

safari



ANNUAL
REPORT
2017-18

38TH ANNUAL GENERAL MEETING

Monday, 13th August 2018

at 2.00 p.m.

at The Gem Banquet, Podium level,

The QUBE, CTS no. 1498,

A/2, MV Road, Marol,

Andheri (East), Mumbai 400 059.

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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. Anujj Patodia

Mr. Piyush Goenka

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.safari.in

CIN :

L25200MH1980PLC022812

FACTORY :

1701/2200/2201, GIDC Industrial Estate,

Halol 389 350, Dist Panchmahal (Gujarat)

BANKERS :

Axis Bank Ltd

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.

17-20, Jafarbhoy 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**(₹ in Lakh)**

	IND AS		IGAAP		
	2017-18	2016-17	2015-16	2014-15	2013-14
A. Statement of Profit and Loss					
Sales including excise duty	41,808.54	35,116.81	28,404.01	22,079.78	17,127.50
Other Income	154.79	109.53	78.43	57.62	58.63
Total Income	41,963.33	35,226.34	28,482.44	22,137.40	17,186.13
Earnings Before Interest, Depreciation and Tax (EBIDTA)	4,236.32	2,500.42	1,874.06	1,256.93	747.22
Finance Cost	288.61	371.42	261.91	290.91	537.71
Depreciation and Amortisation expenses	612.80	509.76	406.50	289.05	127.85
Profit/(Loss) Before Exceptional and Extraordinary Items	3,334.92	1,619.25	1,205.65	676.97	81.66
Exceptional and Extraordinary Items	-	89.06	5.57	95.90	27.70
Profit/(Loss) Before Tax	3,334.92	1,530.19	1,200.08	581.07	53.96
Tax Expense	1,213.97	524.00	420.01	154.04	42.36
Profit/(Loss) After Tax	2,120.95	1,006.19	780.07	427.03	11.60
Dividend and Dividend Distribution Tax*	134.38	99.90	59.94	47.96	-
Dividend %	25.00	20.00	12.00	10.00	-
B. Balance Sheet					
Share Capital	445.00	415.00	415.00	398.50	299.00
Reserves & Surplus	16,800.34	9,677.59	8,696.37	7,250.24	934.38
Loan Funds	5,500.16	4,186.67	5,826.32	3,298.13	5,427.83
Total Capital Employed	22,745.50	14,279.26	14,937.69	10,946.87	6,661.21
Fixed Assets	3,162.69	2,439.96	2,456.57	1,240.28	1,214.62
Investments	5.00	5.00	5.99	11.17	-
Cash and other bank balances	278.77	485.36	492.74	394.03	336.68
Net Assets (Current and Non Current)	19,299.04	11,348.94	11,982.39	9,301.39	5,109.91
Total Assets	22,745.50	14,279.26	14,937.69	10,946.87	6,661.21

*Under Ind AS, final dividend including taxes are accounted only after approval in AGM whereas in IGAAP such dividends were recognised in the same year to which they relate to.

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the Members of Safari Industries (India) Limited ("Company") will be held on Monday, 13th day of August, 2018 at The Gem Banquet, Podium Level, The Qube, CTS no- 1498, A/2, M.V. Road, Marol, Andheri (East), Mumbai 400059 at 2.00 pm, 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, 2018, 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, 2018 and the Auditors Report thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2018.
3. To appoint a Director in place of Mr. Piyush Goenka (DIN: 02117859), 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 consider and if thought fit, to assent or dissent to the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Amendment) Act 2017 (including any statutory modification(s) or re-enactment(s) thereof for time being in force) and in partial modification of resolution passed by the Members of the Company at the 37th Annual General Meeting (AGM) of the Company held on 30th August, 2017, the appointment of M/s. Lodha & Co., Chartered Accountants (Firm Registration No. 301051E) as Statutory Auditors of the Company for a period of five years commencing from the conclusion of 37th AGM till the conclusion of 42nd AGM of the Company be and hereby continues for the said term, without seeking any further ratification of the shareholders of the Company for their appointment as statutory auditors till the conclusion of their tenure and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration 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"

SPECIAL BUSINESS :

5. **To re-appoint Mr. Sudhir Jatia (DIN 00031969) as the Managing Director of the Company:**

To consider and if thought fit, to assent or dissent to the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification (s) or re-enactment thereof for the time being in force, and on the recommendation of the Nomination, Remuneration and Compensation Committee and the Board of Directors at their meeting held on 9th February 2018, the approval of the members be and is hereby accorded for the re-appointment of Mr. Sudhir Jatia (DIN No. 00031969) as the Managing Director of the Company to exercise substantial power of management subject to supervision, control and direction of the Board of Directors of the Company for a period of 3 years with effect from 18th April 2018 to 17th April 2021 at a remuneration not exceeding 5% of the net profits of the Company and on such other terms and conditions as are set out in explanatory statement and the Employment Agreement entered between the Company and Mr. Sudhir Jatia, which is specifically approved and sanctioned with the authority to the Board of Directors, to alter and vary the terms and condition of the said re-appointment and/or Agreement so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 or any amendment thereto, as may be agreed to between the Board of Directors and Mr. Sudhir Jatia."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year, during Mr. Sudhir Jatia's tenure as Managing Director, he shall be entitled to receive remuneration, not exceeding the monetary ceiling provided under Section II, Part II of Schedule V to the Companies Act, 2013."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate."

6. To approve payment of remuneration by way of Commission to non-executive directors:

To consider and if thought fit, to assent or dissent to the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions Section 197, Section 149(9) and all other applicable provisions of the Companies Act, 2013 and rules made thereunder read with Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded for payment of remuneration by way of commission to the non-executive directors of the Company, the aggregate of which shall not exceed one percent per annum of the Net Profit of the Company in any financial year (computed in the manner prescribed in Section 198 of the Companies Act, 2013) or ₹ 25,00,000 (Rupees Twenty Five Lakh only) per annum plus taxes at applicable rate, whichever is less in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors subject to aforesaid limit."

"RESOLVED FURTHER THAT the above remuneration shall be in addition to fees payable to the director(s) for attending the meetings of the Board or any Committee thereof as may be decided by the Board of Directors and reimbursement of expenses for participation in such Board and Committee meetings."

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

SUDHIR JATIA

Chairman & Managing Director

DIN:00031969

Place: Mumbai

Date: 21st May 2018

NOTES :

- i. A statement pursuant to Section 102 of the Companies Act 2013 in respect of the Special Business to be transacted at the ensuing Annual General Meeting ('AGM') is annexed hereto.
- ii. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
A person can act as a proxy on behalf of Members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of the total share capital can appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxy form, in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before commencement of the AGM. A proxy form for the AGM is enclosed herewith.
- iii. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company.
- iv. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 4th August 2018 to Monday, 13th August 2018 (both days inclusive) for the purpose of the ensuing AGM and payment of dividend, if declared at the AGM.

- v. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies, Act 2013 and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 and Certificate from Auditors of the Company certifying that the Safari Employee Stock Option Scheme, 2016 is being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 will be available for inspection at the AGM.
- vi. The dividend on the equity shares, if approved, at the AGM will be paid to those Members whose names appear on the Company's Register of Members as on Friday, 3rd August 2018 after giving effect to all valid transfer deeds in physical form lodged with the Company/RTA on or before Friday, 3rd August 2018 and in respect of shares held in dematerialized form, to the beneficial owners whose names appear in the statements to be furnished by the Depositories for this purpose as at the close of business hours on Friday, 3rd August 2018. The dividend declared at the AGM shall be paid within 30 days from the date of declaration.
- vii. Members holding shares in physical form are requested to notify any change in their address including pin code, bank mandate, etc to the Company's Registrar and Transfer Agent, M/s. Adroit Corporate Services Pvt Ltd. Members holding shares in electronic form are requested to furnish details for change/update to their respective Depository Participant.
- viii. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID number for easy identification for attendance at the AGM.
- ix. Members holding shares in the dematerialize form are requested to register/update their e-mail address with the concerned Depository Participant. Members holding shares in physical form are requested to register/update their e-mail address with the Registrar and Share Transfer Agent of the Company Alternatively, Members may intimate the e-mail address along with their respective Client ID and DP ID/Folio No. by letter / e-mail to the Company on investor@safari.in
- x. Corporate Members are required to send to the Company a certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote at the AGM.
- xi. The Members/proxies/authorised representatives should bring attendance slips duly filled in and signed for attending the AGM and handover the same at the entrance of the Hall.
- xii. Members desirous of obtaining any information with regards to accounts and operations of the Company 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.
- xiii. Pursuant to the provisions of Section 124 of the Companies Act, 2013 as amended from time to time and/or other relevant provisions of the Companies Act, 2013, dividend declared by the Company which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. The unclaimed dividend upto the financial year 2009-10 has been transferred to the Investor Education and Protection Fund of the Central Government of India.
- xiv. Members who have not encashed the dividend warrant/demand drafts so far for the financial year ended 31st March 2011, 31st March 2012, 31st March 2016 or 31st March 2017 are requested to make their claims to the office of the Registrar & Share Transfer Agent of the Company.
- xv. As per the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules 2016), all shares in respect of which unpaid or unclaimed dividend has been transferred to the Investor Education & Protection Fund shall also be transferred to the IEPF suspense account, if the shareholder has not claimed for atleast 1 year. Accordingly, shareholders are therefore requested to encash any unpaid/unclaimed dividend immediately to avoid transfer of the underlying shares to the IEPF.
- xvi. Applicable listing fees for the financial year 2018-19 have been paid to BSE Ltd.
- xvii. Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018, members whose ledger folios have incomplete details with respect to PAN and/or Bank particulars are mandatorily required to furnish

these details to the Company/RTA for registration in the folio. The Company has sent separate communication to all the members whose aforesaid details were not updated. You are requested to kindly update your PAN and/or Complete Bank details so that the investments held by you are in compliance with the aforementioned circular.

- xviii. Electronic copy of the Notice of Annual General meeting along with Annual Report for the financial year 2017-18 is being sent to all Members whose email IDs are registered with the Company/ Depository Participant for communication purpose unless a Member has requested for hard copy of the same. For Members who have not registered their email address, the Annual Report is being sent in physical mode.
- xix. Members to whom the above documents have been sent in e-mail are entitled to receive the same in physical form, upon request. The request may be sent in writing to the Registrar & Share Transfer Agent of the Company or the Company at its Registered Office or through email at info@adroitcorporate.in
- xx. The Notice of the 38th AGM & the Annual Report for the financial year 2017-18 is also available on the Company's website www.safari.in. The Notice of the AGM is also available on the website of the National Securities Depositories Limited at www.evoting.nsdl.com. Physical copies of said documents alongwith the relevant documents referred to in the Notice and the Statement under Section 102 of the Companies Act 2013, will also be available for inspection at the Registered Office of the Company during business hours (10.00 am to 5.00 pm) on all working days except Saturdays, Sundays and Public Holidays upto and at the AGM.
- xxi. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.
- xxii. Voting through electronic means:

In accordance to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014, as amended from and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is pleased to provide to its Members facility to exercise their right to vote on the resolutions proposed to be considered at the ensuing 38th Annual General Meeting of the Company by electronic means. The Company has engaged the services of National Securities Depositories Limited ("NSDL") as the Agency to provide the remote e-voting facility. (Remote e-voting means the facility to cast votes by a Member using electronic voting system from a place other than the venue of the AGM). The facility for voting through poll paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by Remote e-voting shall be able to exercise their right at the AGM through poll. The Members who have cast their vote by Remote e-voting prior to the AGM can also attend the AGM but shall not be entitled to cast their vote again.

The Remote e-voting period commences on Friday, 10th August 2018 (9:00 am) and ends on Sunday, 12th August 2018 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 6th August 2018 may cast their vote by Remote e-voting. The Remote evoting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- xxiii. Process of Remote e-Voting:

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

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 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password 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. Your password details 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. a .pdf file. Open the .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, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
7. 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.
8. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
9. 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.
10. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
11. Now, you will have to click on "Login" button.
12. After you click on the "Login" button, Home page of e-Voting will open.

13. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
14. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
15. Select "EVEN" of company for which you wish to cast your vote.
16. Now you are ready for e-Voting as the Voting page opens.
17. 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.
18. Upon confirmation, the message "Vote cast successfully" will be displayed.
19. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
20. 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.
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.: 1800-222-990 or send a request at evoting@nsdl.co.in

xxiv. Route-map to the venue of the Meeting is provided at the end of this Notice.

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

SUDHIR JATIA

Chairman & Managing Director

DIN:00031969

Place: Mumbai

Date: 21st May 2018

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

Item no. 5

To re-appoint Mr. Sudhir Jatia (DIN 00031969) as the Managing Director of the Company:

The members of the Company vide their resolution dated 27th March 2015 had approved the appointment of Mr. Sudhir Jatia as the Managing Director of the Company for a term of 3 years w.e.f. 18th April 2015. The said term has expired on 17th April 2018 and hence it is proposed to reappoint Mr. Jatia as the Managing Director of the Company for a further term of 3 years i.e. from 18th April 2018 to 17th April 2021.

The Board of Directors at its meeting held on 9th February 2018, on the recommendation of the Nomination, Remuneration and Compensation Committee has approved the reappointment of Mr. Jatia along with the terms and conditions thereof and the Employment Agreement that is executed between Mr. Sudhir Jatia and the Company.

The terms and conditions of the reappointment are mentioned herein below as proposed to be approved:

Remuneration Structure:

A. In case of adequate profits:

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Jatia are as under:

- a. Basic Salary: ₹ 6,00,000/- per month with authority to the Board of Directors of the Company on the recommendations of the Nomination Remuneration and Compensation Committee to grant such increments as they may deem fit.

- b. Perquisites:

Following perquisites/allowances shall be allowed as per rules of the Company. For the purpose of calculating the ceiling, the perquisites and allowances (including performance pay) shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, the same shall be evaluated at actual cost.

1. Reimbursement of expenses including gas, electricity, water, etc.
2. Mediclaim: Premium on Medical Insurance in accordance with the rules specified by the Company.
3. Club Fees: Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.
4. Provision of 2 (TWO) cars with chauffeur.
5. Personal Accident Insurance: Premium on Personal Accident Policy.
6. Any other perquisites as may be determined by the Board of Directors of the Company from time to time within the overall limits specified in the Companies Act, 2013.
- c. Performance linked pay: Not exceeding 1% of the Net Profits of the Company as computed in the manner laid down in Section 198 of the Act
- d. Earned / Privilege leave: As per policy of the Company. Encashment of leave accumulated but not availed during the tenure or at the end of tenure of office, as the case may be, in accordance with the policy of the Company. Encashment of accumulated leave shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

For the purpose of Superannuation/Pension/Provident Fund/ Gratuity/ Commission and Privilege leave, the service of the Chairman & Managing Director will be considered from the original date of his joining the services and change of role/termination/renewal of service agreement will not be considered as a break of service.

The overall remuneration payable every year to the Managing Director by way of salary, perquisites and allowances, incentive/ bonus/ performance linked incentive, remuneration based on net profits, etc., as the case may be, shall not exceed in the aggregate 5% (five percent) of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof.

B. In event of inadequate profits:

Where in any financial year during the currency of the tenure of the Managing Director, the Company does not have any profits or the profits are inadequate, the Managing Director shall be paid remuneration as under:

Remuneration payable not exceeding the limit prescribed under Section II, Part II of Schedule V of the Companies Act, 2013, based on the effective capital of the Company and in accordance with the approval of the Nomination, Remuneration and Compensation Committee and Board of Directors of the Company.

Brief Profile:

Mr. Sudhir Jatia has studied Commerce from Mumbai University and attended the Owner/President Management Program of Harvard Business School. He acquired Safari Industries (India) Limited in the year 2012 and was appointed as its Managing Director from 18th April 2012.

Mr. Jatia has over 25 years of experience in the Luggage Industry in India. He is a director of Safari Investments Pvt Ltd and Safari Lifestyles Ltd and a Member of the Stakeholders' Relationship Committee of Safari Industries (India) Limited. He holds 1,05,87,500 equity shares of face value of ₹ 2/- each in the Company amounting to 47.58% of the paid-up share capital of the Company. Except for his shareholding and the remuneration paid/payable, Mr. Sudhir Jatia, Managing Director does not have any other pecuniary relationship with the Company or with its managerial personnel. Statement containing additional information as required in Schedule V of the Companies Act 2013:

I. General Information:

- 1) **Nature of Industry:** The Company is engaged in the manufacture and marketing of luggage and luggage related accessories
- 2) **Date or expected date of commencement of commercial production:** The Company was incorporated on 8th July 1980 and has since date commenced its business.
- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable
- 4) **Financial performance based on given indicators**

(₹ in Lakh)

	IND AS		IGAAP
Standalone	2017-18*	2016-17	2015-16
Gross Sales	41,808.54	35,116.81	28,404.01
Profit before tax	3,334.92	1,530.19	1,200.08
Profit after tax	2,120.95	1,006.19	780.07
Net worth	17,245.34	10,092.59	9,111.37

**Audited figures are subject to adoption at the Annual General Meeting*

5) **Foreign investments or collaborations as on 31st March 2018, if any:**

There is FII shareholding in the Company amounting to 24.71% and NRI shareholding amounting to 0.47% of the total paid up capital. The Company has one wholly owned subsidiary namely Safari Lifestyles Limited.

II. Information about Mr. Sudhir Jatia:

- 1) **Background details:** Mr. Sudhir Jatia has studied Commerce from Mumbai University and attended the Owner/President Management Program of Harvard Business School. He acquired Safari Industries (India) Limited in the year 2012 and was appointed as its Managing Director from 18th April 2012. He has a 25 years of experience in luggage industry.
- 2) **Past remuneration:** Mr. Jatia has drawn an annual remuneration of ₹ 95.19 Lakh for the financial year 2017-18.
- 3) **Recognition or awards:** ---
- 4) **Job profile and his suitability:** Mr. Sudhir Jatia is the Managing Director of the Company since 18th April 2012. Under his guidance the Company has improved its performance both on operational parameters and financial parameters. He has a 25 years of experience in luggage industry.
- 5) **Remuneration proposed:** As mentioned above
- 6) **Comparative remuneration profile with respect to industry, size of the company, profile of the positions and person (in case of expatriates the relevant details would be with respect to the country of his origin):** The remuneration of the Managing Director was commensurate with the remuneration package of professionals appointed at CEO/MD levels in other Companies taking into account the size of the Company and the responsibilities of Mr. Sudhir Jatia as Managing Director.
- 7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Besides the remuneration paid/payable and holding of 1,05,87,500 equity shares of face value of ₹2/- each in the Company amounting to 47.58% of the paid-up share capital of the Company, Mr. Sudhir Jatia, Managing Director does not have any other pecuniary relationship with the Company or with its managerial personnel.

III. Other information:

- 1) **Reasons of loss or inadequate profits:** Certain restructuring activities, one time stock write down coupled with VRS payouts and impact on account of exchange losses are few of the major reasons for loss and inadequate profits.
- 2) **Steps taken or proposed to be taken for improvement:** The Company is taking marketing and brand building initiatives to strengthen the Company's base. Increase in the distribution network and introduction of new products with better aesthetic values and margins are some of the major initiatives in this regards.
- 3) **Expected increase in productivity and profits in measurable terms:** The above steps taken/proposed to be taken by the Company are expected to increase the overall profitability of the Company.

IV. Disclosures:

- 1) **Remuneration package of the managerial person:** Fully described in the explanatory statement as stated above.
- 2) **Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2017-18:** The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2017-18 of the Company.

The re-appointment and the remuneration proposed fulfill the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Central Government is not required.

Pursuant to Section 190 of the Companies Act, 2013 a copy of the Employment Agreement dated 18th April 2018 executed by the Company with the Chairman and Managing Director are kept and available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 10.00 a.m. to 5.00 p.m. up to the date of this Annual General Meeting ("AGM") and also at the venue of the meeting.

The Board of Directors recommends the resolution set out in Item no. 5 of the 38th Annual General Meeting notice for approval of the members of the Company as a Special Resolution.

Except for Mr. Sudhir Jatia, Managing Director of the Company and his relatives, none of the other Directors, Key Managerial Person(s) of the Company and their relatives are in any way, concerned or interested in the said resolution financial or otherwise.

Item No. 6:

To approve payment of remuneration by way of Commission to non-executive directors:

The Board is of the view that it is necessary that adequate compensation be given to the Non-Executive Directors of the Company so as to compensate them for their time and efforts. Accordingly the approval of the members is sought for payment of remuneration by way of commission to the non-executive directors of the Company, on annual basis, at a rate not exceeding not exceed one percent per annum of the Net Profit of the relevant financial year of the Company (computed in the manner prescribed in Section 198 of the Companies Act, 2013) or ₹25,00,000 (Rupees Twenty Five Lakh only) per annum plus taxes at applicable rate, whichever is less. This commission will be distributed amongst the non-executive Directors in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors subject to aforesaid limit.

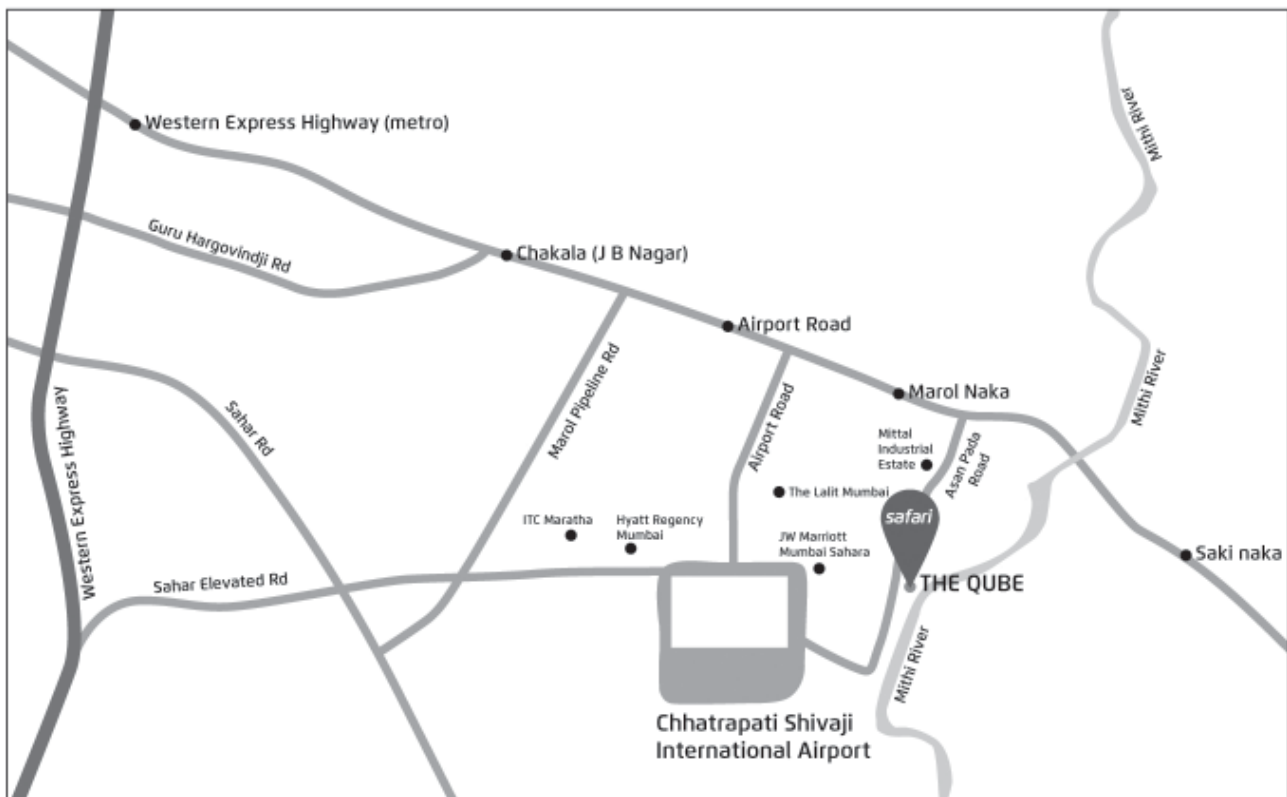
The Board of Directors recommends the resolution set out in Item no. 6 of the 38th Annual General Meeting notice for approval of the members of the Company as a Special Resolution.

None of the Director, Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise in the said resolution, except to the extent of the commission the non-executive directors may receive under authority of this resolution.

Additional Information of Directors recommended for appointment/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. Piyush Goenka	Mr. Sudhir Jatia
Date of birth / Age	26 th July 1977 / 40 Years	21 st March 1969/ 49 Years
Qualification	MBA & CFA	B.Com
Expertise in specific functional areas	Mr. Piyush Goenka has 17 years of experience in Private Equity investing and other financial services	Mr. Sudhir Jatia has over 25 years of experience in the luggage industry
Date of appointment on the Board	7 th February 2017	18 th April 2012
Terms and conditions of appointment/ Re-Appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Appointment as Non Independent Non-Executive Director whose term of office is liable to retire by rotation. He is entitled to receive sitting fees.	Terms and Conditions of appointment and the details of remuneration sought to be paid are given in the explanatory statement annexed to this Notice.
Details of last drawn remuneration	Sitting fees of ₹ 1.50 Lakh paid for FY 2017-18	Remuneration last drawn is ₹ 95.19 Lakh in FY 2017-18
Directorship held in other companies	<ul style="list-style-type: none"> • Arohan Financial Services Pvt Ltd 	<ul style="list-style-type: none"> • Safari Investments Private Limited • Safari Lifestyles Limited
Chairmanship/Membership in Committees of other Boards	Member of Audit Committee of Arohan Financial Services Pvt Ltd	Nil
Shareholding in the Company	Nil	1,05,87,500 equity shares of face value of ₹ 2/- each
Relationship with other Directors & KMP of the Company	None	None
Number of meetings of the Board attended during the financial year 2017-18	5 of 5	5 of 5

ROUTE MAP FOR AGM VENUE



DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Thirty Eighth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended as on 31st March 2018.

1. STATE OF AFFAIRS OF THE COMPANY:

a) FINANCIAL RESULTS:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	41,808.54	35,116.81	42,022.25	35,242.32
Other income	154.79	109.53	154.88	109.53
Total revenue	41,963.33	35,226.34	42,177.13	35,351.85
Expenses	38,628.41	33,607.09	38,794.80	33,707.94
Profit before exceptional items and taxation	3,334.92	1,619.25	3,382.33	1,643.91
Exceptional items	-	89.06	-	89.06
Profit before tax	3,334.92	1,530.19	3,382.33	1,554.85
Tax expenses	1,213.97	524.00	1,228.51	536.45
Profit after tax	2,120.95	1,006.19	2,153.82	1,018.40
Other comprehensive income	(29.59)	(45.05)	(29.59)	(45.05)
Total comprehensive income for the period	2,091.36	961.14	2,124.23	973.35

The above is an extract from the financial statements prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015.

b) PERFORMANCE REVIEW:

Standalone:

The total revenue of the Company for the financial year 2017-18 stood at ₹ 41,963.33 Lakh as against last year's ₹ 35,226.34 Lakh, a growth of 19.12%. Profit before tax were at ₹ 3,334.92 Lakh as against last year's ₹ 1,530.19 Lakh, a growth of 117.94%. The total comprehensive income was ₹ 2,091.36 Lakh as against ₹ 961.14 Lakh of the previous year.

As on 31st March 2018, the Reserves and Surplus of the Company were at ₹ 16,800.34 Lakh.

Consolidated:

In accordance with the Companies Act, 2013, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Accounting Standard (AS) - 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements together with the Auditor's Report is annexed herewith.

The total revenue of the Company for the financial year 2017-18 stood at ₹ 42,177.13 Lakh as against last year's ₹ 35,351.85 Lakh, a growth of 19.31%. Profit before tax were at ₹ 3,382.33 Lakh as against last year's ₹ 1,554.85 Lakh, a growth of 117.53%. The total comprehensive income was ₹ 2,124.23 Lakh as against ₹ 973.35 Lakh of the previous year.

DIRECTORS' REPORT (contd..)

Highlights on the performance of Safari Lifestyles Ltd & its contribution to the overall performance of the Company:

The total revenue of the Safari Lifestyles Ltd for the financial year 2017-18 stood at ₹ 1,081.59 Lakh as against last year's ₹ 1,364.40 Lakh. Profit before tax were at ₹ 51.42 Lakh as against last year's ₹ 40.16 Lakh. The total comprehensive income was ₹ 36.88 Lakh as against ₹ 27.71 Lakh of the previous year.

A detailed analysis on the operations of the Company during the year under report and outlook for the current year is included in the Management Discussion and Analysis Report, forming part of this Annual Report.

2. DIVIDEND:

The Board of Directors are pleased to recommend for your consideration a dividend of ₹ 0.50 per equity share of ₹ 2/- each (previous year ₹ 2/- per equity share of ₹ 10/- each) for the financial year 2017-18.

The total payout, if the dividend is approved by the Members at the Meeting will be ₹ 134.38 Lakh, including dividend distribution tax of ₹ 22.91 Lakh.

3. TRANSFER TO RESERVES:

It is not proposed to transfer any amount to reserves out of the profits earned during FY 2017-18.

4. SHARE CAPITAL:

During the year under review, the Company has issued 12,50,000 equity of ₹ 2/- each to Malabar India Fund Limited and 2,50,000 equity shares of ₹ 2/- each to Malabar Value Fund by way of preferential issue. Accordingly, the paid up Equity Share Capital as on March 31, 2018 stood at ₹ 4,45,00,000.

5. TRANSFER TO INVESTORS' EDUCATION AND PROTECTION FUND:

In accordance to the applicable provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments hereof, 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. Further 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 during the year.

All unclaimed and unpaid dividend amount relating to the financial year 2010-11 will be transferred to the Investor Education and Protection Fund by 4th October 2018. Members are requested to encash their dividend immediately before it is transferred to the IEPF.

Details of the unpaid and unclaimed dividend amount lying with the Company as on 30th August 2017 have been uploaded on the Company's website (www.safari.in) and also on the website of the Ministry of Corporate Affairs.

6. DIRECTORS:

a) RETIREMENT BY ROTATION:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association Mr. Piyush Goenka, Director (holding DIN:02117859) Non-Executive, Non Independent Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The aforesaid re-appointment with a brief profile and other related information of Mr. Piyush Goenka forms part of the Notice convening the ensuing Annual General Meeting and the Directors recommend the same for your approval.

b) INDEPENDENT DIRECTORS:

During the year under review, declarations were received from all Independent Directors of the Company confirming that they fulfill the "criteria of independence" specified in Section 149 (6) of the Companies Act, 2013 and under 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 <http://www.safari.in/corporate/investors-relations/toaoid>

DIRECTORS' REPORT (contd..)**c) KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 203 of the Companies Act, 2013 the following are the Key Managerial Personnel of the Company

Sr no.	Name	Designation
1.	Mr. Sudhir Jatia	Chairman and Managing Director
2.	Mr. Vineet Poddar	Chief Financial Officer
3.	Ms. Jigna Parikh (upto 9 th February 2018)	Company Secretary
4.	Mr. Rameez Shaikh (from 10 th February 2018)	Company Secretary

d) NOMINATION AND REMUNERATION POLICY:

The Company has adopted a Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 (3) of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

The policy is available on the website of the Company at <https://www.safari.in/corporate/investors-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 and that of its Committees and Individual Directors have been carried out as per the provisions of the Companies Act, 2013. All Independent Directors of the Company at their meeting held on 9th February 2018 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 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 five (5) 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:

Sr no.	Name of Member	Category
1	Dr. Shailesh Mehta - Chairman	Independent
2	Mr. Punkaj Lath	Independent
3	Mr. Dalip Sehgal	Independent
4	Mr. Piyush Goenka	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

DIRECTORS' REPORT (contd..)

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 which is annexed 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.

8. PARTICULARS OF EMPLOYEES:

The information pursuant to Section 197 of the Companies Act, 2013 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) & 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 shall be made available on the website of the Company 21 days prior to the date of the Annual General Meeting ('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.

9. SAFARI EMPLOYEE STOCK OPTION SCHEME 2016:

Presently, the Company has Employee Stock Option (ESOP) Scheme namely Safari Employee Stock Option Scheme 2016 ("the 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 Scheme and the Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

The disclosures required under the SEBI (Share Based Employee Benefits) Regulations, 2014 are available on the website of the Company at <https://www.safari.in/corporate/investors-relations/policies>

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

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 Companies Act 2013 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.)

11. AUDITORS:

At the 37th Annual General Meeting held on 30th August 2017, M/s. Lodha & Co., Chartered Accountants (Firm Registration No. 301051E) were appointed as Statutory Auditors of the Company to hold office for a term of 5 years commencing from the conclusion of 37th Annual General Meeting till the conclusion of 42nd Annual General Meeting, subject to ratification of appointment by the Members of the Company in each Annual General Meeting.

The Companies (Amendment) Act, 2017 published in the Gazette of India on 3rd January 2018, amended few sections of the Companies Act, 2013 including omission of first proviso to Section 139 (1) of the Companies Act, 2013, which provided ratification of appointment of the Statutory Auditors by the members at every AGM. The amendment to said Section is effective from 7th May 2018.

In view of the above, the Board of Directors of the Company have proposed partial modification in the previous resolution of the members passed at 37th AGM of the Company on appointment of Statutory Auditors and recommended to continue appointment of M/s. Lodha & Co., Chartered Accountants (Firm Registration No. 301051E) as Statutory Auditors of the Company for the period of 5 years commencing from the conclusion of 37th AGM till the conclusion of 42nd AGM of the Company without seeking any further ratification of their appointment from members at this AGM and ensuing AGMs till the tenure of the Statutory Auditors.

The Auditor's Report does not contain any qualification, reservation or adverse remark.

12. INTERNAL AUDITORS:

Based on the recommendation of the Audit Committee of the Company, the Board of Directors of the Company had appointed M/s. Ernst & Young LLP as the Internal Auditors of the Company.

13. SECRETARIAL AUDIT REPORT:

In accordance to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/ s. Ninad Awachat & Associates, Practicing Company Secretaries (Membership No. 26995 & CP No. 9668) to conduct Secretarial Audit for the financial year 2017-18.

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

14. SUBSIDIARIES:

The consolidated financial statements of the Company include the financial statements of Safari Lifestyles Ltd, the wholly owned subsidiary of the Company for the financial year 2017-18. The Financial Statements of Safari Lifestyles Limited are also placed on the website of the Company. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company Secretary of the Company at its Registered Office.

The Report on the performance and financial position of Safari Lifestyles Ltd in Form AOC-1 pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rule 5 of Companies (Accounts) Rules, 2014 is annexed to this Report as **Annexure E**.

The Company has approved a policy for determining material subsidiaries and the same is uploaded on the Company's website at <https://www.safari.in/corporate/investors-relations/policies>

15. 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.

DIRECTORS' REPORT (contd..)

16. 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 policy on risk management 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 Audit Committee. The Board reviews the same periodically and suggests measures to mitigate and control these risks.

17. LISTING OF SHARES:

The equity shares of the Company are listed on BSE Ltd.

The Company has paid necessary listing fees to BSE Ltd as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for FY 2018-19.

18. 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 Companies Act, 2013 read with the Rules issued thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no material related party transactions 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.

The Company has formulated a Policy on Related Party Transactions which is available on the website of the Company at <https://www.safari.in/corporate/investors-relations/policies>

The details of the transactions with Related Parties as per Indian Accounting Standard 24 are set out in Notes to the Standalone Financial Statements.

19. 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 and Directors of the Company, Members, customers, vendors and/or third party intermediaries to report unethical, unlawful or improper practices, acts or activities in the Company and to prohibit managerial personnel from taking any adverse action against those employees who report such practices in good faith.

The Policy has been uploaded on the website of the Company at <http://www.safari.in/corporate/investors-relations/policies>

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

During the year under review, the Company has not given any loans or guarantees. Details of investments made are given in Notes to the Standalone Financial Statement.

21. EXTRACT OF ANNUAL RETURN:

An extract of the Annual Return as on 31st March 2018 in terms of Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure F**.

DIRECTORS' REPORT (contd..)

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

Details on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the **Annexure G** hereto and forms part of this Report.

23. 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 H** forming part of this Annual Report.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

The Company has adopted a CSR Policy in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The same is available on the website of the Company at [http:// www.safari.in/corporate/investors-relations/policies](http://www.safari.in/corporate/investors-relations/policies).

The composition of the CSR Committee is disclosed in the Corporate Governance Report which forms part of the Annual Report. The report on CSR activities undertaken by the Company for the year under review is annexed to this Report at **Annexure I**.

25. INDUSTRIAL RELATIONS:

Industrial relations remained cordial throughout the year under review.

26. INFORMATION UNDER THE 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 Company has formed a Committee to redress complaints received regarding sexual harassment. During the year under review, no such complaints have been filed with the Committee.

27. GENERAL:

Yours 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 Companies Act 2013.
- 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 & the date of Report.
- e) No material fraud has been reported by the Auditors to the Audit Committee of the Board.

28. 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: 21st May 2018

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 as well as the Companies Act, 2013. The composition of the Board of Directors consisted of an optimum combination of Executive and Non-Executive Directors and an optimum representation of Independent Directors.

Name of Director	Category
Mr. Sudhir Jatia	Promoter, Executive and Chairman
Dr. Shailesh Mehta	Non-Executive and Independent
Mr. Punkaj 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. Anuj Patodia	Non-Executive
Mr. Piyush Goenka	Non-Executive

(B) Attendance of each Director at the Board meetings and the last Annual General Meeting ("AGM") :-

5 (five) meetings of the Board of Directors were held during the financial year 2017-18 i.e. on 23rd May 2017, 30th August 2017, 21st September 2017, 29th November 2017 and 9th February 2018.

The attendance record of all Directors is as under: -

Name of Director	No. of Board Meetings		Attendance at last AGM held on 30 th August 2017
	Held	Attended	
Mr. Sudhir Jatia	5	5	YES
Dr. Shailesh Mehta	5	3	YES
Mr. Punkaj Lath	5	4	NO
Mr. Dalip Sehgal	5	5	NO
Mrs. Vijaya Sampath	5	1	NO
Mr. Anuj Patodia	5	4	NO
Mr. Rahul Kanodia	5	4	NO
Mr. Piyush Goenka	5	5	YES

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**(C) Number of other Board Directors or Board Committees of 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	8	2	-
Mr. Punkajj Lath	6	1	-
Mr. Dalip Sehgal	3	2	-
Mrs. Vijaya Sampath	9	4	1
Mr. Anujj Patodia	10	-	-
Mr. Rahul Kanodia	8	-	-
Mr. Piyush Goenka	1	-	-

(\$)*Excludes directorship in foreign companies and Section 8 companies.*

(*)*Only two committees, namely, Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

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 Director in more than 10 Public Limited Companies or act as an Independent Director in more than 7 Listed Companies. Further none of the Directors hold membership in more than 10 committees or act as the Chairman of more than five committees across all public and listed companies in which he/she is a director.

(D) Disclosure of relationships between Directors:

As on 31st March 2018, none of the Directors are related to each other. None of the Directors have any pecuniary relationship or transaction vis-à-vis the Company.

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

As on 31st March 2018, none of the Non- Executive Directors hold any shares or convertible instruments.

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

The Independent Directors of the Company meet the requirements laid down under the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have declared that they do not fall under any disqualifications specified thereunder.

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://www.safari.in/corporate/investors-relations/policies>

(G) Separate Meeting of Independent Directors:

As stipulated under Section 149 of the Companies Act, 2013 read with Schedule IV pertaining to the Code of Independent Directors and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was held on 9th February 2018 with the following agenda:

- to review performance of non-Independent Directors and the Board as a whole,
- to review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors of the Company and to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

3. AUDIT COMMITTEE:

The Audit Committee comprises of the following Members:

Name of Member	Category
Dr. Shailesh Mehta	Chairman
Mr. Punkajj Lath	Member
Mr. Dalip Sehgal	Member
Mr. Piyush Goenka	Member

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

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, the terms of reference of the Audit Committee inter-alia include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the Management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, etc.

The Committee met 4 (four) times during the financial year 2017-18 i.e. on 23rd May 2017, 30th August 2017, 29th November 2017 and 9th February 2018.

The attendance record of all Committee Members at the meetings of the Audit Committee is as under:

Name of Member	No. of Audit Committee Meetings	
	Held	Attended
Dr. Shailesh Mehta	4	3
Mr. Punkajj Lath	4	4
Mr. Dalip Sehgal	4	4
Mr. Piyush Goenka	4	4

4. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE:

The Nomination, Remuneration and Compensation Committee comprises of the following Members:

Name of Member	Category
Mr. Punkajj Lath	Chairman
Dr. Shailesh Mehta	Member
Mrs. Vijaya Sampath	Member
Mr. Piyush Goenka	Member

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

The Nomination, Remuneration and Compensation Committee met 3 (three) times during the financial year 2017-18 i.e. on 23rd May 2017, 29th November 2017, 9th February 2018. The attendance record of Committee Members at the meetings of the Nomination, Remuneration and Compensation Committee is as under:

Name of Member	No. of Nomination and Remuneration Committee Meetings	
	Held	Attended
Mr. Punkajj Lath	3	3
Dr. Shailesh Mehta	3	2
Mrs. Vijaya Sampath	3	1
Mr. Piyush Goenka	3	3

The terms of reference of the Committee inter-alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. Implementation, administration and superintendence of the employee stock option purchase (ESOP) Scheme and formulate the details terms and conditions of the ESOP Scheme.
6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Nomination and Remuneration Policy

The Company has formulated a Nomination cum Remuneration policy and the said Policy lays down the guidelines to be followed in relation to:

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

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

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

The Nomination cum Remuneration Policy of the Company can be viewed on website of the Company at <https://www.safari.in/corporate/investors-relations/policies>

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

5 REMUNERATION OF DIRECTORS:

Remuneration to Managing Director:

Mr. Sudhir Jatia was appointed as the Managing Director of the Company for a period of 3 years with effect from 18th April 2015 which term is further proposed to be extended for another 3 years with effect from 18th April 2018. His remuneration includes basic salary, contribution to provident fund, gratuity, variable performance pay of 1% of the profits of the Company and perquisites (including monetary value of taxable perquisites) etc.

The appointment is governed by a service contract and may be terminated by giving six months notice in writing. No severance fees are payable on termination of employment.

The remuneration paid to Mr. Sudhir Jatia for the financial year 2017-18 is set out in Form No. MGT 9 to the Director's Report. No stock option were issued to the Managing Director of the Company during the financial year 2017-18.

Remuneration to other Directors:

During the financial year 2017-18, the other Directors were paid sitting fees of ₹ 30,000 for attending every Board Meeting and ₹ 20,000/- per meeting for Audit Committee and ₹ 10,000/- per meeting for Nomination, Remuneration and Compensation Committee meetings and Corporate Social Responsibility Committee meeting.

The remuneration paid to other Directors for the financial year 2017-18 is set out in Form No. MGT 9 to the Director's Report which forms part of the Annual Report.

6 STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee comprises of the following members:

Name of Member	Category
Mr. Punkajj Lath	Chairman
Mr. Sudhir Jatia	Member
Mr. Piyush Goenka	Member

The attendance record of Committee Members at the meetings of the Stakeholders Relationship Committee are as under:

Name of Member	No. of Stakeholders Relationship Committee Meetings	
	Held	Attended
Mr. Sudhir Jatia	25	25
Mr. Piyush Goenka	25	25
Mr. Punkajj Lath	25	19

The Company Secretary acts as Compliance Officer of the Company.

During the financial year 2017-18, the Company has not received any shareholder's complaints. There are no complaints pending as on 31st March 2018.

7 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The CSR Committee comprises of the following Members:

Name of Member	Category
Mr. Sudhir Jatia	Chairman
Mrs. Vijaya Sampath	Member
Mr. Piyush Goenka	Member

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

The CSR Committee met twice during the financial year 2017-18 i.e. on 30th August 2017 and 9th February 2018. The attendance record of Committee Members at the meetings of the CSR Committee are as under:

Name of Member	No. of Corporate Social Responsibility Committee Meetings	
	Held	Attended
Mr. Sudhir Jatia	2	2
Mr. Piyush Goenka	2	2
Mrs. Vijaya Sampath	2	-

The Board of Directors of the Company has adopted a Corporate Social Responsibility Policy ("CSR Policy") of the Company which was reviewed and recommended by the Corporate Social Responsibility Committee of the Company. The CSR Policy of the Company is placed on Company's website and the web link is <https://www.safari.in/corporate/investors-relations/policies>

8 SUBSIDIARY COMPANY:

In compliance with the Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.safari.in/corporate/investors-relations/policies>

The Company has an unlisted Indian subsidiary viz. Safari Lifestyles Limited which is not a material subsidiary.

9 GENERAL BODY MEETINGS:

The particulars of the last three Annual General Meetings (AGM) of the Company are given hereunder:

Financial Year	Date and Time	Venue	Special Resolution Passed if any
2014-2015	35 th AGM on 5 th August 2015 at 10.00 am	Hamra Banquet Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (E), Mumbai - 400 099	Nil
2015-2016	36 th AGM on 12 th August 2016 at 10.00 am	Hamra Banquet Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (E), Mumbai - 400 099	Yes 1. To approve and adopt the 'Safari Employee Stock Option Scheme 2016' and authorise the Board to create, issue, offer and allot equity shares, from time to time, to the employees of the Company. 2. To approve and adopt the 'Safari Employee Stock Option Scheme 2016' and authorise the Board to create, issue, offer and allot equity shares, from time to time, to the employees of the Subsidiaries of the Company.
2016-2017	37 th AGM on 30 th August 2017 at 2.30 pm	The Gem Banquet, Podium Level, The QUBE, CTS no. 1498, A/2 M.V. Road, Behind Taj Flight Kitchen, Marol, Andheri (E), Mumbai - 400 059	Nil

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

EXTRA-ORDINARY GENERAL MEETING:

The Company held an Extra-ordinary General Meeting on 21st October 2017 to seek approval on

1. Allotment of 15,00,000 equity shares of ₹ 2/- each to Malabar India Fund Limited and Malabar Value Fund
2. Alteration of Articles of Association of the Company

As required a poll (electronically and by physical ballot) was conducted and special resolutions were passed with requisite majority.

POSTAL BALLOT:

No special resolution was passed during the financial year 2017-18 through postal ballot. No special resolution is proposed to be conducted through the postal ballot as on the date of this report.

10 MEANS OF COMMUNICATION:

Publication of results:

The Quarterly, Half-Yearly and Annual Financial Results of the Company are published in an English financial national daily (Business Standard) and a vernacular newspaper (Nav Shakti).

Website and News Releases:

All official news releases and financial results are communicated by the Company through its corporate website www.safari.in. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through the BSE Listing Centre.

There were no presentations made to the Institutional Investors or analysts during the financial year.

11 GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting (AGM):

- Day, Date, Time : Monday, 13th August 2018 at 2.00 p.m.
- Venue: The Gem Banquet, Podium level, The QUBE, CTS no. 1498, A/2 MV Road, Marol, Andheri (East), Mumbai 400 059.

Financial year: 1st April 2017 to 31st March 2018

Dividend Payment Date: On or before 12th September 2018

Listing Details: **BSE Limited**
Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

Stock Code: BSE: Scrip Code: 523025

Listing Fees: The Company has paid the annual listing fees for the financial year 2018-19

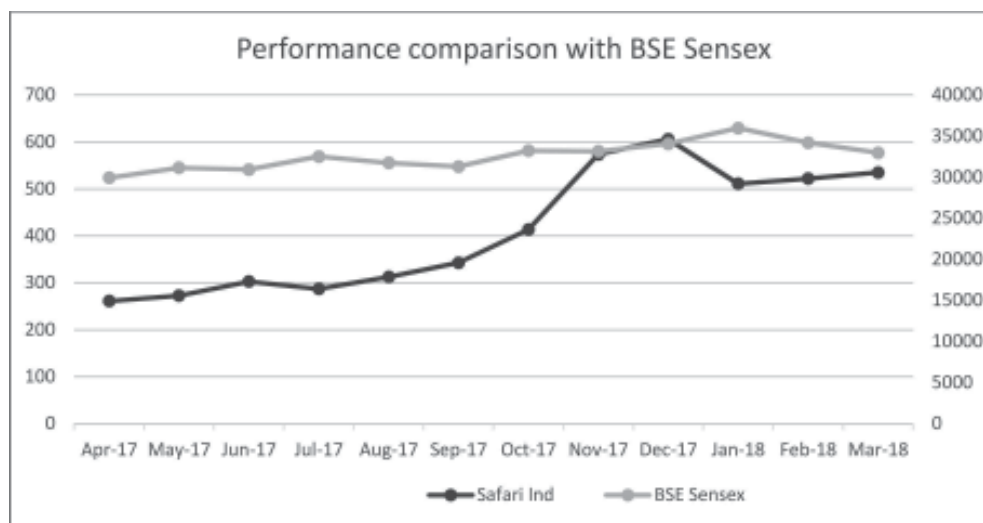
ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Market Price data: High, Low during each month in last financial year

Month	BSE High	BSE Low
April 2017	285.10	256.62
May 2017	300.00	260.00
June 2017	348.88	274.00
July 2017	319.00	268.00
August 2017	318.00	270.00
September 2017	360.00	320.00
October 2017	430.00	335.00
November 2017	573.65	400.50
December 2017	664.00	491.00
January 2018	623.00	461.00
February 2018	589.95	470.00
March 2018	565.20	505.25

*The above share price are after considering sub-division of equity shares from Face Value of ₹10/- each to ₹2/- each.

Performance in comparison with BSE Sensex;



- No equity shares were suspended from trading during the financial year 2017-18

Registrar and Transfer Agents:

Adroit Corporate Services Pvt. Ltd.

17-20, Jafarbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059.

(T) 91-22-4227 0400/ 91-22-2859 4060 (E) info@adroitcorporate.com

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Share Transfer System:

Transfers of shares in physical form are registered by the Registrar and Share Transfer Agents immediately on receipt of complete documents. Invalid share transfers are returned within 15 days of date of receipt.

The Stakeholders' Relationship Committee of the Company issues certificates within 15 days of date of lodgement of transfer. The Committee considers the transfer proposals generally on a weekly basis.

All requests for dematerialization of shares are processed and the confirmation is given to respective Depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited, within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

Distribution of shareholding as on 31st March 2018:

Shares slab	No. of Shareholders	% to total	No. of Shares	Amount in ₹	% to Total
Upto 2500	3,391	95.68	13,71,985	27,43,970.00	6.17
2501 to 5000	82	2.31	2,84,862	5,69,724.00	1.28
5001 to 10,000	19	0.54	1,29,381	2,58,762.00	0.58
10,001 to 15,000	14	0.40	1,79,294	3,58,588.00	0.81
15,001 to 20,000	10	0.28	1,76,924	3,53,848.00	0.80
20,001 to 25,000	12	0.34	2,81,405	5,62,810.00	1.26
25,001 to 50,000	6	0.17	2,29,939	4,59,878.00	1.03
50,001 and above	10	0.28	1,95,96,210	3,91,92,420.00	88.07
Total	3,544	100.00	2,22,50,000	4,45,00,000.00	100.00

Shareholding pattern as on 31st March 2018:

Sr. No.	Category of Shareholder(s)	Total Number of Shares	% of total no. of shares
A.	Shareholding of Promoter and Promoter Group		
	Individuals/Hindu Undivided Family	1,05,87,500	47.58
	Bodies Corporate	22,73,465	10.22
	Total Shareholding of Promoter and Promoter Group (A)	1,28,60,965	57.80
B.	Public shareholding		
1.	Mutual Funds	1,500	0.01
	Foreign Portfolio Investors	19,41,782	8.73
	Foreign Institutions Banks	500	0.00
	Other	35,55,027	15.98
2.	Non- Institutions		
	Individual	28,67,332	12.89
	Clearing Members	5,510	0.02
	IEPF	3,01,600	1.36
	NRI	1,05,609	0.47
	Bodies Corporate	6,10,175	2.74
	Total Public Shareholding (B)	93,89,035	42.20
	Total (A+B)	2,22,50,000	100.00

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Dematerialization of Shares and Liquidity:

97.66% of shareholding was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March 2018.

The Company's shares are actively traded in the dematerialised form on BSE Limited.

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

The Company has not issued GDRs/ADRs/Warrants or any convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities:

As set out in Notes to Accounts of the Standalone Financial Statements, forming part of the Annual Report.

Plant Location:

The Company's Plant is located at Plot No. 1701/1, 2200, 2201, GIDC Halol, Panchmahals, Gujarat.

Address for correspondence:

Registered Office:

302-303, A Wing, The Qube, CTS. 1498,

A/2, M. V. Road, Marol,

Andheri (E) Mumbai 400059

Website: www.safari.in

Email: investor@safari.in

12 OTHER DISCLOSURES:

(a) Materially significant related party transactions:

There were no materially significant transactions with related parties during the financial year from 1st April 2017 to 31st March 2018 which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes of the Financial Statements and in the Board Report as required under Section 134 of the Companies Act, 2013.

The Board has approved a policy on Materiality of Related Party Transactions which also includes procedure to deal with Related Party Transactions and such policy has been put up on the Company's website and the web link is i.e. <https://www.safari.in/corporate/investors-relations/policies>

(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.

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

The Company has adopted the Whistle Blowers Policy to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. No personnel has been denied access to the Audit Committee. A copy of the Whistle Blowers Policy of the Company has been put up on Company's Website and the web link is i.e. <https://www.safari.in/corporate/investors-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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In addition, Company has adopted the following non-mandatory requirements:

- Reporting by internal auditor: The internal auditor directly reports to the audit committee of the Company.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

- (e) **Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of subregulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**
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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (f) **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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as annexed **Annexure I**.
- (g) **Compliance Certificate by M/s. Ninad Awchat & Associates, Practicing Company Secretaries:**
The Company has obtained a Certificate from M/ s. Ninad Awchat & Associates, Practicing Company Secretaries regarding compliance of Corporate Governance as stipulated, which is annexed as **Annexure II** to this Report.
- (h) **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.safari.in/corporate/investors-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 Report.
- i) **Policy determining Material Subsidiaries.**
The Company has laid down a policy for determining material subsidiaries and the same can be found at <https://www.safari.in/corporate/investors-relations/policies>

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

SUDHIR JATIA
Chairman & Managing Director
DIN:00031969

Place: Mumbai
Date: 21st May 2018

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, 2018 and to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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:
 - (i) That there are no significant changes in internal control over financial reporting during the year;
 - (ii) 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
 - (iii) 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: 21st May, 2018

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure II

Compliance Certificate on Corporate Governance

(Pursuant to Part E of Schedule V of 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, 2018.

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.

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

Place : Mumbai
Date : 21st May 2018

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 the 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 2018.

Place: Mumbai
Date: 21st May 2018

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

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: 127:5
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:
 - The remuneration of Managing Director increased by 9.62%.
 - The remuneration of Chief Financial Officer was 9.90%
 - The remuneration of Company Secretary was not increased since he was appointed in the financial year 2017-18 w.e.f. 10th February 2018.
3. The percentage increase in the median remuneration of employees in the financial year: 9.30%
4. The number of permanent employees on the rolls of company: 1147 employees
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 8.91 % and is in line with the increase in the managerial remuneration;
6. The remuneration paid to the Directors, KMPs and other employees is as per the Nomination cum Remuneration Policy of the company.

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

Place: Mumbai
Date: 21st May 2018

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, 2018

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

To,

The Members,

SAFARI INDUSTRIES (INDIA) LIMITED

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

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 ("**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, 2018 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, 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, 1992 and 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, 2009;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued any debt securities during the Financial Year under review)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year under review)
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the Company has not delisted its equity shares from stock exchange during the Financial Year under review)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the Company has not bought back any of its equity shares during the Financial Year under review)

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 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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with 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 have taken place in the Company:

- (i) The Company has amended its capital clause of Memorandum of Association whereby there was, a) Sub-division of 1 (one) equity share of the Company having a face value of ₹10/- (Rupees Ten only) each into 5 (five) equity shares having a face value of ₹ 2/- (Rupees Two only) each. b) Sub-division of 1 (one) unclassified share of the Company having a face value of ₹ 10/- (Rupees Ten only) each into 5 (five) unclassified shares having a face value of ₹ 2/- (Rupees Two only) each. The resulting share capital after sub division of share is ₹ 10,00,00,000 (Rupees Ten Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakh) equity shares of ₹ 2/- (Rupees Two only) each and 2,50,00,000 (Two Crores Fifty Lakh) Unclassified Shares of ₹ 2/- (Rupees Two only)
- (ii) The Company has allotted 12,50,000 (Twelve Lakh fifty thousand) equity shares of ₹ 2/- each at a price of ₹ 340/- (inclusive of premium of ₹ 338/- per share) aggregating to ₹ 42,50,00,000/- (Rupees Forty two crores fifty Lakh only) on preferential basis to Malabar India Fund Limited.
- (iii) The Company has allotted 2,50,000 (Two Lakh fifty thousand) equity shares of ₹ 2/- each at a price of ₹ 340/- (inclusive of premium of ₹ 338/- per share) aggregating to ₹ 8,50,00,000/- (Rupees Eight crores fifty Lakh only) on preferential basis to Malabar Value Fund.
- (iv) The Company has amended its Article of Association for incorporating specific clauses in terms of the provisions of Subscription Agreement executed between the Company, Promoters, Malabar India Fund Limited and Malabar Value Fund as approved by the Board of Directors at its meeting held on September 21, 2017.

For **NINAD AWACHAT & ASSOCIATES**
Company Secretaries

Ninad Awachat
Proprietor

Membership No : 26995
C.P No : 9668

Place : Mumbai
Date : 21st May 2018

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

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

Sr. No.	1
Name of the Subsidiary	Safari Lifestyles Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
Share capital	₹ 5.00
Reserves & surplus	₹ 65.02
Total assets	₹ 225.81
Total Liabilities	₹ 155.79
Investments	Nil
Turnover	₹ 1,081.59
Profit before taxation	₹ 51.42
Provision for taxation	₹ 14.54
Profit after taxation	₹ 36.88
Proposed Dividend	Nil
% of shareholding	100%

- Names of subsidiaries which are yet to commence operations: Nil
- 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)

VINEET PODDAR

Chief Financial Officer

Place: Mumbai

Date: 21st May, 2018

PUNKAJJ LATH

Director

(DIN : 00172371)

RAMEEZ SHAIKH

Company Secretary

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Annexure F****Form No. MGT-9****Extract of Annual Return****As on Financial Year ended on 31st March 2018**

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L25200MH1980PLC022812
2.	Registration Date	8 th July 1980
3.	Name of the Company	Safari Industries (India) Limited
4.	Category / Sub-Category of the Company	Public Listed Company
5.	Address of the Registered office and contact details	302-303, A Wing, The Qube, CTS no. 1498, A/2, MV Road, Marol, Andheri (East), Mumbai 400 059, Maharashtra. (T) +91-22-40381888 (F) +91-22-40381850 (E) investor@safari.in (W) www.safari.in
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Adroit Corporate Services Pvt Ltd. 19, Jafarbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059 (T) +91-22-4227 0400/ +91-22-2859 4060 (E) info@adroitcorporate.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and description of main products/Services	NIC Code of the Product/ service	% to total turnover of the company
1	Hard Luggage	22205	22.95%
2	Soft Luggage	15121	77.05%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1	Safari Lifestyles Ltd 302-303, A Wing, The Qube, CTS no. 1498, M. V. Road, Marol, Andheri (East), Mumbai - 400 059.	U74999MH2014PLC258983	Subsidiary	100%	2(87)

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

i) Category-wise Share Holding:

Category of Shareholders		No. of Shares of FV of ₹ 10 each held at the beginning of the year				No. of Shares of FV of ₹ 2 each held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	PROMOTERS									
1)	Indian									
a)	Individual/HUF	21,17,500	-	21,17,500	51.02	1,05,87,500	-	1,05,87,500	47.58	(3.44)
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	4,54,693	-	4,54,693	10.96	22,73,465	-	22,73,465	10.22	(0.74)
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1):	25,72,193	-	25,72,193	61.98	1,28,60,965	-	1,28,60,965	57.80	(4.18)
2)	Foreign									
a)	NRI-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total(A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)		25,72,193	-	25,72,193	61.98	1,28,60,965	-	1,28,60,965	57.80	(4.18)
B	PUBLIC SHAREHOLDING									
1.	Institutions									
a)	Mutual funds	-	3600	3600	0.09	-	1,500	1,500	0.01	(0.08)
b)	Banks/FI	100	-	100	-	500	-	500	0.00	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others:	-	830000	830000	20.00	54,96,809	-	54,96,809	24.70	4.70
	Sub-total (B)(1):	3,600	8,33,700	-	20.09	54,97,309	1500	54,98,809	24.71	4.62
2.	Non-Institutional									
a)	Bodies Corp									
i.	Indian	1,13,299	4800	1,18,099	2.84	6,07,675	2500	6,10,175	2.74	(0.10)
ii.	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i.	Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,42,692	1,75,602	5,18,294	12.49	17,92,382	515110	23,07,492	10.37	(1.20)
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	94,483	-	94,483	2.28	5,59,840	-	5,59,840	2.52	0.24
c)	Others									
	Clearing members	1,185	-	1,185	0.03	5,510	-	5,510	0.02	0.01
	IEPF	-	-	-	-	301600	-	301600	1.36	1.36
	NRIs	11,946	100	12,046	0.29	1,05,109	500	1,05,609	0.47	0.18
	Sub-total(B)(2):	5,63,605	1,80,502	7,44,107	17.93	33,72,116	518110	38,90,226	17.48	(0.45)
Total Public shareholding (B)= (B)(1)+(B)(2)		13,93,705	1,84,102	15,77,807	38.02	88,69,425	5,25,610	93,95,035	42.20	4.18
C	SHARES HELD BY CUSTODIAN FOR GDRS & ADRS									
		-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)		39,65,898	1,84,102	41,50,000	100.00	2,17,30,390	5,25,760	2,22,50,000	100.00	-

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year at FV of ₹ 10 each			Shareholding at the end of the year at FV of ₹ 2 each			% change in shareholding during the year
		No. of shares for FV of ₹ 10 each	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares for FV of ₹ 2 each	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1.	Sudhir Jatia	21,17,500	51.02	-	1,05,87,500	47.58	-	(3.44)
2.	Safari Investments Pvt Ltd	4,54,693	10.96	-	22,73,465	10.22	-	(0.74)
Total		25,72,193	61.98	-	1,28,60,965	57.80	-	(4.18)

iii) Change in Promoters' Shareholding:

Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Mr. Sudhir Jatia				
At the beginning of the year	21,17,500	51.02		
Date wise increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease (eg allotment/ Allotment of shares upon exercise of conversion transfer/ bonus/ sweat equity etc.): 25 th September 2017 - Sub-division of shares from FV ₹ 10/- to ₹ 2/-	1,05,87,500	51.02	1,05,87,500	51.02
At the end of the year	1,05,87,500	47.58	-	-
Safari Investments Private Limited				
At the beginning of the year	4,54,693	10.96		
Date wise increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease (eg allotment/ Allotment of shares upon exercise of conversion transfer/ bonus/ sweat equity etc.): 25 th September 2017 - Sub-division of shares from FV ₹ 10/- to ₹ 2/-	22,73,465	10.96	22,73,465	10.96
At the end of the year	22,73,465	10.22	-	-

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

Sr. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Tano India Pvt Equity Fund II				
	At the beginning of the year	8,30,000	20.00		
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (eg allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	25/09/2017 (Sub-division of shares)	41,50,000	20.00	41,50,000	20.00
	16/02/2018 (Sell)	(9,84,000)	4.42	31,66,000	14.23
	23/02/2018 (Sell)	(16,000)	0.07	31,50,000	14.16
	At the end of the year (or on the date of separation, if separated during the year)	31,50,000	14.16		
2.	Malabar India Fund Limited				
	At the beginning of the year	-	-	-	-
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (eg allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	25/08/2017 (Buy)	8,031	0.19	8,031	0.19
	01/09/2017 (Buy)	4,474	0.11	12,505	0.30
	25/09/2017 (Sub-division of shares)	62,525	0.30	62,525	0.30
	24/11/2017 (Buy)	12,50,000	5.62	13,12,525	5.90
	16/02/2018 (Buy)	5,89,218	2.64	19,01,743	8.55
	At the end of the year (or on the date of separation, if separated during the year)	19,01,743	8.55		
3.	Central Park Securities Holding Pvt. Ltd.				
	At the beginning of the year	83,585	2.01		
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (eg allotment/ transfer/ bonus/ sweat equity etc.)				
	25/09/2017 (Sub-division of shares)	4,17,925	2.01	4,17,925	2.01
	08/12/2017 (Sell)	890	0.00	4,17,035	1.87
	At the end of the year (or on the date of separation, if separated during the year)	4,17,035	1.87		

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Sr. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4.	Malabar Value Fund				
	At the beginning of the year	-	-	-	-
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (eg. allotment/ transfer/ bonus/ sweat equity etc.)				
	22/09/2017 (Buy)	3,100	0.07	3,100	0.07
	25/09/2017 (Sub-division of shares)	15,500	0.07	15,500	0.07
	24/11/2017 (Buy)	2,50,000	1.12	2,65,500	1.19
	16/02/2018 (Buy)	1,00,000	0.45	3,65,500	1.64
	23/02/2018 (Buy)	8,867	0.04	3,74,367	1.68
	02/03/2018 (Buy)	3,225	0.01	3,77,592	1.70
	09/03/2018 (Buy)	14,380	0.06	3,91,972	1.76
	16/03/2018 (Buy)	3,003	0.01	3,94,975	1.78
	23/03/2018 (Buy)	5,525	0.02	4,00,500	1.80
	30/03/2018 (Buy)	4,527	0.02	4,05,027	1.82
	At the end of the year (or on the date of separation, if separated during the year)	4,05,027	1.82		
5.	Investor Education and Protection Fund				
	At the beginning of the year	-	-	-	-
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (eg allotment/ transfer/ bonus/ sweat equity etc.)				
	25/09/2017 (Sub-division of shares)	-	-	-	-
	25/01/2018 (Transfer to IEPF on account of IEPF Rules)	3,01,600	1.36	3,01,600	1.36
	At the end of the year (or on the date of separation, if separated during the year)	3,01,600	1.36		
6.	Rohinton Soli Screwvala				
	At the beginning of the year	-	-	-	-
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (eg allotment/ transfer/ bonus/ sweat equity etc.)				
	25/09/2017 (Sub-division of shares)	-	-	-	-
	09/02/2018 (Buy)	7,172	0.03	7,172	0.03
	16/02/2018 (Buy)	2,79,001	1.25	2,86,173	1.29
	23/02/2018 (Buy)	8,471	0.04	2,94,644	1.32
	At the end of the year (or on the date of separation, if separated during the year)	2,94,644	1.32		

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Sr. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	Anjali Bansal				
	At the beginning of the year	30,000	0.72		
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/ transfer/ bonus/ sweat equity etc.)				
	25/09/2017 (Sub-division of shares)	1,50,000	0.72	1,50,000	0.72
	05/01/2018 (Sell)	5,635	0.03	1,44,365	0.65
	12/01/2018 (Sell)	7,669	0.03	1,36,696	0.61
	At the end of the year (or on the date of separation, if separated during the year)	1,36,696	0.61		
8.	Jatinder Agarwal				
	At the beginning of the year	25,000	0.60		
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/ transfer/ bonus/ sweat equity etc.)				
	09/06/2017 (Buy)	115	0.00	25,115	0.61
	15/09/2017 (Buy)	385	0.01	25,500	0.61
	22/09/2017 (Buy)	167	0.00	25,667	0.62
	25/09/2017 (Sub-division of shares)	1,28,335	0.62	1,28,335	0.62
	03/11/2017 (Buy)	165	0.00	1,28,500	0.62
	At the end of the year (or on the date of separation, if separated during the year)	1,28,500	0.58		
9.	Colin Pankaj Shah				
	At the beginning of the year	10,000	0.24		
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg allotment/ transfer/ bonus/ sweat equity etc.)				
	25/09/2017 (Sub-division of shares)	50,000	0.24	50,000	0.24
	At the end of the year (or on the date of separation, if separated during the year)	50,000	0.22		

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Sr. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10.	Venkatchalam Arakoni Ramaswamy				
	At the beginning of the year	10,000	0.24	-	-
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (eg allotment/ transfer/ bonus/ sweat equity etc.) 25/09/2017 (Sub-division of shares)	50,000	0.24	50,000	0.24
	At the end of the year (or on the date of separation, if separated during the year)	50,000	0.22		

v) Shareholding of Directors and Key Managerial Personnel:

Except for Mr. Sudhir Jatia, Chairman & Managing Director, none of the other Directors or Key Managerial Personnel hold shares in the Company. Details of Mr. Sudhir Jatia's shareholding are as follows:

Sr. No.	For Each of the Directors & Key managerial personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
A	Mr. Sudhir Jatia - Chairman & Managing Director				
	At the beginning of the year	21,17,500	51.02		
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (eg allotment/ transfer/ bonus/ sweat equity etc.) 25 th September 2017 - Sub-division of shares from FV ₹ 10/- to ₹ 2/-	1,05,87,500	51.02	1,05,87,500	51.02
	At the end of the year	1,05,87,500	47.58		

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakh)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	4,352.48	-	-	4,352.48
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	17.35	-	-	17.35
Total (i +ii+ iii)	4,369.83	-	-	4,369.83
Change in indebtedness during the financial year				
Addition	1,530.41	-	-	1,530.41
Reduction	379.31	-	-	379.31
Net change	1,151.04	-	-	1,151.04
Indebtedness at the end of the financial year				
i. Principal Amount	5,500.14	-	-	5,500.14
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	20.73	-	-	20.73
Total (i +ii+ iii)	5,520.87	-	-	5,520.87

VI. REMUNERATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and/or Manager:

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Sudhir Jatia Managing Director
1.	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	51.38
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4.96
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	As % of profit	33.00
	Others, specify	-
5.	Others	
	Provident Fund	5.85
	Total (A)	95.19
	Ceiling as per the Act*	167.15

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**B. Remuneration to other Directors:****(₹ in Lakh)**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Dr. Shailesh Mehta	Mr. Punkajj Lath	Mr. Dalip Sehgal	Mrs. Vijaya Sampath	Mr. Rahul Kanodia	
	Fee for attending Board Committee meetings	1.70	2.59	2.30	0.40	1.20	8.19
	Commission	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—
	Total (1)	1.70	2.59	2.30	0.40	1.20	8.19
2	Other Non-Executive Directors	Mr. Anujj Patodia	Mr. Piyush Goenka				
	Fee for attending Board Committee meetings	1.20	1.50	—	—	—	2.70
	Commission	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—
	Total (2)	1.20	1.50	—	—	—	2.70
	Total B= (1+2)						10.89
	Total Managerial Remuneration						106.08
	Ceiling as per the Act*						33.42
	Overall ceiling as per the Act**						367.67

* Being 1% of the net profit as calculated as per Section 198 of the Company's Act, 2013

**Being 11% of the net profit as calculated as per Section 198 of the Company's Act, 2013

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTB**(₹ in Lakh)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	Company Secretary		Total
		Vineet Poddar	Jigna Parikh (upto 9 th Feb 2018)	Rameez Shaikh (from 10 th Feb 2018)	
1.	Gross Salary				
	a Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	67.87	11.57	2.58	82.02
	b Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	—	0.05	0.45
	c Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission				
	As % of profit	—	—	—	—
	Others, specify	—	—	—	—
5.	Others				
	Provident Fund	3.84	0.46	0.17	4.47
	Medical reimbursement	0.15	0.13	0.03	0.31
	Total	72.26	12.16	2.83	87.25

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

VII. Penalties/Punishment/Compounding of Offences:

No penalties or punishments were imposed on the Company or any of the Directors, Officers in default and neither were the Company, its Directors or any of its Officers in default, required to file for compounding of any offence.

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

Place: Mumbai
Date: 21st May 2018

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure G

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: Technical Upgradation of extruder machines which, apart from productivity and quality improvements, has brought in savings in consumption of power units per luggage.
 - Energy Audit conducted by outside agency during June-July'17, Actions taken on improvement areas suggested by auditor.
 - Air compressor: Optimization of compressed air generation as well as compressed air utilization along with technical improvements resulted into better productivity at lower cost.
 - LED Street lights introduced in place of sodium vapor lamps fittings leading to savings in replacement cost as well as power consumption.
- 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 equipments: No significant investments were made during the year under review.

(B) TECHNOLOGY ABSORPTION :

- i. Efforts made in technology absorption:
 - Productivity and quality improvement, coupled with cost benefits, achieved in film ranges through better technology/ Technology improvements.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution :
 - Alternate vendor development for number of components resulting into cost savings.
 - Value engineering projects for items like Beading, Handle and Wheel Canopy implementation resulted into better quality, productivity and cost benefits.
 - Import substitute: Certain major items developed in India leading to reduced lead time, reduced currency risks and cost savings.
- 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 - ₹ 20,917.90 lakh

Foreign exchange earned - Nil

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

Place: Mumbai
Date: 21st May 2018

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure H

Management Discussion and Analysis

A. Industry Structure and Developments

The industry growth in the organised sector accelerated during the year, driven by increasing formalisation of the economy away from the unorganised sector led by introduction of Goods and Service Tax ("GST") and a continued shift of consumer preference from unbranded to branded products. The other structural factors driving industry growth continued such as rise in consumer demand fuelled by increase in air travel, wedding season based purchasing, consumers changing lifestyle & improvement in standard of living, increase in disposable income, rising urbanization and Government's focus to promote tourism.

Good growth was seen across general trade and retail. Hyper market and e-commerce channels continue to grow strongly mainly due to better and convenient shopping experience.

The overall outlook for the Travel & Tourism sector was very robust, with Domestic Air Traffic continuing its strong growth at over 17% in 2017. Direct Travel & Tourism industry is expected to grow at 7.1% in India over 2018-2028 period compared to 3.8% growth globally.

Company Development:

The Company witnessed a good growth in total revenue during the year under review, as it continues to develop into a well-diversified multi-brand, multi-channel and multi-category. Company offers competitive & exciting range of products designed specifically for the tastes and preferences of its target consumers.

New product introductions supported by effective marketing spends to drive awareness among the consumers and robust distribution led to positive growth. Company continued to develop its multi-brand strategy during the year with Safari & Magnum brands to operate at wider price points and broader consumer demographics in each category.

To accelerate growth of acquired brands Genius & Genie, the Company is focusing on campus gear targeted towards Teenagers & Young Adults Segment. In addition to launching a new and exciting range of Backpacks, the brands also launched a strong range of Fashion Bags in keeping with their strategic intent of addressing the short haul needs of the target consumers.

The Company continued its thrust on polycarbonate and backpack product categories. It introduced exclusive polycarbonate ranges for specific e-commerce platforms to drive strong share growth in the channel. Further, it launched a fresh new range of backpacks with a significant up gradation in terms of features, design and price. The range included several new to market concepts and was very well received across the channels and consumers.

The Company significantly increased its presence in Hypermarkets with focussed activities in the top hyper-market chains. The Company also operates from more than 50 exclusive retail stores.

Imported Soft luggage across product categories is the major contributor to the sales of the Company. During the year, there was increased upwards pressure on buying costs of Soft Luggage from China due to increased cost of labour, cost of raw materials and the dollar-yuan rate. The Company continues to leverage its sourcing cost to limit cost increases in dollar terms with the Chinese supplier due to its increased negotiating power.

The Company has started hedging its foreign exchange exposure to mitigate its risk arising out of foreign exchange fluctuation and rupee depreciation.

B. Opportunities and Threats

The Company has been able to achieve good results against a backdrop of temporary disruptions caused due to introduction of GST. Given rising competitive intensity, fast shifting consumer preferences and changing channel dynamics with the emergence of new age channels, to continue to outperform the market growth in the coming years is the biggest challenge. The Company's linear structure facilitates faster and better decision making which allows the Company to grab opportunities in time.

The key opportunities lie in gaining leadership position by accelerating consumer led product innovation as well as adapting quickly to the changing channel dynamics. Shift towards e-commerce poses the biggest challenge but if managed well, could be a big opportunity. The Company plans to enhance its direct e-commerce platforms, adding an

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

e-commerce enabled website for Safari in addition to the current websites for Campus Gear. With GST, the industry will be fuelled with better growth opportunities and Company will look to gain on in backpacks and polycarbonate product categories where good growth is expected as consumers will upgrade from unbranded to branded products.

C. Segment/ Product-wise Performance

Major growth is observed in backpacks and polycarbonate uprights, whereas traditional hard luggage, made of polypropylene continues to see a steep drop in Sales. This shift is due to change in consumer preferences towards the convenience of light and wheeled travel products and away from heavier products without wheels. Currently, soft luggage is the major contributor to the Company's sales.

D. Outlook

Despite this competitive environment, the Company has strengthened its position in the travel lifestyle market place and is confident to grow faster than the market growth. The revenue is likely to keep growing at a steady rate due to new and better product offerings, robust distribution network and investments in brand building.

To meet the overall growth objectives, the Company has increased its manufacturing capacity of polycarbonate luggage at its Halol Plant and it continues to diversify its product offering with high quality, durability, functionality and innovative designs of its products across a broad range of price points and product categories. The Company plans to drive visibility for its brands by creating high level of awareness among consumers and investing further in the brands to build sustainable brand strength as a key long term driver of growth. The Company has implemented SAP system during the year which will have positive impact on operations and value chain. The Company have also undertaken various infrastructure improvement initiatives to lay the foundations for long term growth and take our business to next level. However, the margins may continue to experience pressure on account of intense competition, advertisement spends, upward pressure on buying costs from China, raw material cost, rupee depreciation, etc.

Considering the threats, opportunities and the strengths of the Company, the key task at hand will be to make the most of the category and channel growth across all price segments and maintain margins to the best possible level without affecting volume growth. The Company will try to pass on some cost escalations through price increases and better price negotiations on purchase side. The Company will also manage other costs.

Considering the above, the outlook for the current year looks bright, except for unfavorable impact or potential disruption, if any, on account of increasing cost, rupee depreciation, weaker consumer sentiment or other unforeseen circumstances.

E. Risks and Concerns

The Company is exposed to various risks and uncertainties which may adversely impact the Company's 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 overdependence on China for purchase of soft luggage, currency risk associated with imports, unfair competition, brand positioning 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

M/ s. Ernst & Young LLP, Chartered Accountants, 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 plant operations / effectiveness, sales planning and distribution channels, branches of the Company, to provide assurance regarding various compliances by assessing the reliability of financial controls and compliance with applicable laws and regulations. The Company has a regular check on expenses 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 statement.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**G Financial Performance****Sales:**

The Revenue from Operations and Other Income of the Company for the year ended 31st March 2018 was at ₹ 419.63 Crore (Previous Year ₹ 352.26 Crore).

Expenditure:

The Company continued to exercise cost control by effectively implementing various cost management initiatives.

Profit:

Profit after Tax for the year under review amounted to ₹ 20.91 Crore (Previous Year ₹ 9.61 Crore).

H Human Resource Development & Industrial Relations

A note on Human Resource is provided in the Directors' Report. During the year under review, the Company has approved ESOP scheme to retain and attract skilled and experienced personnel. Required talent was made available by Human Resource Department to various functions on time. 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 2018 was 1,147.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Annexure I****Report on CSR Activities of the Company as per Companies (Corporate Social Responsibility Policy) Rules, 2014**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

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. The CSR Policy of the Company can be viewed on website of the Company at <https://www.safari.in/corporate/investors-relations/policies>

2. The Composition of the CSR Committee:

Name of Member	Category
Mr. Sudhir Jatia	Chairman
Mrs. Vijaya Sampath	Member
Mr. Piyush Goenka	Member

3. Average net profit of the Company for last three financial years: ₹ 1083.70 Lakh

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 21.68 Lakh

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: ₹ 24.04 Lakh

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below. (₹ in Lakh)

Sr No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or 2) Specify the State and projects or programs was undertaken	Amount outlay (budget project or programme wise)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1.	Lokmanya Tilak Hospital for 3 Multi Para Monitors for Sion Hospital	Health Care	Mumbai - Maharashtra	5.04	Direct Expenditure on projects and programs ₹ 5.04	₹ 8.54	Directly
2.	Srimad Rajchandra Trust for supporting medical aid to the less privileged	Health Care	Mumbai-Maharashtra	5.00	Direct Expenditure on projects and programs ₹ 5.00	₹ 5.00	Directly

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

(₹ in Lakh)

Sr No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or 2) Specify the State and projects or programs was undertaken	Amount outlay (budget project or programme wise)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
3.	Manav Foundation-Rehabilitation Centre for recovering from mental illness and emotional disorder	Health Care	Mumbai-Maharashtra	1.00	Direct Expenditure on projects and programs ₹ 1.00	₹ 1.00	Directly
4.	Apex Kidney Foundation for subsidized Dialysis Treatment to under privileged	Health Care	Mumbai - Maharashtra	13.00	Direct Expenditure on projects and programs ₹ 13.00	₹ 13.00	Directly
	Total			24.04	₹ 24.04		

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: 21st May 2018

SUDHIR JATIA

Chairman & Managing Director
& Chairman of CSR Committee
DIN: 00031969

Contents of CSR Policy:

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

- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- 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;
- Promoting Health Care including Preventive and Curable;
- Such other activities as the Board may consider to be appropriate.

INDEPENDENT AUDITORS' REPORT

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

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone financial statements of Safari Industries (India) Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules thereunder.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

Other Matters

Opening balances have been considered based on the audited financial statements prepared under previous Generally Accepted Accounting Practices (Previous GAAP) issued by the other auditors whose unqualified audit report dated 23rd May, 2017 have been furnished to us. The differences arising from transition from previous GAAP to Ind AS have been derived from such audited financial statements.

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Standalone Ind AS Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164 (2) of the Act
 - (a) 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".
 - (b) With respect to other matter 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 position in its Standalone Ind AS financial statements- Refer Note 35 to the Standalone Ind AS financial statements.
 - ii. The Company has made provision, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)
R. P. Baradiya
Partner
(Membership No. 44101)

Mumbai
Date : 21st May, 2018

ANNEXURE A

ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF "THE COMPANY" FOR THE YEAR ENDED 31ST MARCH, 2018

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

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).
(b) The Company has a regular programme of physical verification of its property, plant and equipment (fixed assets) by which all assets are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment (fixed assets) were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) Based on 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 are held in the name of the Company.
2. The inventories have been physically verified by the management at reasonable intervals during the year. As per the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the investments made. The Company has not granted any loans provided guarantees and security during the year.
5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of income tax, sales tax, goods and service tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of the dues	Payable ₹ in Lacs	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh Value Added Tax, 2008/ Central Sales Tax Act, 1956	Value Added Tax/ Central Sales Tax	1.32	2007-08	Commercial Tax Tribunal Uttar Pradesh
Uttar Pradesh Value Added Tax, 2008	Interest/Penalty on Value Added Tax	3.91	2013-14	Commercial Tax Dept. Uttar Pradesh
Uttar Pradesh Value Added Tax, 2008	Value Added Tax/ Central Sales Tax	2.36	2014-15	Commercial Tax Dept. Uttar Pradesh
Central Sales Tax Act, 1956	Penalty for non-filing of CST return	0.60	2007-08	Commercial Tax Dept. Maharashtra
Gujrat Value Added Tax Act, 2003/ Central Sales Tax Act, 1956	Value Added Tax/ Central Sales Tax	200.99	2012-13	Commercial Tax Dept. Gujrat

8. The Company has not defaulted in repayment of loans or borrowings to banks during the year. The Company has not taken any loans or borrowings from financial institution, government and debenture holders during the year.
9. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised. The Company has not raised any money by way of Initial public offer or further public offer (Including debt instrument) during the year.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and based on examination of records of the Company, managerial remuneration has been paid or provided for during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. During the course of our examination of the books of accounts and other records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, all transactions with the related party are in compliance with Section 177 and 188 of the Act and the details have been disclosed as required by the applicable Ind AS in Note 37 to the Standalone Ind AS Financial Statements.
14. The Company has during the year raised equity capital by preferential issue aggregating of ₹ 5,100 lakhs in compliance with the Section 42 of the Act. The amount has been utilized for the purpose it was raised.
15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
16. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Mumbai
Date : 21st May, 2018

R. P. Baradiya
Partner
(Membership No. 44101)

ANNEXURE B

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

We have audited the internal financial controls over financial reporting of Safari Industries (India) Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Mumbai

Date : 21st May, 2018

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)
R. P. Baradiya
Partner
(Membership No. 44101)

STANDALONE FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH 2018

	NOTE NO.	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.16 ₹ in Lakh
ASSETS				
A. Non-Current Assets				
(a) Property, plant & equipment	3	2,691.75	1,910.43	1,948.56
(b) Capital work-in-progress	5	1.12	-	-
(c) Other Intangible assets	4	455.08	420.12	478.30
(d) Intangible assets under development	5	14.74	109.41	29.71
(e) Financial Assets				
(i) Investments	6	5.00	5.00	5.00
(ii) Other financial assets	7	487.17	296.60	235.13
(f) Other non-current assets	8	21.06	28.83	21.40
TOTAL NON - CURRENT ASSETS (A)		3,675.92	2,770.39	2,718.10
B. Current Assets				
(a) Inventories	10	12,210.85	9,370.60	7,629.10
(b) Financial Assets				
(i) Investments	9	-	-	0.99
(ii) Trade receivables	11	10,369.88	5,845.00	5,427.89
(iii) Cash & cash equivalents	12	47.95	200.30	375.82
(iv) Other bank balances	13	230.82	285.06	116.92
(v) Other financial assets	7	171.54	591.49	698.23
(c) Other current assets	8	1,291.21	670.54	677.15
TOTAL CURRENT ASSETS (B)		24,322.25	16,962.99	14,926.10
TOTAL ASSETS (A+B)		27,998.17	19,733.38	17,644.20
EQUITY AND LIABILITIES				
C. Equity				
Equity share capital	14	445.00	415.00	415.00
Other equity		16,800.34	9,677.59	8,752.72
TOTAL EQUITY (C)		17,245.34	10,092.59	9,167.72
LIABILITIES				
D. NON - CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	15	197.94	320.70	260.06
(b) Deferred tax liabilities (net)	29	42.73	30.89	30.72
TOTAL NON - CURRENT LIABILITIES (D)		240.67	351.59	290.78
E. CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	15	5,242.87	3,743.97	5,502.07
(ii) Trade payables	17	4,686.02	4,718.24	2,175.51
(iii) Other financial liabilities	18	105.96	315.99	75.31
(b) Other current liabilities	19	177.09	383.11	340.11
(c) Provisions	16	197.10	79.47	39.11
(d) Income tax liabilities (net)	20	103.12	48.42	53.59
TOTAL CURRENT LIABILITIES (E)		10,512.16	9,289.20	8,185.70
TOTAL EQUITY AND LIABILITIES (C+D+E)		27,998.17	19,733.38	17,644.20
Significant Accounting Policies	2			

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

As per our Report of even date

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

R. P. BARADIYA, Partner
(Membership No. 44101)

Mumbai, Date: 21st May, 2018

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

	NOTE		Year Ended 31.03.2018 ₹ in Lakh		Year Ended 31.03.2017 ₹ in Lakh
INCOME					
Revenue from operations	21	41,808.54		35,116.81	
Other income	22	154.79	41,963.33	109.53	35,226.34
EXPENSES					
Cost of materials consumed	23	4,154.25		3,190.61	
Purchase of traded goods		20,310.38		18,672.72	
Changes in inventories of work-in-progress, finished goods and stock in trade	24	(1,902.28)		(1,694.18)	
Excise duty		272.33		888.56	
Employee benefits expense	25	5,277.62		3,999.04	
Finance costs	26	288.61		371.42	
Depreciation and amortisation expense	3, 4	612.80		509.76	
Other expenses	27	9,614.70	38,628.41	7,669.16	33,607.09
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS			3,334.92		1,619.25
Exceptional items			-		(89.06)
PROFIT BEFORE TAX			3,334.92		1,530.19
TAX EXPENSES					
Current tax	29	1,194.07		500.00	
Deferred tax	29	11.84		24.00	
Tax for earlier years		8.06	1,213.97	-	524.00
PROFIT FOR THE YEAR			2,120.95		1,006.19
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Actuarial gain / (loss) on defined benefit plan		(45.54)		(68.88)	
Tax relating to these items		15.95	(29.59)	23.83	(45.05)
TOTAL COMPREHENSIVE INCOME			2,091.36		961.14
EARNINGS PER SHARE					
	34				
Basic earnings per share			9.92		4.85
Diluted earnings per share			9.89		4.85
(Face value of ₹ 2 each)					

Significant Accounting Policies

2

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

As per our Report of even date

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

R. P. BARADIYA, Partner
(Membership No. 44101)

Mumbai, Date: 21st May, 2018

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

STANDALONE FINANCIAL STATEMENTS**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018**

	For the Year Ended 31.03.18 ₹ in Lakh	For the Year Ended 31.03.17 ₹ in Lakh
A. Cash Flow from Operating Activities		
Profit before exceptional items and tax	3,334.92	1,619.25
Adjustments for :		
Depreciation and amortisation expense	612.80	509.76
Finance costs	288.61	371.42
Interest income	(35.81)	(17.01)
Profit from sale of current investments (mutual fund)	(13.61)	-
(Profit)/loss on disposal of property, plant and equipment	33.02	(4.19)
Deposits/ other amounts written off (net)	38.07	2.96
Liabilities no longer required written back	(0.21)	-
Unrealised exchange fluctuation (Gain)/ loss	36.02	87.86
Share based payments	88.42	23.69
Bad debts written off	17.60	32.19
Dividend income	-	(0.01)
	<u>1,064.91</u>	<u>1,006.67</u>
Operating profit before working capital changes	4,399.83	2,625.92
Adjustments for :		
Changes in working capital		
-Increase in inventories	(2,840.25)	(1,741.50)
-Increase in trade receivables	(4,542.48)	(449.30)
-Increase in other bank balances	(1.90)	(1.47)
-(Increase)/ decrease in deposits given	272.77	(20.54)
-Decrease in loans given	2.60	3.56
-Decrease in other financial assets	14.48	54.82
-(Increase)/ decrease in other assets	(620.67)	6.60
-Increase/ (decrease) in trade payables	(71.49)	2,513.59
-Increase/ (decrease) in other financial liabilities	(152.03)	0.14
-Increase/ (decrease) in provisions	72.09	(28.53)
-Increase/ (decrease) in other current liabilities	(206.02)	43.00
	<u>(8,072.90)</u>	<u>380.37</u>
Cash generated from operations	(3,673.06)	3,006.29
Direct Taxes paid	(1,131.48)	(505.16)
Cash flow before exceptional items	(4,804.54)	2,501.13
Exceptional Items	-	(89.06)
Net cash generated from/(used in) operating activities	(4,804.54)	2,412.07

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

	For the Year Ended 31.03.18 ₹ in Lakh	For the Year Ended 31.03.17 ₹ in Lakh
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(1,540.51)	(525.46)
Disposal of property, plant and equipment	164.91	36.49
Investments in fixed deposits (net)	56.13	(166.67)
Sale of current investments	-	0.99
Profit from sale of current investments (mutual fund)	13.61	-
Interest received	35.81	17.01
Dividend received	-	0.01
Net cash used in investing activities	(1,270.05)	(637.63)
C. Cash flow from financing activities		
Capital raised (net of share issue expenses)	5,072.88	-
Increase/(decrease) in long term borrowings	(185.42)	118.44
Increase/(decrease) in short term borrowings	1,418.65	(1,655.86)
Finance costs	(285.87)	(354.07)
Dividend paid (including dividend distribution tax)	(98.00)	(58.47)
Net cash generated from/(used in) financing activities	<u>5,922.24</u>	<u>(1,949.96)</u>
Net Increase/(Decrease) in cash & Cash equivalents	(152.35)	(175.52)
Opening cash & Cash equivalents	<u>200.30</u>	<u>375.82</u>
Closing cash & cash equivalents (Refer note - 12)	<u>47.95</u>	<u>200.30</u>

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

As per our Report of even date
For **LODHA & CO.,** Chartered Accountants
(Firm Regn. No. 301051E)
R. P. BARADIYA, Partner
(Membership No. 44101)
Mumbai, Date: 21st May, 2018

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018**₹ in Lakh**

Equity share capital :	Balance as at 1 st April 2016	Changes in equity share capital during the year	Balance as at 31 st March 2017	Changes in equity share capital during the year	Balance as at 31 st March 2018
Paid up capital (Refer Note 14)	415.00	-	415.00	30.00	445.00

Other equity :	Reserves and Surplus					Items of Other Comp- rehensive Income	Total
Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Equity settled share based payment reserve	Retained Earnings	Actuarial gain/(loss) on defined benefit liabilities/ (assets)	
Balance as at 1st April 2016	11.18	6,768.42	618.80	-	1,354.32	-	8,752.72
Profit for the year	-	-	-	-	1,006.19	-	1,006.19
Other Comprehensive Income for the year	-	-	-	-	-	(45.05)	(45.05)
Total Comprehensive income for the year	-	-	-	-	1,006.19	(45.05)	961.14
Dividends paid including corporate dividend tax	-	-	-	-	(59.96)	-	(59.96)
Transfer from Statement of profit & loss	-	-	-	23.69	-	-	23.69
Balance as at 31st March 2017	11.18	6,768.42	618.80	23.69	2,300.55	(45.05)	9,677.59
Profit for the year	-	-	-	-	2,120.95	-	2,120.95
Other Comprehensive Income for the year	-	-	-	-	-	(29.59)	(29.59)
Total Comprehensive income for the year	-	-	-	-	2,120.95	(29.59)	2,091.36
On issue of Shares during the year (net of issue expenses of ₹ 27.12 Lakh)	-	5,042.88	-	-	-	-	5,042.88
Dividends paid including corporate dividend tax	-	-	-	-	(99.90)	-	(99.90)
Transfer from Statement of profit & loss	-	-	-	88.42	-	-	88.42
Balance as at 31st March 2018	11.18	11,811.30	618.80	112.11	4,321.59	(74.64)	16,800.34

Significant Accounting Policies

2

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

As per our Report of even date	For and on behalf of the Board of Directors	
For LODHA & CO. , <i>Chartered Accountants</i> (Firm Regn. No. 301051E)	SUDHIR JATIA (DIN : 00031969) <i>Chairman & Managing Director</i>	PUNKAJJ LATH (DIN : 00172371) <i>Director</i>
R. P. BARADIYA , <i>Partner</i> (Membership No. 44101)	VINEET PODDAR <i>Chief Financial Officer</i>	RAMEEZ SHAIKH <i>Company Secretary</i>
Mumbai, Date: 21 st May, 2018		

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**Note No. 1****1. CORPORATE INFORMATION:**

Safari Industries (India) Limited ('The Company') is a public limited company domiciled in India and is incorporated under the provision of The Companies Act applicable in India. Its shares are listed on BSE Ltd. (BSE). The Company is engaged in the manufacturing and trading of hard luggage, soft luggage and luggage accessories

2. SIGNIFICANT ACCOUNTING POLICIES:**2.1 Basis of Preparation:**

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other related provisions of the Act.

The figures for the previous year ended 31st March, 2017 and opening Balance Sheet as on 1st April, 2016 have also been reinstated by the management as per the requirements of Ind AS. These financial statements are the first financial statements of the Company under Ind AS. Refer note 28 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

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

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

2.2 Use of Estimates and judgements:

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

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

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

2.3 Property, Plant and Equipment

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

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

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

Leasehold land is stated at historical cost less amounts written off proportionate to expired lease period.

Capital Work-in-progress and Pre-operative Expenses during Construction Period

Capital Work-in-Progress includes expenditure during construction period incurred 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.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April 2016 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation method, estimated useful lives and residual value:

Depreciation is provided on the straight line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.

The range of estimated useful lives of Property, Plant and Equipment's are as under:

Category	Useful Life as prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Buildings	30 / 60 Years	30 / 60 Years
Plant & Equipment*	7 - 15 Years	7 - 15 Years
Furniture & Fixture	10 Years	2 - 10 Years
Vehicles	8 - 10 Years	8 - 10 Years
Office Equipment	3 - 5 Years	3 - 5 Years

** Useful life of Plant & Equipment is determined based on the internal assessment supported by independent technical evaluation carried out by external valuers.*

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

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 Statement of Profit and Loss within other gains/ (losses).

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

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

2.4 Intangible Assets

Intangible assets are held on the Balance Sheet at cost less accumulated amortisation and impairment losses. 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	3-5 Years

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all intangible assets recognised as at 1st April 2016 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

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 treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss, if any 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 includes Raw Material, Work-in-Progress, Finished goods, Stores and spares, Consumables and Packing Materials and are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on First in first out (FIFO) basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Finished goods, traded goods and work-in-progress include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in first out (FIFO) 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.

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

Adequate allowance is made on obsolete and slow moving items.

2.7 Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be measured reliably.

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

Sale of goods:

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Claims/Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognised as revenue on certainty of receipt on prudent basis.

Other Income

Interest income is recognised on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate method to the net carrying amount of the financial assets.

Dividend Income

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.8 Financial Instruments:

1. Financial Assets

(i) Initial recognition

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

(ii) Subsequent measurement

Financial assets are subsequently classified as measured at:

- (a) amortised cost
- (b) fair value through profit and loss (FVTPL)
- (c) fair value through other comprehensive income (FVOCI)

The above classification is being determined considering the:

- (a) the entity's business model for managing the financial assets.
- (b) the contractual cash flow characteristics of the financial asset.

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

(a) Measured at amortised cost:

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

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

(b) Measured at fair value through other comprehensive income (FVOCI):

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

(c) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity Instruments:

On initial recognition, the Company can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in Other Comprehensive Income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through Other Comprehensive Income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

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

(iii) Impairment

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

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

For financial assets other than trade receivables, the Company recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

(iv) De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2. Financial Liabilities**(i) Initial Recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

(ii) Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans and Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through EIR amortization process.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

(iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

Offsetting of financial instruments

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

2.9 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 Statement of Profit and Loss.

2.10 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 economic best interest.

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

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.11 Foreign Currency Transactions:

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

a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**b) Measurement of Foreign Currency Items at the Balance Sheet Date**

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

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

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

2.12 Taxes on Income :

Income tax comprises current and deferred tax. Income tax expense is recognised in the Statement of Profit and Loss except to the extent it relates to items directly recognised in equity or in Other Comprehensive Income.

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

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

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

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

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

2.13 Employee Benefits:

The Company has following post-employment plans:

- (a) Defined contribution plans such as Provident fund and Superannuation fund
- (b) Defined benefit plans such as gratuity and
- (c) Compensated Absences

a) Defined Contribution Plan

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

plan comprise of contributions to the employees' provident fund with the government, superannuation fund 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 actuaries 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 benefit expenses in the Statement of the Profit and Loss.

Re-measurement comprising

- (i) Re-measurement of Actuarial (gains)/losses
- (ii) Return on plan assets, excluding amount recognised in effect of asset ceiling
- (iii) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other Comprehensive Income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner 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 income statement, Other Comprehensive Income and Balance Sheet. There may be also interdependency between some of the assumptions.

c) Compensated Absences

The Company's liabilities for long term compensated absences is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that gave terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

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 and others providing similar services 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,

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

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 Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payments reserve.

No expense is recognised for awards 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.

2.15 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee - A lease is classified at the inception date as a finance lease or an operating lease. Leases where substantial portion of risk and reward of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

2.16 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 provided in the year of sale based on past experience.

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

2.17 Cash and Cash Equivalents:

Cash and cash equivalents in the Balance Sheet and for the purpose of 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 Share:

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

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

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**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 that assets, during the period till all the activities necessary to prepare the qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

2.20 Exceptional Items:

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

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**Note 3****Property, plant and equipment****₹ in Lakh**

	Leasehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Total
Deemed Cost								
Balance as at 1 st April 2016	6.71	-	93.52	1,413.39	229.55	94.23	111.16	1,948.56
Additions	-	-	5.71	170.29	105.15	50.68	62.95	394.78
Deductions/ Adjustment	-	-	-	81.17	-	8.95	-	90.12
Balance as at 31st March 2017	6.71	-	99.23	1,502.51	334.70	135.96	174.11	2,253.22
Accumulated Depreciation								
Balance as at 1 st April 2016	-	-	-	-	-	-	-	-
Additions	0.09	-	5.17	245.56	99.55	16.59	53.12	420.08
Deductions/ Adjustment	-	-	-	76.02	-	1.27	-	77.29
Balance as at 31st March 2017	0.09	-	5.17	169.54	99.55	15.32	53.12	342.79
Net carrying amount as at 1 st April 2016	6.71	-	93.52	1,413.39	229.55	94.23	111.16	1,948.56
Net carrying amount as at 31 st March 2017	6.62	-	94.06	1,332.97	235.15	120.64	120.99	1,910.43
Gross carrying amount								
Balance as at 31 st March 2017	6.71	-	99.23	1,502.51	334.70	135.96	174.11	2,253.22
Additions	-	95.78	-	611.20	216.36	322.36	64.06	1,309.76
Deductions/ Adjustment	-	-	-	100.94	176.32	71.52	20.25	369.03
Balance as at 31st March 2018	6.71	95.78	99.23	2,012.77	374.74	386.79	217.92	3,193.95
Accumulated Depreciation								
Balance as at 31 st March 2017	0.09	-	5.17	169.54	99.55	15.32	53.12	342.79
Additions	0.10	1.57	6.56	256.59	113.66	33.55	50.10	462.11
Deductions/ Adjustment	-	-	-	74.53	174.47	33.79	19.91	302.70
Balance as at 31st March 2018	0.19	1.57	11.73	351.60	38.74	15.08	83.30	502.20
Net carrying amount as at 31 st March 2017	6.62	-	94.06	1,332.97	235.15	120.64	120.99	1,910.43
Net carrying amount as at 31 st March 2018	6.52	94.21	87.50	1,661.18	336.01	371.71	134.62	2,691.75

NOTE:

1. Leasehold land is under lease arrangement for a period of 99 years.
2. Refer note 39 for assets provided as security.
3. The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1st April 2016 under the previous GAAP:

Deemed cost as on 1st April, 2016 :**₹ in Lakh**

	Leasehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Total
Gross Block as at 1 st April 2016	9.50	-	266.84	2,346.68	550.41	126.91	330.57	3,630.91
Accumulated Depreciation as at 1 st April 2016	2.79	-	173.32	933.29	320.86	32.68	219.41	1,682.35
Net block treated as deemed cost upon transition	6.71	-	93.52	1,413.39	229.55	94.23	111.16	1,948.56

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

Note 4

Other Intangible assets

₹ in Lakh

	Trademarks	Brands	Computer Software	Total
Deemed Cost				
Balance as at 1 st April 2016	0.05	440.25	38.00	478.30
Additions	-	22.46	9.04	31.50
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2017	0.05	462.71	47.04	509.80
Accumulated Amortisation				
Balance as at 1 st April 2016	-	-	-	-
Additions	0.05	76.86	12.77	89.68
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2017	0.05	76.86	12.77	89.68
Net carrying amount as at 1st April 2016	0.05	440.25	38.00	478.30
Net carrying amount as at 31st March 2017	-	385.85	34.27	420.12
Gross carrying amount				
Balance as at 31 st March 2017	0.05	462.71	47.04	509.80
Additions	-	-	185.65	185.65
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2018	0.05	462.71	232.69	695.45
Accumulated Amortisation				
Balance as at 31 st March 2017	0.05	76.86	12.77	89.68
Additions	-	101.92	48.77	150.69
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2018	0.05	178.78	61.54	240.37
Net carrying amount as at 31st March 2017	-	385.85	34.27	420.12
Net carrying amount as at 31st March 2018	-	283.93	171.15	455.08

NOTE:

The Company has availed the deemed cost exemption in relation to other intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer Note below for the gross block value and the accumulated amortisation on 1st April, 2016 under the previous GAAP.

Deemed cost as on 1st April, 2016 :

₹ in Lakh

	Trademarks	Brands	Computer Software	Total
Gross Block as at 1 st April 2016	0.28	483.45	72.35	556.08
Accumulated amortisation as at 1 st April 2016	0.23	43.20	34.35	77.78
Net block treated as deemed cost upon transition	0.05	440.25	38.00	478.30

Note 5

Capital work-in-progress and Intangible assets under development:

₹ in Lakh

	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Capital Work in Progress (plant and machinery under installation)	1.12	-	-
Intangible Assets under development (computer software, etc. under installation)	14.74	109.41	29.71

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**Note 6****Non-current Investments**

₹ in Lakh

	Quantity (in numbers)			Amount		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade - Unquoted - At Deemed Cost						
Equity instruments - wholly owned subsidiary						
Safari Lifestyles Ltd. (Equity Shares of ₹ 10 each - fully paid up)	50,000	50,000	50,000	5.00	5.00	5.00
	50,000	50,000	50,000	5.00	5.00	5.00
Aggregate value of unquoted investments				5.00	5.00	5.00
Aggregate amount of impairment in value of investments				-	-	-

Note 7**Other Financial Assets**

₹ in Lakh

	Non-Current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(Unsecured, considered good unless otherwise stated)						
Deposits for premises & others	487.17	296.60	235.13	94.00	542.48	590.84
Loans and advances to employees	-	-	-	10.57	13.18	16.74
Interest accrued and due on fixed deposits	-	-	-	0.98	4.54	2.02
Insurance claim receivable	-	-	-	16.09	16.09	74.56
Derivative assets (Fair valuation of forward contracts)	-	-	-	45.62	-	-
Other receivables	-	-	-	4.28	15.20	14.07
	487.17	296.60	235.13	171.54	591.49	698.23

Note 8**Other Assets**

₹ in Lakh

	Non-Current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(Unsecured, considered good unless otherwise stated)						
Capital advances	7.09	-	-	-	-	-
Advance to suppliers/others	-	-	-	58.60	52.48	106.86
Prepayments	-	-	-	15.29	78.50	46.66
Refunds due/balances from/ with government authorities	13.97	28.83	21.40	823.82	539.56	523.63
Other receivables	-	-	-	393.50	-	-
	21.06	28.83	21.40	1,291.21	670.54	677.15

Note 9**Current Investments**

₹ in Lakh

	Units			Amount		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Non trade - Quoted, fully paid up						
HDFC Liquid Fund	-	-	97.39	-	-	0.99
	-	-	97.39	-	-	0.99
Aggregate market value of quoted investments				-	-	0.99

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

Note 10	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.2016 ₹ in Lakh
Inventories			
Raw Materials (including Goods in Transit ₹ 144.57 Lakh, as at 31.03.17 ₹ 68.01 Lakh, as at 01.04.16 ₹ 0.83 Lakh)	1,747.36	842.55	750.58
Work in Progress	263.42	2.54	3.73
Finished Goods (including Goods in Transit ₹ Nil, as at 31.03.17 ₹ 21.76 Lakh, as at 01.04.16 ₹ 85.74 Lakh)	1,284.33	1,580.39	1,488.30
Stock in Trade (Including Goods in Transit ₹ 1,048.55 Lakh, as at 31.03.17 ₹ 2,162.03 Lakh, as at 01.04.16 ₹ 1,105.71 Lakh)	8,852.89	6,915.43	5,312.15
Stores and spares	16.24	6.60	8.59
Packing materials	46.61	23.09	65.75
	<u>12,210.85</u>	<u>9,370.60</u>	<u>7,629.10</u>

Mode of Valuation : Refer Note: 2.6

Refer Note 39 for Inventories hypothecated as security against certain bank borrowings.

Note 11

Trade Receivable

Unsecured, considered good	10,369.88	5,845.00	5,427.89
	<u>10,369.88</u>	<u>5,845.00</u>	<u>5,427.89</u>

Refer Note 39 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.

	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.2016 ₹ in Lakh
Note 12			
Cash and Cash Equivalents			
Balances with Banks In Current Accounts	44.39	189.87	360.68
Cash on hand	3.56	10.43	15.14
	<u>47.95</u>	<u>200.30</u>	<u>375.82</u>

Note 13

Other Bank Balances

In deposit accounts (Pledged against bank guarantees / LCs)	224.23	280.37	113.70
In dividend accounts	6.59	4.69	3.22
	<u>230.82</u>	<u>285.06</u>	<u>116.92</u>

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.2016 ₹ in Lakh
Note 14			
Equity Share Capital			
Authorised :			
2,50,00,000 Equity Shares of ₹ 2/- each	500.00	500.00	500.00
2,50,00,000 Unclassified Shares of ₹ 2/- each	500.00	500.00	500.00
	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
Issued, subscribed and paid up			
2,22,50,000 (as at 31st March 2017 : 2,07,50,000; as at 1st April 2016 : 2,07,50,000) Equity Shares of ₹ 2/- each fully paid- up	<u>445.00</u>	<u>415.00</u>	<u>415.00</u>

The Reconciliation of the number of Equity shares outstanding	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Numbers	₹ in Lakh	Numbers	₹ in Lakh	Numbers	₹ in Lakh
Equity shares at the beginning of the year (Face Value per share ₹ 2)	2,07,50,000	415.00	2,07,50,000	415.00	2,07,50,000	415.00
Add :- Shares issued on Preferential Basis (Face Value per share ₹ 2)	15,00,000	30.00	-	-	-	-
Equity shares at the end of the year	<u>2,22,50,000</u>	<u>445.00</u>	<u>20,750,000</u>	<u>415.00</u>	<u>20,750,000</u>	<u>415.00</u>
Refer note (b) below						

(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.
- 3) Of the 1,05,87,500 equity shares held by Mr. Sudhir Jatia, Promoter & Managing Director of the Company, 12,50,000 equity shares (shares allotted to him on conversion of the share warrants) are subject to a lock-in of 3 years, from the date of the respective trading approvals granted by the BSE Limited, in accordance with the provisions of SEBI (Issue of Capital Disclosure Requirement) Regulations 2009.

The details of shareholders holding more than 5% shares:	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Numbers (face Value of ₹ 2 each)	% of holding	Numbers (face Value of ₹ 2 each)	% of holding	Numbers (face Value of ₹ 2 each)	% of holding
Name of the Shareholders						
Safari Investments Private Limited	22,73,465	10.22%	22,73,465	10.96%	22,73,465	10.96%
Sudhir Mohanlal Jatia	1,05,87,500	47.58%	1,05,87,500	51.02%	1,05,87,500	51.02%
Tano India Private Equity Fund II	31,50,000	14.16%	41,50,000	20.00%	41,50,000	20.00%
Malabar India Fund Limited	19,01,743	8.55%	-	-	-	-

- (b) Pursuant to the approval of the shareholders of the Company vide their resolution dated 30th August 2017, the Company has sub-divided 1 share having face value of ₹ 10 each fully paid-up into 5 shares having face value of ₹ 2 each. Accordingly, 41,50,000 shares (of ₹ 10 each fully paid-up) at the beginning of the year were sub-divided into 2,07,50,000 shares of ₹ 2 each fully paid-up. For the purpose of the sub-division, the Company had fixed 25th September 2017 as the record date (ex-date 22nd September 2017).
- (c) Dividend paid and Proposed: Refer note 32(b)
- (d) The Company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

Note 15

Borrowings

₹ in Lakh

	As at 31.03.2018	Non-Current As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	Current As at 31.03.2017	As at 01.04.2016
Measured at amortised cost						
Secured						
From Banks:						
(a) Term loans	197.94	320.70	260.06	-	-	-
(b) Working capital loans						
(i) Cash credit accounts	-	-	-	661.76	363.37	1,917.43
(ii) Demand loans	-	-	-	500.00	-	2,051.55
(iii) Buyer's credit	-	-	-	4,081.11	3,380.60	1,533.08
	197.94	320.70	260.06	5,242.87	3,743.97	5,502.07

Notes:

Security and terms of repayment:

- Term Loans from banks for vehicles amounting to ₹ 257.29 Lakh (as at 31st march 2017 ₹ 24.50 Lakh ; as at 1st April 2016 ₹ 21.06 Lakh) including current maturities of ₹ 59.35 Lakh (as at 31st March 2017 ₹ 5.34 Lakh ; as at 1st April 2016 ₹ 3.10 Lakh) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 years ₹ 59.35 Lakh; 1-2 years ₹ 64.54 Lakh; 2-3 years ₹ 62.94 Lakh; 3-4 years ₹ 38.39 Lakh; 4-5 years ₹ 32.07 Lakh; and >5 years ₹ Nil.
These loans carry interest rate ranging from 7.99% to 10.00% (as at 31st March 2017 9.16% to 10.00% ; as at 1st April 2016 10.00% to 10.20%)
- TermLoan from Banks amounting to ₹ Nil (as at 31st March 2017 ₹ 418.20 Lakh ; as at 1st April 2016 ₹ 303.20 Lakh) including current maturities of long term debt of ₹ Nil (as at 31st March 2017 ₹ 116.66 Lakh ; as at 1st April 2016 ₹ 61.10 Lakh) were secured by way of first charge on specific movable plant and machinery at the company's Halol plant and equitable mortgage on the immovable properties at company's Halol plant.
These loans carry interest rate ranging from 9.15% to 9.25% (as at 31st March 2017 9.15% to 10.50% ; as at 1st April 2016 12.6%)
- Working capital loans are secured by way of first pari-passu charge on the entire current assets of the company both present and future, pari passu charge on entire moveable property, plant and equipment of the company both present and future, excluding vehicles and equitable mortgage on immovable properties situated at company's Halol Plant.
These loans carry interest rate ranging from 2.24% to 9.45% (as at 31st March 2017 1.66% to 10.00% ; as at 1st April 2016 1.15% to 10.20%)
(Refer note 39)

Note 16

Provisions

₹ in Lakh

	As at 31.03.2018	Non-Current As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	Current As at 31.03.2017	As at 01.04.2016
Provision for employee benefits (Refer Note 33)	-	-	-	188.91	53.32	17.10
Provision for warranty claims & sales returns (Refer note 41)	-	-	-	8.19	26.15	22.01
	-	-	-	197.10	79.47	39.11

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.2016 ₹ in Lakh
Note 17			
Trade Payables			
Due to micro, small and medium enterprises	-	-	-
Due to others	4,686.02	4,718.24	2,175.51
	<u>4,686.02</u>	<u>4,718.24</u>	<u>2,175.51</u>

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 group. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from the previous year.

	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.2016 ₹ in Lakh
Note 18			
Other Financial Liabilities			
Current maturities of long-term debt (Refer Note 15)	59.35	122.00	64.20
Interest accrued but not due on borrowings	20.08	17.35	-
Unpaid dividend (Refer note below)	6.59	4.69	3.22
Derivative liabilities (Fair valuation of forward contracts)	-	163.93	-
Other payables	19.94	8.02	7.89
	<u>105.96</u>	<u>315.99</u>	<u>75.31</u>

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

	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.2016 ₹ in Lakh
Note 19			
Other Current Liabilities			
Advances received from customers	8.98	-	15.76
Statutory dues	137.27	353.35	298.81
Others	30.84	29.76	25.54
	<u>177.09</u>	<u>383.11</u>	<u>340.11</u>

Note 20**Income Tax Liabilities (Net)**

Provision for income tax (Net of advance tax ₹ 1,075.00 Lakh, as at 31.03.17 ₹ 450.00 Lakh, as at 01.04.16 ₹ 300.00 Lakh)	103.12	48.42	53.59
	<u>103.12</u>	<u>48.42</u>	<u>53.59</u>

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

	Year ended 31.03.2018 ₹ in Lacs	Year ended 31.03.2017 ₹ in Lacs
Note 21		
Revenue from operations		
Sale of Products (including excise duty of ₹ 272.33 Lakh) (previous year ₹ 888.56 Lakh)*	41,808.54	35,116.81
	<u>41,808.54</u>	<u>35,116.81</u>
* Refer Note 44		
Note 22		
Other Income		
(a) Interest income		
- fixed deposits	19.69	17.01
- current investments	15.96	-
- others	0.16	-
(b) Dividend income on non current investments	-	0.01
(c) Other income		
- Sale of scrap	50.33	14.95
- Electricity duty refund	35.29	48.42
- Profit on disposal of property, plant and equipment	10.10	7.72
- Profit from sale of current investments (mutual fund)	13.61	-
- Miscellaneous income	9.65	21.42
	<u>154.79</u>	<u>109.53</u>

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

	Year Ended 31.03.2018 ₹ in Lakh	Year Ended 31.03.2017 ₹ in Lakh
Note 23		
Cost of Materials Consumed		
Raw material consumed		
Opening stock	842.55	750.58
Purchases	4,775.76	2,962.78
Sub-Total	5,618.31	3,713.36
Sales	(0.81)	(0.38)
Closing stock	(1,747.36)	(842.55)
Raw material consumed	3,870.14	2,870.43
Processing charges, etc.	136.01	179.52
Net consumption	4,006.15	3,049.95
Packing materials consumed - manufacturing	148.10	140.66
	4,154.25	3,190.61
Note 24		
Changes in Inventories of Work-in-Progress, Finished Goods and Stock in Trade		
Inventories at the beginning of the year		
Work-in-progress	2.54	3.73
Finished goods	1,580.39	1,488.30
Stock-in-trade	6,915.43	5,312.15
	8,498.36	6,804.18
Inventories at the end of the year		
Work-in-progress	263.42	2.54
Finished goods	1,284.33	1,580.39
Stock-in-trade	8,852.89	6,915.43
	10,400.64	8,498.36
Change in inventories	(1,902.28)	(1,694.18)
	(1,902.28)	(1,694.18)
Note 25		
Employee Benefits Expense		
Salaries and wages	4,761.20	3,545.13
Contribution to provident and other funds	297.03	299.00
Share based payments (Refer note 42)	88.42	23.69
Staff welfare expenses	130.97	131.22
	5,277.62	3,999.04

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

	Year Ended 31.03.2018 (₹ in Lakh)	Year Ended 31.03.2017 (₹ in Lakh)
Note 26		
Finance Cost		
Interest expense	188.59	276.94
Other borrowing costs	100.02	94.48
	<u>288.61</u>	<u>371.42</u>
Note 27		
Other Expenses		
Consumption of stores and spares	15.35	22.64
Consumption of packing materials - Trading	325.28	251.08
Power and fuel	335.17	260.66
Repairs and maintenance		
- Building	32.05	11.40
- Plant and equipment	24.34	28.43
- Others	167.51	127.12
Rent	1,088.54	951.22
Rates and taxes	121.97	149.65
Insurance	44.33	19.31
Director's sitting fees	12.14	10.94
Postage, telegram and telephone expenses	137.58	162.57
Legal and professional fees	236.14	168.10
Auditors' remuneration (Refer Note 40)	8.43	7.50
Deposits / other amounts written off (net)	38.07	2.96
Bank charges	24.15	16.51
Freight, handling & octroi	2,607.69	2,277.37
Contractual labour	1,925.40	1,131.62
Travelling and conveyance	1,009.06	761.20
Advertisement and sales promotion	801.64	791.09
Royalty expense	41.58	36.13
Bad debts written off	17.60	32.19
Warranty claims	0.01	28.89
Loss on disposal of property, plant and equipment	43.12	3.53
Corporate social responsibility expenditure (Refer Note 43)	24.04	14.96
Foreign exchange loss / MTM Loss	20.76	33.35
Miscellaneous expenditure	512.75	368.74
	<u>9,614.70</u>	<u>7,669.16</u>

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**Note 28****First-time adoption of Ind AS**

These financial statements for the year ended 31st March 2018 are the first the company has prepared in accordance with Ind AS. The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1st, 2017, with a transition date of April 1st, 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March, 2018, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions**(a) Deemed cost for property, plant & equipments and intangible assets**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for Intangible assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its property, plant and equipment and Intangible assets at their previous GAAP carrying value.

(b) Investment in subsidiary

The Company presents separate financial statement wherein Ind AS 27 requires it to measure its investment in subsidiary either at cost or in accordance with the Ind AS 109. The Company at first time adoption has measured such investment at cost in accordance with Ind AS 27, wherein it has option to measure the investment in its separate opening Ind AS Balance Sheet at cost as determined in accordance with Ind AS 27 or deemed cost. Deemed cost shall be fair value at the entity's date of transition to Ind AS in its separate financial statement or previous GAAP carrying amount as on that date. The Company has adopted deemed cost being previous GAAP carrying amount as on the date of transition.

B. Mandatory Exceptions**(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance Sheet as at 1st April 2016 and 31st March 2017
- II. Reconciliation of Statement of Profit and Loss for the year ended 31st March 2017
- III. Reconciliation of Equity as at 1st April 2016 and 31st March 2017
- IV. Impact on Statement of Cash Flows for the period ended 31st March 2017

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

I Reconciliation of Balance Sheet as at 1st April 2016 and 31st March 2017

₹ in Lakh

	Refer note below	As At 31.03.17 (Previous GAAP)	Ind AS Adjustments	As At 31.03.17 (IND AS)	As At 01.04.16 (Previous GAAP)	Ind AS Adjustments	As At 01.04.16 (IND AS)
ASSETS							
(A) NON - CURRENT ASSETS							
(a) Property, Plant & Equipment		1,910.43	-	1,910.43	1,948.56	-	1,948.56
(b) Capital work-in-progress		-	-	-	-	-	-
(c) Intangible assets		420.12	-	420.12	478.30	-	478.30
(d) Intangible assets under development		109.41	-	109.41	29.71	-	29.71
(e) Financial assets							
(i) Investments		5.00	-	5.00	5.00	0.00	5.00
(ii) Other financial assets	11	867.91	(571.31)	296.60	847.37	(612.24)	235.13
(f) Other non-current assets	11	-	28.83	28.83	-	21.40	21.40
TOTAL NON - CURRENT ASSETS (A)		3,312.87	(542.48)	2,770.39	3,308.94	(590.84)	2,718.10
(B) CURRENT ASSETS							
(a) Inventories		9,370.60	-	9,370.60	7,615.51	13.59	7,629.10
(b) Financial assets							
(i) Investments		-	-	-	0.99	-	0.99
(ii) Trade receivables		5,845.00	-	5,845.00	5,427.89	-	5,427.89
(iii) Cash & cash equivalents	11	204.99	(4.69)	200.30	379.04	(3.22)	375.82
(iv) Other bank balances	11	280.37	4.69	285.06	113.70	3.22	116.92
(v) Other financial assets	11	79.85	511.64	591.49	133.54	564.69	698.23
(c) Other current assets	11	639.70	30.84	670.54	658.13	19.01	677.14
TOTAL CURRENT ASSETS (B)		16,420.51	542.48	16,962.99	14,328.80	597.30	14,926.10
TOTAL ASSETS (A+B)		19,733.38	-	19,733.38	17,637.74	6.46	17,644.20
EQUITY AND LIABILITIES							
(C) EQUITY							
(a) Equity share capital		415.00	-	415.00	415.00	-	415.00
(b) Other equity	28 C (III)	9,575.81	101.78	9,677.59	8,696.37	56.35	8,752.72
TOTAL EQUITY (C)		9,990.81	101.78	10,092.59	9,111.37	56.35	9,167.72
LIABILITIES							
(D) NON - CURRENT LIABILITIES							
(a) Financial liabilities							
(i) Borrowings		320.70	-	320.70	260.06	-	260.06
(b) Deferred tax liabilities (net)	5	30.89	-	30.89	32.63	(1.91)	30.72
TOTAL NON - CURRENT LIABILITIES (D)		351.59	-	351.59	292.69	(1.91)	290.78
(E) CURRENT LIABILITIES							
(a) Financial liabilities							
(i) Borrowings	4, 11	3,909.78	(165.81)	3,743.97	5,502.07	-	5,502.07
(ii) Trade payables	11	3,659.75	1,058.49	4,718.24	1,773.06	402.45	2,175.51
(iii) Other financial liabilities	4, 11	146.27	169.72	315.99	97.80	(22.49)	75.31
(b) Other current liabilities	11	1,447.39	(1,064.28)	383.11	719.66	(379.55)	340.11
(c) Provisions	1	179.37	(99.90)	79.47	87.50	(48.39)	39.11
(d) Current tax liabilities (net)		48.42	-	48.42	53.59	-	53.59
TOTAL CURRENT LIABILITIES (E)		9,390.98	(101.78)	9,289.20	8,233.68	(47.98)	8,185.70
TOTAL EQUITY AND LIABILITIES (C+D+E)		19,733.38	-	19,733.38	17,637.74	6.46	17,644.20

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**II Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017 ₹ in Lakh**

	For the period ended March 31, 2017			
	Refer note below	(Previous GAAP)	Ind AS Adjustments	(IND AS)
INCOME				
Revenue from operations	3	35,524.17	(407.36)	35,116.81
Other income		109.53	-	109.53
TOTAL INCOME		35,633.70	(407.36)	35,226.34
EXPENDITURE				
Cost of materials consumed		3,190.61	-	3,190.61
Purchase of traded goods		18,672.72	-	18,672.72
Changes in inventories of finished goods, work-in-progress and traded goods	11	(1,707.76)	13.58	(1,694.18)
Employee benefits expenses	2	4,042.56	(43.52)	3,999.04
Finance costs	11	307.44	63.98	371.42
Excise Duty	7	-	888.56	888.56
Depreciation and amortisation expense		509.76	-	509.76
Other expenses	3, 7, 11	9,059.35	(1,390.19)	7,669.16
TOTAL EXPENSES		34,074.68	(467.59)	33,607.09
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		1,559.02	60.23	1,619.25
Exceptional items		(89.06)	-	(89.06)
PROFIT BEFORE TAX		1,469.96	60.23	1,530.19
TAX EXPENSES				
Current tax		500.00	-	500.00
Deferred tax	5	(1.74)	25.74	24.00
PROFIT AFTER TAX		971.70	34.49	1,006.19
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
Remeasurement of net defined benefit plans	2	-	(68.88)	(68.88)
Income tax relating to net defined benefit plans	2	-	23.83	23.83
TOTAL COMPREHENSIVE INCOME		971.70	(10.56)	961.14

III Reconciliation of Equity ₹ in Lakh

	Refer note below	As At 31.03.17	As At 01.04.16
Total equity under previous GAAP		9,990.81	9,111.37
Adjustments impact: Gain/ (Loss)			
Reversal of proposed ordinary dividends payable	1	83.00	49.80
Dividend Distribution Tax on above proposed dividend	1	16.90	10.14
Impact of measuring Derivative financial instruments, other than those designated as Cash Flow Hedge, at Fair Value	4	1.88	-
Provision for Sales Return		-	(5.50)
Tax impact on above adjustments	5	-	1.90
Total IND AS adjustment		101.78	56.34
Total equity under Ind AS		10,092.59	9,167.71

IV Impact on Statement Cash Flows for the period ended 31st March, 2017

No material changes in the Statements Cash Flows disclosures.

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

Footnotes to the reconciliation of equity as at 1st April 2016 and 31st March 2017 and Profit & Loss for the year ended 31st March 2017

Note 1: Proposed Dividend

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as subsequent events. Accordingly, provision for proposed dividend including dividend distribution tax was recognised as liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

Note 2: Remeasurement of post employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income (OCI) instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change there is no impact on the total equity as at 31st March 2017.

Note 3: Discount

Under the previous GAAP, discounts and rebates paid to the customers were recorded as part of expenses in the Statement of Profit and Loss. However, under Ind AS, these expenses are netted-off against revenue.

Note 4: Derivative Instruments

Under previous GAAP, premium paid on the forward contracts were amortised over the period of the forward contracts. Under Ind AS, such forward contracts have been fair valued through profit & loss.

Note 5: Deferred taxes

Under previous GAAP, deferred taxes were recognised based on profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base.

Note 6: Employee Stock Option Expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled share based plan is recognised based on the fair value of the Options as at the grant date.

Note 7: Excise Duty

Under the previous GAAP, revenue from sale of goods was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

Note 8: Other Comprehensive Income

Under Ind AS, all items of income and expense recognised during the year should be included in profit or loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss are shown in the Statement of Profit and Loss as "Other Comprehensive Income". OCI for the Company includes re-measurement of defined benefit plans of ₹ 45.05 lakhs net of taxes. The concept of Other Comprehensive Income did not exist under previous GAAP.

Note 9: Retained Earnings

Retained earnings as at 1st April 2016 and 31st March 2017 have been adjusted consequent to the above Ind AS transition adjustments.

Note 10: Statement of Cash Flow

The transaction from previous GAAP to Ind AS has not had any material impact on the Statement of Cash Flows.

Note 11: Regrouping

The presentation requirements under previous GAAP differs from Ind AS and hence figures are regrouped to conform with the requirements of Ind AS.

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

	Year Ended 31.03.2018 ₹ in Lakh	Year Ended 31.03.2017 ₹ in Lakh
Note 29		
Income Taxes		
a) Tax expense recognised in the statement of Profit and Loss:		
Current tax		
Current year	1,194.07	500.00
Earlier years	8.06	-
Total current tax	1,202.13	500.00
Deferred tax		
Origination and reversal of temporary difference	(11.84)	(1.74)
Others	23.68	1.91
Total deferred income tax expense/(credit)	11.84	0.17
Total income tax expense/(credit)	1,213.97	500.17
b) A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Company is as follows :		
Enacted income tax rate in India (in %)	34.61	33.40
Profit before tax	3,334.92	1,530.19
Income tax as per above rate	1,154.15	511.15
Adjustments:		
Expenses not deductible for tax purposes	283.04	183.78
Expenses deductible separately for tax purposes	(253.03)	(185.54)
Others	9.91	(9.39)
Income tax as per profit and loss statement	1,194.07	500.00

c) The movement in deferred tax assets and liabilities during the year ended 31st March 2017 and 31st March 2018:

₹ in Lakh

Particulars	As at 01.04.16	(Credit)/ charge in Statement of Profit & Loss	As at 31.03.17	(Credit)/ charge in Statement of Profit & Loss	As at 31.03.18
Deferred tax assets/(liabilities)					
Depreciation	(82.46)	(22.00)	(60.46)	18.43	(78.89)
Amount allowable on payment basis	11.63	3.52	8.11	(38.26)	46.37
Voluntary retirement scheme	38.20	16.74	21.46	8.00	13.46
Others	1.91	1.91	-	23.68	(23.68)
Total	(30.72)	0.17	(30.89)	11.84	(42.73)

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (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 (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

a. Financial Assets

₹ in Lakh

Particulars	Instruments carried at fair value		Instruments carried at amortized cost		
	At Cost	FVTPL	Carrying amount	Total carrying amount	Total fair value
As at 1st April, 2016					
Investments	5.00	-	0.99	5.99	5.99
Trade receivables	-	-	5,427.89	5,427.89	5,427.89
Cash & cash equivalents	-	-	375.82	375.82	375.82
Other bank balances	-	-	116.92	116.92	116.92
Other financial assets	-	-	933.36	933.36	933.36
Total	5.00	-	6,854.98	6,859.98	6,859.98
As at 31st March, 2017					
Investments	5.00	-	-	5.00	5.00
Trade receivables	-	-	5,845.00	5,845.00	5,845.00
Cash & cash equivalents	-	-	200.30	200.30	200.30
Other bank balances	-	-	285.06	285.06	285.06
Other financial assets	-	-	888.09	888.09	888.09
Total	5.00	-	7,218.45	7,223.45	7,223.45
As at 31st March, 2018					
Investments	5.00	-	-	5.00	5.00
Trade receivables	-	-	10,369.88	10,369.88	10,369.88
Cash & cash equivalents	-	-	47.95	47.95	47.95
Other bank balances	-	-	230.82	230.82	230.82
Other financial assets	-	45.62	613.09	658.71	658.71
Total	5.00	45.62	11,261.74	11,312.37	11,312.37

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**b. Financial Liabilities****₹ in Lakh**

Particulars	Instruments carried at fair value		Instruments carried at amortized cost		
	FVTPL	Total carrying amount at fair value	Carrying amount	Total carrying amount	Total fair value
As at 1st April, 2016					
Borrowings	-	-	5,762.13	5,762.13	5,762.13
Trade payables	-	-	2,175.51	2,175.51	2,175.51
Other financial liabilities	-	-	75.31	75.31	75.31
Total	-	-	8,012.95	8,012.95	8,012.95
As at 31st March, 2017					
Borrowings	-	-	4,064.67	4,064.67	4,064.67
Trade payables	-	-	4,718.24	4,718.24	4,718.24
Other financial liabilities	163.93	163.93	152.06	315.99	315.99
Total	163.93	163.93	8,934.97	9,098.90	9,098.90
As at 31st March, 2018					
Borrowings	-	-	5,440.81	5,440.81	5,440.81
Trade payables	-	-	4,686.02	4,686.02	4,686.02
Other financial liabilities	-	-	105.96	105.96	105.96
Total	-	-	10,232.79	10,232.79	10,232.79

31 Risk Management**Financial risk management objectives and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The company's activity expose it to credit risk, liquidity risk, market risk and commodity risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. The Company's financial risk management policy is set by the senior management and governed by overall direction of Board of Directors of the Company, which are summarised below.

S.No.	Risk	Exposure arising from	Measurement	Management
A	Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis, Credit ratings	Credit limits and letters of credit and Performance guarantees
B	Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
C	(i) Market risk – interest rate (ii) Market risk – foreign exchange	Long-term borrowings at variable rates Future commercial transactions recognised financial assets and liabilities not denominated in INR.	Sensitivity analysis Cash flow forecasting and Sensitivity analysis	Balancing the proportion of fixed rate and floating rate borrowings Forward foreign exchange contracts
D	Commodity risk	Purchase of Raw Material	Fluctuation of Crude Price and Currency rates	Procurement and inventory strategy

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

A. Credit Risk

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 assess 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.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- iv) Significant increase in credit risk on other financial instruments of the same counterparty
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees

Credit items : The average credit period allowed to customers is less than 90 days.

Ageing of Account receivables:

₹ in Lakh

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
0-3 months	8,862.24	5,137.25	4,856.31
3-6 months	1,023.83	333.47	339.02
6-12 months	409.15	244.16	186.47
more than 12 months	74.66	130.12	46.09
Total	10,369.88	5,845.00	5,427.89

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. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations.

Financing arrangements

The Company had access to following undrawn borrowing facilities at end of reporting period:

₹ in Lakh

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
Variable borrowing - Cash credit - short term in nature	3,747.13	5,246.03	1,487.93

Contractual maturity patterns of financial liabilities

₹ in Lakh

Particulars	As at 31.03.18		
	0-1 year	1-5 years	Total
Long term borrowings (including current maturity of long term debt)	59.35	197.94	257.29
Short term borrowings	5,242.87	-	5,242.87
Trade payables	4,686.02	-	4,686.02
Other financial liabilities including derivative financial liabilities	46.61	-	46.61
Total	10,034.85	197.94	10,232.79

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**₹ in Lakh**

Particulars	As at 31.03.17		
	0-1 year	1-5 years	Total
Long term borrowings (including current maturity of long term debt)	122.00	320.70	442.70
Short term borrowings	3,743.97	-	3,743.97
Trade payables	4,718.24	-	4,718.24
Other financial liabilities including derivative financial liabilities	193.99	-	193.99
Total	8,778.20	320.70	9,098.89

Particulars	As at 31.03.16		
	0-1 year	1-5 years	Total
Long term borrowings (including current maturity of long term debt)	64.20	260.06	324.26
Short term borrowings	5,502.07	-	5,502.07
Trade payables	2,175.51	-	2,175.51
Other financial liabilities including derivative financial liabilities	11.11	-	11.11
Total	7,752.89	260.06	8,012.95

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 receivables, 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 Lakh**

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
Borrowings bearing fixed rate of interest	257.30	24.50	19.10
Borrowings bearing variable rate of interest	5,242.86	4,162.17	5,807.23

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 before tax

₹ in Lakh

Particulars	As at 31.03.18	As at 31.03.17
50 bps increase- decrease in profits	(24.88)	(25.88)
50 bps decrease- Increase in profits	24.88	25.88

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (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 Company has foreign currency trade payables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence 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 31.03.18		Year ended 31.03.17	
	In Million US\$	₹ in Lakh	In Million US\$	₹ in Lakh
Total Foreign Currency Exposures - Payables	8.55	5,563.06	9.11	6,116.00

Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following impact on profit before tax:

Particulars	Year ended 31.03.18		Year ended 31.03.17	
	1 % increase	1 % decrease	1 % increase	1 % decrease
USD	55.63	(55.63)	61.16	(61.16)
Increase / (decrease) in profit or loss	55.63	(55.63)	61.16	(61.16)

Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts are generally the banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Name of the Instrument	Year ended 31.03.18		Year ended 31.03.17	
	In Million US\$	₹ in Lakh	In Million US\$	₹ in Lakh
Forward Purchase	5.18	3,372.00	5.28	3,546.00

E. Commodity Risk

Principal raw material for Company's manufactured products is variety of plastic polymers which are primarily derivatives of crude oil. Company sources its raw material requirement from other Asian countries. Domestic market prices also generally remains in sync with international market price scenario.

Volatility in crude oil prices, currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price and availability of polymers for the Company. Company effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Prudent hedging policy on foreign currency exposure

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**Note 32****Capital Risk Management****(a) Risk Management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital
- 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 Lakh

Particulars	31.03.18	31.03.17	01.04.16
Net debt (Refer (c) below)	5,472.29	4,003.71	5,450.51
Total equity	17,245.34	10,092.59	9,167.72
Capital gearing ratio	0.32	0.40	0.59

The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets.

(b) Dividends

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.

- The Board of Directors, in its meeting on 23rd May, 2017, proposed a final dividend of ₹ 2 per equity share (20% on equity share of ₹ 10 each) and the same was approved by the shareholders at the Annual General Meeting held on 30th August, 2017, this resulted in a cash outflow of ₹ 98.00 Lakh, including corporate dividend tax of ₹ 16.90 Lakh.
- The Board of Directors, in its meeting on 21st May, 2018, have proposed a final dividend of ₹ 0.50 per equity share (25% on equity share of ₹ 2 each) for the year ended 31st March, 2018. 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 ₹ 134.38 Lakh, including corporate dividend tax of ₹ 22.91 Lakh.

(c) Net debt reconciliation

₹ in Lakh

Particulars	31.03.2018	31.03.2017	01.04.2016
Non current borrowings (includes current maturities of long term debt)	257.29	442.70	324.26
Current borrowings	5,242.87	3,743.97	5,502.07
Interest payable	20.08	17.35	-
Less: Cash and cash equivalents	(47.95)	(200.30)	(375.82)
Net debt as at 31st March 2018	5,472.29	4,003.71	5,450.51

Particulars	Non current borrowings	Current borrowings	Interest Payable	Cash & Cash Equivalents	Total
Net debt as at 1 st April 2017	442.70	3,743.97	17.35	(200.30)	4,003.71
Cash flows	(185.41)	1,418.65	-	152.35	1,385.59
Unrealised exchange gain / (loss)	-	80.25	-	-	80.25
Finance costs	-	-	288.61	-	288.61
Interest paid	-	-	(285.87)	-	(285.87)
Net debt as at 31st March 2018	257.29	5,242.87	20.08	(47.95)	5,472.29

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

Note 33

Disclosure pursuant to Ind AS - 19 "Employee benefits"

- i) **Gratuity:** In accordance with the applicable laws, 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 employment), 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 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:

A. Balance Sheet

₹ in Lakh

Particulars	Defined benefit plans		
	As at 31.03.18	As at 31.03.17	As at 01.04.16
Present value of plan liabilities	300.03	251.49	196.13
Fair value of plan assets	206.04	198.17	179.03
Asset/(Liability) recognised	(93.99)	(53.32)	(17.10)

B. Movements in Plan Assets and Plan Liabilities

₹ in Lakh

Particulars	Present value of obligations	Fair Value of Plan assets
As at 1st April 2017	251.49	198.17
Current service cost	20.47	-
Past service cost	25.67	-
Interest Cost/(Income)	18.16	14.31
Return on plan assets excluding amounts included in net finance income/cost	-	(4.17)
Actuarial (gain)/loss arising from changes in financial assumptions	(9.11)	-
Actuarial (gain)/loss arising from experience adjustments	50.48	-
Employer contributions	-	54.86
Benefit payments directly by employer	-	-
Benefit payments from the fund	(57.13)	(57.13)
As at 31st March 2018	300.03	206.04
As at 1st April 2016	196.13	179.03
Current service cost	13.20	-
Past service cost	15.52	-
Interest Cost/(Income)	15.30	13.96
Return on plan assets excluding amounts included in net finance income/cost	-	0.05
Actuarial (gain)/loss arising from changes in financial assumptions	9.40	-
Actuarial (gain)/loss arising from experience adjustments	59.54	-
Employer contributions	-	36.86
Benefit payments directly by employer	(25.85)	-
Benefit payments from the fund	(31.74)	(31.74)
As at 31st March 2017	251.49	198.17

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**C. Statement of Profit and Loss****₹ in Lakh**

Particulars	Year Ended 31.03.18	Year Ended 31.03.17
Employee Benefit Expenses:		
Current service cost	20.47	13.20
Past service cost	25.67	15.52
Interest cost/(income)	3.85	1.33
Total amount recognised in Statement of Profit & Loss	49.99	30.05
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	4.17	(0.05)
Experience gains/(losses)	41.37	68.93
Total amount recognised in Other Comprehensive Income	45.54	68.88

D. 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:

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
Financial Assumptions			
Discount rate	7.71%	7.22%	7.80%
Expected Rate of Return on plan assets	7.71%	7.22%	7.80%
Salary Escalation Rate	3.00%	3.00%	3.00%
Attrition Rate	For service of 4 years and below :- 30% p.a and for service 5 years and above :- 1.00% p.a.	For service of 4 years and below :- 30% p.a and for service 5 years and above :- 1.00% p.a.	For service of 4 years and below :- 30% p.a and for service 5 years and above :- 1.00% p.a.

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08)

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

₹ in Lakh

Particulars	Change in assumption	Increase in assumption	Decrease in assumption
As at 31.03.18			
Impact on defined benefit obligation			
Discount rate	1.00%	(17.08)	19.16
Salary Escalation Rate	1.00%	19.87	(17.98)
Attrition Rate	1.00%	5.81	(6.52)
As at 31.03.17			
Impact on defined benefit obligation			
Discount rate	1.00%	(15.83)	17.77
Salary Escalation Rate	1.00%	18.35	(16.59)
Attrition Rate	1.00%	4.55	(5.11)

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

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.

F. The defined benefit obligations shall mature as follows:

₹ in Lakh

Particulars	As at 31.03.18	As at 31.03.17
Within 1 year	20.80	14.01
1-2 years	14.08	8.65
2-3 years	38.03	13.99
3-4 years	39.29	32.89
4-5 years	54.74	36.26
5-10 years	170.38	158.83

- ii) **Compensated Absences:** The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

The disclosure in respect of the defined Compensated Absences are given below:

₹ in Lakh

Particulars	31.03.18	31.03.17	01.04.16
Expenses recognised in Statement of Profit and Loss	132.86	-	-
Balance Sheet liability	94.92	-	-

Note 34

Earnings Per Share (EPS)

Particulars	Year Ended 31.03.18	Year Ended 31.03.17
Profit after tax (PAT) available for equity shareholders (₹ in Lakh)	2,120.95	1,006.19
Weighted average number of equity shares for basic EPS	21,374,658	20,750,000
Basic earnings per share (in ₹)	9.92	4.85
Weighted average number of equity shares for diluted EPS	21,439,918	20,756,557
Diluted earnings per share (in ₹)	9.89	4.85
Nominal value of equity Shares (in ₹)	2.00	2.00

Refer Note 14(b) for share split during the year.

Accordingly earnings per share (EPS) for previous year has been restated

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**Note 35****Contingent Liabilities****₹ in Lakh**

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
Disputed sales tax / entry tax demands	211.91	11.46	66.24
Bonus for earlier years	10.80	10.80	10.80
Other claims against the Company not acknowledged as debts	20.55	-	9.01

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.

Note 36**Commitments**

- a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is ₹ 0.79 (Previous year ₹ 133.51 Lakh).
- b) (i) The Company has taken premises under cancellable operating lease. These lease agreements are normally renewed on expiry. The rental expenditure is accounted for in Statement of Profit and Loss of the Company in accordance with Ind AS-17 on lease transactions.
- (ii) The Company has also taken office premises under non-cancellable operating lease. The total of future minimum lease payments under this lease for the period not later than one year is ₹ 396.54 Lakh (previous year ₹ 210.72 Lakh) and for the period later than one year and not later than five years is ₹ 563.35 Lakh (previous year ₹ 376.43 Lakh) and for the period later than five year is ₹ 0.51 Lakh (previous year ₹ 7.84 Lakh).

Note 37**Disclosure on Related Party Transactions****Names of related parties and description of relationship:****Subsidiaries:**

Name	Extent of Holding
Safari Lifestyles Limited	Wholly Owned Subsidiary

Key Managerial Personnel:

Name	Nature of Relationship
Mr. Sudhir Jatia	Chairman & Managing Director
Mr. Vineet Poddar	Chief Financial Officer
Mr. Rameez Shaikh	Company Secretary (w.e.f. 10 th Feb 2018)
Ms. Jigna Parikh	Company Secretary (upto 9 th Feb 2018)

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

List of others over which key managerial personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year:

Name	Nature of Relationship
Ramgopal Textiles Limited	Mr. Sudhir Jatia, Chairman and Managing Director of the company exercise significant influence in Ramgopal Textiles Limited

Other related parties:

Name	Nature of Relationship
Ms. Shivani Jatia	Daughter of Mr. Sudhir Jatia, Chairman and Managing Director

Transactions during the year and balances as at year end:

₹ in Lakh

Nature of Transactions	Subsidiary	Key Management Personnel	Enterprises in which Directors have significant influence	Other Related Parties
Transactions during the Year				
Sale of goods	867.89 (1,014.51)			
Rent received	1.69 (1.49)			
Employee cost recovered / reimbursed	18.00 (9.00)			
Remuneration to key managerial persons:				
Mr. Sudhir Jatia, Chairman & Managing Director		95.19 (49.38)		
Mr. Vineet Poddar, Chief Financial Officer		72.25 (60.31)		
Mr. Rameez Shaikh, Company Secretary (w.e.f. 10.02.2018)		2.82 -		
Ms. Jigna Parikh, Company Secretary (upto 09.02.2018)		12.16 (9.75)		
Salary & perquisites:				
Ms. Shivani Jatia				8.99 (6.75)
Balances as at year end				
Investment in equity shares	5.00 (5.00)			
Trade receivables	104.46 (95.12)		21.38 (33.88)	

Figures in bracket relate to previous year.

Notes:

- Related party relationship is as identified by the management and relied upon by the auditors.
- No amounts in respect of related parties have been written off / written back during the year and no provision has been made for doubtful debts / receivable.
- All related party transactions entered during the year were in ordinary course of the business and are at arm's length basis.

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**Note 38**

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 luggage business only. Since this segment meets the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers this as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

Note 39**Assets Provided as Security**

The carrying amounts of assets provided as security (First Charge) for current and non-current borrowings are:

₹ in Lakh

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
Current Assets			
Financial Assets			
Trade receivables	10,369.88	5,845.00	5,427.89
Non Financial Assets			
Inventories	12,210.85	9,370.60	7,629.10
Total Current assets provided as security	22,580.73	15,215.60	13,056.99
Non Current Assets			
Buildings*	87.50	94.06	93.52
All movable property, plant and equipment*	2,761.97	1,967.77	2,000.94
Total non-current assets provided as security	2,849.47	2,061.83	2,094.46
Total assets provided as security	25,430.20	17,277.43	15,151.45

*This represents net book value.

Note 40**Auditor's Remuneration**

(excluding service tax and goods and service tax)

₹ in Lakh

Particulars	Year Ended 31.03.18	Year Ended 31.03.17
Audit fees	4.00	5.00
Tax audit fees	1.00	1.20
Limited review and certification fees	3.43	1.30
	8.43	7.50

Note 41

Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets:

(i) Movement in provisions:**Warranties****₹ in Lakh**

Particulars	Year Ended 31.03.18	Year Ended 31.03.17
Carrying amount at the beginning of the year	26.15	22.01
Additional provision made during the year	5.04	9.81
Provision reversed during the year	23.00	-
Amounts used / paid during the year	-	5.67
Carrying amount at the end of the year	8.19	26.15

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

(ii) Nature of provisions:

Product warranties: The Company gives warranties on certain products in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provisions made represents the amount of the expected cost of meeting such obligation on repairs / replacement. The timing of outflows is expected to be within a period of one year.

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 I	Tranche II	Tranche III	Tranche IV
Grant Date	08.10.16	09.03.17	29.11.17	09.02.18
No of Options	65,000	45,000	30,000	10,000
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Plan	Graded Vesting-	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 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 2nd year - 30%
	At the end of 3rd 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	Within one year from the date of Vesting
Grant Price (₹ Per share)	160.00	190.00	300.00	440.00
Average Market Price on the date of Grant of Options (₹ Per share)	194.21	228.17	482.22	539.86
Discount on Average Price (₹ per share)	34.21	38.17	182.22	99.86

Number movements in share options during the year:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant Date	08.10.16	09.03.17	29.11.17	09.02.18
Opening Balance	65,000	45,000	-	-
Granted during the year	-	-	30,000	10,000
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Closing Balance	65,000	45,000	30,000	10,000
Exercisable options	-	-	-	-

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)**B) The fair value of options have been done by independent firm of Chartered Accountants using the Black-Scholes Model.**

The key assumptions in the Black-Scholes Model for calculating fair value on the date of grant for Safari Stock Option Scheme 2016:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant Date	08.10.16	09.03.17	29.11.17	09.02.18
1. Risk Free Rate	6.55%	6.74%	7.71%	7.46%
2. Option Life (no. of years)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)
3. Expected Volatility	0.7716	0.8247	0.8336	0.8503
4. Dividend Growth Rate	5%	5%	5%	5%
The weighted average fair value of the options (In ₹)	105.44	126.54	285.52	296.98

Refer Note 14 (b) for share split during the year. Accordingly number of options, grant price, average market price, discount and weighted average fair value of options has been restated for options granted in the previous periods.

Note 43**Details of Corporate Social Responsibility (CSR) Expenditure :**

Particulars	₹ in Lakh	
	Year Ended 31.03.18	Year Ended 31.03.17
Amount required to be spent as per Section 135 of the Act	21.68	12.23
Amount spent during the year on :		
Construction/acquisition of any asset	-	-
On purposes other than above	24.04	14.96
Total	24.04	14.96

44 Post the applicability of the Goods and Service Tax (GST) with effect from 1st July, 2017, revenue from operations are disclosed net of GST, whereas Excise Duty formed part of expenses in previous year. Accordingly, the revenue from operations and expenses for the year are not comparable with the previous year.

45 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.

46 Recent accounting pronouncements**Ind AS 115 - Revenue from Contracts with Customers**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers effective from April 1, 2018. The core principle of the new standard is that an entity should recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

Amendment to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

Amendments to Ind AS 12, Income Taxes clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. These amendments only clarify the existence of guidance of Ind AS 12 and do not change the underlying principles for recognition of deferred tax asset.

Consequential amendments to other Ind AS due to notification of Ind AS 115 and other amendments discussed above. The management is yet to assess the impact of the aforesaid amendments on the Company's financial information.

47 The financial statements were approved for issue by the Board of Directors on 21st May 2018.

As per our Report of even date

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

R. P. BARADIYA, *Partner*
(Membership No. 44101)

Mumbai, Date: 21st May, 2018

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated financial statements of **Safari Industries (India) Limited** ("the Parent Company" and a subsidiary collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash flows, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules thereunder.

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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Consolidated Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018 and its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Other Matters

Opening balances have been considered based on the audited financial statements prepared under previous Generally Accepted Accounting Practices (Previous GAAP) issued by the other auditors whose unqualified audit report dated 23rd May, 2017 have been furnished to us. The differences arising from transition from previous GAAP to Ind AS have been derived from such audited financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (iii) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (iv) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (v) On the basis of the written representations received from the directors of the Parent Company and subsidiary as on 31st March, 2018 taken on record by the Board of Directors of the Parent Company and subsidiary, none of the directors are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (vi) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group- Refer Note No 34 to the consolidated financial statements.
 - ii. The Group has made provision, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.

Mumbai
Date : 21st May, 2018

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)
R. P. Baradiya
Partner
(Membership No. 44101)

ANNEXURE A

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of **Safari Industries (India) Limited** (hereinafter referred to as "the Parent Company" and a subsidiary 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 Ind AS 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; and (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.

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 have 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, 2018, 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.

Mumbai
Date : 21st May, 2018

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)
R. P. Baradiya
Partner
(Membership No. 44101)

CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH 2018

	NOTE NO.	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.16 ₹ in Lakh
I. ASSETS				
(A) NON-CURRENT ASSETS				
(a) Property, plant & equipment	3	2,694.53	1,918.01	1,956.22
(b) Capital work-in-progress	5	1.12	-	-
(c) Other Intangible assets	4	455.08	420.12	478.30
(d) Intangible assets under development	5	14.74	109.41	29.71
(e) Financial Assets				
(i) Other financial assets	6	531.23	307.91	248.71
(f) Other non-current assets	7	22.84	29.08	21.65
TOTAL NON - CURRENT ASSETS (A)		3,719.54	2,784.53	2,734.59
(B) CURRENT ASSETS				
(a) Inventories	9	12,252.03	9,415.16	7,644.74
(b) Financial Assets				
(i) Investments	8	-	-	0.99
(ii) Trade receivables	10	10,362.47	5,829.19	5,410.43
(iii) Cash & cash equivalents	11	48.81	213.57	391.07
(iv) Other bank balances	12	231.83	285.81	116.92
(v) Other financial assets	6	181.23	606.16	698.27
(c) Other current assets	7	1,291.21	670.54	677.14
TOTAL CURRENT ASSETS (B)		24,367.58	17,020.43	14,939.56
TOTAL ASSETS (A+B)		28,087.12	19,804.96	17,674.15
II. EQUITY AND LIABILITIES				
(C) EQUITY				
Equity share capital	13	445.00	415.00	415.00
Other equity		16,839.44	9,683.80	8,746.70
TOTAL EQUITY (C)		17,284.44	10,098.80	9,161.70
(D) LIABILITIES				
(1) NON - CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	14	197.94	320.70	260.06
(b) Deferred tax liabilities (net)	28	41.25	30.01	30.65
TOTAL NON - CURRENT LIABILITIES (D)		239.19	350.71	290.71
(E) CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	14	5,242.87	3,743.97	5,502.06
(ii) Trade payables	16	4,721.07	4,757.31	2,188.98
(iii) Other financial liabilities	17	105.96	316.04	75.31
(b) Other current liabilities	18	186.24	408.99	361.98
(c) Provisions	15	197.10	79.44	39.11
(d) Income tax liabilities (net)	19	110.25	49.70	54.30
TOTAL CURRENT LIABILITIES (E)		10,563.49	9,355.45	8,221.74
TOTAL EQUITY AND LIABILITIES (C+D+E)		28,087.12	19,804.96	17,674.15
Significant Accounting Policies	2			
The accompanying notes form an integral part of the consolidated Ind AS Financial Statement				

As per our Report of even date

For **LODHA & CO.,** Chartered Accountants
(Firm Regn. No. 301051E)**R. P. BARADIYA,** Partner
(Membership No. 44101)Mumbai, Date: 21st May, 2018

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director**VINEET PODDAR**
Chief Financial Officer**PUNKAJJ LATH** (DIN : 00172371)
Director**RAMEEZ SHAIKH**
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

	NOTE		Year Ended 31.03.2018 ₹ in Lakh		Year Ended 31.03.2017 ₹ in Lakh
INCOME					
Revenue from operations	20	42,022.25		35,242.32	
Other income	21	154.88	42,177.13	109.53	35,351.85
EXPENSES					
Cost of materials consumed	22	4,154.25		3,190.61	
Purchase of traded goods		20,310.38		18,672.72	
Changes in inventories of work-in-progress, finished goods and stock in trade	23	(1,898.89)		(1,723.09)	
Excise duty		272.33		888.56	
Employee benefits expense	24	5,296.13		4,008.78	
Finance costs	25	288.79		371.42	
Depreciation and amortisation expense	3, 4	617.61		513.37	
Other expenses	26	9,754.20	38,794.80	7,785.57	33,707.94
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS			3,382.33		1,643.91
Exceptional items			-		(89.06)
PROFIT BEFORE TAX			3,382.33		1,554.85
TAX EXPENSES					
Current tax	28	1,209.21		513.25	
Deferred tax	28	11.24		23.20	
Tax for earlier years		8.06	1,228.51	-	536.45
PROFIT FOR THE YEAR			2,153.82		1,018.40
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Actuarial gain / (loss) on defined benefit plan		(45.54)		(68.88)	
Tax relating to these items		15.95	(29.59)	23.83	(45.05)
TOTAL COMPREHENSIVE INCOME			2,124.23		973.35
EARNINGS PER SHARE					
Basic earnings per share	33		10.08		4.91
Diluted earnings per share			10.05		4.90
(Face value of ₹ 2 each)					

Significant Accounting Policies

2

The accompanying notes form an integral part of the consolidated Ind AS Financial Statement

As per our Report of even date
For **LODHA & CO.,** Chartered Accountants
(Firm Regn. No. 301051E)
R. P. BARADIYA, Partner
(Membership No. 44101)
Mumbai, Date: 21st May, 2018

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS **STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018**

	For the Year Ended 31.03.18 ₹ in Lakh	For the Year Ended 31.03.17 ₹ in Lakh
A. Cash Flow from Operating Activities		
Profit before exceptional items and tax	3,382.33	1,643.91
Adjustments for :		
Depreciation and amortisation expense	617.61	513.37
Finance costs	288.79	371.42
Interest income	(35.81)	(17.01)
Profit from sale of current investments (mutual fund)	(13.61)	-
(Profit)/loss on disposal of property, plant and equipment	33.02	(4.19)
Deposits/ other amounts written off (net)	38.07	2.96
Liabilities no longer required written back	(0.21)	-
Unrealised exchange fluctuation (Gain)/ loss	36.02	87.86
Share based payments	88.42	23.69
Bad debts written off	17.60	32.19
Dividend income	-	(0.01)
	<u>1,069.90</u>	<u>1,010.28</u>
Operating profit before working capital changes	4,452.24	2,654.19
Adjustments for :		
Change in working capital		
-Increase in inventories	(2,836.87)	(1,770.42)
-Increase in trade receivable	(4,550.88)	(450.95)
-Increase in other bank balances	(1.90)	(1.47)
-(Increase)/ decrease in deposits given	244.72	(32.89)
-Decrease in loans given	2.61	3.62
-Decrease in other financial assets	14.51	54.78
-(Increase)/ decrease in other assets	(620.67)	6.60
-Increase/ (decrease) in trade payables	(75.51)	2,539.15
-Increase/ (decrease) in other financial liabilities	(152.06)	0.15
-Increase/ (decrease) in provisions	72.12	(28.56)
-Increase/ (decrease) in other current liabilities	(222.75)	47.01
	<u>(8,126.68)</u>	<u>367.02</u>
Cash generated from operations	(3,674.44)	3,021.21
Direct Taxes paid	(1,140.77)	(517.85)
Cash flow before exceptional items	(4,815.21)	2,503.36
Exceptional Items	-	(89.06)
Net cash generated from/(used in) operating activities	(4,815.21)	2,414.30

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

	For the Year Ended 31.03.18 ₹ in Lakh	For the Year Ended 31.03.17 ₹ in Lakh
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(1,541.81)	(528.97)
Disposal of property, plant and equipment	164.91	36.50
Investments in fixed deposits (net)	55.88	(167.42)
Sale of current investments	-	0.99
Profit from sale of current investments (mutual fund)	13.61	-
Interest received	35.81	17.01
Dividend received	-	0.01
Net cash used in investing activities	(1,271.60)	(641.89)
C. Cash flow from financing activities		
Capital raised (net of share issue expenses)	5,072.88	-
Increase/(decrease) in long term borrowings	(185.41)	118.45
Increase/(decrease) in short term borrowings	1,418.67	(1,655.85)
Finance costs	(286.09)	(354.04)
Dividend paid (including dividend distribution tax)	(98.00)	(58.47)
Net cash generated from/(used in) financing activities	5,922.05	(1,949.91)
Net Increase/(Decrease) in cash & Cash equivalents	(164.76)	(177.50)
Opening cash & Cash equivalents	213.57	391.07
Closing cash & cash equivalents (Refer note - 11)	48.81	213.57

The accompanying notes form an integral part of the consolidated Ind AS Financial Statement

As per our Report of even date
For **LODHA & CO., Chartered Accountants**
(Firm Regn. No. 301051E)
R. P. BARADIYA, Partner
(Membership No. 44101)
Mumbai, Date: 21st May, 2018

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 ST MARCH 2018							₹ in Lakh
Equity share capital :	Balance as at 1 st April 2016	Changes in equity share capital during the year	Balance as at 31 st March 2017	Changes in equity share capital during the year	Balance as at 31 st March 2018		
Paid up capital (Refer Note 13)	415.00	-	415.00	30.00	445.00		
Other equity :	Reserves and Surplus					Items of Other Comp- rehensive Income	Total
Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Equity settled share based payment reserve	Retained Earnings	Actuarial gain/(loss) on defined benefit liabilities/ (assets)	
Balances as at 1 st April 2016	11.18	6,768.42	618.80	-	1,348.30	-	8,746.70
Profit for the year	-	-	-	-	1,018.40	-	1,018.40
Other Comprehensive Income for the year	-	-	-	-	-	(45.05)	(45.05)
Total Comprehensive income for the year	-	-	-	-	1,018.40	(45.05)	973.35
Dividends paid including corporate dividend tax	-	-	-	-	(59.94)	-	(59.94)
Transfer from Statement of Profit & Loss	-	-	-	23.69	-	-	23.69
Balance as at 31 st March 2017	11.18	6,768.42	618.80	23.69	2,306.76	(45.05)	9,683.80
Profit for the year	-	-	-	-	2,153.82	-	2,153.82
Unrealised profit in opening inventory	-	-	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	(29.59)	(29.59)
Total Comprehensive income for the year	-	-	-	-	2,153.82	(29.59)	2,124.23
On issue of Shares during the year (net of issue expenses of ₹ 27.12 Lakh)	-	5,042.88	-	-	-	-	5,042.88
Dividends paid including corporate dividend tax	-	-	-	-	(99.90)	-	(99.90)
Transfer from Statement of Profit & Loss	-	-	-	88.43	-	-	88.43
Balance as at 31 st March 2018	11.18	11,811.30	618.80	112.12	4,360.68	(74.64)	16,839.44
The accompanying notes form an integral part of the consolidated Ind AS financial statement							
As per our Report of even date		For and on behalf of the Board of Directors					
For LODHA & CO., Chartered Accountants (Firm Regn. No. 301051E)		SUDHIR JATIA (DIN : 00031969) Chairman & Managing Director			PUNKAJJ LATH (DIN : 00172371) Director		
R. P. BARADIYA, Partner (Membership No. 44101)		VINEET PODDAR Chief Financial Officer			RAMEEZ SHAIKH Company Secretary		
Mumbai, Date: 21 st May, 2018							

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**Note No. 1****1. CORPORATE INFORMATION:**

Safari Industries (India) Limited (hereinafter referred to as the "parent company" or "the Company") together with its subsidiary (collectively referred to as the "Group") is a public limited company domiciled in India and is incorporated under the provision of The Companies Act applicable in India. Its shares are listed on BSE Ltd. (BSE). The Company is engaged in the manufacturing and trading of hard luggage, soft 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 (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other related provisions of the Act.

The figures for the previous year ended 31st March, 2017 and opening consolidated balance sheet as on 1st April, 2016 have also been reinstated by the management as per the requirements of Ind AS. These consolidated financial statements are the first consolidated financial statements of the Group under Ind AS. Refer note 27 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements, including the preparation of the opening consolidated Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

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

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

2.2 Basis of consolidation:

Subsidiaries are all entities 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries 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 subsidiaries 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 revenue 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

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.

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 to the Companies Act, 2013.

2.4 Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset. 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 repairs and maintenance are charged to Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

Leasehold land is stated at historical cost less amounts written off proportionate to expired lease period.

Capital Work-in-progress and Pre-operative Expenses during Construction Period

Capital Work-in-Progress includes expenditure during construction period incurred 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.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April 2016 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation method, estimated useful lives and residual value:

Depreciation is provided on the straight line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.

The range of estimated useful lives of Property, Plant and Equipment's are as under:

Category	Useful Life as prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Buildings	30 / 60 Years	30 / 60 Years
Plant & Equipment*	7 - 15 Years	7 - 15 Years
Furniture & Fixture	10 Years	2 - 10 Years
Vehicles	8 - 10 Years	8 - 10 Years
Office Equipment	3 - 5 Years	3 - 5 Years

* Useful life of Plant & Equipment is determined based on the internal assessment supported by independent technical evaluation carried out by external valuers.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

The management believes that the useful life as given above best represents 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.

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 Consolidated Statement of Profit and Loss within other gains/ (losses).

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

2.5 Intangible Assets

Intangible assets are held on the consolidated balance sheet at cost less accumulated amortisation and impairment losses. 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	3-5 Years

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all intangible assets recognised as at 1st April 2016 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

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 treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss, if any is charged to Consolidated 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 includes Raw Material, Work-in-Progress, Finished goods, Stores and spares, Consumables and Packing Materials and are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on First in first out (FIFO) basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Finished goods, traded goods and work-in-progress include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in first out (FIFO) basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

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.

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

Adequate allowance is made on obsolete and slow moving items.

2.8 Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be measured reliably.

(i) Sale of goods:

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Claims/Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognised as revenue on certainty of receipt on prudent basis.

(ii) Other Income

Interest income is recognised on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate method to the net carrying amount of the financial assets.

(iii) Dividend Income

Dividend is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.9 Financial Instruments:

(1) Financial assets

(i) Initial recognition

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the Consolidated Statement of Profit and Loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

(ii) Subsequent measurement

Financial assets are subsequently classified as measured at:

- (a) amortised cost
- (b) fair value through profit and loss (FVTPL)
- (c) fair value through other comprehensive income (FVOCI)

The above classification is being determined considering the:

- (a) the entity's business model for managing the financial assets.
- (b) the contractual cash flow characteristics of the financial asset.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

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

(a) Measured at amortised cost:

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

(b) Measured at fair value through other comprehensive income (FVOCI):

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

(c) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Consolidated Statement of Profit and Loss.

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 other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Consolidated Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Consolidated Statement of Profit and Loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Consolidated Statement of Profit and Loss are included in the 'Other income' line item.

(iii) Impairment

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

The Group's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the 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 historical 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-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12 months 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) De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the 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 transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Group's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

(ii) Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

Loans and Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through EIR amortisation process.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

(iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit or 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.

2.10 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.

2.11 Fair Value Measurement:

The Group 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 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 economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The 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 (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group 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 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.

2.12 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 of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date

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

Exchange differences arising on settlement or translation of monetary items are recognised in the 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 Consolidated Other Comprehensive Income (OCI) or Consolidated Statement of Profit and Loss are also reclassified in OCI or Consolidated Statement of Profit and Loss, respectively).

2.13 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 Other Comprehensive Income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary difference between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The 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 asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

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

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

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

2.14 Employee Benefits:

The Group has following post-employment plans:

- (a) Defined contribution plans such as Provident fund and Superannuation fund
- (b) Defined benefit plans such a gratuity and
- (c) Compensated Absences

a) Defined Contribution Plan

Under defined contribution plans, provident fund, 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, superannuation fund and certain state plans like 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 actuaries 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 benefit expenses in the Consolidated Statement of Profit and Loss.

Re-measurement comprising

- (i) Re-measurement of Actuarial (gains)/losses
- (ii) Return on plan assets, excluding amount recognised in effect of asset ceiling
- (iii) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Consolidated Other Comprehensive Income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Group determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

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 other comprehensive income and Consolidated Balance Sheet. There may be also interdependency between some of the assumptions.

c) Compensated Absences

The Group's liabilities for long term compensated absences is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that gave terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss.

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

2.15 Share based payment

Equity-settled share-based payments to employees and others providing similar services 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 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 payments reserve.

No expense is recognised for awards 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.

2.16 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Group is the lessee - A lease is classified at the inception date as a finance lease or an operating lease. Leases where substantial portion of risk and reward of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss.

2.17 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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd..)

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.

2.18 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.

2.19 Earnings Per Share:

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

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

2.20 Borrowing Cost :

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

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

2.21 Exceptional Items:

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year, the nature and amount of such items is disclosed as exceptional items.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)**Note 3****Property, Plant and Equipment****₹ in Lakh**

	Lease- hold Land	Lease- hold Improv- ements	Build- ings	Plant and Equip- ment	Furni- ture and Fixtures	Vehicles	Office equip- ment	Total
Deemed Cost								
Balance as at 1 st April 2016	6.71	-	93.52	1,413.39	235.99	94.23	112.38	1,956.22
Additions	-	-	5.71	170.27	108.70	50.67	62.95	398.30
Deductions/ Adjustment	-	-	-	81.17	-	8.95	-	90.12
Balance as at 31st March 2017	6.71	-	99.23	1,502.49	344.69	135.95	175.33	2,264.40
Accumulated Depreciation								
Balance as at 1 st April 2016	-	-	-	-	-	-	-	-
Additions	0.09	-	5.17	245.56	102.92	16.59	53.35	423.68
Deductions/ Adjustment	-	-	-	76.02	-	1.27	-	77.29
Balance as at 31st March 2017	0.09	-	5.17	169.54	102.92	15.32	53.35	346.39
Net carrying amount as at 1 st April 2016	6.71	-	93.52	1,413.39	235.99	94.23	112.38	1,956.22
Net carrying amount as at 31 st March 2017	6.62	-	94.06	1,332.95	241.77	120.63	121.98	1,918.01
Gross carrying amount								
Balance as at 31 st March 2017	6.71	-	99.23	1,502.49	344.69	135.95	175.33	2,264.40
Additions	-	95.78	-	611.20	216.36	322.36	64.07	1,309.77
Deductions/ Adjustment	-	-	-	100.94	176.32	71.52	20.25	369.03
Balance as at 31st March 2018	6.71	95.78	99.23	2,012.75	384.73	386.78	219.14	3,205.14
Accumulated Depreciation								
Balance as at 31 st March 2017	0.09	-	5.17	169.54	102.92	15.32	53.35	346.39
Additions	0.10	1.57	6.56	256.59	118.28	33.55	50.29	466.92
Deductions/ Adjustment	-	-	-	74.53	174.47	33.79	19.91	302.70
Balance as at 31st March 2018	0.19	1.57	11.73	351.60	46.73	15.08	83.72	510.61
Net carrying amount as at 31 st March 2017	6.62	-	94.06	1,332.95	241.77	120.63	121.98	1,918.01
Net carrying amount as at 31 st March 2018	6.52	94.21	87.50	1,661.16	338.01	371.70	135.42	2,694.53

NOTE:

1. Leasehold land is under lease arrangement for a period of 99 years.
2. Refer note 38 for assets provided as security.
3. The Group has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1st April 2016 under the previous GAAP:

Deemed cost as on 1st April, 2016 :**₹ in Lakh**

	Lease- hold Land	Lease- hold Improv- ements	Build- ings	Plant and Equip- ment	Furni- ture and Fixtures	Vehicles	Office equip- ment	Total
Gross Block as at 1 st April 2016	9.50	-	266.84	2,346.68	557.50	126.91	331.84	3,639.27
Accumulated Depreciation as at 1 st April 2016	2.79	-	173.32	933.29	321.51	32.68	219.46	1,683.05
Net block treated as deemed cost upon transition	6.71	-	93.52	1,413.39	235.99	94.23	112.38	1,956.22

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

Note 4

Other Intangible assets

₹ in Lakh

	Trademarks	Brands	Computer Software	Total
Deemed Cost				
Balance as at 1 st April 2016	0.05	440.25	38.00	478.30
Additions	-	22.46	9.04	31.50
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2017	0.05	462.71	47.04	509.80
Accumulated Amortisation				
Balance as at 1 st April 2016	-	-	-	-
Additions	0.05	76.86	12.77	89.68
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2017	0.05	76.86	12.77	89.68
Net carrying amount as at 1 st April 2016	0.05	440.25	38.00	478.30
Net carrying amount as at 31 st March 2017	-	385.85	34.27	420.12
Gross carrying amount				
Balance as at 31 st March 2017	0.05	462.71	47.04	509.80
Additions	-	-	185.65	185.65
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2018	0.05	462.71	232.69	695.45
Accumulated Amortisation				
Balance as at 31 st March 2017	0.05	76.86	12.77	89.68
Additions	-	101.92	48.77	150.69
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2018	0.05	178.78	61.54	240.37
Net carrying amount as at 31 st March 2017	-	385.85	34.27	420.12
Net carrying amount as at 31 st March 2018	-	283.93	171.15	455.08

NOTE:

The Group has availed the deemed cost exemption in relation to other intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer Note below for the gross block value and the accumulated amortisation on 1st April, 2016 under the previous GAAP.

Deemed cost as on 1st April, 2016 :

₹ in Lakh

	Trademarks	Brands	Computer Software	Total
Gross Block as at 1 st April 2016	0.28	483.45	72.35	556.08
Accumulated amortisation as at 1 st April 2016	0.23	43.20	34.35	77.78
Net block treated as deemed cost upon transition	0.05	440.25	38.00	478.30

Note 5

Capital work-in-progress and Intangible assets under development:

₹ in Lakh

	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Capital Work in Progress (plant and equipment under installation)	1.12	-	-
Intangible Assets under development (computer software, etc. under installation)	14.74	109.41	29.71

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)**Note 6****Other Financial Assets**

(Unsecured, considered good unless otherwise stated)

₹ in Lakh

	Non-Current			Current		
	As at	As at	As at	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
Deposits for premises & others	531.23	307.91	248.71	103.69	557.12	590.83
Loans to employees	-	-	-	10.57	13.18	16.80
Interest accrued on fixed deposits	-	-	-	0.98	4.54	2.02
Insurance claim receivable	-	-	-	16.09	16.09	74.55
Derivative assets (Fair valuation of forward contracts)	-	-	-	45.62	-	-
Other receivables	-	-	-	4.28	15.23	14.07
	531.23	307.91	248.71	181.23	606.16	698.27

Note 7**Other Assets**

(Unsecured, considered good unless otherwise stated)

₹ in Lakh

	Non-Current			Current		
	As at	As at	As at	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
Capital advances	8.38	-	-	-	-	-
Advance to suppliers / Others	-	-	-	58.60	52.48	106.85
Prepayments	-	-	-	15.29	78.50	46.66
Refunds due/balances from/with government authorities	14.46	29.08	21.65	823.82	539.56	523.63
Other receivables	-	-	-	393.50	-	-
	22.84	29.08	21.65	1,291.21	670.54	677.14

Note 8**Current Investments**

₹ in Lakh

	Units		Amount			
	As at	As at	As at	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
Non trade - Quoted, fully paid up						
HDFC Liquid Fund	-	-	97.39	-	-	0.99
	-	-	97.39	-	-	0.99
Aggregate market value of quoted investments				-	-	0.99

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

Note 9	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.2016 ₹ in Lakh
Inventories			
Raw Materials (including Goods in Transit ₹144.57 Lakh, as at 31.03.17 ₹ 68.01 Lakh, as at 01.04.16 ₹ 0.83 Lakh)	1,747.36	842.54	750.56
Work in Progress	263.42	2.54	3.73
Finished Goods (including Goods in Transit ₹ Nil, as at 31.03.17 ₹ 21.76 Lakh, as at 01.04.16 ₹ 85.74 Lakh)	1,284.33	1,580.39	1,488.30
Stock in Trade (Including Goods in Transit ₹1,048.55 Lakh, as at 31.03.17 ₹ 2,162.03 Lakh, as at 01.04.16 ₹ 1,105.71 Lakh)	8,894.07	6,960.00	5,327.81
Stores and spares	16.24	6.60	8.59
Packing materials	46.61	23.09	65.75
	<u>12,252.03</u>	<u>9,415.16</u>	<u>7,644.74</u>

Mode of Valuation : Refer Note: 2.7

Refer Note 38 for Inventories hypothecated as security against certain bank borrowings.

Note 10

Trade Receivable

Unsecured, considered good	10,362.47	5,829.19	5,410.43
	<u>10,362.47</u>	<u>5,829.19</u>	<u>5,410.43</u>

Refer Note 38 for Trade Receivables charged against certain bank borrowings.

Refer Note 30 (A) for credit terms, ageing analysis and other relevant details related to trade receivables.

Note 11

Cash and Cash Equivalents

Balances with banks in current accounts	45.23	203.12	375.71
Cash on hand	3.58	10.45	15.36
	<u>48.81</u>	<u>213.57</u>	<u>391.07</u>

Note 12

Other Bank Balances

In deposit accounts (pledged against bank guarantees / LCs)	225.24	281.12	113.70
In dividend accounts	6.59	4.69	3.22
	<u>231.83</u>	<u>285.81</u>	<u>116.92</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.2016 ₹ in Lakh
Note 13			
Equity Share Capital			
Authorised :			
2,50,00,000 Equity Shares of ₹ 2/- each	500.00	500.00	500.00
2,50,00,000 Unclassified Shares of ₹ 2/- each	500.00	500.00	500.00
	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
Issued, subscribed and paid up			
2,22,50,000 (as at 31st March 2017: 2,07,50,000; as at 1st April 2016 : 2,07,50,000) Equity Shares of ₹ 2/- each fully paid- up	<u>445.00</u>	<u>415.00</u>	<u>415.00</u>

The Reconciliation of the number of Equity shares outstanding	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Numbers	₹ in Lakh	Numbers	₹ in Lakh	Numbers	₹ in Lakh
Equity shares at the beginning of the year (Face Value per share ₹ 2)	2,07,50,000	415.00	2,07,50,000	415.00	2,07,50,000	415.00
Add :- Shares issued on Preferential Basis (Face Value per share ₹ 2)	15,00,000	30.00	-	-	-	-
Equity shares at the end of the year (Refer note (b) below)	<u>2,22,50,000</u>	<u>445.00</u>	<u>2,07,50,000</u>	<u>415.00</u>	<u>2,07,50,000</u>	<u>415.00</u>

(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.
- 3) Of the 1,05,87,500 equity shares held by Mr. Sudhir Jatia, Promoter & Managing Director of the Parent Company, 12,50,000 equity shares (shares allotted to him on conversion of the share warrants) are subject to a lock-in of 3 years, from the date of the respective trading approvals granted by the BSE Limited, in accordance with the provisions of SEBI (Issue of Capital Disclosure Requirement) Regulations 2009.

The details of shareholders holding more than 5% shares:	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Numbers (face Value of ₹ 2 each)	% of holding	Numbers (face Value of ₹ 2 each)	% of holding	Numbers (face Value of ₹ 2 each)	% of holding
Name of the Shareholders						
Safari Investments Private Limited	22,73,465	10.22%	22,73,465	10.96%	22,73,465	10.96%
Sudhir Mohanlal Jatia	1,05,87,500	47.58%	1,05,87,500	51.02%	1,05,87,500	51.02%
Tano India Private Equity Fund II	31,50,000	14.16%	41,50,000	20.00%	41,50,000	20.00%
Malabar India Fund Limited	19,01,743	8.55%	-	-	-	-

- (b) Pursuant to the approval of the shareholders of the Parent Company vide their resolution dated 30th August 2017, the Parent Company has sub-divided 1 share having face value of ₹ 10 each fully paid-up into 5 shares having face value of ₹ 2 each. Accordingly, 41,50,000 shares (of ₹ 10 each fully paid-up) at the beginning of the year were sub-divided into 2,07,50,000 shares of ₹ 2 each fully paid-up. For the purpose of the sub-division, the Company had fixed 25th September 2017 as the record date (ex-date 22nd September 2017).
- (c) Dividend paid and Proposed: Refer note 31 (b)
- (d) 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 ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

Note 14

Borrowings

	₹ in Lakh					
	As at 31.03.2018	Non-Current As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	Current As at 31.03.2017	As at 01.04.2016
Measured at amortised cost						
Secured						
From Banks:						
(a) Term loans	197.94	320.70	260.06	-	-	-
(b) Working capital loans						
(i) Cash credit accounts	-	-	-	661.76	363.37	1,917.43
(ii) Demand loans	-	-	-	500.00	-	2,051.55
(iii) Buyer's credit	-	-	-	4,081.11	3,380.60	1,533.08
	197.94	320.70	260.06	5,242.87	3,743.97	5,502.06

Notes:

Security and terms of repayment:

- Term Loans from banks for vehicles amounting to ₹ 257.29 Lakh (as at 31st march 2017 ₹ 24.50 Lakh ; as at 1st April 2016 ₹ 21.06 Lakh) including current maturities of ₹ 59.35 Lakh (as at 31st March 2017 ₹ 5.34 Lakh ; as at 1st April 2016 ₹ 3.10 Lakh) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 years ₹ 59.35 Lakh; 1-2 years ₹ 64.54 Lakh; 2-3 years ₹ 62.94 Lakh; 3-4 years ₹ 38.39 Lakh; 4-5 years ₹ 32.07 Lakh; and >5 years ₹ Nil.

These loans carry interest rate ranging from 7.99% p.a. to 10.00% p.a. (as at 31st March 2017 9.16% p.a. to 10.00% p.a.; as at 1st April 2016 10.00% p.a. to 10.20% p.a.)

- TermLoan from Banks amounting to ₹ Nil (as at 31st March 3017 ₹ 418.20 Lakh ; as at 1st April 2016 ₹ 303.20 Lakh) including current maturities of long term debt of ₹ Nil (as at 31st March 2017 ₹ 116.66 Lakh ; as at 1st April 2016 ₹ 61.10 Lakh) were secured by way of first charge on specific movable plant and machinery at the parent company's Halol plant and equitable mortgage on the immovable properties at parent company's Halol plant.

These loans carry interest rate ranging from 9.15% p.a. to 9.25% p.a. (as at 31st March 2017 9.15% p.a. to 10.50% p.a. ; as at 1st April 2016 12.6% p.a.)

- Working capital loans are secured by way of first pari-passu charge on the entire current assets of the company both present and future, pari passu charge on entire moveable property, plant and equipment of the company both present and future, excluding vehicles and equitable mortgage on immovable properties situated at parent company's Halol Plant.

These loans carry interest rate ranging from 2.24% p.a. to 9.45% p.a. (as at 31st March 2017 1.66% p.a. to 10.00% p.a. ; as at 1st April 2016 1.15% p.a. to 10.20% p.a.)

(Refer Note 38)

Note 15

Provisions

	₹ in Lakh					
	As at 31.03.2018	Non-Current As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	Current As at 31.03.2017	As at 01.04.2016
Provision for employee benefits (Refer note 32)	-	-	-	188.91	53.32	17.10
Provision for warranty claims & sales returns (Refer note 40)	-	-	-	8.19	26.12	22.01
	-	-	-	197.10	79.44	39.11

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.2016 ₹ in Lakh
Note 16			
Trade Payables			
Due to micro, small and medium enterprises	-	-	-
Due to others	4,721.07	4,757.31	2,188.98
	<u>4,721.07</u>	<u>4,757.31</u>	<u>2,188.98</u>

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 group. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from the previous year.

	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.2016 ₹ in Lakh
Note 17			
Other Financial Liabilities			
Current maturities of long-term debt (Refer Note 14)	59.35	122.00	64.20
Interest accrued but not due on borrowings	20.08	17.38	-
Unpaid dividend (Refer note below)	6.59	4.69	3.22
Derivative liabilities (Fair valuation of forward contracts)	-	163.93	-
Other payables	19.94	8.04	7.89
	<u>105.96</u>	<u>316.04</u>	<u>75.31</u>

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

	As at 31.03.2018 ₹ in Lakh	As at 31.03.2017 ₹ in Lakh	As at 01.04.2016 ₹ in Lakh
Note 18			
Other Current Liabilities			
Advances received from customers	27.98	9.00	24.79
Statutory dues	127.42	370.23	312.03
Others	30.84	29.76	25.16
	<u>186.24</u>	<u>408.99</u>	<u>361.98</u>

Note 19**Income Tax Liabilities (Net)**

Provision for income tax {Net of advance tax ₹ 1,083.00 Lakh (as at 31 st March 2017 ₹ 462.00 Lakh; as at 1 st April 2016 ₹ 300.31 Lakh)}	110.25	49.70	54.30
	<u>110.25</u>	<u>49.70</u>	<u>54.30</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

	Year ended 31.03.2018 ₹ in Lakh	Year ended 31.03.2017 ₹ in Lakh
Note 20		
Revenue from operations		
Sale of Products (including excise duty of ₹ 272.33 lakh) (previous year ₹ 888.56 lakh) (Refer Note 43)	42,022.25	35,242.32
	<u>42,022.25</u>	<u>35,242.32</u>

Note 21

Other Income

(a) Interest income		
- fixed deposits	19.69	17.01
- current investments	15.96	-
- others	0.16	-
(b) Dividend income on non current investments	-	0.01
(c) Other income		
- Sale of scrap	50.33	14.95
- Electricity duty refund	35.29	48.42
- Profit on disposal of property, plant and equipment	10.10	7.72
- Profit from sale of current investments (mutual fund)	13.61	-
- Miscellaneous income	9.74	21.42
	<u>154.88</u>	<u>109.53</u>

Note 22

Cost of Materials Consumed

Raw material consumed

	Year Ended 31.03.2018 ₹ in Lakh	Year Ended 31.03.2017 ₹ in Lakh
Opening stock	842.55	750.58
Purchases	4,775.76	2,962.77
Sub-Total	<u>5,618.31</u>	<u>3,713.35</u>
Sales	(0.81)	(0.37)
Closing stock	(1,747.36)	(842.55)
Raw material consumed	<u>3,870.14</u>	<u>2,870.43</u>
Processing charges, etc.	136.01	179.52
Net consumption	4,006.15	3,049.95
Packing materials consumed - manufacturing	148.10	140.66
	<u>4,154.25</u>	<u>3,190.61</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

	Year Ended 31.03.2018 ₹ in Lakh	Year Ended 31.03.2017 ₹ in Lakh
Note 23		
Changes in Inventories of Work-in-Progress, Finished Goods and Stock in Trade		
Inventories at the beginning of the year		
Work-in-process	2.54	3.73
Finished goods	1,580.39	1,488.30
Stock-in-trade	6,960.00	5,327.81
	<u>8,542.93</u>	<u>6,819.84</u>
Inventories at the end of the year		
Work-in-process	263.42	2.54
Finished goods	1,284.33	1,580.39
Stock-in-trade	8,894.07	6,960.00
	<u>10,441.82</u>	<u>8,542.93</u>
Change in inventories	<u>(1,898.89)</u>	<u>(1,723.09)</u>
	<u>(1,898.89)</u>	<u>(1,723.09)</u>
Note 24		
Employee Benefits Expense		
Salaries and wages	4,779.71	3,623.22
Contribution to provident and other funds	297.03	246.17
Share based payments (Refer note 41)	88.42	23.69
Staff welfare expenses	130.97	115.70
	<u>5,296.13</u>	<u>4,008.78</u>
Note 25		
Finance Costs		
Interest expense	188.77	276.94
Other borrowing costs	100.02	94.48
	<u>288.79</u>	<u>371.42</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

	Year Ended 31.03.2018 (₹ in Lakh)	Year Ended 31.03.2017 (₹ in Lakh)
Note 26		
Other Expenses		
Consumption of stores and spares	15.35	22.64
Consumption of packing materials - trading	331.57	262.41
Power and fuel	335.17	260.66
Repairs and maintenance		
- Building	32.05	11.40
- Plant and equipment	24.34	28.43
- Others	167.51	127.12
Rent	1,186.81	1,031.54
Rates and taxes	121.97	149.65
Insurance	44.33	19.31
Director's sitting fees	12.14	11.54
Postage, telegram and telephone expenses	139.18	162.90
Legal and professional fees	236.79	168.45
Auditors' remuneration (Refer Note 39)	9.50	8.29
Deposits / other amounts written off (net)	38.07	2.96
Bank charges	28.74	18.15
Freight, handling & octroi	2,608.34	2,277.37
Contractual labour	1,925.40	1,131.62
Travelling and conveyance	1,009.06	761.20
Advertisement and sales promotion	801.64	791.09
Royalty expense	41.58	36.13
Bad debts written off	17.60	32.19
Warranty claims	0.01	28.89
Loss on disposal of property, plant and equipment	43.12	3.52
Corporate social responsibility expenditure (Refer Note 42)	24.04	14.96
Foreign exchange loss / MTM Loss	20.76	33.35
Miscellaneous expenditure	539.13	389.79
	<u>9,754.20</u>	<u>7,785.57</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)**Note 27****First-time Adoption of Ind AS**

The consolidated financial statements for the year ended 31st March 2018 are the first the Group has prepared in accordance with Ind AS. The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1st, 2017, with a transition date of April 1st, 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March, 2018, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Group has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions**(a) Deemed Cost for property, plant and equipment and intangible assets**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for Intangible assets covered by Ind AS 38.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Mandatory Exceptions**(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Consolidated Balance Sheet as at 1st April 2016 and 31st March 2017
- II. Reconciliation of Consolidated Statement of Profit and Loss for the year ended 31st March 2017
- III. Reconciliation of Equity as at 1st April 2016 and 31st March 2017
- IV. Impact on Consolidated Statement of Cash Flows for the period ended 31st March 2017

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

I Reconciliation of Balance Sheet as at April 1, 2016 and March 31, 2017

₹ in Lakh

	Refer note below	As At 31.03.17 (Previous GAAP)	Ind AS Adjustments	As At 31.03.17 (IND AS)	As At 01.04.16 (Previous GAAP)	Ind AS Adjustments	As At 01.04.16 (IND AS)
ASSETS							
(A) NON - CURRENT ASSETS							
(a) Property, Plant & Equipment		1,918.01	-	1,918.01	1,956.22	-	1,956.22
(b) Capital work-in-progress		-	-	-	-	-	-
(c) Intangible assets		420.12	-	420.12	478.30	-	478.30
(d) Intangible assets under development		109.41	-	109.41	29.71	-	29.71
(e) Financial assets							
(i) Investments		-	-	-	-	-	-
(ii) Other financial assets	11	894.14	(586.23)	307.91	861.22	(612.51)	248.71
(f) Other non-current assets	11	-	29.08	29.08	-	21.65	21.65
TOTAL NON - CURRENT ASSETS (A)		3,341.68	(557.15)	2,784.53	3,325.45	(590.86)	2,734.59
(B) CURRENT ASSETS							
(a) Inventories		9,415.16	-	9,415.16	7,631.16	13.58	7,644.74
(b) Financial assets							
(i) Investments		-	-	-	0.99	-	0.99
(ii) Trade receivables		5,829.19	-	5,829.19	5,410.43	-	5,410.43
(iii) Cash & cash equivalents	11	218.26	(4.69)	213.57	394.29	(3.22)	391.07
(iv) Other bank balances	11	281.11	4.69	285.81	113.70	3.22	116.92
(v) Other financial assets	11	79.85	526.31	606.16	133.54	564.73	698.27
(c) Other current assets	11	639.70	30.84	670.54	658.13	19.01	677.14
TOTAL CURRENT ASSETS (B)		16,463.28	557.15	17,020.43	14,342.24	597.32	14,939.56
TOTAL ASSETS (A+B)		19,804.96	-	19,804.96	17,667.70	6.46	17,674.15
EQUITY AND LIABILITIES							
(C) EQUITY							
(a) Equity share capital		415.00	-	415.00	415.00	-	415.00
(b) Other equity	27 C (III)	9,582.02	101.78	9,683.80	8,690.37	56.33	8,746.70
TOTAL EQUITY (C)		9,997.02	101.78	10,098.80	9,105.37	56.33	9,161.70
LIABILITIES							
(D) NON - CURRENT LIABILITIES							
(a) Financial liabilities							
(i) Borrowings		320.70	-	320.70	260.06	-	260.06
(b) Deferred tax liabilities (net)	5	30.01	-	30.01	32.56	(1.91)	30.65
TOTAL NON - CURRENT LIABILITIES (D)		350.71	-	350.71	292.62	(1.91)	290.71
(E) CURRENT LIABILITIES							
(a) Financial liabilities							
(i) Borrowings	4, 11	3,909.77	(165.80)	3,743.97	5,502.06	-	5,502.06
(ii) Trade payables	11	3,661.24	1,096.07	4,757.31	1,781.48	407.50	2,188.98
(iii) Other financial liabilities	4, 11	146.27	169.77	316.04	97.80	(22.49)	75.31
(b) Other current liabilities	11	1,510.90	(1,101.91)	408.99	746.96	(384.98)	361.98
(c) Provisions	1	179.37	(99.93)	79.44	87.11	(48.00)	39.11
(d) Current tax liabilities (net)		49.67	0.03	49.70	54.30	-	54.30
TOTAL CURRENT LIABILITIES (E)		9,457.22	(101.78)	9,355.45	8,269.71	(47.97)	8,221.74
TOTAL EQUITY AND LIABILITIES (C+D+E)		19,804.96	-	19,804.96	17,667.70	6.46	17,674.15

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)**II Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017 ₹ in Lakh**

	For the period ended March 31, 2017			
	Refer note below	(Previous GAAP)	Ind AS Adjustments	(IND AS)
INCOME				
Revenue from operations	3	35,874.07	(631.75)	35,242.32
Other income		109.53	-	109.53
TOTAL INCOME		35,983.60	(631.75)	35,351.85
EXPENDITURE				
Cost of materials consumed		3,190.61	(0.00)	3,190.61
Purchase of traded goods		18,672.72	-	18,672.72
Changes in inventories of finished goods, work-in-progress and traded goods	11	(1,736.68)	13.59	(1,723.09)
Employee benefits expenses	2	4,052.28	(43.50)	4,008.78
Finance costs	11	307.44	63.98	371.42
Excise Duty	7	-	888.56	888.56
Depreciation and amortisation expense		513.37	-	513.37
Other expenses	3, 7, 11	9,400.18	(1,614.61)	7,785.57
TOTAL EXPENSES		34,399.92	(691.98)	33,707.94
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		1,583.68	60.23	1,643.91
Exceptional items		(89.06)	-	(89.06)
PROFIT BEFORE TAX		1,494.62	60.23	1,554.85
TAX EXPENSES				
Current tax		513.25	-	513.25
Deferred tax	5	(2.55)	25.75	23.20
PROFIT AFTER TAX		983.92	34.48	1,018.40
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
Remeasurement of net defined benefit plans	2	-	(68.88)	(68.88)
Income tax relating to net defined benefit plans	2	-	23.83	23.83
TOTAL COMPREHENSIVE INCOME		983.92	(10.57)	973.35

III Reconciliation of Equity as at 1st April 2016 and 31st March 2017 ₹ in Lakh

	Refer note below	As At 31.03.17	As At 01.04.16
Total equity under previous GAAP		9,997.02	9,105.37
Adjustments impact: Gain/ (Loss)			
Reversal of proposed ordinary dividends payable	1	83.00	49.80
Dividend Distribution Tax on above proposed dividend		16.90	10.14
Impact of measuring Derivative financial instruments, other than those designated as Cash Flow Hedge, at Fair Value	4	1.88	-
Provision for Sales Return		-	(5.50)
Tax impact on above adjustments	5	-	1.90
Total IND AS adjustment		101.78	56.34
Total equity under Ind AS		10,098.80	9,161.71

IV Impact on Statement of Cash Flows for the period ended 31st March, 2017

No material changes in the Statement of Cash Flows disclosures.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

Footnotes to the reconciliation of equity as at 1st April 2016 and 31st March 2017 and profit or loss for the year ended 31st March 2017 :

Note 1: Proposed Dividend

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as subsequent events. Accordingly, provision for proposed dividend including dividend distribution tax was recognised as liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

Note 2: Remeasurement of post employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income (OCI) instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change there is no impact on the total equity as at 31st March 2017.

Note 3: Discount

Under previous GAAP, discounts and rebates paid to customers were recorded as part of expenses in the Statement of Profit and Loss. However under Ind AS these expenses are netted off against revenue.

Note 4: Derivative Instruments

Under previous GAAP, premium paid on the forward contracts were amortised over the period of the forward contracts. Under Ind AS, such forward contracts have been fair valued through profit & loss.

Note 5: Deferred taxes

Under previous GAAP, deferred taxes were recognised based on profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base.

Note 6: Employee Stock Option Expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled share based plan is recognised based on the fair value of the options as at the grant date.

Note 7: Excise Duty

Under the previous GAAP, revenue from sale of goods was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

Note 8: Other Comprehensive Income

Under Ind AS, all items of income and expense recognised during the year should be included in profit or loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss are shown in the Statement of Profit and Loss as "Other Comprehensive Income". OCI for the Group includes re-measurement of defined benefit plans of ₹ 45.05 Lakh net of taxes. The concept of other comprehensive income did not exist under previous GAAP.

Note 9: Retained Earnings

Retained earnings as at 1st April 2016 and 31st March 2017 have been adjusted consequent to the above Ind AS transition adjustments.

Note 10: Statement of Cash Flow

The transition from previous GAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

Note 11: Regrouping

The presentation requirements under previous GAAP differs from Ind AS and hence figures are regrouped to conform with the requirements of Ind AS.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

	Year Ended 31.03.2018 (₹ in Lakh)	Year Ended 31.03.2017 (₹ in Lakh)
Note 28		
Income Taxes		
a) Tax expense recognised in the Consolidated Statement of Profit and Loss:		
Current tax		
Current year	1,209.21	513.25
Earlier years	8.06	-
Total current tax	<u>1,217.27</u>	<u>513.25</u>
Deferred tax		
Origination and reversal of temporary difference	(12.43)	(2.55)
Others	23.68	1.91
Total deferred income tax expense/(credit)	<u>11.24</u>	<u>0.64</u>
Total income tax expense/(credit)	<u>1,228.51</u>	<u>512.61</u>
b) A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Company is as follows :		
Enacted income tax rate in India	34.61	33.40
Profit before tax	3,382.34	1,554.85
Income tax as per above rate	1,170.56	519.39
Adjustments:		
Expenses not deductible for tax purposes	283.04	183.78
Expenses deductible separately for tax purposes	(253.03)	(185.54)
Others	8.65	(3.88)
Income tax as per profit and loss statement	<u>1,209.21</u>	<u>513.25</u>

c) The movement in deferred tax assets and liabilities during the year ended March 31, 2017 and March 31, 2018:

₹ in Lakh

	As at 01.04.16	(Credit)/ charge in statement of Profit & Loss	As at 31.03.17	(Credit)/ charge in statement of Profit & Loss	As at 31.03.18
Deferred tax assets/(liabilities)					
Depreciation	(82.39)	(22.81)	(59.58)	17.83	(77.41)
Amount allowable on payment basis	11.63	3.52	8.11	(38.26)	46.37
Voluntary retirement scheme	38.20	16.74	21.46	8.00	13.46
Others	1.91	1.91	-	23.68	(23.68)
Total	(30.65)	(0.64)	(30.01)	11.24	(41.25)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

Note 29

Financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

a. Financial Assets

₹ in Lakh

	Instruments carried at fair value		Instruments carried at amortised cost		
	At Cost	FVTPL	Carrying amount	Total carrying amount	Total fair value
As at 1st April, 2016					
Investments	-	-	0.99	0.99	0.99
Trade receivables	-	-	5,410.43	5,410.43	5,410.43
Cash & cash equivalents	-	-	391.07	391.07	391.07
Other bank balances	-	-	116.92	116.92	116.92
Other financial assets	-	-	946.98	946.98	946.98
Total	-	-	6,866.39	6,866.39	6,866.39
As at 31st March, 2017					
Investments	-	-	-	-	-
Trade receivables	-	-	5,829.19	5,829.19	5,829.19
Cash & cash equivalents	-	-	213.57	213.57	213.57
Other bank balances	-	-	285.81	285.81	285.81
Other financial assets	-	-	914.07	914.07	914.07
Total	-	-	7,242.64	7,242.64	7,242.64
As at 31st March, 2018					
Investments	-	-	-	-	-
Trade receivables	-	-	10,362.47	10,362.47	10,362.47
Cash & cash equivalents	-	-	48.81	48.81	48.81
Other bank balances	-	-	231.83	231.83	231.83
Other financial assets	-	45.62	666.84	712.46	712.46
Total	-	45.62	11,309.95	11,355.57	11,355.57

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)**b. Financial Liabilities****₹ in Lakh**

	Instruments carried at fair value		Instruments carried at amortized cost		
	FVTPL	Total carrying amount and fair value	Carrying amount	Total carrying amount	Total fair value
As at 1st April, 2016					
Borrowings	-	-	5,762.12	5,762.12	5,762.12
Trade payables	-	-	2,188.98	2,188.98	2,188.98
Other financial liabilities	-	-	75.31	75.31	75.31
Total	-	-	8,026.41	8,026.41	8,026.41
As at 31st March, 2017					
Borrowings	-	-	4,064.67	4,064.67	4,064.67
Trade payables	-	-	4,757.31	4,757.31	4,757.31
Other financial liabilities	163.93	163.93	152.11	316.04	316.04
Total	163.93	163.93	8,974.09	9,138.02	9,138.02
As at 31st March, 2018					
Borrowings	-	-	5,440.81	5,440.81	5,440.81
Trade payables	-	-	4,721.07	4,721.07	4,721.07
Other financial liabilities	-	-	105.96	105.96	105.96
Total	-	-	10,267.84	10,267.84	10,267.84

Note 30**Risk Management****Financial risk management objectives and policies**

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's activity exposes it to credit risk, liquidity risk, market risk and commodity risk. In order to minimise any adverse effects on the financial performance of the group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. The Group's financial risk management policy is set by the senior management and governed by overall direction of the Board of Directors, which is summarised below.

Sr. No.	Risk	Exposure arising from	Measurement	Management
A	Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis, Credit ratings	Credit limits and letters of credit and Performance guarantees
B	Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
C	(i) Market risk – interest rate (ii) Market risk – foreign exchange	Long-term borrowings at variable rates Future commercial transactions recognised financial assets and liabilities not denominated in INR.	Sensitivity analysis Cash flow forecasting and Sensitivity analysis	Balancing the proportion of fixed rate and floating rate borrowings Forward foreign exchange contracts
D	Commodity risk	Purchase of Raw Material	Fluctuation of Crude Price and Currency rates	Procurement and inventory strategy

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

A. Credit Risk

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

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business
- Actual or expected significant changes in the operating results of the counterparty
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- Significant increase in credit risk on other financial instruments of the same counterparty
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees

Credit items : The average credit period on sale of products is less than 90 days.

Ageing of Account receivables:

₹ in Lakh

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
0-3 months	8,854.83	5,121.44	4,838.85
3-6 months	1,023.83	333.47	339.02
6-12 months	409.15	244.16	186.47
more than 12 months	74.66	130.12	46.09
Total	10,362.47	5,829.19	5,410.43

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. The treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows. The Group's objective is to maintain at all times, optimum levels of liquidity to meet its obligations.

Financing arrangements

The Group had access to following undrawn borrowing facilities at end of reporting period:

₹ in Lakh

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
Variable borrowing - Cash credit - short term in nature	3,747.13	5,246.03	1,487.93

Contractual maturity patterns of financial liabilities

₹ in Lakh

Particulars	0-1 years	1-5 years	Total
As at 31.03.18			
Long term borrowings (including current maturity of long term debt)	59.35	197.94	257.29
Short term borrowings	5,242.87	-	5,242.87
Trade payables	4,721.07	-	4,721.07
Other financial liabilities including derivative financial liabilities	46.61	-	46.61
Total	10,069.91	197.94	10,267.84

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

₹ in Lakh

Particulars	0-1 years	1-5 years	Total
As at 31.03.17			
Long term borrowings (including current maturity of long term debt)	122.00	320.70	442.70
Short term borrowings	3,743.97	-	3,743.97
Trade payables	4,757.31	-	4,757.31
Other financial liabilities including derivative financial liabilities	194.04	-	194.04
Total	8,817.32	320.70	9,138.02
As at 31.03.16			
Long term borrowings (including current maturity of long term debt)	64.20	260.06	324.26
Short term borrowings	5,502.06	-	5,502.06
Trade payables	2,188.98	-	2,188.98
Other financial liabilities including derivative financial liabilities	11.11	-	11.11
Total	7,766.55	260.06	8,026.41

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 receivables, 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 Lakh

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
Borrowings bearing fixed rate of interest	257.29	24.50	19.10
Borrowings bearing variable rate of interest	5,242.87	4,162.17	5,807.22

Hence, the Group is not significantly exposed to the interest rate risk as working capital facility 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 Lakh

Particulars	As at 31.03.18	As at 31.03.17
50 bps increase - decrease in profits	(24.88)	(25.88)
50 bps decrease - increase in profits	24.88	25.88

(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 exchange rates have been volatile in the recent years and may continue

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

to be volatile in the future. Hence 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.

Foreign Currency Exposure

Name of the Instrument	Year ended 31.03.18		Year ended 31.03.17	
	In Million US\$	₹ in Lakh	In Million US\$	₹ in Lakh
Total Foreign Currency Exposures - Payable	8.55	5,563.06	9.11	6,116.00

Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following impact on profit before tax:

Particulars	Year ended 31.03.18		Year ended 31.03.17	
	1% increase	1% decrease	1% increase	1% decrease
USD	55.63	(55.63)	61.16	(61.16)
Increase / (decrease) in profit or loss	55.63	(55.63)	61.16	(61.16)

Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts generally the banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Name of the Instrument	Year ended 31.03.18		Year ended 31.03.17	
	In Million US\$	₹ in Lakh	In Million US\$	₹ in Lakh
Forward Purchase	5.18	3,372.00	5.28	3,546.00

E. Commodity Risk

Principal Raw Material for Group's manufactured products is variety of plastic polymers which are primarily derivatives of crude oil. Group sources its raw material requirement from other Asian countries. Domestic market prices also generally remain in sync with international market price scenario.

Volatility in crude oil prices, currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price and availability of polymers for the Group. Group effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Prudent hedging policy on foreign currency exposure

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)**Note 31****Capital Risk Management****(a) Risk Management**

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital
- 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 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 Lakh

Particulars	31.03.18	31.03.17	01.04.16
Net debt {Refer (c) below}	5,471.43	3,990.48	5,435.25
Total equity	17,284.44	10,098.80	9,161.70
Capital gearing ratio	0.32	0.40	0.59

The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets.

(b) Dividends

The Parent Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the Group and other internal and external factors.

- The Board of Directors of the Parent Company, in its meeting on 23rd May, 2017, proposed a final dividend of ₹ 2 per equity share (20% on equity share of ₹ 10 each) and the same was approved by the shareholders at the Annual General Meeting held on 30th August, 2017, this resulted in a cash outflow of ₹ 98.00 Lakhs, including corporate dividend tax of ₹ 16.90 Lakhs.
- The Board of Directors of the Parent Company, in its meeting on 21st May, 2018, have proposed a final dividend of ₹ 0.50 per equity share (25% on equity share of ₹ 2 each) for the year ended 31st March, 2018. 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 ₹ 134.38 Lakh, including corporate dividend tax of ₹ 22.91 Lakh.

(c) Net debt reconciliation

₹ in Lakh

Particulars	31.03.2018	31.03.2017	01.04.2016
Non current borrowings (includes current maturities of long term debt)	257.29	442.70	324.26
Current borrowings	5,242.87	3,743.97	5,502.06
Interest payable	20.08	17.38	-
Less: Cash and cash equivalents	(48.81)	(213.57)	(391.07)
Net debt	5,471.43	3,990.48	5,435.25

Particulars	Non current borrowings	Current borrowings	Interest Payable	Cash & Cash Equivalents	Total
Net debt as at 1 st April 2017	442.70	3,743.97	17.37	(213.57)	3,990.48
Cash flows	(185.41)	1,418.65	-	164.76	1,398.00
Unrealised exchange gain / (loss)	-	80.25	-	-	80.25
Finance costs	-	-	288.79	-	288.79
Interest paid	-	-	(286.09)	-	(286.09)
Net debt as at 31st March 2018	257.29	5,242.87	20.08	(48.81)	5,471.44

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

Note 32

Disclosure pursuant to Ind AS - 19 "Employee benefits"

- i) **Gratuity:** In accordance with the applicable laws, the Group 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 employment), 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 and the Group makes annual contribution to the gratuity fund administered by Life Insurance Company under their respective Group Gratuity Scheme.

The disclosure in respect of the defined Gratuity Plan are given below:

A. Balance Sheet

₹ in Lakh

Particulars	Defined benefit plans		
	As at 31.03.18	As at 31.03.17	As at 01.04.16
Present value of plan liabilities	300.03	251.49	196.13
Fair value of plan assets	206.04	198.17	179.03
Asset/(Liability) recognised	(93.99)	(53.32)	(17.10)

B. Movements in plan assets and plan liabilities

₹ in Lakh

	Present value of obligations	Fair Value of Plan assets
As at 1st April 2017	251.49	198.17
Current service cost	20.47	-
Past service cost	25.67	-
Interest Cost/(Income)	18.16	14.31
Return on plan assets excluding amounts included in net finance income/cost	-	(4.17)
Actuarial (gain)/loss arising from changes in financial assumptions	(9.11)	-
Actuarial (gain)/loss arising from experience adjustments	50.48	-
Employer contributions	-	54.86
Benefit payments directly by employer	-	-
Benefit payments from the fund	(57.13)	(57.13)
As at 31st March 2018	300.03	206.04
As at 1st April 2016	196.13	179.03
Current service cost	13.20	-
Past service cost	15.52	-
Interest Cost/(Income)	15.30	13.96
Return on plan assets excluding amounts included in net finance income/cost	-	0.05
Actuarial (gain)/loss arising from changes in financial assumptions	9.40	-
Actuarial (gain)/loss arising from experience adjustments	59.54	-
Employer contributions	-	36.86
Benefit payments directly by employer	(25.85)	-
Benefit payments from the fund	(31.74)	(31.74)
As at 31st March 2017	251.49	198.17

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)**C. Statement of Profit and Loss****₹ in Lakh**

Particulars	Year Ended 31.03.18	Year Ended 31.03.17
Employee Benefit Expenses:		
Current service cost	20.47	13.20
Past service cost	25.67	15.52
Interest cost/(income)	3.85	1.33
Total amount recognised in Statement of Profit & Loss	49.99	30.05
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	4.17	(0.05)
Experience gains/(losses)	41.37	68.93
Total amount recognised in Other Comprehensive Income	45.54	68.88

D. 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:

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
Financial Assumptions			
Discount rate	7.71%	7.22%	7.80%
Expected Rate of Return on plan assets	7.71%	7.22%	7.80%
Salary Escalation Rate	3.00%	3.00%	3.00%
Attrition Rate	For service of 4 years and below :- 30% p.a and for service 5 years and above :- 1.00% p.a.	For service of 4 years and below :- 30% p.a and for service 5 years and above :- 1.00% p.a.	For service of 4 years and below :- 30% p.a and for service 5 years and above :- 1.00% p.a.

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08)

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

₹ in Lakh

Particulars	Change in assumption	Increase in assumption	Decrease in assumption
As at 31.03.18			
Impact on defined benefit obligation			
Discount rate	1.00%	(17.08)	19.16
Salary Escalation Rate	1.00%	19.87	(17.98)
Attrition Rate	1.00%	5.81	(6.52)
As at 31.03.17			
Impact on defined benefit obligation			
Discount rate	1.00%	(15.83)	17.77
Salary Escalation Rate	1.00%	18.35	(16.59)
Attrition Rate	1.00%	4.55	(5.11)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

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.

F. The defined benefit obligations shall mature as follows:

₹ in Lakh

Particulars	As at 31.03.18	As at 31.03.17
Within 1 year	20.80	14.01
1-2 years	14.08	8.65
2-3 years	38.03	13.99
3-4 years	39.29	32.89
4-5 years	54.74	36.26
5-10 years	170.38	158.83

- ii) **Compensated Absences:** The Group permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Group, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Group doesn't maintain any plan assets to fund its obligation towards compensated absences.

The disclosure in respect of the defined Compensated Absences are given below:

₹ in Lakh

Particulars	31.03.18	31.03.17	01.04.16
Expenses recognised in Statement of Profit and Loss	132.86	-	-
Balance Sheet liability	94.92	-	-

Note 33

Earnings Per Share (EPS)

Particulars	Year Ended 31.03.18	Year Ended 31.03.17
Profit after tax (PAT) available for equity shareholders (₹ in Lakh)	2,153.82	1,018.40
Weighted average number of equity shares for basic EPS	21,374,658	20,750,000
Basic earnings per share (in ₹)	10.08	4.91
Weighted average number of equity shares for diluted EPS	21,439,918	20,756,557
Diluted earnings per share (in ₹)	10.05	4.90
Nominal value of equity Shares (in ₹)	2.00	2.00

Refer Note 13(b) for share split during the year.

Accordingly earnings per share (EPS) for previous year has been restated

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)**Note 34****Contingent Liabilities****₹ in Lakh**

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
Disputed sales tax/ entry tax demands	211.91	11.46	66.24
Bonus for earlier years	10.80	10.80	10.80
Other claims against the Group not acknowledged as debts	20.55	-	9.01

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 Group, 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 35**Commitments**

- a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is ₹ 0.79 Lakh (Previous year ₹ 133.51 Lakh).
- b) (i) The Group has taken premises under cancellable operating lease. These lease agreements are normally renewed on expiry. The rental expenditure is accounted for in statement of profit and loss of the Group in accordance with Ind AS-17 on lease transactions.
- (ii) The Group has also taken office premises under non-cancellable operating lease. The total of future minimum lease payments under this lease for the period not later than one year is ₹ 412.35 Lakhs (previous year ₹ 220.87 Lakhs) and for the period later than one year and not later than five years is ₹ 563.35 Lakhs (previous year ₹ 379.45 Lakhs) and for the period later than five year is ₹ 0.51 Lakhs (previous year ₹ 7.84 Lakhs).

Note 37**Disclosure on Related Party Transactions****Names of related parties and description of relationship:****Key Managerial Personnel:**

Name	Nature of Relationship
Mr. Sudhir Jatia	Chairman & Managing Director
Mr. Vineet Poddar	Chief Financial Officer
Mr. Rameez Shaikh	Company Secretary (w.e.f. 10 th Feb 2018)
Ms. Jigna Parikh	Company Secretary (upto 9 th Feb 2018)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

List of others over which key managerial personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year:

Name	Nature of Relationship
Ramgopal Textiles Limited	Mr. Sudhir Jatia, Chairman and Managing Director of the company exercise significant influence in Ramgopal Textiles Limited

Other related parties:

Name	Nature of Relationship
Ms. Shivani Jatia	Daughter of Mr. Sudhir Jatia, Chairman and Managing Director

Transactions during the year and balances as at year end:

₹ in Lakh

Nature of transactions	Key Management Personnel	Enterprises in which Directors have significant influence	Other Related Parties
Transactions during the year			
Remuneration to key managerial persons:			
Mr. Sudhir Jatia, Chairman & Managing Director	95.19 (49.38)		
Mr. Vineet Poddar, Chief Financial Officer	72.25 (60.31)		
Mr. Rameez Shaikh, Company Secretary (w.e.f. 10.02.2018)	2.82 -		
Ms. Jigna Parikh, Company Secretary (upto 09.02.2018)	12.16 (9.75)		
Salary & perquisites:			
Ms. Shivani Jatia			8.99 (6.75)
Balances as at year end			
Trade receivables		21.38 (33.88)	

Figures in bracket relate to previous year.

Notes:

- Related party relationship is as identified by the management and relied upon by the auditors.
- No amounts in respect of related parties have been written off/ written back during the year and no provision has been made for doubtful debts/ receivable.
- All related party transactions entered during the year were in ordinary course of the business and are at arm's length basis.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)**Note 37**

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 Company's performance and allocates the resources based on an analysis of various performance indicators. The Group is primarily engaged in luggage business only. Since this segment meets the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers this as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

Note 38**Assets Provided as Security**

The carrying amounts of assets provided as security (First Charge) for current and non-current borrowings are:

₹ in Lakh

Particulars	As at 31.03.18	As at 31.03.17	As at 01.04.16
Current Assets			
Financial Assets			
Trade receivables	10,362.47	5,829.19	5,410.43
Non Financial Assets			
Inventories	12,252.03	9,415.16	7,644.74
Total Current assets provided as security	22,614.50	15,244.35	13,055.17
Non Current Assets			
Buildings*	87.50	94.06	93.52
All movable property, plant and equipment*	2,764.74	1,975.35	2,008.60
Total non-current assets provided as security	2,852.24	2,069.41	2,102.12
Total assets provided as security	25,466.74	17,313.76	15,157.29

*This represents net book value.

Note 39**Auditor's Remuneration**

(excluding service tax and goods and service tax)

₹ in Lakh

Particulars	Year Ended 31.03.18	Year Ended 31.03.17
Audit fees	5.08	5.79
Tax audit fees	1.00	1.20
Limited review and certification fees	3.43	1.30
	9.50	8.29

Note 40

Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets:

(i) Movement in provisions:**Warranties**

₹ in Lakh

Particulars	Year Ended 31.03.18	Year Ended 31.03.17
Carrying amount at the beginning of the year	26.15	22.01
Additional provision made during the year	5.04	9.81
Provision reversed during the year	23.00	-
Amounts used / paid during the year	-	5.67
Carrying amount at the end of the year	8.19	26.15

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

(ii) Nature of provisions:

Product warranties: The Group gives warranties on certain products in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provisions made represents the amount of the expected cost of meeting such obligation on repairs / replacement. The timing of outflows is expected to be within a period of one year.

Note 41

Employee Share Based Plan:

A) Details of Stock options to eligible employees under Safari Stock Option Scheme 2016 are as under:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant Date	08.10.16	09.03.17	29.11.17	09.02.18
No of Options	65,000	45,000	30,000	10,000
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Plan	Graded Vesting-	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 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 2nd year - 30%
	At the end of 3rd 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	Within one year from the date of Vesting
Grant Price (₹ Per share)	160.00	190.00	300.00	440.00
Average Market Price on the date of Grant of Options (₹ Per share)	194.21	228.17	482.22	539.86
Discount on Average Price (₹ per share)	34.21	38.17	182.22	99.86

Number movements in share options during the year:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant Date	08.10.16	09.03.17	29.11.17	09.02.18
Opening Balance	65,000	45,000	-	-
Granted during the year	-	-	30,000	10,000
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Closing Balance	65,000	45,000	30,000	10,000
Exercisable options	-	-	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

- B) The fair value of options have been done by independent firm of Chartered Accountants using the Black-Scholes Model.

The key assumptions in the Black-Scholes Model for calculating fair value on the date of grant for Safari Stock Option Scheme 2016:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant Date	08.10.16	09.03.17	29.11.17	09.02.18
1. Risk Free Rate	6.55%	6.74%	7.71%	7.46%
2. Option Life (no. of years)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)	1.50 (Year 1) 2.50 (Year 2) 3.50 (Year 3)
3. Expected Volatility	0.7716	0.8247	0.8336	0.8503
4. Dividend Growth Rate	5%	5%	5%	5%
The weighted average fair value of the options (In ₹)	105.44	126.54	285.52	296.98

Refer Note 13 (b) for share split during the year. Accordingly number of options granted, grant price, average market price, discount and weighted average fair value of options has been restated for options granted in the previous periods.

Note 42**Details of Corporate Social Responsibility (CSR) Expenditure :****₹ in Lakh**

Particulars	Year Ended 31.03.18	Year Ended 31.03.17
Amount required to be spent as per Section 135 of the Act	21.68	12.23
Amount spent during the year on :		
Construction/acquisition of any asset	-	-
On purposes other than above	24.04	14.96
Total	24.04	14.96

- 43 Post the applicability of the Goods and Service Tax (GST) with effect from 1st July, 2017, revenue from operations are disclosed net of GST, whereas Excise Duty formed part of expenses in previous year. Accordingly, the revenue from operations and expenses for the year are not comparable with the previous year.

- 44 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.

45 Recent accounting pronouncements**Ind AS 115 - Revenue from Contracts with Customers**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers effective from April 1, 2018. The core principle of the new standard is that an entity should recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (contd..)

Amendment to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

Amendments to Ind AS 12, Income Taxes clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. These amendments only clarify the existence of guidance of Ind AS 12 and do not change the underlying principles for recognition of deferred tax asset.

Consequential amendments to other Ind AS due to notification of Ind AS 115 and other amendments discussed above. The management is yet to assess the impact of the aforesaid amendments on the Group's financial information.

- 46 These consolidated financial statements were approved for issue by the Board of Directors on 21st May 2018.

For and on behalf of the board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

Mumbai, Date: 21st May, 2018

PUNKAJJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

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SAFARI INDUSTRIES (INDIA) LTD.

Registered office: 302-303, A wing, THE QUBE, CTS No. 1498, A/2, M. V. Road,
Marol, Andheri (E), Mumbai - 400 059

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

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

ATTENDANCE SLIP

38th Annual General Meeting - 13th August 2018

Reg. Folio/ID No. _____

Name _____

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

I hereby record my presence at the 38th Annual General Meeting of the Company to be held on Monday, 13th August, 2018, at The Gem Banquet, Podium Level, The Qube, CTS No. 1498, A/2, M. V. Road, Marol, Andheri (East), Mumbai 400059 at 02.00 pm.

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

Member's / Proxy's Signature

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

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PROXY FORM

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

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

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

1	Name			
	Address			
	Email id:		Signature	

Or failing him:

2	Name			
	Address			
	Email id:		Signature	

Or failing him:

3	Name			
	Address			
	Email id:		Signature	

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 38th Annual General Meeting of the Company, to be held on the Monday 13th day of August 2018 at The Gem Banquet, Podium Level, The Qube, CTS no1498, A/2, MV Road, Marol, Andheri (East), Mumbai- 400 059 at 02.00 pm and at any adjournment thereof in respect of the such resolutions as are indicated below

Resolution No.	Resolution	Vote	
		For	Against
1(a).	To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended 31 st March 2018, the reports of the Board of Directors and Auditors thereon.		
1(b).	To receive, consider and adopt the Audited Consolidated Financial Statement of the Company for the financial year ended 31 st March 2018 and the Auditors Report thereon.		
2.	To declare dividend on equity shares for the financial year ended 31 st March, 2018.		

Resolution No.	Resolution	Vote	
		For	Against
3.	To appoint a Director in place of Mr. Piyush Goenka (DIN: 02117859), 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 modify terms of appointment of M/s. Lodha & Co., Chartered Accountants as Statutory Auditors of the Company.		
5.	To re-appoint Mr. Sudhir Jatia (DIN 00031969) as the Managing Director of the Company.		
6.	To approve payment of remuneration by way of Commission to Non-executive Directors.		

Signed this _____ day of _____ 2018

Affix a
Fifteen paise
revenue
stamp

Signature of member (s)

Note:

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



SAFARI INDUSTRIES (INDIA) LTD.

Reg. Off.: SAFARI INDUSTRIES (INDIA) LTD.

302-303, A Wing, The Qube CTS No. 1498, A/2, Sir Mathuradas Vasanji Road,
Marol, Andheri East, Mumbai - 400059, Maharashtra.

Website: www.safari.in | For Feedback / Enquiry / Suggestions: customercare@safari.in

Disclosure Pursuant to the Provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

Relevant disclosures in terms of the “Guidance Note on Accounting for Employee Share-based Payments” issued by ICAI has been made in Notes to Accounts attached to the Annual Report.

The details of stock options as on 31st March, 2018 under the Safari Employee Stock Option Scheme-2016 (“Safari ESOS”):

A. Summary of Status of ESOS Granted

The description of the existing scheme is summarized as under:

Sr. No.	Particulars	Safari ESOS
1	Date of shareholders’ approval	At the 36 th Annual General Meeting held on 12 th August 2016
2	Total number of options approved	2,07,500 options (Two Lakh, Seven Thousand and Five Hundred) of face value of Rs. 2/- each
3	Vesting requirement	<p>One year from the grant date: 40% of the granted options are vested</p> <p>Two years from the grant date: 30% of the granted options are vested</p> <p>Three years from the grant date: 30% of the granted options are vested</p>
4	Exercise Price (Rs.)	The Exercise Price shall be the price not being less than the face value of an Equity Share as determined by the Committee.
5	Maximum term of Options Granted	All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 6 (Six) years from the date of grant.
6	Sources of Shares	Primary
7	Variation in terms of options	Not applicable
8	Method used for Accounting of ESOP	Fair Value
9	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with (AS) 20 Earnings Per Share	Rs. 9.82 per share

The movements of options during the year are as follows:

Sr. No.	Particulars	Safari ESOS
1	No. of Options outstanding at the beginning of the year	1,10,000 options

2	No. of Options Granted during the year	40,000 options
3	No. of Options Forfeited/Lapsed during the year	Nil
4	No. of Options Vested during the year	44,000 options
5	No. of Options Exercised during the year	Nil
6	No. of Shares arising as a result of exercise of options (as of 31 st March, 2018)	Nil
7	Money realized by exercise of options during FY 2017-18	Nil
8	Loan repaid by the trust during the year from the exercise price received	Not applicable
9	No. of Options outstanding at the end of the year	1,50,000 options
10	No. of Options exercisable at the end of the year	44,000 options

B. Employee-wise details of options granted during FY 2017-18

(i) Senior managerial personnel

Name and designation of employee	No. of Options granted	Exercise price
Mr. Pushkar Jain, Chief Marketing Officer	30,000	300
Ms. Sonali Majumdar, Vice President, Human Resources	10,000	440

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

Name and designation of employee	No. of Options granted	Exercise price
Mr. Pushkar Jain, Chief Marketing Officer	30,000	300
Ms. Sonali Majumdar, Vice President, Human Resources	10,000	440

(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: Nil

C. Weighted average Fair Value of Options granted and their Exercise Price during the year whose Exercise Price is less than the market price:

Sr. No.	No. of options granted	Weighted average Fair Value	Weighted average Exercise Price
1	30,000	285.52	300
2	10,000	296.98	440

D. Method and Assumptions used to estimate the fair value of options granted during the year:

- (i) The fair value has been calculated using The Black Scholes valuation model. The assumptions used in the model are as follows:

Particulars	Safari ESOS	
	30,000 Options	10,000 Options
The weighted-average values of share price	458.59	524.03
The weighted-average values of exercise price	300	440
The weighted-average values of expected volatility	83.36%	85.03%
The weighted-average values of expected option life	2.5 years	2.5 years
The weighted-average values of expected dividends (Face Value Rs. 2 per share)	0.50	0.50
The weighted-average values of the risk-free interest rate	7.71%	7.46%

- (ii) Neither any method was used and nor any assumptions were made to incorporate the effects of expected early exercise.
- (iii) Expected volatility was computed based on details of historic share price on BSE for a period equal to the expected life
- (iv) There are no market conditions attached to the grant and vest.

Annexure C

Statement of Particulars of Employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr No	Name of the employees	Designation	Remuneration received (Rs. in Lakh)	Qualification	Experience	Date of commencement of current employment	Age	Last employment held	% of equity shares held
1	Mr. Sudhir Jatia	Chairman and Managing Director	56.33	B.COM	25 years	18 th April 2012	49	Entrepreneur	47.58
2	Mr. Vineet Poddar	Chief Financial Officer	68.41	B.COM, FCA, ACS	22 years	27 th April 2016	44	Nshama Development LLC.	Nil
3	Mr. Indranil Roy	Sr. Vice President-Sales	58.81	B.SC, PGDBM	27 years	23 rd March 2015	52	Century Plyboards India Ltd.	0.03
4	Mr. Rajiv Kshatriya	General Manager-Marketing –Genius	59.29	Graduate, MBA	12 years	1 st June 2016	36	Reckitt Benckiser India	Nil
5	Mr. Satyabrata Mitra	Sr. Vice President-Canteen Store Department Stores	48.80	M.COM	36 years	4 th May 2012	62	VIP Industries Ltd	0.07
6	Mr. Parmod Aggarwal	Vice President-Hyper Sales	60.60	B.A, PGDBM	29 years	1 st May 2012	55	VIP Industries Ltd	0.13
7	Mr. Paritosh Sinha	General Manager-Sales-Genius	41.71	B.SC, PGDBM	17 years	30 th September 2016	41	JK files (India) Ltd	Nil
8	Mr. Pushkar Jain	Chief Marketing Officer	42.40	BA(Hons), MBA	17 years	10 th October 2017	40	Bluestone.com	0.00
9	Mr. Pravin Prabhakar	General Manager	94.52	B. Com, BA	21 Years	1 st May, 2012	47	Princeware Int.	0.02
10	Mr. Sharad Chaugule	Vice President-Operations	34.53	B.E in Mechanical	24 years	16 th July 2012	50	VIP Industries Ltd	Nil

1. All employment are on non-contractual.
2. None of the above employees is related to any Directors of the Company.
3. During the year under review, there have not been any employees in the Company who if employed throughout the financial year were in receipt of remuneration in excess of Rs.1.02 Crore p.a. or if employed for a part of the financial year were in receipt of remuneration for any part of that year, at a rate which in aggregate was not less than Rs.8.50 Lakh per month.
4. The Company has no employees who is in receipt of remuneration in that year which, aggregate or as the case may be, at a rate which in aggregate, in excess of that drawn by the Managing Director and holds by himself or alongwith his spouse or dependent children, not less than 2% of the equity shares of the Company.
5. Details employees working outside India who is drawing more than Rs. 60 Lakh p.a. or Rs. 5 Lakh per month are as follows:

Sr No	Name of the employees	Designation	Remuneration received (Rs. in lacs)	Qualification	Experience	Date of commencement of current	Age	Last employment held	% of equity shares held
1	Mr. Pravin Prabhakar	General Manager	94.52	B. Com, MBA	21 Years	1 st May, 2012	47	Princeware Int.	0.02

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

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

Place: Mumbai
Date: 21st May 2018