:

Depreciation is provided on the straight-line method applying the useful lives as prescribed in part C of Schedule II of the Act.

The range of estimated useful lives of Property, Plant and Equipments are as under:

Category	Useful life as prescribed by Schedule II of the Act	Estimated useful life
Buildings		
- Factory Buildings	30 years	30 years
- Roads	10 years	10 years
- Compound Wall	5 years	5 years
- Others	3 years	3 years
Plant and equipment*		
- Machinery equipment	7.5 years	7.5 years
- Electrical installation and equipment	10 years	5-10 years
Furniture and fixtures		
- Furniture and Fixtures at retail stores	10 years	2 years
- Others	10 years	10 years
Vehicles	8 years	8 years
Office equipment		
- Computer hardware	3 Years	3 Years
- Others	5 years	5 years

** Useful life of Plant and Equipment is determined based on the internal assessment supported by independent technical evaluation.*

The management believes that the useful lives, as given above, best represent the period over which the management expects to use these assets. The Company reviews the useful lives and residual value at each reporting date.

Leasehold land and leasehold improvements are amortised over the period of lease.

Assets costing up to ₹ 5,000 each are depreciated fully in the year of purchase.

Depreciation on the property, plant and equipment added/ disposed off/ discarded during the year is provided on pro rata basis with reference to the month of addition/ disposal/ discarding. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in "Other income"/ "Other expenses" in the statement of profit and loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.4 Intangible assets

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses, if any. Intangible assets developed or acquired with finite useful life are amortised on straight-line basis over the useful life as specified below:

Category	Estimated useful life
Trademarks	5 Years
Brands	5 Years
Computer software	3 Years

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

2.5 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal / external factors, an asset is tested for impairment. When the carrying cost of the asset exceeds its recoverable value, an impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

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

2.6 Inventories:

Inventories include raw material, work-in-progress, finished goods, stock-in-trade, stores and spares, and packing materials. Inventories are valued at lower of cost and net realisable value. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw material, stores and spares and packing materials are not written down below cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Finished goods and work-in-progress include costs of direct materials, direct labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost.

Proceeds in respect of sale of raw materials/ stores and spares are credited to the respective heads. Obsolete, slow moving and defective inventory are duly provided on the basis of management estimates.

2.7 Revenue recognition:

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

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

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

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

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

Contract balances

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

2.8 Financial instruments:

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

A. Non-derivative financial instruments:

1. Financial assets

(i) Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is measured at fair value. In case of financial assets which are recognised at fair value through profit or loss (FVTPL), their transaction costs are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

(ii) Subsequent measurement:

Financial assets are subsequently classified as measured at:

(a) Amortised cost

(b) Fair value through profit and loss (FVTPL) or

(c) Fair value through other comprehensive income (FVOCI)

The above classification is being determined considering:

(a) The entity's business model for managing the financial assets, and

(b) The contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing the financial assets.

(a) Measured at amortised cost:

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Measured at FVOCI:

Financial assets are subsequently measured at FVOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and selling financial assets. Fair value movements are recognised in the other comprehensive income ("OCI"). Interest income measured using the effective interest rate (EIR) method and impairment losses, if any are recognised in the statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from equity to the statement of profit and loss under the head 'Other income'/ 'Other expenses'.

(c) Measured at FVTPL:

Financial assets, other than investment in equity instruments, are subsequently measured at FVTPL unless they are measured at amortised cost or at FVOCI. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the statement of profit and loss.

Investment in equity instruments:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in OCI that would otherwise be measured at FVTPL pertaining to investments in equity instruments (other than investment in subsidiary). This election is not permitted if the

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. However, the Company may transfer the cumulative gain or loss within equity.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss under the head 'Other income' when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investment in subsidiary:

Investment in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

(iii) Impairment

The Company recognises a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost or at FVOCI. The credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. This is assessed on an individual or collective basis after considering all reasonable and supportable information including that which is forward-looking.

The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to lifetime ECL i.e. expected cash shortfalls, being simplified approach for recognition of impairment loss allowance. Under simplified approach, the Company does not track changes in credit risk. Rather it recognises impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-month ECL for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The ECL are measured as lifetime ECL if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL. The impairment losses and reversals are recognised in the statement of profit and loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

(iv) Derecognition

The Company derecognises a financial asset when,

(a) the contractual rights to the cash flows from the financial asset expire, or

(b) it transfers the contractual rights to receive the cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset, or

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

(c) it retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a pass through arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset), or

(d) it has neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset and does not retain control over the financial asset.

When the Company transfers a financial asset, it evaluates the extent to which it has retained the risks and rewards of ownership of the financial asset. If the Company has neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset, but retains control of the financial asset, the Company continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value, net of directly attributable transaction costs for all financial liabilities not carried at FVTPL.

(ii) Subsequent measurement

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

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

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. Equity instruments:

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

4. **Compound financial instruments:**

The component parts of compound instruments (convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rates. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

B. Derivative financial instruments:

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

2.9 Fair value measurement:

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.10 Foreign currency transactions:

The Company's financial statements are presented in INR which is also its functional currency.

a) Initial recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss for the year.

b) Measurement of foreign currency items at the Balance Sheet date

Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the balance sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in the OCI or the statement of profit and loss are also reclassified in the OCI or the statement of profit and loss, respectively).

2.11 Taxes on income :

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to items directly recognised in equity or in OCI.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary difference between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year-on-year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets are not recognised when it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

2.12 Employee benefits:

The Company has following post-employment plans:

(a) Defined contribution plan such as Provident fund

(b) Defined benefit plan - Gratuity

(c) Compensated Absences

a) Defined contribution plan

Under defined contribution plan, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government and certain state plans like employees' state insurance and employees' pension scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

b) Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuary through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(ii) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in 'Employee benefits expense' in the statement of profit and loss.

Remeasurements of the net defined benefit liability/(asset) comprising:

(i) actuarial (gains)/ losses,

(ii) return on plan assets, excluding amounts included in interest income and

(iii) any change in the effect of the asset ceiling, excluding amounts included in interest income are recognised in the period in which they occur directly in OCI. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Ind AS 19 "Employee benefits" requires the exercise of judgment in relation to various assumptions including future pay rises, inflation, discount rates and employee demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the statement of profit and loss, OCI and balance sheet. There may also be interdependency between some of the assumptions.

c) Compensated absences

The Company has a policy for compensated absences to allow leave entitlements which would be non-accumulating in nature except for a certain class of employees. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur. Necessary impact of the same had been considered in the financial statements.

The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

2.13 Share-based payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

No expense is recognised for ESOPs that do not ultimately vest because non-market performance and/ or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.14 Leases:

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

(i) the contract involves the use of an identified asset,

(ii) the Company has the right to obtain substantially all of the economic benefits from use of the identified asset, throughout the period of use, and

(iii) the Company has the right to direct the use of the identified asset, throughout the period of use.

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

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

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

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liabilities and right-of-use assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

2.15 Provisions and contingencies:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

Provisions for product warranty are recognised in the year of sale based on past experience.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.16 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet and for the purpose of statement of cash flows include cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

2.17 Earnings per equity share:

Basic earnings per equity share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per equity share is the net profit/ (loss) for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.18 Borrowing cost :

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of cost of those assets during the period till all the activities necessary to prepare the qualifying assets for their intended use or sale are complete. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.19 Exceptional items:

When an item of income or expense within profit/ (loss) from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed separately in the statement of profit and loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 3 Property, plant and equipment

₹ in lakhs

Particulars	Lease-hold land	Build-ings	Plant and equip-ment	Furni-ture and fixtures	Vehicles	Office equip-ment	Lease-hold improv-ements	Total
Gross carrying amount								
Balance as at 1st April 2020	**6.71**	**1,106.82**	**2,638.48**	**613.92**	**385.81**	**397.82**	**104.43**	**5,253.99**
Additions	-	5.61	516.83	37.69	17.52	31.26	22.19	631.10
Deductions/ adjustment	-	-	69.87	314.77	46.69	72.79	1.34	505.46
Balance as at 31st March 2021	**6.71**	**1,112.43**	**3,085.44**	**336.84**	**356.64**	**356.29**	**125.28**	**5,379.63**
Accumulated Depreciation								
Balance as at 1st April 2020	**0.39**	**146.50**	**523.04**	**174.00**	**102.96**	**170.97**	**40.40**	**1,158.26**
Additions	0.24	54.53	480.52	199.93	46.50	90.50	25.13	897.35
Deductions/ adjustment	-	-	55.17	260.29	15.58	65.23	1.05	397.32
Balance as at 31st March 2021	**0.63**	**201.03**	**948.39**	**113.64**	**133.88**	**196.24**	**64.48**	**1,658.29**
Net carrying amount as at 31st March 2021	**6.08**	**911.40**	**2,137.05**	**223.20**	**222.76**	**160.05**	**60.80**	**3,721.34**
Gross carrying amount								
Balance as at 1st April 2021	**6.71**	**1,112.43**	**3,085.44**	**336.84**	**356.64**	**356.29**	**125.28**	**5,379.63**
Additions	-	-	1,189.05	64.26	142.44	13.13	14.32	1,423.20
Deductions/ adjustment	-	-	328.18	35.55	92.30	4.84	4.90	465.77
Balance as at 31st March 2022	**6.71**	**1,112.43**	**3,946.31**	**365.55**	**406.78**	**364.58**	**134.70**	**6,337.06**
Accumulated Depreciation								
Balance as at 1st April 2021	**0.63**	**201.03**	**948.39**	**113.64**	**133.88**	**196.24**	**64.48**	**1,658.29**
Additions	0.10	54.65	535.81	87.97	47.60	33.41	26.84	786.38
Deductions/ adjustment	-	-	179.45	17.49	56.49	4.25	4.43	262.11
Balance as at 31st March 2022	**0.73**	**255.68**	**1,304.75**	**184.12**	**124.99**	**225.40**	**86.89**	**2,182.55**
Net carrying amount as at 31st March 2022	**5.98**	**856.75**	**2,641.56**	**181.44**	**281.79**	**139.18**	**47.81**	**4,154.51**

Note:

1. Leasehold land is under lease arrangement for a period of 99 years commencing from 1st April 1982.

2. Refer note 40 for property, plant and equipment provided as security against borrowings.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 4 Intangible assets

₹ in lakhs

Particulars	Trademarks	Brands	Computer software	Total
Gross carrying amount				
Balance as at 1st April 2020	**0.05**	**462.71**	**281.18**	**743.94**
Additions	-	-	10.95	10.95
Deductions/ adjustment	-	-	14.25	14.25
Balance as at 31st March 2021	**0.05**	**462.71**	**277.88**	**740.64**
Accumulated amortisation				
Balance as at 1st April 2020	**0.05**	**382.62**	**209.11**	**591.78**
Additions	-	52.53	57.45	109.98
Deductions/ adjustment	-	-	14.12	14.12
Balance as at 31st March 2021	**0.05**	**435.15**	**252.44**	**687.64**
Net carrying amount as at 31st March 2021	**-**	**27.56**	**25.44**	**53.00**
Gross carrying amount				
Balance as at 1st April 2021	**0.05**	**462.71**	**277.88**	**740.64**
Additions	-	-	14.15	14.15
Deductions/ adjustment	-	-	-	-
Balance as at 31st March 2022	**0.05**	**462.71**	**292.03**	**754.79**
Accumulated amortisation				
Balance as at 1st April 2021	**0.05**	**435.15**	**252.44**	**687.65**
Additions	-	2.25	17.05	19.30
Deductions/ adjustment	-	-	-	-
Balance as at 31st March 2022	**0.05**	**437.41**	**269.49**	**706.95**
Net carrying amount as at 31st March 2022	**-**	**25.30**	**22.54**	**47.84**

Note 5 Right-of-use assets and lease liability:

Following are the changes in the carrying value of right-of-use assets (buildings): **₹ in lakhs**

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Balance as at the beginning of the year	**2,897.58**	3,695.77
Additions	**2,668.59**	1,652.97
Deductions/ Reversal	**(416.31)**	(1,416.12)
Amortisation	**(1,139.14)**	(1,035.04)
Balance as at the end of the year	**4,010.72**	2,897.58

Lease liabilities:

Following is the movement in lease liabilities: **₹ in lakhs**

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Balance as at beginning of the year	**3,116.17**	3,897.15
Additions	**2,668.59**	1,652.97
Interest accrued during the year	**259.60**	257.04
Deductions/ Reversal	**(416.31)**	(1,416.12)
Income on Concession on lease liability	**(43.96)**	(150.17)
Income on Termination of lease liability	**(61.56)**	(109.59)
Payment of lease liabilities	**(1,010.64)**	(758.07)
Payment of interest on lease liabilities	**(259.60)**	(257.04)
Balance as at the end of the year	**4,252.28**	3,116.17
Current lease liabilities	**1,292.37**	859.18
Non- current lease liabilities	**2,959.91**	2,256.99

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Break-up of the contractual maturities of lease liabilities on an undiscounted basis: ₹ in lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Less than one year	**1,546.89**	1,065.37
One to five years	**3,224.42**	2,421.13
More than five years	**68.86**	141.18

Short-term leases expenses incurred: ₹ in lakhs

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Rental expense	**101.17**	277.30

Refer Note 40 on leases

The Company has chosen to apply the practical expedient as per paragraph 46A of the Indian Accounting Standard on Leases 'Ind AS 116', for accounting changes in leases, in the form of lease concessions that meet the conditions prescribed in paragraph 46B of Ind AS 116. The Company has consequently recognised an income of ₹ 43.96 lakhs for the year ended 31st March, 2022 (previous year ₹ 150.17 Lakhs) under the head "Other income".

For changes in leases in the form of terminations, the Company has accounted for such terminations in accordance with Ind AS 116 and has consequently recognised a net gain of ₹ 61.56 lakhs for the year ended 31st March, 2022 (previous year ₹ 109.59 lakhs) under the head "Other income".

Note 6 Capital work-in-progress:

₹ in lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Plant and equipment under installation	**-**	6.62

Capital Work-In-Progress Ageing Schedule ₹ in lakhs

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
As at 31st March 2021					
Projects in progress	6.62	-	-	-	6.62
Projects temporarily suspended	-	-	-	-	-
Total	**6.62**	**-**	**-**	**-**	**6.62**

Note 7 Non-current investments

₹ in lakhs

	Quantity (in numbers) As at 31st March 2022	Quantity (in numbers) As at 31st March 2021	Amount As at 31st March 2022	Amount As at 31st March 2021
Trade - unquoted - at cost				
Equity instruments - wholly owned subsidiary				
Safari Lifestyles Limited (Equity shares of ₹ 10 each - fully paid-up)	**50,000**	50,000	**5.00**	5.00
Safari Manufacturing Limited (Equity shares of ₹ 10 each - fully paid-up)	**50,00,000**	-	**500.00**	-
Preference shares - wholly owned subsidiary				
Safari Manufacturing Limited (6.5% cumulative redeemable preference shares of Rs. 10 each - fully paid up)	**1,50,00,000**	-	**1,500.00**	-
			2,005.00	5.00
Aggregate amount of unquoted investments			**2,005.00**	5.00
Aggregate amount of impairment in value of investments			**-**	-

Terms of preference shares: The investments in preference shares shall be redeemable on or before the end of 10 years from the date of investment i.e. 3rd December 2021. The early redemption of preference shares shall be at the discretion of the issuer (i.e. Safari Manufacturing Limited).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 8 Loans

₹ in lakhs

	Non-current		Current	
	As at 31st March 2022	As at 31st March 2021	**As at 31st March 2022**	As at 31st March 2021
Loan to subsidiary - Safari Manufacturing Limited	**-**	-	**1,183.37**	-
	-	-	**1,183.37**	-

Refer note 38 w.r.t disclosure under Section 186 of the Companies Act 2013 and Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Note 9 Other financial assets

₹ in lakhs

	Non-current		Current	
	As at 31st March 2022	As at 31st March 2021	**As at 31st March 2022**	As at 31st March 2021
Unsecured, considered good unless otherwise stated				
Deposits for premises and others	**439.79**	388.72	**175.01**	69.82
Bank deposits with more than 12 months maturity	**-**	3,000.00	**-**	-
Bank deposits with more than 12 months maturity (pledged against bank guarantees / LCs)	**10.73**	-	**-**	-
Loans and advances to employees	**-**	-	**12.80**	10.65
Interest receivable / interest accrued	**-**	-	**43.20**	25.02
Dividend receivable on preference shares in subsidiary	**-**	-	**31.79**	-
Derivative assets (fair valuation of forward contracts)	**-**	-	**0.19**	-
	450.52	3,388.72	**262.99**	105.49

Note 10 Other assets

₹ in lakhs

	Non-current		Current	
	As at 31st March 2022	As at 31st March 2021	**As at 31st March 2022**	As at 31st March 2021
Unsecured, considered good unless otherwise stated				
Capital advances	**34.81**	215.86	**-**	-
Advances to suppliers / others	**-**	-	**311.72**	77.21
Prepayments	**5.37**	-	**69.72**	54.02
Refunds due from / balances with government authorities	**2.29**	2.29	**835.42**	808.86
Other receivables	**-**	-	**2.99**	6.83
	42.47	218.15	**1,219.85**	946.92

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 11 Inventories

		₹ in lakhs
	As at 31st March 2022	As at 31st March 2021
Raw Materials *[including goods in transit ₹ 477.28 lakhs (as at 31st March 2021 - ₹ 223.15 lakhs)]*	**1,762.72**	1,192.46
Work-in-progress	**287.64**	278.93
Finished goods	**3,124.35**	1,758.02
Stock-in-trade *[including goods in transit ₹ 705.66 lakhs (as at 31st March 2021 - ₹ 645.55 lakhs)]*	**9,357.10**	8,119.12
Stores and spares	**23.25**	23.41
Packing materials	**52.11**	25.88
	14,607.16	11,397.82

Mode of valuation : refer note 2.6

Refer note 40 for Inventories hypothecated as security against certain bank borrowings.

Note 12 Trade receivables

		₹ in lakhs
	As at 31st March 2022	As at 31st March 2021
Unsecured		
Considered good	**11,488.37**	9,060.15
Credit impaired	**1,440.10**	908.05
	12,928.47	9,968.20
Less: Allowances for bad and doubtful debts	**1,440.10**	908.05
	11,488.37	9,060.15

Refer note 40 for trade receivables charged against certain bank borrowings.
Refer note 31 (A) for credit terms, ageing analysis and other relevant details related to trade receivables.

Note 13 Cash and cash equivalents

		₹ in lakhs
	As at 31st March 2022	As at 31st March 2021
Balance with banks in current accounts	**89.18**	172.01
Balance with banks in cash credit accounts	**122.24**	-
Balance with bank in deposit account (with maturity of less than three months)	**3,696.20**	250.00
Cash on hand	**0.90**	0.78
	3,908.52	422.79

Note 14 Other bank balances

		₹ in lakhs
	As at 31st March 2022	As at 31st March 2021
In deposit accounts (pledged against bank guarantees / LCs)	**1.27**	11.41
In deposit Accounts (with maturity of more than three months but less than twelve months)	**2,000.00**	6,000.00
In dividend accounts	**7.81**	7.83
	2,009.08	6,019.24

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 15 Equity share capital

	₹ in lakhs	
	As at 31st March 2022	As at 31st March 2021
Authorised :		
2,50,00,000 (as at 31st March 2021 : 2,50,00,000) equity shares of ₹ 2/- each	**500.00**	500.00
2,50,00,000 (as at 31st March 2021 : 2,50,00,000) unclassified shares of ₹ 2/- each	**500.00**	500.00
	1,000.00	1,000.00
Issued, subscribed and paid-up		
2,23,89,500 (as at 31st March 2021 : 2,23,86,500) equity shares of ₹ 2/- each fully paid- up	**447.79**	447.73
	447.79	447.73

The reconciliation of the number of equity shares outstanding	**As at 31st March 2022**		As at 31st March 2021	
	Numbers	**₹ in lakhs**	Numbers	₹ in lakhs
Equity shares at the beginning of the year (face value per share ₹ 2)	**2,23,86,500**	**447.73**	2,23,64,000	447.28
Add :- Shares issued on ESOP (face value per share ₹ 2)	**3,000**	**0.06**	22,500	0.45
Equity shares at the end of the year (face value per share ₹ 2)	**2,23,89,500**	**447.79**	2,23,86,500	447.73

(a) Terms/rights attached to Equity shares :

1) The Company has only one class of issued equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held.
2) In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) The details of shareholders holding more than 5% equity shares:

Name of the Shareholders	**As at 31st March 2022**		As at 31st March 2021	
	Numbers (face value of ₹ 2 each)	**% of holding**	Numbers (face value of ₹ 2 each)	% of holding
Safari Commercial LLP*	**22,00,000**	**9.83%**	-	-
Safari Commercial Private Limited* *(formerly known as Safari Investments Private Limited)*	**-**	**-**	22,73,465	10.16%
Sudhir Mohanlal Jatia	**90,00,000**	**40.20%**	1,01,00,000	45.12%
Malabar India Fund Limited	**21,64,332**	**9.67%**	21,64,332	9.68%

Shares held by promoters as at 31st March 2022: Name of the Shareholders	**Number of shares**	**% of shares**	**% change in shareholding**
Sudhir Mohanlal Jatia	90,00,000	40.20%	-4.92%
Safari Commercial LLP* (Promoter group)	22,00,000	9.83%	-0.33%

**On 3rd September, 2021, Safari Commercial Private Limited (formerly known as Safari Investments Private Limited) was converted to Safari Commercial LLP.*

(c) Dividend paid and proposed: Refer note 32(b)

(d) During the previous year, the Company has issued and allotted 13,15,790 Compulsorily Convertible Debentures (“CCDs”) having face value of ₹ 570 each to Investcorp Private Equity Fund II ("Investor") on preferential allotment basis on 25th March, 2021. The CCDs carry a coupon rate of 6% p.a. payable on quarterly basis. The CCDs shall automatically and compulsorily be converted into equal number of equity shares at a face value of ₹ 2 per share on the earlier of occurrence of following events :

a) Investor electing to convert the CCDs into equity shares and
b) the date that is 18 months from the date of issue of CCDs.

The equity shares to be alloted on conversion of the CCDs shall rank *pari-passu* with the then existing fully paid up equity shares of the company with respect to dividends and voting rights.

(e) The Company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 16 Other equity

₹ in lakhs

Other equity :	Reserves and surplus					Items of other comprehensive income	Equity Component of Compound Financial Intrument	Total
Particulars	**Capital reserve**	**Securities premium**	**General reserve**	**Equity-settled share-based payment reserve**	**Retained earnings**	**Remeasurement of defined benefit plan**	**Compulsorily Convertible Debentures** *(Refer Note 15(d))*	
Balance as at 1st April 2020	**11.18**	**12,213.79**	**618.80**	**52.35**	**9,806.98**	**(165.55)**	**-**	**22,537.55**
Profit/(loss) for the year	-	-	-	-	(2,085.61)	-	-	(2,085.61)
Other comprehensive income for the year	-	-	-	-	-	(116.23)	-	(116.23)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**(2,085.61)**	**(116.23)**	**-**	**(2,201.84)**
On shares issued on ESOP	-	52.20	-	-	-	-	-	52.20
Transfer from equity-settled share-based payment reserve (on options exercised)	-	42.78	-	(42.78)	-	-	-	-
Transfer from equity-settled share-based payment reserve (on options lapsed)	-	-	-	(8.91)	8.91	-	-	-
On issue of 6% compulsorily convertible debentures *(Refer Note 15(d))*	-	-	-	-	-	-	6,804.06	6,804.06
Effect on account of deferred tax on issue expense and interest on compulsorily convertible debentures *(Refer Note 29(d))*	-	-	-	-	173.89	-	-	173.89
Transfer from statement of profit and loss	-	-	-	12.50	-	-	-	12.50
Balance as at 31st March 2021	**11.18**	**12,308.77**	**618.80**	**13.16**	**7,904.17**	**(281.78)**	**6,804.06**	**27,378.36**
Profit for the year	-	-	-	-	2,300.52	-	-	2,300.52
Other comprehensive income for the year	-	-	-	-	-	(47.37)	-	(47.37)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**2,300.52**	**(47.37)**	**-**	**2,253.15**
On shares issued on ESOP	-	13.14	-	-	-	-	-	13.14
Transfer from equity-settled share-based payment reserve (on options exercised)	-	8.91	-	(8.91)	-	-	-	-
Transfer from statement of profit and loss	-	-	-	15.41	-	-	-	15.41
Balance as at 31st March 2022	**11.18**	**12,330.82**	**618.80**	**19.66**	**10,204.68**	**(329.15)**	**6,804.06**	**29,660.05**

Purpose of the Reserves:

1. *Capital Reserve: Capital Reserve represents transfers from share application money (refund) account.*
2. *Securities Premium: The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the fair value of the options on grant date is transferred from equity settled share based payment reserve to securities premium at the time of exercise of options.*
3. *General Reserve: The reserve is a distributable reserve maintained by the company out of transfers made from annual profits.*
4. *Equity settled share based payment reserve: The fair value of options of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Equity settled share based payment reserve. The same is transferred to securities premium at the time of exercise of options or to retained earnings in the event of forfeiture, non-vesting or lapse.*
5. *Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.*

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 17 Borrowings

₹ in lakhs

	Non-current		Current	
	As at 31st March 2022	As at 31st March 2021	**As at 31st March 2022**	As at 31st March 2021
Measured at amortised cost				
Secured				
From banks:				
Term loans from banks	**9.34**	18.54	**9.20**	16.74
Working capital loans				
Cash credit accounts	**-**	-	**191.37**	-
Others	**-**	-	**680.83**	303.65
From others:				
Term loans from others	**-**	-	**-**	0.93
Unsecured				
Liability component of compound financial instrument: 6% Compulsorily convertible debentures ("CCD")	**-**	211.66	**211.66**	417.07
	9.34	230.20	**1,093.06**	738.39

Notes:

Security and terms of repayment:

1) *Term loans from banks for vehicles amounting to ₹18.54 lakhs (as at 31st March 2021 ₹35.28 lakhs) including current maturities of ₹9.20 lakhs (as at 31st March 2021 ₹16.74 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 year ₹9.20 lakhs; 1-2 years ₹6.50 lakhs; 2-3 years ₹2.84 lakhs; >3 years Nil.*

   These loans carry interest rate ranging from 7.90% p.a. to 9.30% p.a. (31st March 2021 7.90% p.a. to 10.00% p.a.)

2) *Term loans from others for vehicles amounting to Nil (as at 31st March 2021 ₹0.93 lakhs) were secured by way of charge on specific vehicles. These loans carry interest rate of 8.49% p.a.*

3) *During the previous year, the Company had issued and allotted 13,15,790 Compulsorily Convertible Debentures ("CCDs") having face value of ₹570 each to Investcorp Private Equity Fund II ("Investor") on preferential allotment basis on 25th March, 2021. The CCDs carry a coupon rate of 6% p.a. payable on quarterly basis. The CCDs shall automatically and compulsorily be converted into equal number of equity shares at a face value of ₹2 per share on the earlier of occurrence of following events – a) Investor electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs.*

   The CCDs shall be unsecured, and until converted, shall rank pari passu with any other unsecured creditors of the Company.

4) *Also, refer note 40 for details of assets provided as security.*

Note 18 Provisions

₹ in lakhs

	Non-current		Current	
	As at 31st March 2022	As at 31st March 2021	**As at 31st March 2022**	As at 31st March 2021
Provision for employee benefits *(refer note 33)*				
Gratuity	**-**	22.04	**171.55**	186.26
Compensated absences	**-**	-	**12.54**	14.27
	-	22.04	**184.09**	200.53

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 19 Trade payables

₹ in lakhs

	As at 31st March 2022	As at 31st March 2021
Total outstanding dues of micro, small and medium enterprises	**2,523.25**	1,739.46
Total outstanding dues of creditors other than micro, small and medium enterprises	**7,781.10**	5,342.85
	10,304.35	7,082.31

Note:

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("the Act") is based on the information available with the Company regarding the status of registration of such vendors under the Act, as per the intimation received from them on request made by the Company.

₹ in lakhs

	As at 31st March 2022	As at 31st March 2021
1) The principal amount remaining unpaid to supplier as at the end of the accounting year	**2,523.25**	1,739.46
2) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	**-**	-
3) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	**-**	-
4) The amount of interest due and payable for the year	**-**	-
5) The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
6) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-

Trade Payables Ageing Schedule: ₹ in lakhs

Particulars	Not Due/ Unbilled	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2022						
MSME	2,021.63	501.63	-	-	-	**2,523.25**
Others	3,265.56	4,499.08	14.84	1.62	-	**7,781.10**
Disputed dues – MSME	-	-	-	-	-	**-**
Disputed dues – Others	-	-			-	**-**
Total	**5,287.19**	**5,000.71**	**14.84**	**1.62**	**-**	**10,304.35**
As at 31st March 2021						
MSME	1,594.93	144.53	-	-	-	1,739.46
Others	2,478.08	2,858.55	6.22	-	-	5,342.85
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-
Total	**4,073.01**	**3,003.09**	**6.22**	**-**	**-**	**7,082.31**

Note 20 Other financial liabilities

₹ in lakhs

	As at 31st March 2022	As at 31st March 2021
Payable for capital goods	**37.01**	95.43
Interest accrued but not due on borrowings	**0.12**	8.86
Unpaid dividend (refer note below)	**7.81**	7.83
Other payables	**1.41**	8.31
	46.35	120.43

There are no amounts due for the payment to Investor Education & Protection Fund under Section 125 of the Companies Act, 2013 as at end of the year

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 21 Other current liabilities

₹ in lakhs

	As at 31st March 2022	As at 31st March 2021
Advances received from customers	**56.30**	3.49
Statutory dues	**307.85**	276.72
	364.15	280.21

Note 22 Revenue from operations

₹ in lakhs

	Year ended 31st March 2022	Year ended 31st March 2021
Sale of products	**70,355.95**	32,675.46
Other operating revenues		
Sale of scrap	**188.14**	122.09
	70,544.09	32,797.55

Reconciliation of revenue from operations with contract price:

₹ in lakhs

	Year ended 31st March 2022	Year ended 31st March 2021
Contract Price	**74,023.12**	34,488.06
Less: Discounts, rebates and others	**3,479.03**	1,690.51
	70,544.09	32,797.55

Note 23 Other income

₹ in lakhs

	Year ended 31st March 2022	Year ended 31st March 2021
Interest income		
On Fixed deposits	**628.29**	27.02
On loan to subsidiary	**15.20**	-
Others	**3.42**	3.98
Other income		
Electricity duty refund	**33.12**	-
Income on financial assets	**31.79**	-
Amounts written back (net)	**-**	3.98
Foreign exchange/MTM gain (net)	**-**	28.08
On reversal of lease liability on concession *(Refer Note 5)*	**43.96**	150.17
On reversal of lease liability on termination *(Refer Note 5)*	**61.56**	109.59
Miscellaneous income	**21.90**	9.76
	839.24	332.57

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 24 Cost of materials consumed

₹ in lakhs

	Year ended 31st March 2022	Year ended 31st March 2021
Raw materials		
Opening stock	**1,192.46**	1,117.43
Purchases	**17,682.04**	5,790.04
Sub-total	**18,874.50**	6,907.47
Sales	**(285.74)**	(434.79)
Closing stock	**(1,762.72)**	(1,192.46)
Raw materials consumed	**16,826.04**	5,280.22
Packing materials consumed	**1,088.88**	381.49
	17,914.92	5,661.71

Note 25 Changes in inventories of finished goods, stock-in-trade and work-in-progress

₹ in lakhs

	Year ended 31st March 2022	Year ended 31st March 2021
Inventories at the beginning of the year		
Finished goods	**1,758.02**	2,417.43
Stock-in-trade	**8,119.12**	12,266.16
Work-in-progress	**278.93**	144.22
Total	**10,156.07**	14,827.81
Inventories at the end of the year		
Finished goods	**3,124.35**	1,758.02
Stock-in-trade	**9,357.10**	8,119.12
Work-in-progress	**287.64**	278.93
Total	**12,769.09**	10,156.07
	(2,613.02)	**4,671.74**

Note 26 Employee benefits expense

₹ in lakhs

	Year ended 31st March 2022	Year ended 31st March 2021
Salaries and wages	**6,072.97**	5,484.22
Contribution to provident and other funds	**435.21**	386.05
Share based payments *(refer note 42)*	**15.41**	12.50
Staff welfare expense	**222.76**	104.49
	6,746.36	5,987.26

Note 27 Finance costs

₹ in lakhs

	Year ended 31st March 2022	Year ended 31st March 2021
Interest expense	**210.91**	312.43
Other borrowing costs	**272.99**	266.18
	483.90	578.61

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 28 Other expenses

	Year ended 31st March 2022	Year ended 31st March 2021
		₹ in lakhs
Consumption of stores and spares	**24.57**	26.41
Consumption of packing materials - trading	**400.62**	188.80
Power and fuel	**529.10**	234.62
Repairs and maintenance		
Building	**28.03**	8.39
Plant and equipment	**48.08**	20.04
Others	**146.66**	136.46
Rent	**101.17**	277.30
Rates and taxes, excluding tax on income	**36.74**	71.29
Insurance	**68.65**	65.02
Postage, telegram and telephone expenses	**97.10**	89.43
Legal and professional fees	**313.17**	199.91
Freight, handling and octroi	**4,301.65**	2,476.03
Contractual labour	**2,863.75**	1,558.36
Job work charges	**1,219.20**	437.08
Travelling and conveyance	**524.69**	301.90
Advertisement and sales promotion	**1,852.79**	920.82
Bad debts written off	**1,047.15**	67.14
Less: Provision there against	**(908.05)**	(45.31)
Provisions for doubtful debts/advances/deposits	**512.09**	867.95
Amounts written off (net)	**1.32**	-
Loss on disposal / discard of property, plant and equipment (net)	**101.35**	43.45
Director's sitting fees	**15.90**	20.55
Commission to non executive directors	**24.50**	-
Corporate social responsibility expenditure *(refer note 43)*	**35.78**	76.60
Foreign exchange/MTM loss (net)	**47.74**	-
Miscellaneous expenses	**385.52**	293.24
	13,819.27	8,335.47

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 29 Income taxes

₹ in lakhs

		Year ended 31st March 2022	Year ended 31st March 2021
a)	**Tax expense recognised in the statement of profit and loss:**		
	Current tax		
	Current year	**266.09**	-
	Earlier years	**3.19**	(103.95)
		269.28	(103.95)
	Deferred tax		
	Decrease/(increase) in deferred tax assets	**407.19**	(691.79)
		407.19	(691.79)
	Total income tax expense recognised in statement of profit and loss	**676.46**	(795.74)

₹ in lakhs

		Year ended 31st March 2022	Year ended 31st March 2021
b)	**Tax on items of other comprehensive income**		
	Deferred tax on remeasurement of defined benefit plans	**(13.49)**	(39.53)
	Current tax on remeasurement of defined benefit plans	**-**	-
	Total income tax expense recognised in other comprehensive income	**(13.49)**	(39.53)

₹ in lakhs

		Year ended 31st March 2022	Year ended 31st March 2021
c)	**A reconciliation of the income tax expense applicable to accounting profit/(loss) before tax at the statutory income tax rate to recognised tax expense for the period is as follows:**		
	Enacted income tax rate in India	**25.17%**	25.17%
	Profit/(loss) before tax	**2,976.98**	(2,881.35)
	Income tax as per above rate	**749.24**	(725.18)
	Adjustments for:		
	Expenses not deductible for tax purposes	**659.41**	572.70
	Expenses deductible separately for tax purposes	**(681.93)**	(308.15)
	Deferred Tax Asset recognised on carried forward business loss/(reversed) on set-off	**(460.63)**	460.63
	Taxes of earlier years	**3.19**	(103.95)
	Current tax as per statement of profit and loss	**269.28**	(103.95)

d) **The movement in deferred tax assets and liabilities during the year ended 31st March 2021 and 31st March 2022:**

₹ in lakhs

Particulars	As at 1st April 2020	(Credit) / charge in statement of profit and loss	Impact in Other Equity	As at 31st March 2020	(Credit) / charge in statement of profit and loss	As at 31st March 2021
Deferred tax assets/(liabilities)						
Property, plant and equipment and intangible assets	96.19	83.66	-	179.85	16.34	**196.19**
Amount allowable on payment basis	9.24	(0.07)	-	9.17	(0.91)	**8.26**
Voluntary retirement scheme	1.65	(1.65)	-	-	-	**-**
Provisions for doubtful debts/advances/deposits	28.50	200.06	-	228.56	133.71	**362.27**
Right-of-use assets	(930.23)	200.90	-	(729.33)	(293.14)	**(1,022.47)**
Lease liabilities	980.92	(196.57)	-	784.35	300.05	**1,084.40**
Carried forward business loss	-	460.63	-	460.63	(460.63)	**-**
On issue expense on equity component of compulsorily convertible debentures	-	(13.68)	13.68	-	-	**-**
On interest of compulsorily convertible debentures	-	(1.96)	160.21	158.25	(104.98)	**53.27**
Total	**186.27**	**731.32**	**173.89**	**1,091.48**	**(409.56)**	**681.91**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 30 Financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts and fair values of financial instruments by category are as follows:

a. Financial Assets **₹ in lakhs**

Particulars	At Cost	Instruments carried at fair value	Instruments carried at amortised cost	Total carrying amount	Total fair value
		FVTPL	Carrying amount		
As at 31st March, 2022					
Investments	**2,005.00**	**-**	**-**	**2,005.00**	**2,005.00**
Trade receivables	**-**	**-**	**11,488.37**	**11,488.37**	**11,488.37**
Cash & cash equivalents	**-**	**-**	**3,908.52**	**3,908.52**	**3,908.52**
Other bank balances	**-**	**-**	**2,009.08**	**2,009.08**	**2,009.08**
Other financial assets	**-**	**0.19**	**713.32**	**713.51**	**713.51**
Total	**2,005.00**	**0.19**	**18,119.29**	**20,124.48**	**20,124.48**
As at 31st March, 2021					
Investments	5.00	-	-	5.00	5.00
Trade receivables	-	-	9,060.15	9,060.15	9,060.15
Cash & cash equivalents	-	-	422.79	422.79	422.79
Other bank balances	-	-	6,019.24	6,019.24	6,019.24
Other financial assets	-	-	3,494.21	3,494.21	3,494.21
Total	5.00	-	18,996.40	19,001.40	19,001.40

b. Financial liabilities **₹ in lakhs**

Particulars	Instruments carried at fair value		Instruments carried at amortised cost	Total carrying amount	Total fair value
	FVTPL	Total carrying amount at fair value	Carrying amount		
As at 31st March 2022					
Borrowings	**-**	**-**	**1,102.40**	**1,102.40**	**1,102.40**
Trade payables	**-**	**-**	**10,304.36**	**10,304.36**	**10,304.36**
Lease liabilities	**-**	**-**	**4,252.28**	**4,252.28**	**4,252.28**
Other financial liabilities	**-**	**-**	**46.35**	**46.35**	**46.35**
Total	**-**	**-**	**15,705.38**	**15,705.38**	**15,705.38**
As at 31st March 2021					
Borrowings	-	-	968.59	968.59	968.59
Trade payables	-	-	7,082.32	7,082.32	7,082.32
Lease liabilities	-		3,116.17	3,116.17	3,116.17
Other financial liabilities	-	-	120.43	120.43	120.43
Total	-	-	11,287.50	11,287.50	11,287.50

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 31 Financial risk management

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

- Credit risk;
- Liquidity risk;
- Market risk - interest rate; and
- Market risk - foreign currency;

A. Credit risk

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

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

Credit terms : Average credit period allowed to customers is less than 90 days.

Trade Receivables Ageing Schedule: **₹ in lakhs**

Particulars	Undisputed – considered good	Undisputed – which have significant increase in credit Risk	Undisputed – credit impaired	Disputed – considered good	Disputed – which have significant increase in credit Risk	Disputed – credit impaired
As at 31st March 2022						
Not Due	**9,982.35**	-	-	-	-	-
Less than 6 months	**1,427.74**	-	**377.87**	-	-	-
6 months -1 year	**45.82**	-	**105.67**	-	-	-
1-2 years	**24.61**	-	**948.80**	-	-	-
2-3 years	**5.53**	-	**7.76**	-	-	-
More than 3 years	**2.32**	-	-	-	-	-
Total	**11,488.37**	-	**1,440.10**	-	-	-
Less: Allowance for bad and doubtful debts	-	-	**(1,440.10)**	-	-	-
Net Total	**11,488.37**	-	-	-	-	-
As at 31st March 2021						
Not Due	6,779.76	-	-	-	-	-
Less than 6 months	1,406.84	-	-	-	-	-
6 months -1 year	767.61	-	191.05	-	-	-
1-2 years	93.53	-	716.51	-	-	-
2-3 years	2.22	-	0.49	-	-	-
More than 3 years	10.19	-	-	-	-	-
Total	**9,060.14**	-	**908.05**	-	-	-
Less: Allowance for bad and doubtful debts	-	-	(908.05)	-	-	-
Net Total	**9,060.14**	-	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

B. Liquidity risk

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

The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations when due. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. It maintains adequate sources of financing including loans and short term borrowings from banks.

Exposure to liquidity risk

Contractual maturity of financial liabilities at the reporting date: **₹ in lakhs**

Particulars	**As at 31st March 2022**			
	0-1 year	**1-5 years**	**More than 5 years**	**Total**
Long-term borrowings (including current maturity of long-term debt)	**220.86**	**9.34**	**-**	**230.20**
Short term borrowings	**872.20**	**-**	**-**	**872.20**
Trade payables	**10,304.35**	**-**	**-**	**10,304.35**
Lease Liabilities	**1,292.37**	**2,894.26**	**65.65**	**4,252.28**
Other financial liabilities	**46.35**	**-**	**-**	**46.35**
Total	**12,736.13**	**2,903.60**	**65.65**	**15,705.38**

Particulars	**As at 31st March 2021**			
	0-1 year	**1-5 years**	**More than 5 years**	**Total**
Long-term borrowings (including current maturity of long-term debt)	434.74	230.20	-	664.94
Short-term borrowings	303.65	-	-	303.65
Trade payables	7,082.32	-	-	7,082.32
Lease Liabilities	859.18	2,126.06	130.93	3,116.17
Other financial liabilities	120.42	-	-	120.42
Total	8,800.31	2,356.26	130.93	11,287.50

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

C. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency payables and loans and borrowings.

(i) Market risk - interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company is mainly exposed to this risk due to borrowings having variable rate of interest.

Exposure to interest rate risk **₹ in lakhs**

Particulars	As at 31st March 2022	As at 31st March 2021
Borrowings bearing fixed rate of interest	**230.20**	664.94
Borrowings bearing variable rate of interest	**872.20**	303.65

Hence, the Company is not significantly exposed to the interest rate risk as working capital facilities are, as per contractual terms, primarily of short term in nature.

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit/(loss) before tax **₹ in lakhs**

Particulars	As at 31st March 2022	As at 31st March 2021
Increase by 50 bps - decrease in profits/increase in loss	**(16.23)**	(22.03)
Decrease by 50 bps - increase in profits/decrease in loss	**16.23**	22.03

(ii) Market risk - foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and is therefore exposed to foreign exchange risk. The operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies. The Company manages foreign currency risk by hedging its transactions using foreign currency forward contracts.

Foreign currency exposure

Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
	In million US$	₹ in lakhs	In million US$	₹ in lakhs
Total foreign currency exposure payable (net)	**2.19**	**1,663.20**	3.97	2,920.50

Foreign currency risk sensitivity

A change of 1% in Foreign currency would have following impact on profit/(loss) before tax:

Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
	1% increase	1% decrease	1% increase	1% decrease
Increase / (decrease) in profit or loss	**(16.63)**	**16.63**	(29.21)	29.21

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

D. Impact of COVID-19

The Company has considered the possible impact of COVID-19 in preparation of these financial statements. The impact of the global pandemic may be different from that estimated as at the date of the financial statements. Considering the continuing uncertainities, the Company will continue to closely monitor any material changes to future economic conditions.

Note 32 Capital risk management

(a) Risk management

The Company's objectives when managing capital are to

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders

(ii) Maintain an optimal capital structure to reduce the cost of capital.

(iii) Support the corporate strategy and meet shareholder expectations.

The policy of the Company is to borrow through banks / financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The capital structure is governed by policies approved by the Board of Directors and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Company: **₹ in lakhs**

Particulars	**31st March 2022**	31st March 2021
Net debt *(refer note 44)*	**(2,806.00)**	554.66
Total equity (including equity componant of CCD)	**30,107.84**	27,826.09
Capital gearing ratio	**-**	0.02

The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividend

The Company follows the policy of dividend for every financial year as may be decided by Board considering financial performance of the Company and other internal and external factors enumerated in the Company dividend policy.

The Board of Directors of the Company, in its meeting on 13th May, 2022, have proposed a final dividend of ₹ 0.80 per equity share (40% on equity share of ₹ 2 each) for the year ended 31st March, 2022. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved would result in a cash outflow of ₹ 179.12 lakhs.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 33 Disclosure pursuant to Ind AS - 19 "Employee benefits"

A. **Defined contribution plan:** Amounts recognised towards defined contribution plan have been disclosed under "Contribution to provident and other funds" ₹ 344.92 lakhs (Previous year ₹ 329.15 lakhs). *(Refer Note 26)*

B. **Defined benefit plan - Gratuity:** In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous service), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date. The Gratuity Plan is a funded plan and the Company makes annual contribution to the gratuity fund administered by Life Insurance Company under its respective Group Gratuity Scheme.

The disclosure in respect of the defined gratuity plan are given below:

i. **Balance sheet** **₹ in lakhs**

Particulars	**As at 31st March 2022**	As at 31st March 2021
Present value of plan liabilities	**743.35**	661.48
Fair value of plan assets (insurance fund)	**571.80**	453.18
Funded status [surplus/ (deficit)]	**(171.55)**	(208.30)
Net (liability)/asset recognised in balance sheet	**(171.55)**	(208.30)

ii. **Statement of profit and loss** **₹ in lakhs**

Particulars	**Year Ended 31st March 2022**	Year Ended 31st March 2021
Employee benefits expense:		
Current service cost	**76.03**	49.38
Net interest cost	**14.27**	7.52
Total amount recognised in statement of profit and loss	**90.30**	56.90
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest income	**(0.04)**	4.60
Actuarial (Gains)/loss arising from change in demographic assumptions	**0.14**	-
Actuarial loss arising from changes in financial assumptions	**(24.58)**	151.86
Actuarial loss arising from experience adjustments	**85.34**	(0.70)
Total amount recognised in other comprehensive income	**60.86**	155.76

iii. **Movements in plan liabilities** **₹ in lakhs**

Particulars	**Year Ended 31st March 2022**	Year Ended 31st March 2021
Opening present value of defined benefit obligation	**661.47**	487.76
Current service cost	**76.03**	49.38
Interest cost	**45.31**	33.27
Actuarial (Gains)/loss arising from change in demographic assumptions	**0.14**	-
Actuarial loss arising from change in financial assumptions	**(24.58)**	151.86
Actuarial loss arising from experience adjustments	**85.34**	(0.70)
Benefits paid from the fund	**(100.37)**	(60.09)
Closing present value of defined benefit obligation	**743.35**	661.48

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

iv. Movements in plan assets **₹ in lakhs**

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Opening fair value of plan assets	**453.18**	377.56
Interest income	**31.04**	25.75
Return on plan assets excluding amounts included in interest income	**0.04**	(4.61)
Employer's contributions	**187.91**	114.55
Benefits paid from the fund	**(100.37)**	(60.09)
Closing fair value of plan assets	**571.80**	453.18

v. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Financial assumptions

Particulars	As at 31st March 2022	As at 31st March 2021
Discount rate	**7.23%**	6.85%
Expected rate of return on plan assets	**7.23%**	6.85%
Salary escalation rate	**8.00%**	8.00%

Demographic assumptions

Mortality rate during employment: Indian Assured Lives Mortality (2006-08) Ultimate

Particulars	As at 31st March 2022	As at 31st March 2021
Attrition rate	**For service of 4 years and below: 26% p.a and for service 5 years and above : 2.00% p.a.**	For service of 4 years and below: 26% p.a and for service 5 years and above : 2.00% p.a.

vi. Sensitivity analysis

The sensitivity of the present value of plan liabilities to 1.00% change in the key assumptions are:

₹ in lakhs

Particulars	Increase in assumption		Decrease in assumption	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Discount rate	**(57.97)**	(52.71)	**68.12**	62.24
Salary escalation rate	**62.92**	58.32	**(55.14)**	(51.09)
Attrition rate	**(4.66)**	(6.73)	**5.07**	7.49

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

vii. Characteristics of defined benefit plan:

The entity has a defined benefit gratuity plan (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

viii. Risks associated with defined benefit plan:

Gratuity is a defined benefit plan and entity is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk. Mortality rate during employment is calculated considering Indian Assured Lives Mortality (2006-08) Ultimate.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

ix. Other details

₹ in lakhs

Particulars	**As at 31st March 2022**	As at 31st March 2021
Expected contributions to the defined benefit plan for the next financial year	**171.54**	186.26

in years

Particulars	**As at 31st March 2022**	As at 31st March 2021
Weighted average duration of the defined benefit obligation	**10**	10

During the year, there were no plan amendments, curtailments and settlements.

x. Maturity analysis of the benefit payments

The defined benefit obligation shall mature as follows:

₹ in lakhs

Particulars	**As at 31st March 2022**	As at 31st March 2021
Within 1 year	**115.27**	89.83
1-2 years	**47.66**	40.58
2-3 years	**57.93**	60.77
3-4 years	**50.97**	59.18
4-5 years	**49.46**	40.91
5-10 years	**229.54**	222.91
11 years and above	**1,119.96**	933.67
Total	**1,670.80**	1,447.85

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death estimate of members in respective years.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

C) Compensated absences:

The disclosure in respect of the Compensated absences are given below:

₹ in lakhs

Particulars	**Year ended 31st March 2022**	Year ended 31st March 2021
Expenses recognised in statement of profit and loss	**0.79**	21.02
Balance sheet liability	**12.54**	14.27

Note 34 Earnings per equity share (EPS)

Particulars	**Year Ended 31st March 2022**	Year Ended 31st March 2021
Profit/(loss) after tax attributable to equity shareholders (₹ in lakhs)	**2,300.51**	(2,085.61)
Weighted average number of equity shares for basic EPS	**2,23,87,758**	2,23,70,436
Basic earnings per share (in ₹)	**10.27**	(9.32)
Effect of dilution:		
Add: Interest expense on CCD (Net of Tax) (₹ in lakhs)	**24.64**	-
Diluted Profit/(loss) after tax attributable to equity shareholders (₹ in lakhs)	**2,325.15**	(2,085.61)
Add: Weighted average number of share option in ESOP and compulsorily convertible debentures	**13,21,641**	7,833
Weighted average number of equity shares for diluted EPS	**2,37,09,399**	2,23,78,268
Diluted earnings per share (in ₹)	**9.81**	(9.32)
Nominal value of equity shares (in ₹)	**2.00**	2.00

Note 35 Contingent liabilities **₹ in lakhs**

Particulars	**As at 31st March 2022**	As at 31st March 2021
Disputed sales tax / entry tax demands	**10.89**	57.84
Other claims against the Company not acknowledged as debts	**25.09**	27.05

Notes:

a) Sales Tax and Entry Tax related litigation/demand primarily pertains to non- submission of required declaration forms in time due to non- receipt of the same from customers and/ or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.

b) The Company's pending litigations comprise mainly claims against the Company, proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 36 Capital Commitments **₹ in lakhs**

Particulars	As at 31st March 2022	As at 31st March 2021
Estimated amount of contracts remaining to be executed on capital account	**129.46**	481.51
Less: Advances paid	**34.81**	215.86
Net Capital Commitments	**94.65**	265.65

Note 37 Related party disclosures

Names of related parties and description of relationship:

Subsidiaries:

Name	Extent of Holding
Safari Manufacturing Limited (w.e.f. 9th November 2021)	Wholly Owned Subsidiary
Safari Lifestyles Limited	Wholly Owned Subsidiary

Key Managerial Personnel:

Name	Nature of Relationship
Mr. Sudhir Mohanlal Jatia	Chairman & Managing Director
Mr. Vineet Poddar	Chief Financial Officer
Mr. Rameez Shaikh	Company Secretary
Dr. Shailesh Jayantilal Mehta	Non-executive and independent director
Mr. Punkajj Girdharilal Lath	Non-executive and independent director
Mr. Dalip Charanjit Sehgal	Non-executive and independent director
Mrs. Vijaya Sampath	Non-executive and independent director
Mr. Rahul Lalit Kanodia	Non-executive and independent director
Mr. Anuj Patodia (upto 11th August 2021)	Non-executive and non-independent director
Mr. Piyush Goenka	Non-executive and non-independent director
Mr. Sumeet Nagar	Non-executive and non-independent director
Mr. Gaurav Sharma (appointed 13th May 2021)	Non-executive and non-independent director

Other related parties:

Name	Nature of Relationship
Ms. Shivani Jatia	Daughter of Mr. Sudhir Mohanlal Jatia, Chairman and Managing Director
Ms. Tanisha Jatia	Daughter of Mr. Sudhir Mohanlal Jatia, Chairman and Managing Director

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Transactions during the year and balances as at year end: **₹ in lakhs**

Nature of Transactions	**Safari Lifestyle Limited (Subsidiary)**	**Safari Manufacturing Limited (Subsidiary)**	**Key managerial personnel**	**Other related parties**
Transactions during the year				
Sale of goods	**34.77** (-)			
Sales promotion expenses paid	**30.00** -			
Reimbursement / recovery of expenses	**5.73** (-)			
Investment in equity shares		**500.00** (-)		
Investments in 6.5% cumulative redeemable preference shares		**1,500.00** (-)		
Loan given		**1,183.37** (-)		
Interest / finance income		**46.99** (-)		
Remuneration to key managerial persons ***(Refer note (d) below)***				
Short-term employee benefits			**213.06** (117.02)	
Post-employment benefits			**17.01** (5.93)	
Share-based payment			**-** (19.71)	
Sitting Fees:				
Non-Executive and Independent Directors			**13.40** (16.05)	
Non-Executive and Non-Independent Directors			**2.50** (4.50)	
Commission:				
Non-Executive and Independent Directors			**19.75** (-)	
Non-Executive and Non-Independent Directors			**4.75** (-)	
Salary including perquisites and Post-employment benefits				**33.57** (17.08)
Balances as at year end				
Investment in equity shares	**5.00** (5.00)	**500.00** (-)		
Investments in 6.5% cumulative redeemable preference shares		**1,500.00** (-)		
Loan		**1,183.37** (-)		
Interest / finance income receivable		**46.99** (-)		
Trade receivables	**31.56** (13.98)			
Commission payable to directors			**24.50** (-)	

Figures in bracket relate to previous year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Notes:

a) *Related party relationship is as identified by the management and relied upon by the auditors.*
b) *No amounts in respect of related parties have been written off/ written back during the year and no provision has been made for doubtful debts/ receivable.*
c) *All related party transactions entered during the year were in the ordinary course of the business at arm's length basis.*
d) *Key Managerial Persons who are under the employment of the Company are entitled to post-employment benefits (defined benefit gratuity plan) recognised as per Ind AS 19 "Employee Benefits" in the financial statements and short-term employee benefits in the form of premium paid by company for group health insurance plan. As these employee benefits are lumpsum amounts provided on the basis of actuarial valuation/ premium payment for the Company as a whole, the same is not included above.*

Note 38 Disclosure made in terms of Section of 186 of the Companies Act, 2013 and regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **₹ in lakhs**

Particulars	Rate of Interest	Outstanding as at 31st March, 2022	Maximum during the year	% of total loans and advances in the nature of loans	Purpose of the loan
Safari Manufacturing Limited, Subsidiary	6.50% (-)	1,183.37 (-)	1,183.37 (-)	100.00% (-)	Business Purpose

Figures in bracket relate to previous year.
Terms of repayment: Above loan is repayable on demand

Note 39 Segment Reporting

The Company's Chairman and Managing Director has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators . The Company is primarily engaged in the manufacturing and marketing of luggage and luggage accessories. Since this segment meets the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers this as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

Note 40 Assets provided as security

The carrying amounts of assets provided as security (First Charge) for current and non-current borrowings are:

₹ in lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Current assets		
Financial assets		
Trade receivables	**11,488.37**	9,060.15
Non-financial assets		
Inventories	**14,607.16**	11,397.82
Total current assets provided as security	**26,095.53**	20,457.97
Non-current assets		
Leasehold land *	**5.99**	6.09
Buildings*	**856.75**	911.40
All movable property, plant and equipment*	**3,002.33**	2,567.91
Total non-current assets provided as security	**3,865.07**	3,485.40
Total assets provided as security	**29,960.60**	23,943.37

This represents net book value.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 41 Auditor's remuneration

(excluding goods and service tax) **₹ in lakhs**

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Audit fees	**6.50**	6.50
Tax audit fees	**1.50**	1.50
Limited review and certification fees *	**5.60**	10.60
Reimbursement of expenses	**0.38**	0.25
Total	**13.98**	18.85

** Certification fees for year ended 31st March, 2021 includes ₹ 5.00 Lakhs paid for certification in relation to preferential issue of CCD and thus becomes part of issue expense which are not charged to Statement of Profit and Loss.*

Note 42 Employee share-based plan:

A) Details of stock options to eligible employees under Safari Stock Option Scheme 2016 are as under:

Particulars	Tranche IV	Tranche V	Tranche VI
Grant date	**09 Feb 2018**	**05 Dec 2020**	**11 Aug 2021**
No of options	10,000	10,000	5,000
Method of accounting	Fair Value	Fair Value	Fair Value
Vesting plan	Graded Vesting-	Graded Vesting-	Graded Vesting-
	At the end of 1st year - 40%	At the end of 1st year - 40%	At the end of 1st year - 40%
	At the end of 2nd year - 30%	At the end of 2nd year - 30%	At the end of 2nd year - 30%
	At the end of 3rd year – 30%	At the end of 3rd year – 30%	At the end of 3rd year – 30%
Exercise period	Within one year from the date of Vesting	Within one year from the date of Vesting	Within one year from the date of Vesting
Grant price (₹ per share)	440.00	440.00	650.00
Average market price on the date of Grant of Options / on the date previous to the date of grant (₹ per share)	539.86	531.05	691.80
Discount (₹ per share)	99.86	91.05	41.80

Movements in number of share options during the year:

Particulars	Tranche IV	Tranche V	Tranche VI	
Grant date	**09 Feb 2018**	**05 Dec 2020**	**11 Aug 2021**	**Total**
Opening balance	3,000	10,000	-	13,000
Granted during the year	-	-	5,000	5,000
Exercised during the year	3,000	-	-	3,000
Expired/lapsed during the year	-	-	-	-
Closing balance	-	10,000	5,000	15,000
Exercisable options as at year end	-	4,000	-	4,000

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

B) The fair value of options have been done by independent firm of Chartered Accountants using the Black-Scholes Merton Model/Binomial Model.

The key assumptions for calculating fair value on the date of grant for Safari Stock Option Scheme 2016 are as belows:

Particulars	Tranche IV	Tranche V	Tranche VI
Grant date	**09 Feb 2018**	**05 Dec 2020**	**11 Aug 2021**
Fair Valuation Model	**Black-Scholes Merton Model**	**Binomial Model**	**Binomial Model**
1. Risk free rate	7.46%	4.53%	4.35%
2. Option life (no. of years)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	2.00 (Year 1) 3.00 (Year 2) 4.00 (Year 3)	2.00 (Year 1) 3.00 (Year 2) 4.00 (Year 3)
3. Expected volatility	0.8503	0.3814	0.3814
4. Dividend growth rate	5%	-	0.07%
Weighted average fair value of the options (In ₹)	296.98	205.44	226.15

Note 43 Details of corporate social responsibility (CSR) expenditure :

₹ in lakhs

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
1. Amount required to be spent as per Section 135 of the Companies Act, 2013	**35.34**	76.55
2. Amount spent during the year on :		
Construction/acquisition of any asset	**-**	-
On purposes other than above	**35.78**	76.60
3. Shortfall at the end of the year	**-**	-
4. Total of previous years shortfall	**-**	-
5. Reason for shortfall	**NA**	NA
6. Nature of CSR activities	Education, Skilling, Health, Food, Wellness and Water	
7. Details of related party transactions in relation to CSR expenditure	**Nil**	Nil

Note 44 Debt reconciliation statement in accordance with Ind AS 7 - Statement of Cash Flows:

₹ in lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Non current borrowings	**9.34**	230.20
Current borrowings	**1,093.06**	738.39
Interest accrued but not due on borrowings	**0.12**	8.86
Less: Cash and cash equivalents	**(3,908.52)**	(422.79)
Net debt/(cash)	**(2,806.00)**	554.66

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

₹ in lakhs

Particulars	Non-current borrowings	Current borrowings	Interest accrued but not due on borrowings	Cash and cash equivalents	Total
Net debt as at 1st April 2020	83.67	7,442.24	4.64	(41.49)	**7,489.06**
Cash flows	146.53	(6,708.12)	-	(381.30)	**(6,942.89)**
Unrealised exchange loss	-	4.27	-	-	**4.27**
Finance costs	-	-	578.61	-	**578.61**
Interest paid	-	-	(582.15)	-	**(582.15)**
Other adjustment IndAS 32 (interest payable on CCDs)	-	-	7.76	-	**7.76**
Net debt as at 31st March 2021	**230.20**	**738.39**	**8.86**	**(422.79)**	**554.66**
Cash flows	(220.86)	354.15	-	(3,485.73)	**(3,352.44)**
Unrealised exchange loss	-	0.52	-	-	**0.52**
Finance costs	-	-	483.90	-	**483.90**
Interest paid	-	-	(492.64)	-	**(492.64)**
Other adjustment IndAS 32 (interest payable on CCDs)	-	-	-	-	-
Net debt/(cash) as at 31st March 2022	**9.34**	**1,093.06**	**0.12**	**(3,908.52)**	**(2,806.00)**

45 Exceptional items

Exceptional items of ₹ 928.02 lakhs is on account of provision for doubtful debts created towards receivables from certain customers. ₹ 655.80 lakhs (PY ₹ 867.64 lakhs) have been provided against the said customers during previous quarters of FY 2021-22 is the part of Other Expenses.

46 Other statutory information

i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

ii) The Company does not have any transactions with companies struck off.

iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

ix) The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

x) The Company is not declared wilful defaulter by any bank or financial institution or lender during the year.

47 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) vide Notification dated 23th March, 2022 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2022. Major amendments notified in the notification are provided below

(a) Ind AS 16 | Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

(b) **Ind AS 37 | Provisions, contingent liabilities and contingent assets –** The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

(c) **Ind AS 103 | Business combinations –** The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) **Ind AS 109 | Financial instruments –** The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is evaluating the impact of these amendments.

48 The Indian Parliament has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post-employment, and the same has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

49 Ratios

Ratio	Numerator	Denominator	2021-2022	2020-2021	Variance
Current Ratio (times)	Current assets	Current liabilities	2.61	3.01	-13%
Debt-Equity Ratio (times)	Total debt	Shareholder's equity	0.18	0.15	21%
Debt Service Coverage Ratio (times)	Earnings available	Debt service	4.68	0.16	2852%#
Return on Equity Ratio (%)	Net profit after tax	Average Share-holder's equity	7.94%	-8.21%	197%*
Inventory turnover ratio (times)	Cost of goods sold	Average inventory	3.42	1.39	146%*
Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivables	6.87	2.75	149%**
Trade payables turnover ratio (times)	Total purchases & other expenses	Average trade payables	6.98	3.49	143%**
Net capital turnover ratio (times)	Revenue from operations	Average working capital	3.52	1.86	89%**
Net profit ratio (%)	Profit for the year	Revenue from operations	3.26%	-6.36%	151%*
Return on Capital employed (%)	Earnings before interest and tax	Average capital employed	10.27%	-6.94%	248%*
Return on investment (%)	Profit after tax	Total equity	7.64%	-7.50%	202%*

Reasons for variance in ratios:

** Profits earned in current year as a result of higher operations as compared to previous year in which the company incurred losses due to lower level of operations impacted by COVID 19.*

*** Higher turnover during FY 2021-22.*

 # The Company is debt free hence the interest cost is on the lower side.

50 Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The Management, however, is confident that the impact whereof for the year on the financial statements will not be material.

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

Signatures to notes 1-51

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

Mumbai, 13th May, 2022

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of **Safari Industries (India) Limited** ("the Parent Company") and subsidiaries (hereinafter to be referred as "the Group") which comprises of consolidated Balance Sheet as at 31st March, 2022, the consolidated Statement of Profit & Loss (including other comprehensive income), the consolidated Statement of changes in equity and the consolidated Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information which are included in the consolidated financial statements for the year ended on that date.

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 Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2022, the consolidated profit, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Auditor's response
1.	**Inventory - valuation** As at March 31, 2022, the Group held inventories of ₹ 14,611.32 lakhs. [Also, refer Note no. 9 of the standalone financial statements] Inventories valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). Future selling prices are dependent on market conditions, which can be difficult to predict due to COVID 19. There is an element of judgement relating to provisions which are based on historical evidence and the current economic conditions. The changing trends and economic environment require judgements in respect of provisions to be reassessed at each reporting date. In view of the above, the matter has been determined to be a key audit matter.	**Audit procedures performed:** We have performed following alternative audit procedures over inventory valuations: (a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the inventory valuation is in accordance with applicable accounting standard and verification of net realizable value. (b) We considered the inventory provision for obsolescence and items to be sold at less than cost through evaluating: • historical inventory and sales data; • management's latest forecasts; and • selling prices realised subsequent to the year end. (c) Performing substantive analytical procedures to test the correctness of inventory valuation. The procedures performed gave us a sufficient evidence to conclude about the inventory valuation.

INDEPENDENT AUDITORS' REPORT

Sr. No.	Key Audit Matters	Auditor's response
2.	**Trade receivables-collectability and certainty** As at March 31, 2022, the Group held trade receivables of ₹ 11,457.64 lakhs. [Also, refer Note no. 10 of the consolidated financial statements] Trade receivables collectability and certainty was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). As explained by the Management, due to COVID 19 related restrictions on account of nationwide lockdown, resulted in non-receipt of most of the direct confirmations from the customers and reconciliations whereof with the books of account of the Company. In view of the above, the matter has been determined to be a key audit matter.	**Audit procedures performed:** We have performed following alternative audit procedures over trade receivables : (a) Performing procedures to ensure that the changes in trade receivables between the last confirmation receipt and date of the Balance sheet are properly recorded (Roll forward procedures) (b) Performing substantive analytical procedures to test the correctness of receivables valuation (c) Testing of accuracy of trade receivables reconciliations with the general ledgers during the year, including test of reconciling items (d) We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management. The procedures performed gave us a sufficient evidence to conclude about the collectability and certainty of trade receivables.

Information Other than the Consolidated Financial Statements and auditor's report thereon

The Parent Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the consolidated financial statement and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothingto report in this regard.

Management responsibilities for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group 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 (Account) 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 of the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

INDEPENDENT AUDITORS' REPORT

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the respective entities ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

We draw your attention to the Note 31 (D) to the consolidated financial statements regarding the assessment made by the management relating to impact of COVID-19 pandemic on the operations of the Company.

Report on Other Legal and Regulatory Requirements

1. 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 maintained by the Group have been kept so far as it appears from our examination of those books and records.

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

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

(e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2022 taken on record by the Board of Directors of the Parent Company, none of the directors of the subsidiariesare disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, please refer annexure A of the audit report attached with the consolidated financial statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the respective companies to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) 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 Group has disclosed the impact of pending litigations on its financial performance in its consolidated financial statements. Refer Note No.-33 to the consolidated financial statements.

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

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

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

INDEPENDENT AUDITORS' REPORT

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.(Refer note no. 43 to the consolidated financial statements)

v. As stated in Note 31 (b) to the consolidated financial statements, the Board of Directors of the Parent Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.

2. With respect to the matters specified in Clause (xxi) of paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us of the companies included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)

Mumbai
Date : 13th May 2022

R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **22044101AIXNPE6699**

ANNEXURE B

Annexure "B" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Safari Industries (India) Limited for the year ended 31st March, 2022:

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of **Safari Industries (India) Limited** (hereinafter referred to as "the Parent Company" and subsidiaries collectively referred to as "the Group").

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorizations of management and directors of the group; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group's assets that could have a material effect on the financial statements; and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)

Mumbai
Date : 13th May 2022

R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **22044101AIXNPE6699**

CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH 2022

₹ in lakhs

	Note no.	As at 31st March 2022	As at 31st March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	**5,335.47**	3,721.34
Right-of-use asset	5	**4,203.01**	2,897.58
Capital work-in-progress	6	**1,969.64**	6.62
Intangible assets	4	**47.84**	53.00
Financial assets			
Other financial assets	7	**518.37**	3,456.23
Deferred tax assets (net)	27	**698.92**	1,105.68
Income tax assets (net)		**289.87**	282.07
Other non-current assets	8	**249.57**	218.65
Total non-current assets		**13,312.69**	11,741.17
Current assets			
Inventories	9	**14,611.32**	11,397.82
Financial assets			
Trade receivables	10	**11,457.64**	9,034.95
Cash and cash equivalents	11	**3,914.55**	430.08
Other bank balances	12	**2,010.19**	6,020.29
Other financial assets	7	**216.00**	105.49
Other current assets	8	**1,318.85**	963.43
Total current assets		**33,528.55**	27,952.06
Total assets		**46,841.24**	39,693.23
Equity and liabilities			
Equity			
Equity share capital	13	**447.79**	447.73
Other equity	14	**29,650.73**	27,451.33
Total equity		**30,098.52**	27,899.06
Liabilities			
Non - current liabilities			
Financial liabilities			
Borrowings	15	**9.34**	230.20
Lease liabilities	5	**3,071.84**	2,256.99
Provisions	16	**-**	**22.04**
Total non-current liabilities		**3,081.18**	2,509.23
Current liabilities			
Financial liabilities			
Borrowings	17	**1,093.06**	738.39
Trade payables	18		
Total outstanding dues of micro, small and medium enterprises		**2,523.25**	1,739.46
Total outstanding dues of creditors other than micro, small and medium enterprises		**7,784.87**	5,346.60
Lease liabilities	5	**1,386.61**	859.18
Other financial liabilities	18	**316.93**	120.42
Other current liabilities	19	**372.28**	280.36
Provisions	16	**184.54**	200.53
Total current liabilities		**13,661.54**	9,284.94
Total equity and liabilities		**46,841.24**	39,693.23

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2022

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in lakhs

	Note no.	Year ended 31st March 2022	Year ended 31st March 2021
Income			
Revenue from operations	20	**70,568.24**	32,797.55
Other income	21	**798.43**	333.29
Total income		**71,366.67**	33,130.83
Expenses			
Cost of materials consumed	22	**17,914.92**	5,661.71
Purchases of stock-in-trade		**29,182.10**	8,734.31
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	**(2,617.17)**	4,671.74
Employee benefits expense	24	**6,763.27**	5,987.76
Finance costs	25	**492.38**	578.61
Depreciation and amortisation expense	3,4,5	**1,989.07**	2,042.37
Other expenses	26	**13,802.79**	8,338.04
Total expense		**67,527.36**	36,014.54
Profit/(Loss) before exceptional items and tax		**3,839.31**	(2,883.71)
Exceptional items		**(928.02)**	-
Profit/(Loss) before tax		**2,911.29**	(2,883.71)
Tax expense			
Current tax	27	**266.09**	-
Deferred tax	27	**405.26**	(690.08)
Tax for earlier years	27	**3.18**	(103.93)
Total tax expense		**674.53**	(794.01)
Profit/(Loss) for the year		**2,236.76**	(2,089.69)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	31	**(60.86)**	(155.76)
Tax relating to these items	27	**13.49**	39.53
Total other comprehensive income		**(47.37)**	(116.23)
Total comprehensive income comprising profit/ (Loss) and other comprehensive income for the year		**2,189.39**	(2,205.92)
Earnings per equity share	32		
Basic earnings per equity share (in ₹)		**9.99**	(9.34)
Diluted earnings per equity share (in ₹) (Face value of ₹ 2 each)		**9.54**	(9.34)

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2022

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

Equity share capital :	Balance as at 1st April 2020	Changes in equity share capital during the year 2020-21	Balance as at 31st March 2021	Changes in equity share capital during the year 2021-22	Balance as at 31st March 2022
Paid-up capital *(refer note 13)*	447.28	0.45	447.73	0.06	447.79

Other equity :	Reserves and surplus						Items of other comprehensive income	Equity Component of Compound Financial Intrument	Total
Particulars	Capital reserve	Securities premium	General reserve	Equity-settled share-based payment reserve	Retained earnings	Unamortised Preference issue cost	Remeasurement of defined benefit plan	Compulsorily Convertible Debentures *(Refer Note 13(d))*	
Balance as at 1st April 2020	**11.18**	**12,213.79**	**618.80**	**52.35**	**9,884.01**	**-**	**(165.55)**	**-**	**22,614.58**
Profit for the year	-	-	-	-	(2,089.69)	-	-	-	(2,089.69)
Other comprehensive income for the year	-	-	-	-	-	-	(116.23)	-	(116.23)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**(2,089.69)**	**-**	**(116.23)**	**-**	**(2,205.92)**
On shares issued on ESOP	-	52.20	-	-	-	-	-	-	52.20
Transfer from equity-settled share-based payment reserve (on options exercised)	-	42.78	-	(42.78)	-	-	-	-	-
Transfer from equity-settled share-based payment reserve (on options lapsed)	-	-	-	(8.91)	8.91	-	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-	-	-	-	-	
On issue of 6% compulsorily convertible debentures *(Refer note 13(d)*	-	-	-	-	-	-	-	6,804.06	6,804.06
Effect on account of deferred tax on issue expense and interest on compulsorily convertible debentures *(Refer note 27(d))*	-	-	-	-	173.89	-	-	-	173.89
Transfer from statement of profit and loss	-	-	-	12.51	-	-	-	-	12.51
Balance as at 31st March 2021	**11.18**	**12,308.77**	**618.80**	**13.17**	**7,977.11**	**-**	**(281.77)**	**6,804.06**	**27,451.33**
Profit for the year	-	-	-	-	2,236.76	-	-	-	2,236.76
Other comprehensive income for the year	-	-	-	-	-	-	(47.37)	-	(47.38)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**2,236.76**	**-**	**(47.37)**	**-**	**2,189.39**
On shares issued on ESOP	-	13.14	-	-	-	-	-	-	13.14
Transfer from equity-settled share-based payment reserve (on options exercised)	-	8.91	-	(8.91)	-	-	-	-	-
Transaction cost on issue of share capital in subsidiary	-	-	-	-	(5.10)	(14.31)			(19.42)
Effect on account of deferred tax on issue expense of equity in subsidiary	-	-	-	-	0.88	-	-	-	0.88
Transfer from statement of profit and loss	-	-	-	15.41	-	-	-	-	15.41
Balance as at 31st March 2022	**11.18**	**12,330.82**	**618.80**	**19.67**	**10,209.66**	**(14.30)**	**(329.15)**	**6,804.06**	**29,650.73**

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2022

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in lakhs

	Year Ended 31st March 2022	Year Ended 31st March 2021
A. Cash flow from operating activities		
Profit/(loss) before exceptional items and tax	**3,839.31**	(2,883.70)
Adjustments for :		
Depreciation and amortisation expense	**1,989.07**	2,042.37
Finance costs	**492.38**	578.61
Interest income	**(629.55)**	(31.27)
Other income on concession or termination of leases	**(105.52)**	(259.76)
Loss on disposal/discard of property, plant and equipment (net)	**101.35**	43.18
Deposits / other amounts written back (net)	**(4.91)**	(3.98)
Unrealised exchange fluctuation (gain)/ loss	**(5.30)**	(112.59)
Share based payments to employees	**15.41**	12.51
Bad debts written off / provision for doubtful debts / advances / deposits	**651.19**	889.78
Operating profit before working capital changes	**6,343.42**	275.15
Adjustments for :		
Changes in working capital		
Decrease/(increase) in inventories	**(3,213.50)**	4,605.56
Decrease/(increase) in trade receivables	**(4,001.89)**	4,861.87
Decrease in other bank balances	**10.10**	19.75
Decrease/(increase) in other financial assets	**(169.67)**	33.52
Decrease/(increase) in other assets	**(360.78)**	512.73
Increase in trade payables	**3,232.04**	985.64
Decrease in other financial liabilities	**(6.93)**	(198.88)
Decrease in provisions	**(98.89)**	(55.87)
Increase/(decrease) in other current liabilities	**91.90**	(50.05)
Cash generated from operations	**1,825.82**	10,989.42
Direct taxes refund / (paid)	**(261.51)**	122.78
Net cash generated from operating activities	**1,564.31**	11,112.20

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd..)

₹ in lakhs

	Year Ended 31st March 2022	Year Ended 31st March 2021
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital advances)	**(4,400.77)**	(831.82)
Proceeds from disposal of property, plant and equipment	**104.18**	64.98
Proceeds from maturity / (investments) in term deposits (other than cash and cash equivalents) (net)	**7,000.00**	(9,000.00)
Interest received	**626.58**	6.31
Net cash from/(used in) investing activities	**3,329.99**	(9,760.53)
C. Cash flow from financing activities		
Proceeds from shares issued on ESOP	**13.20**	52.65
Proceeds from issue of 6% compulsorily convertible debentures (net of issue expenses of ₹ 59.43 Lakhs)	**-**	7,440.57
Issue expenses on subsidiary's share capital	**(20.42)**	-
Proceeds from long term borrowings	**-**	15.00
Repayment of long term borrowings (including current maturities)	**(434.74)**	(130.98)
Proceeds / (repayment) of short term borrowings (net)	**569.07**	(7,074.34)
Repayment of leases liabilities	**(1,034.89)**	(758.07)
Finance costs	**(500.12)**	(582.15)
Net cash used in financing activities	**(1,407.90)**	(1,037.32)
Net increase in cash and cash equivalents	**3,484.47**	314.35
Opening cash and cash equivalents	**430.08**	115.73
Closing cash and cash equivalents ***(refer note 11)***	**3,914.55**	430.08

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)

R. P. BARADIYA, *Partner*
(Membership No. 044101)

Mumbai, Date: 13th May 2022

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1. Corporate information:

Safari Industries (India) Limited ("the Parent Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Parent Company together with its subsidiary (collectively referred to as "the Group") is engaged in the manufacturing and marketing of luggage and luggage accessories.

2. Significant accounting policies:

2.1 Basis of preparation:

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The consolidated financial statements have been prepared on a going concern basis using accrual method of accounting and historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (including derivative instruments)
- Share-based payments
- Defined benefit and other long-term employee benefits

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

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle of twelve months and other criteria set out in Schedule III of the Act.

2.2 Basis of consolidation:

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. It is deconsolidated from the date when control ceases.

The Group combines the financial statements of the parent and its subsidiary line-by-line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Use of estimates and judgements:

The preparation of the consolidated financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the consolidated financial statements is made relying on these estimates.

The estimates and judgments used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

2.4 Property, plant and equipment

All the items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include purchase price, freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset. Cost also includes borrowing costs for long-term construction projects if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other expenses of repairs and maintenance are charged to the consolidated statement of profit and loss during the reporting period in which they are incurred.

Leasehold land and leasehold improvements are stated at historical cost less amounts amortised proportionate to expired lease periods.

Capital Work-in-progress and pre-operative expenses during construction period

Capital work-in-progress includes expenditure incurred during construction period on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion/ commencement of commercial production.

Depreciation method, estimated useful lives and residual value:

Depreciation is provided on the straight-line method applying the useful lives as prescribed in part C of Schedule II of the Act.

The range of estimated useful lives of Property, Plant and Equipments are as under:

Category	Useful life as prescribed by Schedule II of the Act	Estimated useful life
Buildings		
- Factory Buildings	30 years	30 years
- Roads	10 years	10 years
- Compound Wall	5 years	5 years
- Others	3 years	3 years
Plant and equipment*		
- Machinery equipment	7.5 years	7.5 years
- Electrical installation and equipment	10 years	5-10 years
Furniture and fixtures		
- Furniture and Fixtures at retail stores	10 years	2 years
- Others	10 years	10 years
Vehicles	8 years	8 years
Office equipment		
- Computer hardware	3 Years	3 Years
- Others	5 years	5 years

** Useful life of Plant and Equipment is determined based on the internal assessment supported by independent technical evaluation.*

The management believes that the useful lives, as given above, best represent the period over which the management expects to use these assets. The Group reviews the useful lives and residual value at each reporting date.

Leasehold land and leasehold improvements are amortised over the period of lease.

Assets costing up to ₹ 5,000 each are depreciated fully in the year of purchase.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Depreciation on the property, plant and equipment added/ disposed off/ discarded during the year is provided on pro rata basis with reference to the month of addition/ disposal/ discarding. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in "Other income"/ "Other expenses" in the consolidated statement of profit and loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Intangible assets

Intangible assets are held on the consolidated balance sheet at cost less accumulated amortisation and impairment losses, if any. Intangible assets developed or acquired with finite useful life are amortised on straight-line basis over the useful life as specified below:

Category	Estimated useful life
Trademarks	5 Years
Brands	5 Years
Computer software	3 Years

2.6 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal / external factors, an asset is tested for impairment. When the carrying cost of the asset exceeds its recoverable value, an impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

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

2.7 Inventories:

Inventories include raw material, work-in-progress, finished goods, stock-in-trade, stores and spares, and packing materials. Inventories are valued at lower of cost and net realisable value. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw material, stores and spares and packing materials are not written down below cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Finished goods and work-in-progress include costs of direct materials, direct labour and an appropriate proportion of variable and fixed manufacturing overheads, the latter being allocated on the basis of normal operating capacity.

Proceeds in respect of sale of raw materials/ stores and spares are credited to the respective heads. Obsolete, slow moving and defective inventory are duly provided on the basis of management estimates.

2.8 Revenue recognition:

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

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

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

Contract balances

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

2.9 Financial instruments:

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

A. Non-derivative financial instruments:

(1) Financial assets

(i) Initial recognition and measurement:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. On initial recognition, financial assets, other than trade receivables, are measured at fair value. In case of financial assets which are recognised at fair value through profit or loss (FVTPL), their transaction costs are recognised in the consolidated statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

(ii) Subsequent measurement

Financial assets are classified as subsequently measured at:

(a) Amortised cost

(b) Fair value through profit and loss (“FVTPL”) or

(c) Fair value through other comprehensive income (“FVOCI”)

The above classification is being determined considering:

(a) the entity's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing the financial assets.

(a) Measured at amortised cost:

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Measured at FVOCI:

Financial assets are subsequently measured at FVOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and selling financial assets. Fair value movements are recognised in the consolidated other comprehensive income ("OCI"). Interest income measured using the effective interest rate (EIR) method and impairment losses, if any are recognised in the consolidated statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in the consolidated OCI is reclassified from equity to the consolidated statement of profit and loss under the head 'Other income'/ "Other expenses'.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

(c) Measured at FVTPL:

Financial assets, other than investment in equity instruments, are subsequently measured at FVTPL unless they are measured at amortised cost or at FVOCI. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the consolidated statement of profit and loss.

Investment in equity instruments:

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in consolidated OCI that would otherwise be measured at FVTPL pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in consolidated OCI and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the consolidated statement of profit and loss on disposal of the investments. However, the Group may transfer the cumulative gain or loss within equity.

Dividend on these investments in equity instruments is recognised in the consolidated statement of profit and loss under the head 'Other income' when the Group's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(iii) Impairment

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost or at FVOCI. The credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to lifetime ECL i.e. expected cash shortfalls, being simplified approach for recognition of impairment loss allowance. Under simplified approach, the Group does not track changes in credit risk. Rather it recognises impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Group recognises 12-month ECL for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The ECL are measured as lifetime ECL if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-month ECL. The impairment losses and reversals are recognised in the consolidated statement of profit and loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

(iv) Derecognition

The Group derecognises a financial asset when,

(a) the contractual rights to the cash flows from the financial asset expire, or

(b) it transfers the contractual rights to receive the cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset, or

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

(c) it retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a pass through arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset), or

(d) it has neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset and does not retain control over the financial asset.

When the Group transfers a financial asset, it evaluates the extent to which it has retained the risks and rewards of ownership of the financial asset. If the Group has neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset, but retains control of the financial asset, the Group continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(2) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value, net of directly attributable transaction costs for all financial liabilities not carried at FVTPL.

(ii) Subsequent measurement

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

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

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(3) Equity instruments:

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

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

(4) Compound financial instruments:

The component parts of compound instruments (convertible debentures) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rates. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

B. Derivative financial instruments:

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

2.10 Fair value measurement:

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

2.11 Foreign currency transactions:

The Group's consolidated financial statements are presented in INR which is also its functional currency.

a) Initial recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the consolidated statement of profit and loss for the year.

b) Measurement of foreign currency items at the balance sheet date

Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year are translated at the closing exchange rates prevailing on the balance sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in the consolidated OCI or the consolidated statement of profit and loss are also reclassified in the consolidated OCI or the consolidated statement of profit and loss, respectively).

2.12 Taxes on income :

Income tax comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit and loss except to the extent it relates to items directly recognised in equity or in consolidated OCI.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary difference between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Group offsets, the current tax assets and liabilities (on a year-on-year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the respective components financial statements. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets are not recognised when it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.13 Employee benefits:

The Group has following post-employment plans:

(a) Defined contribution plan such as Provident Fund

(b) Defined benefit plan - Gratuity

(c) Compensated absences

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

a) Defined contribution plan

Under defined contribution plans, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined contribution plan comprise of contributions to the employees' provident fund with the government and certain state plans such as employees' state insurance and employees' pension scheme. The Group's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

b) Defined benefit plan

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuary through actuarial valuation using the projected unit credit method.

The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

(i) Service costs comprising current service costs, past service costs, gains and losses on curtailment and non-routine settlements; and

(ii) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in 'Employee benefits expense' in the consolidated statement of profit and loss.

Remeasurements of the net defined benefit liability/ (asset) comprising:

(i) actuarial (gains)/losses

(ii) return on plan assets, excluding amounts included in interest income and

(iii) any change in the effect of the asset ceiling, excluding amounts included in interest income

are recognised in the period in which they occur directly in the consolidated OCI. Remeasurements are not reclassified to the consolidated statement of profit and loss in subsequent periods.

Ind AS 19 "Employee benefits" requires the exercise of judgment in relation to various assumptions including future pay rises, inflation, discount rates and employee demographics. The Group determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the consolidated statement of profit and loss, consolidated OCI and consolidated balance sheet. There may also be interdependency between some of the assumptions.

c) Compensated absences

The Group has a policy for compensated absences to allow leave entitlements which would be non-accumulating in nature except for a certain class of employees. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur. Necessary impact of the same had been considered in the consolidated financial statements.

The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

2.14 Share-based payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

No expense is recognised for ESOPs that do not ultimately vest because non-market performance and/ or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per equity share.

2.15 Leases:

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

(i) the contract involves the use of an identified asset,

(ii) the Group has the right to obtain substantially all of the economic benefits from use of the identified asset, throughout the period of use, and

(iii) the Group has the right to direct the use of the identified asset, throughout the period of use.

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

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

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

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liabilities and right-of-use assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.16 Provisions and contingencies:

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

Provisions for product warranty are recognised in the year of sale based on past experience.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

2.17 Cash and cash equivalents:

Cash and cash equivalents in the consolidated balance sheet and for the purpose of consolidated statement of cash flows include cash and cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

2.18 Earnings per equity share:

Basic earnings per equity share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per equity share is the net profit/ (loss) for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, share-based payments, etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per equity share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Borrowing cost :

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of cost of those assets during the period till all the activities necessary to prepare the qualifying assets for their intended use or sale are complete. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.20 Exceptional items:

When an item of income or expense within profit/ (loss) from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year, the nature and amount of such items is disclosed separately in the consolidated statement of profit and loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022 (contd..)

Note 3 Property, plant and equipment **₹ in lakhs**

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Gross carrying amount									
Balance as at 1st April 2020	**-**	**6.71**	**1,106.82**	**2,638.48**	**687.89**	**385.81**	**402.35**	**104.43**	**5,332.49**
Additions	-	-	5.61	516.83	37.69	17.52	31.26	22.19	631.09
Deductions/adjustment	-	-	-	69.87	320.37	46.69	73.91	1.34	512.18
Balance as at 31st March 2021	**-**	**6.71**	**1,112.43**	**3,085.44**	**405.21**	**356.64**	**359.70**	**125.29**	**5,451.42**
Accumulated depreciation									
Balance as at 1st April 2020	**-**	**0.39**	**146.50**	**523.04**	**247.98**	**102.96**	**175.49**	**40.40**	**1,236.77**
Additions	-	0.24	54.53	480.52	199.93	46.50	90.50	25.13	897.35
Deductions/adjustment	-	-	-	55.17	265.89	15.58	66.35	1.05	404.04
Balance as at 31st March 2021	**-**	**0.62**	**201.03**	**948.38**	**182.03**	**133.88**	**199.65**	**64.49**	**1,730.08**
Net carrying amount as at 31st March 2021	**-**	**6.09**	**911.40**	**2,137.06**	**223.18**	**222.76**	**160.05**	**60.80**	**3,721.35**
Gross carrying amount									
Balance as at 1st April 2021	**-**	**6.71**	**1,112.43**	**3,085.44**	**405.21**	**356.64**	**359.70**	**125.29**	**5,451.42**
Additions	1,170.31	-	-	1,189.05	76.83	142.44	15.41	14.32	2,608.36
Deductions/adjustment	-	-	-	328.18	88.40	92.30	6.67	4.90	520.45
Balance as at 31st March 2022	**1,170.31**	**6.71**	**1,112.43**	**3,946.30**	**393.64**	**406.78**	**368.44**	**134.71**	**7,539.33**
Accumulated depreciation									
Balance as at 1st April 2021	**-**	**0.62**	**201.03**	**948.38**	**182.03**	**133.88**	**199.65**	**64.49**	**1,730.08**
Additions	-	0.10	54.65	535.81	91.55	47.61	34.03	26.84	790.58
Deductions/adjustment	-	-	-	179.45	70.34	56.49	6.08	4.43	316.78
Balance as at 31st March 2022	**-**	**0.72**	**255.67**	**1,304.75**	**203.23**	**125.00**	**227.60**	**86.90**	**2,203.88**
Net carrying amount as at 31st March 2022	**1,170.31**	**5.99**	**856.75**	**2,641.55**	**190.41**	**281.78**	**140.84**	**47.81**	**5,335.44**

Note:

1. *Leasehold land is under lease arrangement for a period of 99 years commencing from 1st April 1982.*
2. *Refer note 38 for property, plant and equipment provided as security against certain bank borrowings.*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 4 Intangible assets ₹ in lakhs

Particulars	Trademarks	Brands	Computer Software	Total
Gross carrying amount				
Balance as at 1st April 2020	**0.05**	**462.71**	**281.18**	**743.94**
Additions	-	-	10.95	10.95
Deductions/adjustment	-	-	14.25	14.25
Balance as at 31st March 2021	**0.05**	**462.71**	**277.88**	**740.64**
Accumulated amortisation				
Balance as at 1st April 2020	**0.05**	**382.62**	**209.11**	**591.78**
Additions	-	52.53	57.45	109.98
Deductions/adjustment	-	-	14.12	14.12
Balance as at 31st March 2021	**0.05**	**435.15**	**252.44**	**687.64**
Net carrying amount as at 31st March 2021	**-**	**27.56**	**25.44**	**53.00**
Gross carrying amount				
Balance as at 1st April 2021	**0.05**	**462.71**	**277.88**	**740.64**
Additions	-	-	14.15	14.15
Deductions/adjustment	-	-	-	-
Balance as at 31st March 2022	**0.05**	**462.71**	**292.03**	**754.79**
Accumulated amortisation				
Balance as at 1st April 2021	**0.05**	**435.15**	**252.44**	**687.64**
Additions	-	2.25	17.05	19.31
Deductions/adjustment	-	-	-	-
Balance as at 31st March 2022	**0.05**	**437.41**	**269.49**	**706.95**
Net carrying amount as at 31st March 2022	**-**	**25.30**	**22.54**	**47.84**

Note 5 Right-of-use assets and lease liability:

Following are the changes in the carrying value of right-of-use assets (buildings):

₹ in lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Balance as at the beginning of the year	**2,897.58**	3,695.77
Additions	**2,921.26**	1,652.97
Deductions/ Reversal	**(436.64)**	(1,416.12)
Amortisation	**(1,179.20)**	(1,035.04)
Balance as at the end of the year	**4,203.01**	2,897.58

Lease liabilities:

Following is the movement in lease liabilities during the year:

₹ in lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Balance as at beginning of the year	**3,897.15**	5,123.75
Additions	**2,921.26**	1,652.97
Interest accrued during the year	**267.08**	257.04
Deductions/ Reversal	**(436.64)**	(1,416.12)
Income on concession on lease liability	**(43.96)**	(150.17)
Income on termination of lease liability	**(61.56)**	(109.59)
Payment of lease liabilities	**(1,036.82)**	(758.07)
Payment of interest on lease liabilities	**(267.08)**	(257.04)
Balance as at the end of the year	**4,458.46**	3,116.17
Current lease liabilities	**1,386.61**	859.18
Non- current lease liabilities	**3,071.85**	2,256.99

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Break-up of the contractual maturities of lease liabilities on an undiscounted basis: ₹ in lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Less than one year	**1,652.09**	1,065.37
One to five years	**3,340.46**	2,421.13
More than five years	**68.86**	141.18

Short-term leases expenses incurred: ₹ in lakhs

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Rental expense	**97.91**	439.36

Refer Note 37 on leases

The Group has chosen to apply the practical expedient as per paragraph 46A of the Indian Accounting Standard on Leases 'Ind AS 116', for accounting changes in leases, in the form of lease concessions that meet the conditions prescribed in paragraph 46B of Ind AS 116. The Group has consequently recognised an income of ₹ 150.17 lakhs for the year ended 31st March, 2021 under the head "Other income".

For changes in leases in the form of terminations, the Group has accounted for such terminations in accordance with Ind AS 116 and has consequently recognised a net gain of ₹ 109.59 lakhs for the year ended 31st March, 2021 under the head "Other income".

Note 6 Capital work-in-progress: ₹ in lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Plant and equipment under installation	**373.49**	6.62
Building under construction	**1,596.15**	-
Total	**1,969.64**	6.62

Capital Work-In-Progress Ageing Schedule ₹ in lakhs

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2022					
Projects in progress	1,969.64	-	-	-	**1,969.64**
Projects temporarily suspended	-	-	-	-	-
Total	**1,969.64**	**-**	**-**	**-**	**1,969.64**
As at 31st March 2021					
Projects in progress	6.62	-	-	-	6.62
Projects temporarily suspended	-	-	-	-	-
Total	**6.62**	**-**	**-**	**-**	**6.62**

Note 7 Other financial assets ₹ in lakhs

	Non-current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good unless otherwise stated				
Deposits for premises and others	**507.64**	456.23	**175.01**	69.82
Bank deposits with more than 12 months maturity	**-**	3,000.00	**-**	-
Bank deposits with more than 12 months maturity (pledged against bank guarantees / LCs)	**10.73**	-	**-**	-
Loans and advances to employees	**-**	-	**12.80**	10.65
Interest accrued on fixed deposits	**-**	-	**28.00**	25.02
Derivative assets (fair valuation of forward contracts)	**-**	-	**0.19**	-
	518.37	**3,456.23**	**216.00**	**105.49**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 8 Other assets

₹ in lakhs

	Non-current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good unless otherwise stated				
Capital advances	**241.41**	215.86	**-**	-
Advances to suppliers / others	**-**	-	**312.75**	77.21
Prepayments	**5.37**	-	**79.46**	54.02
Refunds due/balances from/with government authorities	**2.79**	2.79	**923.66**	825.37
Other receivables	**-**	-	**2.99**	6.83
	249.56	**218.65**	**1,318.85**	**963.43**

Note 9 Inventories

₹ in lakhs

	As at 31st March 2022	As at 31st March 2021
Raw materials *[including goods in transit ₹ 477.28 lakhs (as at 31st March 2021 ₹ 223.15 lakhs)]*	**1,762.72**	1,192.46
Work-in-progress	**287.64**	278.93
Finished goods	**3,125.59**	1,758.02
Stock-in-trade *[including goods in transit ₹ 705.66 lakhs (as at 31st March 2021 - ₹ 645.55 lakhs)]*	**9,360.02**	8,119.12
Stores and spares	**23.25**	23.41
Packing materials	**52.11**	25.88
	14,611.32	11,397.82

Mode of valuation : Refer note 2.7

Refer note 37 for inventories hypothecated as security against certain bank borrowings.

Note 10 Trade receivables

₹ in lakhs

	As at 31st March 2022	As at 31st March 2021
Unsecured		
Considered good	**11,457.64**	9,034.95
Credit impaired	**1,440.10**	908.05
	12,897.74	9,942.99
Less: allowances for bad and doubtful debts	**1,440.10**	908.05
	11,457.64	9,034.95

Refer note 37 for trade receivables charged against certain bank borrowings.

Refer note 29(A) for credit terms, ageing analysis and other relevant details related to trade receivables.

Note 11 Cash and cash equivalents

₹ in lakhs

	As at 31st March 2022	As at 31st March 2021
Balance with banks in current accounts	**95.21**	179.31
Balance with banks in cash credit accounts	**122.25**	-
Balance with banks in deposit accounts (with maturity of less than three months)	**3,696.20**	250.00
Cash on hand	**0.90**	0.78
	3,914.55	430.08

Note 12 Other bank balances

₹ in lakhs

	As at 31st March 2022	As at 31st March 2021
In bank deposits (pledged against bank guarantees / LCs)	**2.39**	12.46
In bank deposits (with maturity of more than three months but less than twelve months)	**2,000.00**	6,000.00
In dividend accounts	**7.81**	7.83
	2,010.19	6,020.29

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022 (contd..)

Note 13 Equity share capital

	As at 31st March 2022	As at 31st March 2021
	₹ in lakhs	
Authorised :		
2,50,00,000 (as at 31st March 2020 : 2,50,00,000) Equity shares of ₹ 2/- each	**500.00**	500.00
2,50,00,000 (as at 31st March 2020 : 2,50,00,000) Unclassified shares of ₹ 2/- each	**500.00**	500.00
	1,000.00	1,000.00
Issued, subscribed and paid-up		
2,23,89,500 (as at 31st March 2020 : 2,23,86,500) Equity shares	**447.79**	447.73
of ₹ 2/- each fully paid-up	**447.79**	447.73

The reconciliation of the number of equity shares outstanding	As at 31st March 2022		As at 31st March 2021	
	Numbers	**₹ in lakhs**	Numbers	₹ in lakhs
Equity shares at the beginning of the year (face value per share ₹ 2)	**2,23,86,500**	**447.73**	2,23,64,000	447.28
Add :- Shares issued on ESOP (face value per share ₹ 2)	**3,000**	**0.06**	22,500	0.45
Equity shares at the end of the year (face value per share ₹ 2)	**2,23,89,500**	**447.79**	2,23,86,500	447.73

(a) Terms/rights attached to equity shares :

1) The Parent Company has only one class of issued equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held.
2) In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) The details of shareholders holding more than 5% equity shares:

Name of the shareholders	As at 31st March 2022 Numbers (face value of ₹ 2 each)	As at 31st March 2022 % of holding	As at 31st March 2021 Numbers (face value of ₹ 2 each)	As at 31st March 2021 % of holding
Safari Commercial LLP*	**22,00,000**	**9.83%**	-	-
Safari Commercial Private Limited* *(formerly known as Safari Investments Private Limited)*	**-**	**-**	22,73,465	10.16%
Sudhir Mohanlal Jatia	**90,00,000**	**40.20%**	1,01,00,000	45.12%
Malabar India Fund Limited	**21,64,332**	**9.67%**	21,64,332	9.67%

Shares held by promoters as at 31st March 2022:

Name of the Shareholders	Number of shares	% of shares	% change in shareholding
Sudhir Mohanlal Jatia	90,00,000	40.20%	-4.92%
Safari Commercial LLP* (Promoter group)	22,00,000	9.83%	-0.33%

**On 3rd September, 2021, Safari Commercial Private Limited (formerly known as Safari Investments Private Limited) was converted to Safari Commercial LLP.*

(c) Dividend paid and proposed: Refer note 30(b)

(d) During the previous year, the parent Company has issued and allotted 13,15,790 Compulsorily Convertible Debentures (“CCDs”) having face value of ₹ 570/- each to Investcorp Private Equity Fund II ("Investor") on preferential allotment basis on 25th March 2021. The CCDs carry a coupon rate of 6% p.a. payable on quarterly basis. The CCDs shall automatically and compulsorily be converted into equal number of equity shares at a face value of ₹ 2/- per share on the earlier of occurrence of following events – a) Investor electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs. The equity shares to be allotted on conversion of the CCDs shall rank *pari-passu* with the then existing fully paid up equity shares of the parent company with respect to dividends and voting rights.

(e) The Parent Company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 14 Other equity

Other equity :	Reserves and surplus						Items of other comprehensive income	Equity Component of Compound Financial Intrument	Total
Particulars	**Capital reserve**	**Securities premium**	**General reserve**	**Equity-settled share-based payment reserve**	**Retained earnings**	**Unamortised Preference issue cost**	**Remeasurement of defined benefit plan**	**Compulsorily Convertible Debentures** *(Refer Note 13(d))*	
Balance as at 1st April 2020	**11.18**	**12,213.79**	**618.80**	**52.36**	**9,884.00**	**-**	**(165.55)**	**-**	**22,614.58**
Profit for the year	-	-	-	-	(2,089.69)	-	-	-	(2,089.69)
Other comprehensive income for the year	-	-	-	-	-	-	(116.23)	-	(116.23)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**(2,089.69)**	**-**	**(116.23)**	**-**	**(2,205.92)**
On shares issued on ESOP	-	52.20	-	-	-	-	-	-	52.20
Transfer from equity-settled share-based payment reserve (on options exercised)	-	42.78	-	(42.78)	-	-	-	-	-
Transfer from equity-settled share-based payment reserve (on options lapsed)	-	-	-	(8.91)	8.91	-	-	-	-
On issue of 6% compulsorily convertible debentures *(Refer note 13(d)*	-	-	-	-	-	-	-	6,804.06	6,804.06
Effect on account of deferred tax on issue expense and interest on compulsorily convertible debentures *(Refer note 27(d))*	-	-	-	-	173.89	-	-	-	173.89
Transfer from statement of profit and loss	-	-	-	12.51	-	-	-	-	12.51
Balance as at 31st March 2021	**11.18**	**12,308.77**	**618.80**	**13.18**	**7,977.10**	**-**	**(281.77)**	**6,804.06**	**27,451.33**
Profit for the year	-	-	-	-	2,236.76	-	-	-	2,236.76
Other comprehensive income for the year	-	-	-	-	-	-	(47.37)	-	(47.37)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**2,236.76**	**-**	**(47.37)**	**-**	**2,189.39**
On shares issued on ESOP	-	13.14	-	-	-	-	-	-	13.14
Transfer from equity-settled share-based payment reserve (on options exercised)	-	8.91	-	(8.91)	-	-	-	-	-
Transaction cost on issue of share capital in subsidiary	-	-	-	-	(5.10)	(14.31)			(19.42)
Effect on account of deferred tax on issue expense of equity in subsidiary	-	-	-	-	0.88	-	-	-	0.88
Transfer from statement of profit and loss	-	-	-	15.41	-		-	-	15.41
Balance as at 31st March 2022	**11.18**	**12,330.82**	**618.80**	**19.68**	**10,209.66**	**(14.31)**	**(329.15)**	**6,804.06**	**29,650.73**

Purpose of the Reserves:

1. *Capital Reserve: Capital Reserve represents transfers from share application money (refund) account.*
2. *Securities Premium: The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the fair value of the options on grant date is transferred from equity settled share based payment reserve to securities premium at the time of exercise of options.*
3. *General Reserve: The reserve is a distributable reserve maintained by the Group out of transfers made from annual profits.*
4. *Equity settled share based payment reserve: The fair value of the options of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Equity settled share based payment reserve. The same is transferred to securities premium at the time of exercise of options or to retained earnings in the event of forfeiture, non-vesting or lapse.*
5. *Retained Earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 15 Borrowings

₹ in lakhs

	Non-current		Current	
	As at 31st March 2022	As at 31st March 2021	**As at 31st March 2022**	As at 31st March 2021
Measured at amortised cost				
Secured				
From banks:				
Term loans from banks	**9.34**	18.54	**9.20**	16.74
Working capital loans				
Cash credit accounts	**-**	-	**191.37**	-
Others	**-**	-	**680.83**	303.65
From others:				
Term loans from others	**-**	-	**-**	0.93
Unsecured				
Liability component of compound financial instrument:				
6% Compulsorily convertible debentures	**-**	211.66	**211.66**	417.07
	9.34	230.20	**1,093.06**	738.39

Notes:

Security and terms of repayment:

1) Term loans from banks for vehicles amounting to ₹ 18.54 lakhs (as at 31st March 2021 ₹ 35.28 lakhs) including current maturities of ₹ 9.20 lakhs (as at 31st March 2021 ₹ 16.74 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 year ₹ 9.20 lakhs; 1-2 years ₹ 6.50 lakhs; 2-3 years ₹ 2.84 lakhs; >3 years Nil. These loans carry interest rate ranging from 7.90% p.a. to 10.00% p.a. (31st March 2021 7.90% p.a. to 10.00% p.a.)
2) Term loans from others for vehicles amounting to Nil (as at 31st March 2021 ₹ 0.93 lakhs) were secured by way of charge on specific vehicles. These loans carried interest rate of 8.49% p.a.
3) During the previous year, the Parent Company has issued and allotted 13,15,790 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 570/- each to Investcorp Private Equity Fund II ("Investor") on preferential allotment basis on 25th March, 2021. The CCDs carry a coupon rate of 6% p.a. payable on quarterly basis. The CCDs shall automatically and compulsorily be converted into equal number of equity shares at a face value of ₹ 2/- per share on the earlier of occurrence of following events – a) Investor electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs.

   The CCDs shall be unsecured, and until converted, shall rank pari passu with any other unsecured creditors of the parent company.
4) Also, refer note 37 for details of assets provided as security.

Note 16 Provisions

₹ in lakhs

	Non-current		Current	
	As at 31st March 2022	As at 31st March 2021	**As at 31st March 2022**	As at 31st March 2021
Provision for employee benefits *(refer note 31)*				
Gratuity	**-**	22.04	**171.99**	186.26
Compensated absences	**-**	-	**12.54**	14.27
	-	22.04	**184.53**	200.53

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022 (contd..)

Note 17 Trade payables

₹ in lakhs

	As at 31st March 2022	As at 31st March 2021
Total outstanding dues of micro, small and medium enterprises	**2,523.25**	1,739.46
Total outstanding dues of creditors other than micro, small and medium enterprises	**7,784.86**	5,346.60
	10,308.11	7,086.06

Note:

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("the Act") is based on the information available with the Group regarding the status of registration of such vendors under the Act, as per the intimation received from them on request made by the Companies of the Group.

₹ in lakhs

		As at 31st March 2022	As at 31st March 2021
1)	The principal amount remaining unpaid to supplier as at the end of the accounting year	**2,523.25**	1,739.46
2)	The interest due thereon remaining unpaid to supplier as at the end of the accounting year	**-**	-
3)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	**-**	-
4)	The amount of interest due and payable for the year	**-**	-
5)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
6)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-

Trade Payables Ageing Schedule: **₹ in lakhs**

Particulars	**Not Due/ Unbilled**	**Less Than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31st March 2022						
MSME	2,021.63	501.63	-	-	-	**2,523.25**
Others	3,265.56	4,502.85	14.84	1.62	-	**7,784.87**
Disputed dues – MSME	-	-	-	-	-	**-**
Disputed dues – Others	-	-	-	-	-	**-**
Total	**5,287.19**	**5,004.47**	**14.84**	**1.62**	**-**	**10,308.12**
As at 31st March 2021						
MSME	1,594.93	144.53	-	-	-	1,739.46
Others	2,478.08	2,862.30	6.22	-	-	5,346.60
Disputed dues – MSME	-	-	-	-	-	**-**
Disputed dues – Others	-	-	-	-	-	-
Total	**4,073.01**	**3,006.83**	**6.22**	**-**	**-**	**7,086.06**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 18 Other Financial Liabilities

	As at 31st March 2022	As at 31st March 2021
		₹ in lakhs
Payable for capital goods	**307.60**	95.43
Interest accrued but not due on borrowings	**0.12**	8.86
Unpaid dividend (refer note below)	**7.81**	7.83
Other payables	**1.41**	8.31
	316.93	120.43

There is no amount due for the payment to Investor Education & Protection Fund, under Section 125 of the Companies Act, 2013 as at end of the year

Note 19 Other current liabilities

	As at 31st March 2022	As at 31st March 2021
		₹ in lakhs
Advances received from customers	**56.30**	3.49
Statutory dues	**315.98**	276.87
	372.28	280.36

Note 20 Revenue from operations

	Year ended 31st March 2022	Year ended 31st March 2021
		₹ in lakhs
Sale of products	**70,380.10**	32,675.46
Other operating revenue		
Sale of scrap	**188.14**	122.09
	70,568.24	32,797.55

Note 21 Other Income

	Year ended 31st March 2022	Year ended 31st March 2021
		₹ in lakhs
Interest income		
Fixed deposits	**629.55**	31.27
Others	**3.42**	-
Other income		
Electricity duty refund	**33.12**	-
Amounts written back (net)	**4.91**	3.98
Foreign exchange/MTM gain (net)	**-**	28.08
On reversal of lease liability on concession *(refer Note 5)*	**43.96**	150.17
On reversal of lease liability on termination *(refer Note 5)*	**61.56**	109.59
Miscellaneous income	**21.90**	10.20
	798.43	333.29

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 22 Cost of materials consumed

	Year ended 31st March 2022	Year ended 31st March 2021
		₹ in lakhs
Raw materials		
Opening stock	**1,192.46**	1,117.43
Purchases	**17,682.03**	5,790.04
Sub-total	**18,874.49**	6,907.47
Sales	**(285.74)**	(434.79)
Closing stock	**(1,762.72)**	(1,192.46)
Raw materials consumed	**16,826.04**	5,280.22
Packing materials consumed	**1,088.88**	381.49
	17,914.92	5,661.71

Note 23 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year ended 31st March 2022	Year ended 31st March 2021
		₹ in lakhs
Inventories at the beginning of the year		
Finished goods	**1,758.02**	2,417.43
Stock-in-trade	**8,119.12**	12,266.16
Work-in-progress	**278.93**	144.22
Total	**10,156.07**	14,827.81
Inventories at the end of the year		
Finished goods	**3,125.59**	1,758.02
Stock-in-trade	**9,360.02**	8,119.12
Work-in-progress	**287.64**	278.93
Total	**12,773.24**	10,156.07
Total changes in inventories	**(2,617.17)**	4,671.74

Note 24 Employee benefits expense

	Year ended 31st March 2022	Year ended 31st March 2021
		₹ in lakhs
Salaries and wages	**6,088.08**	5,484.72
Contribution to provident and other funds	**436.49**	386.04
Share based payments *(refer note 39)*	**15.41**	12.51
Staff welfare expense	**223.28**	104.49
	6,763.27	5,987.76

Note 25 Finance costs

	Year ended 31st March 2022	Year ended 31st March 2021
		₹ in lakhs
Interest expense	**211.91**	312.43
Other borrowing costs	**280.47**	266.18
	492.38	578.61

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 26 Other expenses

	Year ended 31st March 2022	Year ended 31st March 2021
		(₹ in lakhs)
Consumption of stores and spares	**24.57**	26.41
Consumption of packing materials - trading	**400.62**	188.80
Power and fuel	**529.10**	234.62
Repairs and maintenance		
Building	**28.03**	8.39
Plant and equipment	**48.08**	20.04
Others	**149.51**	136.46
Rent	**103.36**	277.30
Rates and taxes, excluding tax on income	**36.70**	73.50
Insurance	**68.65**	65.02
Postage, telegram and telephone expenses	**97.91**	89.47
Legal and professional fees	**317.07**	200.07
Freight, handling and octroi	**4,301.65**	2,476.03
Contractual labour	**2,863.75**	1,558.36
Job work charges	**1,219.20**	437.08
Travelling and conveyance	**524.93**	301.90
Advertisement and sales promotion	**1,822.79**	920.82
Bad debts written off	**1,047.15**	67.14
Less: Provision there against	**(908.05)**	(45.31)
Provisions for doubtful debts/advances/deposits	**512.09**	867.95
Loss on disposal / discard of property, plant and equipment (net)	**101.35**	43.45
Director's sitting fees	**15.90**	20.55
Commission to non executive directors	**24.50**	-
Corporate social responsibility expenditure *(refer note 40)*	**35.78**	76.60
Foreign exchange/MTM loss (net)	**47.79**	-
Miscellaneous expenses	**390.36**	293.40
	13,802.79	8,338.04

Note 27 Income taxes

	Particulars	**Year Ended 31st March 2022**	Year Ended 31st March 2021
			₹ in lakhs
a)	**Tax expense recognised in the consolidated statement of profit and loss:**		
	Current tax		
	Current year	**266.09**	**-**
	Earlier years	**3.18**	(103.93)
		269.27	(103.93)
	Deferred tax		
	Decrease/(increase) in deferred tax assets	**405.26**	(769.13)
		405.26	(769.13)
	Total income tax expense	**674.53**	(873.06)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

b) **Tax on items of other comprehensive income**

₹ in lakhs

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Deferred tax on remeasurement of defined benefit plans	**(13.49)**	(39.53)
Total	**(13.49)**	(39.53)

c) **A reconciliation of the income tax expense applicable to accounting profit/(loss) before tax at the statutory income tax rate to recognised tax expense for the period is as follows:**

₹ in lakhs

	Year Ended 31st March 2022	Year Ended 31st March 2021
Enacted income tax rate in India	**25.17%**	25.17%
Profit/(loss) before tax	**2,911.29**	(2,883.71)
Income tax as per above rate	**732.71**	(725.77)
Adjustments for:		
Expenses not deductible for tax purposes	**663.96**	572.62
Expenses deductible separately for tax purposes	**(673.76)**	(309.77)
Deferred Tax Asset recognised on carried forward business loss/ (reversed) on set-off	**(460.63)**	460.63
Others	**10.61**	2.29
Tax for earlier years	**3.18**	(103.93)
Current tax as per consolidated statement of profit and loss	**266.08**	(103.93)

d) **The movement in deferred tax assets and liabilities during the year ended 31st March 2021 and 31st March 2022:**

₹ in lakhs

Particulars	As at 1st April 2020	Credit / (charge) in statement of profit and loss	As at 31st March 2021	Impact in Other Equity	Credit / (charge) in statement of profit and loss	As at 31st March 2022
Deferred tax assets/(liabilities)						
Property, plant and equipment and intangible assets	112.09		81.94	194.03	15.58	**209.61**
Amount allowable on payment basis	9.24		(0.07)	9.17	(0.91)	**8.26**
Voluntary retirement scheme	1.65		(1.65)	-	-	**-**
Provisions for doubtful debts/advances/deposits	28.51		200.06	228.57	133.71	**362.28**
Right-of-use assets	(930.23)		200.90	(729.33)	(293.14)	**(1,022.47)**
Lease liabilities	980.92		(196.57)	784.35	300.05	**1,084.40**
Carried forward business loss	-		460.63	460.63	(460.63)	**-**
On issue expense on equity component of compulsorily convertible debentures	-	13.68	(13.68)	-	-	**-**
On interest of compulsorily convertible debentures	-	160.21	(1.96)	158.25	(104.98)	**53.27**
On preliminary expenditure	-	-	-	-	3.56	**3.56**
Others	-	-	-	-	-	**-**
Total	**202.18**	**173.89**	**729.60**	**1,105.67**	**(406.77)**	**698.91**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 28 Financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

The carrying amounts and fair values of financial instruments by category are as follows:

a. Financial Assets **₹ in lakhs**

Particulars	At Cost	Instruments carried at fair value	Instruments carried at amortised cost	Total carrying amount	Total fair value
		FVTPL	Carrying amount		
As at 31st March, 2022					
Trade receivables	**-**	**-**	**11,457.64**	**11,457.64**	**11,457.64**
Cash and cash equivalents	**-**	**-**	**3,914.55**	**3,914.55**	**3,914.55**
Other bank balances	**-**	**-**	**2,010.19**	**2,010.19**	**2,010.19**
Other financial assets	**-**	**0.19**	**734.18**	**734.37**	**734.37**
Total	**-**	**0.19**	**18,116.56**	**18,116.75**	**18,116.75**
As at 31st March, 2021					
Trade receivables	-	-	9,034.95	9,034.95	9,034.95
Cash and cash equivalents	-	-	430.08	430.08	430.08
Other bank balances	-	-	6,020.29	6,020.29	6,020.29
Other financial assets	-	-	3,561.73	3,561.73	3,561.73
Total	-	-	19,047.06	19,047.06	19,047.06

b. Financial liabilities **₹ in lakhs**

Particulars	Instruments carried at fair value		Instruments carried at amortised cost	Total carrying amount	Total fair value
	FVTPL	Total carrying amount at fair value	Carrying amount		
As at 31st March 2022					
Borrowings	**-**	**-**	**1,102.40**	**1,102.40**	**1,102.40**
Trade payables	**-**	**-**	**10,308.11**	**10,308.11**	**10,308.11**
Lease liabilities	**-**	**-**	**4,458.45**	**4,458.45**	**4,458.45**
Other financial liabilities	**-**	**-**	**316.93**	**316.93**	**316.93**
Total	**-**	**-**	**16,185.89**	**16,185.89**	**16,185.89**
As at 31st March 2021					
Borrowings	-	-	968.59	968.59	968.59
Trade payables	-	-	7,086.06	7,086.06	7,086.06
Lease liabilities	-	-	3,116.17	3,116.17	3,116.17
Other financial liabilities	-	-	120.42	120.42	120.42
Total	-	-	11,291.24	11,291.24	11,291.24

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 29 Financial risk management

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

- Credit risk;
- Liquidity risk;
- Market risk - interest rate; and
- Market risk - foreign currency;

A. Credit risk

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

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

Credit terms : Average credit period allowed to customers is less than 90 days.

The ageing analysis of trade receivables: **₹ in lakhs**

Particulars	Undisputed – considered good	Undisputed – which have significant increase in credit Risk	Undisputed – credit impaired	Disputed – considered good	Disputed – which have significant increase in credit Risk	Disputed – credit impaired
As at 31st March 2022						
Not Due	**9,951.62**	**-**	**-**	**-**	**-**	**-**
Less than 6 months	**1,427.74**	**-**	**377.87**	**-**	**-**	**-**
6 months -1 year	**45.82**	**-**	**105.67**	**-**	**-**	**-**
1-2 years	**24.61**	**-**	**948.80**	**-**	**-**	**-**
2-3 years	**5.53**	**-**	**7.76**	**-**	**-**	**-**
More than 3 years	**2.32**	**-**	**-**	**-**	**-**	**-**
Total	**11,457.64**	**-**	**1,440.10**	**-**	**-**	**-**
Less: Allowance for bad and doubtful debts	**-**	**-**	**(1,440.10)**	**-**	**-**	**-**
Net Total	**11,457.64**	**-**	**-**	**-**	**-**	**-**
As at 31st March 2021						
Not Due	6,754.55	-	-	-	-	-
Less than 6 months	1,406.84	-	-	-	-	-
6 months -1 year	767.61	-	191.05	-	-	-
1-2 years	93.53	-	716.51	-	-	-
2-3 years	2.22	-	0.49	-	-	-
More than 3 years	10.19	-	-	-	-	-
Total	**9,034.95**	**-**	**908.05**	**-**	**-**	**-**
Less: Allowance for bad and doubtful debts	-	-	(908.05)	-	-	-
Net Total	**9,034.95**	**-**	**-**	**-**	**-**	**-**

B. Liquidity risk

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

The Group's objective is to maintain at all times, optimum levels of liquidity to meet its obligations when due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. It maintains adequate sources of financing including loans and short term borrowings from banks.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Exposure to liquidity risk

Contractual maturity of financial liabilities at the reporting date: **₹ in lakhs**

Particulars	As at 31st March 2022			
	0-1 year	1-5 years	More than 5 years	Total
Long-term borrowings (including current maturity of long-term debt)	**220.86**	**9.34**	**-**	**230.20**
Short term borrowings	**872.20**	**-**	**-**	**872.20**
Trade payables	**10,308.12**	**-**	**-**	**10,308.12**
Lease liabilities	**1,652.09**	**3,340.46**	**68.86**	**5,061.40**
Other financial liabilities	**316.93**	**-**	**-**	**316.93**
Total	**13,370.19**	**3,349.79**	**68.86**	**16,788.85**

Particulars	As at 31st March 2021			
	0-1 year	1-5 years	More than 5 years	Total
Long-term borrowings (including current maturity of long-term debt)	434.74	230.20	-	664.94
Short term borrowings	303.65	-	-	303.65
Trade payables	7,086.06	-	-	7,086.06
Lease liabilities	859.18	2,126.06	130.93	3,116.17
Other financial liabilities	120.42	-	-	120.42
Total	8,804.06	2,356.26	130.93	11,291.25

C. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency payables and loans and borrowings.

(i) Market risk - interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group is mainly exposed to this risk due to borrowings having variable rate of interest.

Exposure to interest rate risk **₹ in lakhs**

Particulars	As at 31st March 2022	As at 31st March 2021
Borrowings bearing fixed rate of interest	**9.34**	230.20
Borrowings bearing variable rate of interest	**1,093.06**	738.39

Hence, the Group is not significantly exposed to the interest rate risk as working capital facilities are, as per contractual terms, primarily of short term in nature.

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax **₹ in lakhs**

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Increase by 50 bps - decrease in profits/increase in loss	**(16.23)**	(22.03)
Decrease by 50 bps - increase in profits/decrease in loss	**16.23**	22.03

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

(ii) Market risk - foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables and is therefore exposed to foreign exchange risk. The operating results and financials of the Group may be impacted due to volatility of the rupee against foreign currencies. The Group manages foreign currency risk by hedging its transactions using foreign currency forward contracts. There is no forward contract outstanding as at 31st March 2022.

Foreign currency exposure

Name of the instrument	As at 31st March 2022		As at 31st March 2021	
	In million US$	₹ in lakhs	In million US$	₹ in lakhs
Total foreign currency exposure payable (net)	**2.19**	**1,663.20**	3.97	2,920.50

Foreign currency risk sensitivity

A change of 1% in foreign currency would have following impact on profit before tax:

Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
	1% increase	1% decreae	1% increase	1% decrease
Increase / (decrease) in profit	**(16.63)**	**16.63**	(29.21)	29.21

D. Impact of COVID-19

The Group has considered the possible impact of COVID-19 in preparation of these financial statements. The impact of the global pandemic may be different from that estimated as at the date of the financial statements. Considering the continuing uncertainities, the Group will continue to closely monitor any material changes to future economic conditions.

Note 30 Capital risk management

(a) Risk management

The Group's objectives when managing capital are to

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders

(ii) Maintain an optimal capital structure to reduce the cost of capital

(iii) Support the corporate strategy and meet shareholder expectations

The policy of the Group is to borrow through banks / financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The capital structure is governed by policies approved by the Board of Directors of the parent company and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Group: **₹ in lakhs**

Particulars	31st March 2022	31st March 2021
Net debt *(refer note 43)*	**(2,812.04)**	547.35
Total equity (including equity component of CCD)	**30,098.52**	27,899.06
Capital gearing ratio	**(0.09)**	0.02

The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividend

The Parent Company follows the policy of dividend for every financial year as may be decided by its Board considering financial performance of the Group and other internal and external factors enumerated in the Parent Company's dividend policy.

The Board of Directors of the Parent Company in its meeting held on 13th May 2022, have proposed a final dividend of ₹ 0.80 per equity share (40% on equity share of ₹ 2/- each) for the year ended 31st March 2022. The proposed dividend is subject to the approval of the Shareholders at the ensuing Annual General Meeting and if approved, would result in a cash flow of ₹ 179.12 Lakhs.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 31 Disclosure pursuant to Ind AS - 19 "Employee benefits"

A. **Defined contribution plan:** Amounts towards defined contribution plan have been recognised under "Contribution to provident and other funds": ₹ 345.97 lakhs (Previous year ₹ 329.15 lakhs) *(Refer Note 24)*.

B. **Defined benefit plan - Gratuity:** In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous service), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date. The Gratuity Plan is a funded plan and the Company makes annual contribution to the gratuity fund administered by Life Insurance Company under its respective Group Gratuity Scheme.

The disclosure in respect of the defined Gratuity Plan are given below:

i) Balance sheet **₹ in lakhs**

Particulars	**Defined benefit plan**	
	As at 31st March 2022	As at 31st March 2021
Present value of plan liabilities	**743.80**	661.47
Fair value of plan assets (insurance fund)	**571.80**	453.18
Funded status [surplus/ (deficit)]	**(171.99)**	(208.30)
Net (liability)/asset recognised in balance sheet	**(171.99)**	(208.30)

ii) Statement of profit and loss **₹ in lakhs**

Particulars	**Year Ended 31st March 2022**	Year Ended 31st March 2021
Employee benefits expense:		
Current service cost	**76.48**	49.38
Interest cost (net)	**14.27**	7.52
Total amount recognised in statement of profit and loss	**90.75**	56.89
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest income	**(0.04)**	4.61
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	**0.14**	-
Actuarial (Gains)/Losses arising from changes in financial assumptions	**(24.58)**	151.86
Actuarial (Gains)/Losses arising from experience adjustments	**85.34**	(0.70)
Total amount recognised in other comprehensive income	**60.86**	155.76

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

iii) Movements in plan liabilities **₹ in lakhs**

	Year Ended 31st March 2022	Year Ended 31st March 2021
Opening present value of defined benefit obligation	**661.47**	487.76
Current service cost	**76.48**	49.38
Interest cost	**45.31**	33.27
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	**0.14**	-
Actuarial (Gains)/Losses arising from change in financial assumptions	**(24.58)**	151.86
Actuarial (Gains)/Losses arising from experience adjustments	**85.34**	(0.70)
Benefits paid from the fund	**(100.37)**	(60.09)
Closing present value of defined benefit obligation	**743.80**	661.47

iv) Movements in plan assets **₹ in lakhs**

	Year Ended 31st March 2022	Year Ended 31st March 2021
Opening fair value of plan assets	**453.18**	377.56
Interest income	**31.04**	25.75
Return on plan assets excluding amounts included in interest income	**1.99**	(4.61)
Employer's contribution	**185.97**	114.55
Benefits paid from the fund	**(100.37)**	(60.09)
Closing fair value of plan assets	**571.80**	453.18

v) Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Financial assumptions

Particulars	**As at 31st March 2022**	As at 31st March 2021
Discount rate	**7.23%**	6.85%
Expected rate of return on plan assets	**7.23%**	6.85%
Salary escalation rate	**8.00%**	8.00%

Demographic assumptions

Mortality rate during employment: Indian Assured Lives Mortality (2006-08) Ultimate

Particulars	**As at 31st March 2022**	As at 31st March 2021
Attrition rate	**For service of 4 years and below :- 26.00% p.a and for service 5 years and above :- 2.00% p.a.**	For service of 4 years and below :- 26.00% p.a and for service 5 years and above :- 2.00% p.a.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

vi) Sensitivity analysis

The sensitivity of the present value of plan liabilities to 1.00% change in the key assumptions are:

₹ in lakhs

Particulars	Increase in assumption		Decrease in assumption	
	As at 31st March 2022	As at 31st March 2021	**As at 31st March 2022**	As at 31st March 2021
Discount rate	**(57.97)**	(52.71)	**68.12**	62.24
Salary escalation rate	**62.92**	58.32	**(55.14)**	(51.09)
Attrition rate	**(4.66)**	(6.73)	**5.07**	7.49

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

vii) Characteristics of defined benefit plan:

TThe entity has a defined benefit gratuity plan (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

viii) Risks associated with defined benefit plan:

Gratuity is a defined benefit plan and entity is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk. Mortality rate during employment is calculated considering Indian Assured Lives Mortality (2006-08) Ultimate.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

ix) Other details:

₹ in lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Expected contributions to the defined benefit plan for the next financial year	**171.54**	186.26

in years

Particulars	As at 31st March 2022	As at 31st March 2021
Weighted average duration of the defined benefit obligation	**10**	10

During the year, there were no plan amendments, curtailments and settlements.

x) Maturity analysis of the benefit payments

The defined benefit obligation shall mature as follows:

₹ in lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Within 1 year	**115.27**	89.83
1-2 years	**47.66**	40.58
2-3 years	**57.93**	60.77
3-4 years	**50.97**	59.18
4-5 years	**49.46**	40.91
5-10 years	**229.54**	222.91
11 years and above	**1,119.96**	933.67
Total	**1,670.80**	1,447.85

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death estimate of members in respective years.

C. Compensated absences:

The disclosure in respect of the compensated absences are given below:

₹ in lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Expenses recognised in statement of profit and loss	**0.79**	21.02
Balance sheet liability	**12.54**	14.27

Note 32 Earnings per equity share (EPS)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Profit/(Loss) after tax available for equity shareholders (₹ in lakhs)	**2,236.76**	(2,089.69)
Weighted average number of equity shares for basic EPS	**2,23,87,758**	2,23,70,436
Basic earnings per equity share (in ₹)	**9.99**	(9.34)
Effect of dilution:		
Add: Interest expense on CCD (Net of Tax)	24.64	-
Diluted Profit/(Loss) after tax attributable to equity shareholders (₹ in lakhs)	22,61.40	(20,89.69)
Add: Weighted average number of share option in ESOP and compulsorily convertible debentures (₹ in lakhs)	13,21,641	7,833
Weighted average number of equity shares for diluted EPS	2,37,09,399	2,23,78,268
Diluted earnings per share (in ₹)	9.54	(9.34)
Nominal value of equity Shares (in ₹)	2.00	2.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 33 Contingent liabilities **₹ in lakhs**

Particulars	As at 31st March 2022	As at 31st March 2021
Disputed sales tax/entry tax demands	**10.89**	57.84
Other claims against the Group not acknowledged as debts	**25.09**	27.05

Notes:

a) Sales Tax and Entry Tax related litigation/demand primarily pertains to non- submission of required declaration forms in time due to non- receipt of the same from customers and/ or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.

b) The Group's pending litigations comprise mainly claims against the Parent Company, proceedings pending with Tax and other Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

Note 34 Capital Commitments **₹ in lakhs**

Particulars	As at 31st March 2022	As at 31st March 2021
Estimated amount of contracts remaining to be executed on capital account	**1,130.35**	481.51
Less: Advances paid	**241.41**	215.86
Net Capital Commitments	**888.94**	265.65

Note 35 Related party disclosures

Key Managerial Personnel:

Name	Nature of Relationship
Mr. Sudhir Mohanlal Jatia	Chairman & Managing Director
Mr. Vineet Poddar	Chief Financial Officer
Mr. Rameez Shaikh	Company Secretary
Dr. Shailesh Jayantilal Mehta	Non-executive and independent director
Mr. Punkajj Girdharilal Lath	Non-executive and independent director
Mr. Dalip Charanjit Sehgal	Non-executive and independent director
Mrs. Vijaya Sampath	Non-executive and independent director
Mr. Rahul Lalit Kanodia	Non-executive and independent director
Mr. Anuj Patodia (up to 11th August 2021)	Non-executive and non-independent director
Mr. Piyush Goenka	Non-executive and non-independent director
Mr. Sumeet Nagar	Non-executive and non-independent director
Mr. Gaurav Sharma (appointed 13th May 2021)	Non-executive and non-independent director

Other related parties:

Name	Nature of Relationship
Ms. Shivani Jatia	Daughter of Mr. Sudhir Mohanlal Jatia, Chairman and Managing Director
Ms. Tanisha Jatia	Daughter of Mr. Sudhir Mohanlal Jatia, Chairman and Managing Director

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Transactions during the year: **₹ in lakhs**

Nature of transactions	Key Managerial Personnel	Other Related Parties
Transactions during the year		
Remuneration to key managerial persons ***(Refer note (d) below)*****:**		
Short-term employee benefits	**213.06** (117.02)	
Post-employment benefits	**17.01** (5.93)	
Share-based payment	**-** (19.71)	
Sitting Fees:		
Non-Executive and Independent Directors	**13.40** (16.05)	
Non-Executive and Non-Independent Directors	**2.50** (4.50)	
Commission:		
Non-Executive and Independent Directors	**19.75** (-)	
Non-Executive and Non-Independent Directors	**4.75** (-)	
Salary including perquisites		**33.57** (17.08)
Balances as at year end:		
Commission payable to directors	**24.50** (-)	

Figures in bracket relate to previous year

Notes:

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

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

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

d) Key Managerial Persons who are under the employment of the companies of the Group are entitled to post-employment benefits (defined benefit gratuity plan) recognised as per Ind AS 19 "Employee Benefits" in the financial statements and short-term employee benefits in the form of premium paid by the respective company for group health insurance plan. As these employee benefits are lumpsum amounts provided on the basis of actuarial valuation/ premium payment for the Company as a whole, the same is not included above.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 36 Segment reporting

The Group's Chairman and Managing Director has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators . The Group is primarily engaged in manufacturing and marketing of luggage and luggage accessories. Since this segment meets the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers this as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

Note 37 Assets provided as security

The carrying amounts of assets provided as security (First Charge) for current and non-current borrowings are:

₹ in lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Current assets		
Financial assets		
Trade receivables	**11,457.64**	9,060.15
Non-financial assets		
Inventories	**14,611.32**	11,397.82
Total current assets provided as security	**26,068.96**	20,457.97
Non-current assets		
Leasehold land*	**5.99**	6.09
Buildings*	**856.75**	911.40
All movable property, plant and equipment*	**3,002.33**	2,567.91
Total non-current assets provided as security	**3,865.07**	3,485.40
Total assets provided as security	**29,934.03**	23,943.37

**This represents net book value.*

Note 38 Auditor's remuneration

(excluding goods and service tax) **₹ in lakhs**

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Audit fees	**8.50**	7.50
Tax audit fees	**1.50**	1.50
Limited review and certification fees*	**5.60**	10.60
Reimbursement of expenses	**0.38**	0.26
Total	**15.98**	19.86

** Certification fees for year ended 31st March, 2021 includes ₹ 5.00 Lakhs paid for certification in relation to preferential issue of CCD and thus becomes part of issue expense which are not charged to Statement of Profit and Loss.*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

Note 39 Employee share-based plan:

A) Details of stock options to eligible employees under Safari Stock Option Scheme 2016 are as under:

Particulars	Tranche IV	Tranche V	Tranche VI
Grant date	**09 Feb 2018**	**05 Dec 2020**	**11 Aug 2021**
No of options	10,000	10,000	5,000
Method of accounting	Fair Value	Fair Value	Fair Value
Vesting plan	Graded Vesting-	Graded Vesting-	Graded Vesting-
	At the end of 1st year - 40%	At the end of 1st year - 40%	At the end of 1st year - 40%
	At the end of 2nd year - 30%	At the end of 2nd year - 30%	At the end of 2nd year - 30%
	At the end of 3rd year – 30%	At the end of 3rd year – 30%	At the end of 3rd year – 30%
Exercise period	Within one year from the date of Vesting	Within one year from the date of Vesting	Within one year from the date of Vesting
Grant price (₹ per share)	440.00	440.00	650.00
Average market price on the date of grant of options / on the date previous to the date of grant (₹ per share)	539.86	531.05	691.80
Discount on average price (₹ per share)	99.86	91.05	41.80

Movements in number of share options during the year:

Particulars	Tranche IV	Tranche V	Tranche VI	
Grant date	**09 Feb 2018**	**05 Dec 2020**	**11 Aug 2021**	**Total**
Opening balance	3,000	10,000	-	13,000
Granted during the year	-	-	5,000	5,000
Exercised during the year	3,000	-	-	3,000
Expired/lapsed during the year	-	-	-	-
Closing balance	-	10,000	5,000	15,000
Exercisable options as at year end	-	4,000	-	4,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

B) The fair value of options have been done by independent firm of Chartered Accountants using the Black-Scholes Merton Model/Binomial Model.

The key assumptions for calculating fair value on the date of grant for Safari Stock Option Scheme 2016 are as belows:

Particulars	Tranche IV	Tranche V	Tranche VI
Grant date	**09 Feb 2018**	**05 Dec 2020**	**11 Aug 2021**
Fair Valuation Model	**Black-Scholes Merton Model**	**Binomial Model**	**Binomial Model**
1. Risk free rate	7.46%	4.53%	4.35%
2. Option life (no. of years)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	2.00 (Year 1) 3.00 (Year 2) 4.00 (Year 3)	2.00 (Year 1) 3.00 (Year 2) 4.00 (Year 3)
3. Expected volatility	0.8503	0.3814	0.3814
4. Dividend growth rate	5.00%	-	0.07%
Weighted average fair value of the options (In ₹)	296.98	205.44	226.15

Note 40 Details of corporate social responsibility (CSR) expenditure :

₹ in lakhs

Particulars	**Year Ended 31st March 2022**	Year Ended 31st March 2021
1. Amount required to be spent as per Section 135 of the Companies Act, 2013	**35.34**	76.55
2. Amount spent during the year on :		
Construction/acquisition of any asset	**-**	-
On purposes other than above	**35.78**	76.60
3. Shortfall at the end of the year	**-**	-
4. Total of previous years shortfall	**-**	-
5. Reason for shortfall	**NA**	NA
6. Nature of CSR activities	Education, Skilling, Health, Food, Wellness and Water	
7. Details of related party transactions in relation to CSR expenditure	**Nil**	Nil

Note 41 Debt reconciliation statement in accordance with Ind AS 7 - Statement of Cash Flows:

₹ in lakhs

Particulars	**As at 31st March 2022**	As at 31st March 2021
Non current borrowings (includes current maturities of long term debt)	**9.34**	230.20
Current borrowings	**1,093.06**	738.39
Interest accrued but not due on borrowings	**0.12**	8.85
Less: Cash and cash equivalents	**(3,914.55)**	(430.08)
Net debt/(cash)	**(2,812.04)**	547.36

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

₹ in lakhs

Particulars	Non-current borrowings	Current borrowings	Interest accrued but not due on borrowings	Cash and cash equivalents	Total
Net debt as at 1st April 2020	83.67	7,442.24	4.63	(115.73)	**7,414.80**
Cash flows	146.53	(6,708.12)	-	(314.35)	**(6,875.94)**
Unrealised exchange loss	-	4.27	-	-	**4.27**
Finance costs	-	-	578.61	-	**578.61**
Interest paid	-	-	(582.15)	-	**(582.15)**
Other adjustment IndAS 32 (interest payable on CCDs)	-	-	7.76	-	**7.76**
Net debt as at 31st March 2021	**230.20**	**738.39**	**8.85**	**(430.08)**	**547.36**
Cash flows	(220.86)	354.15	-	(3,484.47)	**(3,351.18)**
Unrealised exchange loss	-	0.52	-	-	**0.52**
Finance costs	-	-	483.90	-	**483.90**
Interest paid	-	-	(492.64)	-	**(492.64)**
Net debt/(cash) as at 31st March 2022	**9.34**	**1,093.06**	**0.12**	**(3,914.55)**	**(2,812.04)**

42 Exceptional items

Exceptional items of ₹ 928.02 lakhs is on account of provision for doubtful debts created towards receivables from certain customers. ₹ 655.80 lakhs (PY ₹ 867.64 lakhs) have been provided against the said customers during previous quarters of FY 2021-22 is the part of Other Expenses.

43 Other statutory information

i) The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

ii) The Group does not have any transactions with companies struck off.

iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

ix) The quarterly returns or statements of current assets filed by the Group with banks are in agreement with the books of accounts.

x) The Group is not declared wilful defaulter by and bank or financial institution or lender during the year.

44 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) vide Notification dated 23th March, 2022 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2022. Major amendments notified in the notification are provided below

(a) Ind AS 16 | Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (contd..)

(b) **Ind AS 37 | Provisions, contingent liabilities and contingent assets –** The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. JSW Energy (Barmer) Limited Notes to the Standalone Financial Statements for the year ended March 31, 2022

(c) **Ind AS 103 | Business combinations –** The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) **Ind AS 109 | Financial instruments –** The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is evaluating the impact of these amendments.

45 The Indian Parliament has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post-employment, and the same has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code and recognise the same when the Code becomes effective.

46 Ratios

Ratio	Numerator	Denominator	2021-2022	2020-2021	Variance
Current Ratio (times)	Current assets	Current liabilities	2.45	3.01	-18%
Debt-Equity Ratio (times)	Total debt	Shareholder's equity	0.18	0.15	26%
Debt Service Coverage Ratio (times)	Earnings available	Debt service	4.55	0.16	2783%#
Return on Equity Ratio (%)	Net profit after tax	Average Shareholder's equity	7.71%	-8.23%	194%*
Inventory turnover ratio (times)	Cost of goods sold	Average inventory	3.42	1.39	146%*
Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivables	6.89	2.76	150%**
Trade payables turnover ratio (times)	Total purchases & other expenses	Average trade payables	6.98	3.48	100%**
Net capital turnover ratio (times)	Revenue from operations	Average working capital	3.66	1.83	100%**
Net profit ratio (%)	Profit for the year	Revenue from operations	3.17%	-6.37%	150%*
Return on Capital employed (%)	Earnings before interest and tax	Average capital employed	10.06%	-6.96%	245%*
Return on investment (%)	Profit after tax	Total equity	7.43%	-7.49%	199%*

Reasons for variance in ratios:

* *Profits earned in current year as a result of higher operations as compared to previous year in which the company incurred losses due to lower level of operations impacted by COVID 19.*

** *Higher turnover during FY 2021-22.*

The Group is debt free hence the interest cost is on the lower side.

47 Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The Management, however, is confident that the impact whereof for the year on the financial statements will not be material.

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

Signatures to notes 1-48

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

Mumbai, 13th May, 2022

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