

21st July, 2020

To,

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400001

Scrip Code: 523025

National Stock Exchange of India Limited

Exchange Plaza, Plot no.C/1,
G-Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400051
Scrip Code: SAFARI

Dear Sir / Madam,

Subject: Annual Report under Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

The 40th Annual General Meeting ("AGM") of the Company will be held on **Thursday, August 13, 2020 at 12.00 p.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM)**, in accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020.

Pursuant Regulation 34(1) of the SEBI Listing Regulations, please find attached herewith the Annual Report of the Company along with the Notice of the AGM and other Statutory Reports for the Financial Year 2019-20, which is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar and Transfer Agent/ Depositories.

The details of the said AGM are as mentioned below:

Day, Date and Time	Thursday, August 13, 2020 at 12.00 p.m. (IST)
Location	Video Conferencing (VC) / Other Audio Visual Means (OAVM)
Cut-off date (for determining Members eligible for e-voting)	Thursday, August 06, 2020
Remote e-voting period	From: Sunday, August 09, 2020 (9.00 a.m. IST) Upto: Wednesday, August 12, 2020 (5.00 p.m. IST)

The aforesaid Notice and the Annual Report are also available on the website of the Company at <https://www.safaribags.com/>

You are requested to kindly take the same on record.

Thanking You.

For Safari Industries (India) Limited



Rameez Shaikh
Company Secretary



safari

ANNUAL REPORT
2019 - 2020



40TH ANNUAL GENERAL MEETING

Thursday, 13th August 2020 at 12.00 p.m. (IST)
Through Video Conferencing ("VC") /
Other Audio Visual Means ("OAVM")

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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

Mr. Sumeet Nagar

CHIEF FINANCIAL OFFICER :

Mr. Vineet Poddar

COMPANY SECRETARY :

Mr. Rameez Shaikh

REGISTERED OFFICE :

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

CIN :

L25200MH1980PLC022812

FACTORY :

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

BANKERS :

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

AUDITORS :

M/s. Lodha & Co.
Chartered Accountants

LEGAL ADVISORS :

M/s. Vertices Partners
Advocates & Solicitors

REGISTRAR & SHARE TRANSFER AGENT :

Adroit Corporate Services Pvt. Ltd.
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 (STANDALONE)

(` in Lakh)

	IND AS				IGAAP
	2019-20	2018-19	2017-18	2016-17	2015-16
A. Statement of Profit and Loss					
Revenue from operations	68,134.44	57,262.96	41,963.64	35,116.81	28,404.01
Other income	76.55	130.53	94.16	109.53	78.43
Total income	68,210.99	57,393.49	42,057.80	35,226.34	28,482.44
Earnings before interest, tax, depreciation and amortisation (EBITDA)	7,167.72	5,322.34	4,236.33	2,500.42	1,874.06
Finance cost	1,002.07	447.42	288.61	371.42	261.91
Depreciation and amortisation expense	2,149.50	815.08	612.80	509.76	406.50
Profit before exceptional and extraordinary items	4,016.15	4,059.84	3,334.92	1,619.25	1,205.65
Exceptional and extraordinary items	-	-	-	(89.06)	(5.57)
Profit before tax	4,016.15	4,059.84	3,334.92	1,530.19	1,200.08
Tax Expense	965.07	1,361.81	1,213.97	524.00	420.01
Profit after tax	3,051.08	2,698.03	2,120.95	1,006.19	780.07
Dividend (including proposed dividend and corporate dividend tax)*	-	134.57	134.38	99.90	59.94
Dividend %	-	25.00	25.00	20.00	12.00
B. Balance Sheet					
Share capital	447.28	446.51	445.00	415.00	415.00
Reserves and surplus	22,537.55	19,547.92	16,800.34	9,677.59	8,696.37
Loan funds	7,525.90	10,422.83	5,500.16	4,186.67	5,826.32
Total capital employed	30,510.73	30,417.26	22,745.50	14,279.26	14,937.69
Fixed assets	4,271.36	2,894.29	3,162.69	2,439.96	2,456.57
Investments	5.00	5.00	5.00	5.00	5.99
Cash and other bank balances	80.56	69.33	278.77	485.36	492.74
Net assets (current and non-current)	26,153.81	27,448.64	19,299.04	11,348.94	11,982.39
Total assets employed	30,510.73	30,417.26	22,745.50	14,279.26	14,937.69

* Under Ind AS, dividend including taxes are accounted for as and when declared by the Company.

NOTICE

NOTICE is hereby given that the **40th Annual General Meeting** of the Members of Safari Industries (India) Limited ("Company") will be held on Thursday, 13th day of August, 2020 at 12:00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt:
 - a) the audited standalone financial statements of the Company for the financial year ended 31st March, 2020, 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, 2020 and the Auditors Report thereon.
2. 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.

SPECIAL BUSINESS:

3. To appoint Mr. Sumeet Nagar (DIN: 02099103) as Non-Independent Non-Executive Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Sumeet Nagar (holding DIN: 02099103), who was appointed as an Additional Director of the Company with effect from 05th February, 2020 and whose term of office expires on the date of this Annual General Meeting and in respect of whom a notice is received in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing his candidature for office of Director, be and is hereby appointed as a Non-Independent Non- Executive Director of the Company whose term of office shall be liable to retire by rotation."

"RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company, be and is hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto."

4. To re-appoint Mrs. Vijaya Sampath (DIN: 00641110) as an Independent Director of the Company for second term

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provision, if any of the Companies Act, 2013 ('the Act') and Rules made thereunder and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Vijaya Sampath (DIN: 00641110), who was appointed as an Independent Director till 04th August 2020 and being eligible has submitted a declaration that she meets the criteria of independence as provided in section 149(6) of the Act and regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director and who is eligible for appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 05th August 2020 to 04th August 2025."

"RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company, be and is hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto."

5. Increase in limit of total shareholding of all Registered Foreign Portfolio Investors (FPIs) / Registered Foreign Institutional Investors (FIIs) put together upto 49% of the paid-up equity share capital of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("Regulations") and all other applicable Rules, Schedules, Regulations, Circulars, Directions, Notifications, Press Notes, Guidelines and Laws (including any statutory modifications or re-enactment thereof for the time being in force) and all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions and sanctions, consent of Members be and is hereby accorded to increase the total shareholding limit of foreign investment by Foreign Portfolio Investors ("FPIs") and / or Foreign Institutional Investors ("FIIs"), as defined and registered under the relevant regulations by the Securities and Exchange Board of India ("SEBI"), on their own account and on behalf of each of their SEBI approved sub-accounts, by whatever name called, to acquire and hold Equity Shares of the Company, by acquisition through secondary market route under the 'Foreign Portfolio Investment Scheme' under FEMA and regulations framed thereunder or by subscribing to shares under a rights issue that may be made by the Company up to an aggregate limit not exceeding 49% of the paid-up equity share capital of the Company. Provided however that the shareholding of foreign investors, including FPIs or FIIs, on its own account and on behalf of each of their SEBI approved sub-accounts in the Company, shall not at any time whatsoever, exceed such limits as may be prescribed, from time to time, under applicable FEMA laws, rules and regulations.

"RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company, be and is hereby authorised severally to do all such acts, deeds, matters and things to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including raising limit to aggregate limit upto 49% without requiring to secure any further consent or approval of the members of the Company."

6. Amendment in the Object Clause and Liability Clause of Memorandum of Association of Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provision of Section 13 and other applicable provision if any, of the Companies Act, 2013 ("Act") read with the Companies (Incorporation) Rules, 2014, including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force, the Object Clause and the Liability Clause of Memorandum of Association of the Company be and is hereby altered by replacing existing clause III (A) 2 and substituting by the following new clause III (A) 2 and replacing existing Clause IV and substituting by the new Clause IV of the Memorandum of Association of the Company as under:

Now Clause III (A) 2 be read as follows:

To carry on the business as manufacturers, designers, buyers, sellers, moulders, contractors, producers, refiners, fabricators, assemblers, suppliers, stationers, dealers, general merchants, traders, retailers, agents, importers & exporters, del credere agents of all kinds of consumer products, goods and merchandise relating to luggage and bags including but not limited to travelling cases, backpack, school bags, beauty case, fashion bags, suit cases, brief cases, trunks, vanity cases and other lifestyle products, articles of plastic, moulded articles, components, accessories and their allied and auxiliary plastic products, packaging material, containers, plastic furniture, products of personal hygiene, wellness and sanitation including but not limited to bio hazard bags, tissue paper, face shield, all kinds of face masks and gloves, disposable cap, protective gowns/aprons, personal protective equipment, disinfectant, eye protection (visor/goggles), toiletries, head-rest pillows, pillows, all kinds of travel auxiliary, accessories and to set-up show rooms, retail shops, distribution centres, discount shops; subject to necessary approvals, to own, create and manage online shopping e-commerce websites, portals, mobile applications and create a virtual shopping mall with online catalogue and provide a convenient shopping experience to its customers.

Now Clause IV be read as follows:

The liability of member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

"RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company, be and is hereby authorised severally to do all such acts, deeds, matters and things to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution."

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

SUDHIR JATIA

Chairman & Managing Director

DIN:00031969

Place: Mumbai

Date: 04th June 2020

NOTES :

- i. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 05th May 2020 read with circulars dated 08th April 2020 and 13th April 2020 (collectively referred to as "MCA Circulars") permitted the holding Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- ii. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- iii. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies, Act 2013 (the Act)
- iv. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business as set out in Item Nos. 3 to 6 and relevant details in respect of Item no. 2, 3 and 4 pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Secretarial Standard on General Meeting (SS-2) are annexed hereto.
- v. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act 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 on the Company's website at www.safaribags.com. Any Member who may desire to inspect such documents shall write from their registered email ID along with their respective Client ID and DP ID / Folio No. by e-mail to the Company on investor@safari.in.
- vi. Members holding shares in physical form are requested to notify any change in their address including pin code, bank mandate, etc to the Company's Registrar and Transfer Agent, M/s. Adroit Corporate Services Pvt Ltd. Members holding shares in electronic form are requested to furnish details for change / updation to their respective Depository Participant.

- vii. 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.
- viii. Corporate Members are required to e-mail the Company a certified copy of the Board Resolution pursuant to Section 113 of the Act authorising their representative to attend and vote at the AGM to ninadawchat@yahoo.co.in and mark a copy to evoting@nsdl.co.in
- ix. 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. The same will be replied by the Company suitably.
- x. Pursuant to the provisions of Section 124 of the Act as amended from time to time and / or other relevant provisions of the Act, the unclaimed dividend upto the financial year 2011-12 has been transferred to the Investor Education and Protection Fund.
- xi. Members who have not encashed the dividend warrant / demand drafts so far for the financial year ended 31st March 2015, 31st March 2016, 31st March 2017, 31st March 2018 or 31st March 2019 are requested to make their claims to the office of the Registrar & Share Transfer Agent of the Company.
- xii. As per the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules 2016), all equity shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more upto the financial year 2011-12 has been transferred to the Investor Education & Protection Fund.
- xiii. As per the provisions of the Section 125 of the Act and the IEPF Rules 2016, members whose unclaimed dividend and equity shares have been transferred to IEPF may claim the refund by making application to the IEPF Authority in Form No. IEPF-5 available on the website www.iepf.gov.in
- xiv. 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. 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. Form for furnishing PAN and Bank details are available on our website link: <https://www.safaribags.com/investors-relations/intimation-to-stock-exchange/>.
- xv. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 01st April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. 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
- xvi. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the 40th AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.safaribags.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>. Members who have not registered their email address with the Company can register the same by info@adroitcorporate.in. Post successful registration of email address, the member will receive the soft copy of the Notice of AGM and Annual Report.

xvii. Members of the Company had approved the appointment of Lodha & Co, Chartered Accountants (Firm Regn No. 301051E), as the Statutory Auditors at the 37th Annual General Meeting of the Company for a term of five years subject to ratification by the members at every Annual General Meeting. The Ministry of Corporate Affairs vide its Notification dated 07th May, 2018 has enforced Section 40 of the Companies (Amendment) Act, 2017 and Companies (Audit and Auditors) Rules, 2014 wherein the requirement for ratifying the appointment of the Statutory Auditors of the Company at every Annual General Meeting has now been dispensed with. Accordingly, the proposal for ratification of the appointment of Statutory Auditors is not forming part of the Notice convening ensuing Annual General Meeting.

xviii. In case of joint holders, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

xix. Additional information pursuant to Regulation 26(4) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2), in respect of the Directors seeking re-appointment at the AGM is furnished as Annexure to the Notice.

xx. Voting through Remote e-Voting:

In accordance to the provisions of Section 108 of the Act and Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time, 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 40th AGM of the Company by electronic means. The Company has engaged the services of National Securities Depositories Limited ("NSDL") as the Agency to provide the remote e-voting facility. (Remote e-voting means the facility to cast votes by a Member using electronic voting system from a place other than the venue of the AGM).

The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

The Remote e-voting period commences on Sunday, 09th August 2020 (9:00 am) and ends on Wednesday, 12th August 2020 (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 Thursday, 06th August 2020 may cast their vote by Remote e-voting. The Remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing User ID and password for casting the vote

xxi. Process of Remote e-Voting:

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

Step 1:

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:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
 - 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'.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- 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.
- "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- 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.
- Members can also use the OTP (One Time Password) based log-in for casting the vote on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open

Step 2:

- 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.
- 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.
- Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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

B. Instructions for Members for Attending the AGM through VC / OAVM are as under:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at [https:// www.evoting.nsdl.com](https://www.evoting.nsdl.com) by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
 2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and 15 minutes after schedule time of the commencement of meeting by following procedure mentioned in instructions notes of the notice
 3. Participation of members holding 2% or more shareholding, promoters, directors, KMP's, the Chairperson of the Audit Committee, Nomination and Remuneration Committee, Stakeholders and Relationship Committee and Auditors is not restricted on first come first serve basis.
 4. Members who would like to express their views or ask questions during AGM may register themselves as a speaker by sending their request from their registered email ID mentioning their name, DP ID and Client ID / Folio no., PAN, mobile no., at investor@safari.in at least one week before AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
 5. Members are requested to join the Meeting through Laptops for better experience.
 6. Further, Member are requested to allow Camera and use High-speed Internet to avoid disturbances during the Meeting.
 7. 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
- xxii. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice

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

SUDHIR JATIA

Chairman & Managing Director

DIN:00031969

Place: Mumbai

Date: 04th June 2020

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 IN RESPECT OF THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING:**ITEM NO. 3**

Mr. Sumeet Nagar (DIN 02099103) on the recommendation of the Nomination, Remuneration and Compensation Committee was appointed as an Additional Director by the Board of Directors of the Company on 05th February, 2020 to hold office as Director till the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act 2013 and the Articles of Association of the Company.

Mr. Sumeet Nagar is the founder of Malabar Investments LLC, and founder and Managing Director of Malabar Investment Advisors Private Limited. Mr. Nagar has over a decade of experience in portfolio management and investment analysis as well as tremendous experience in operating roles. Prior to joining Holding Capital group and starting Malabar, Mr. Nagar was a consultant at McKinsey & Company where he was a founding member of its dedicated private equity group. He is a graduate of the Indian Institute of Technology, Bombay and earned an MBA degree in Finance and Entrepreneurial Management from the Wharton School of the University of Pennsylvania.

The Company has received from Mr. Nagar, his consent in writing to act as a Director and a declaration to the effect that he is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013.

The consent letter and relevant disclosures in accordance to the Companies Act, 2013 received from Mr. Nagar will be available for inspection by the Members on the website of the Company at www.safaribags.com from the date of dispatch of this Notice till the date of the ensuing Annual General Meeting.

Brief profile of Mr. Nagar is annexed to this Notice. The Board accordingly recommends the Ordinary Resolution set out in Item no. 3 of the accompanying Notice for the approval of the Members.

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

ITEM NO. 4

Mrs. Vijaya Sampath (DIN: 00641110) was appointed as Independent Directors of the Company for a period of five years with effect from 05th August 2015 to 04th August 2020 pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination, Remuneration and Compensation Committee of the Board, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mrs. Vijaya Sampath as Independent Directors. The Board, based on the above recommendation of the Nomination, Remuneration and Compensation Committee, considered that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services. In this connection, it is proposed to re-appoint Mrs. Vijaya Sampath as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of five years subject to approval of the members with effect from 05th August 2020 to 04th August 2025.

The Company has received notice under Section 160 of the Act from a member proposing the candidature of Mrs. Vijaya Sampath for the office of Independent Director of the Company. The Company has also received declaration that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. In the opinion of the Board, Mrs. Vijaya Sampath fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder read with schedule IV of the Companies Act, 2013 for her re-appointment as Independent Director of the Company.

Copy of the draft letter of re-appointment of Mrs. Vijaya Sampath as Independent Director setting out the terms and conditions are available for inspection by the Members on the website of the Company at www.safaribags.com from the date of dispatch of this Notice till the date of the ensuing Annual General Meeting.

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

The brief profile of Mrs. Vijaya Sampath is attached to this notice.

Your Directors recommend the resolutions set out at item no. 4 to be passed as special resolution by the members. None of the Directors and other Key Managerial Personnel of the Company including their relatives, except Mrs. Vijaya Sampath are concerned or interested, financially or otherwise in the said Resolution.

ITEM NO. 5

As per the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and the 'Consolidated FDI Policy' (issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India) ("FDI Policy"), the total investment by all Foreign Portfolio Investors ("FPIs") and Foreign Institutional Investors ("FIIs") registered with the Securities and Exchange Board of India ("SEBI"), including their sub-accounts, under the Foreign Portfolio Investment Scheme, is not to exceed 24% of the paid-up equity share capital of the Company. However, this limit can be increased to 49% of the paid-up equity share capital of the Company under the automatic route, after approval by the Board of Directors and members of the Company by way of a special resolution.

To attract the foreign investments and to make more space for the FPIs / FIIs to invest in the equity share capital of the Company, it is proposed to enhance the investment limits of FPIs / FIIs in the Company, under Foreign Portfolio Investment Scheme framed under FEMA upto 49% of the paid-up equity share capital of the Company. This would result in widening the investor base of the Company, facilitating / benefiting the shareholders and the Company.

Accordingly, consent of the Members is sought for passing a Special Resolution for increasing the limit of shareholding by FPIs / FIIs from 24% to 49% of the paid up equity share capital of the Company.

The Board recommends the passing of resolution as set out at Item No. 5 for approval by the members as Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 6

In order to meet with pace of changing business environment and needs, the Company proposed to enlarge its scope of operations. Accordingly, the Object Clause of the Memorandum of Association Clause III A (2) shall be altered in order to cover wide range of business activities therein.

In order to comply with the provisions of Section(s) 4(l)(d)(i), 13 and other applicable provisions of the Companies Act, 2013, it is recommended to alter the liability Clause of MoA i.e. Clause IV by substituting the existing Clause IV with the following new Clause IV as mentioned in the Item No. 6 of the Notice.

The Board of Directors of the Company on 04th June, 2020 subject to members approval by way of special resolution, approved the above mentioned amendment in the Main Object Clause of the Memorandum of Association of the Company i.e. Clause III A (2) and alteration of Liability Clause i.e. Clause IV of the Memorandum of Association of the Company.

Copy of the MOA containing draft amended clauses shall be available for inspection by members be available for inspection by the Members on the website of the Company at www.safaribags.com from the date of dispatch of this Notice up to the date of the ensuing Annual General Meeting of the Company

The Board recommends the passing of resolution as set out at Item No. 6 for approval by the members as Special Resolution. None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

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

SUDHIR JATIA

Chairman & Managing Director

DIN:00031969

Place: Mumbai

Date: 04th June 2020

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

Name of Director	Mr. Piyush Goenka	Mr. Sumeet Nagar	Mrs. Vijaya Sampath
Date of birth/ age	26 th July 1977/ 43 years	28 th March 1972/ 48 years	26 th May 1953/ 67 years
Qualification	MBA & CFA	IIT Bombay & MBA	CS, LL.B & Advanced Management Program, Harvard Business School
Expertise in specific functional areas	Mr. Piyush Goenka has 19 years of experience in Private Equity investing and other financial services.	Mr. Sumeet Nagar has over a decade of experience in portfolio management and investment analysis as well as tremendous experience in operating roles	Mrs. Vijaya Sampath has over 30 plus years of work experience and also headed as Senior Partner in corporate practice and General Counsel and Company Secretary. Her forte is corporate and commercial law and her experience includes M&A, joint ventures, large outsourcing and commercial contracts, high end litigation strategy and intellectual property agreements.
Date of first appointment on the Board	07 th February, 2017	05 th February, 2020	22 nd September 2014
Terms and conditions of appointment/ re-appointment	Appointment as Non Independent Non-Executive Director whose term of office is liable to retire by rotation	Appointment as Non Independent Non-Executive Director whose term of office is liable to retire by rotation	Re-appointment in terms of Section 149 of the Companies Act 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 as Independent Director for a period of 5 years.
Remuneration sought to be paid	He is entitled for receiving sitting fees and commission, if any.	waiver of sitting fees and any sought of remuneration to be paid	She is entitled for receiving sitting fees and commission, if any.
Details of last drawn remuneration	Sitting fees of ` 2,00,000/- paid for FY 2019-20	Not Applicable	Sitting fees of ` 2,60,000/- paid for FY 2019-20
Directorship held in other companies	• Shilpa Medicare Ltd. • Arohan Financial Services Ltd.	• Malabar Investment Advisors Private Ltd. • Malabar AIF Managers Private Ltd. • Malabar Investment Managers Private Ltd.	• Ingersoll-Rand (India) Ltd. • Eris Lifesciences Ltd. • Xpro India Ltd. • Varroc Engineering Limited • Intellect Design Arena Ltd. • Nabha Power Ltd. • Craftsman Automation Ltd. • MHPS Boilers Private Ltd. • GVS Envicon Technologies Private Ltd. • L&T - MHPS Turbine Generators Private Ltd.

Name of Director	Mr. Piyush Goenka	Mr. Sumeet Nagar	Mrs. Vijaya Sampath
Chairmanship / Membership in Committees of other Boards	• Member of Audit Committee of - Arohan Financial Services Ltd.	Nil	• Chairman of Audit Committee of - Eris Lifesciences Ltd. • Member of Audit Committee of - Eris Lifesciences Ltd. - Varroc Engineering Ltd. - Intellect Design Arena Ltd. - Ingersoll-Rand India Ltd. • Member of Stakeholder's Relationship Committee of: - Eris Lifesciences Ltd. - Varroc Engineering Ltd. - Intellect Design Arena Ltd. - Ingersoll-Rand India Ltd.
Shareholding in the Company	Nil	Nil	Nil
Relationship with other Directors & KMP of the Company	None	None	None
Number of meetings of the Board attended during the financial year 2019-20	4 of 4	0 of 1	4 of 4

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the **40th (Fortieth) Annual Report** on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended as on 31st March 2020.

1. STATE OF AFFAIRS OF THE COMPANY:

a) FINANCIAL RESULTS:

(` in lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	68,134.44	57,262.96	68,586.54	57,765.20
Other income	76.55	130.53	95.47	130.60
Total revenue	68,210.99	57,393.49	68,682.01	57,895.80
Expenses	64,194.84	53,333.65	64,660.06	53,798.65
Profit before tax	4,016.15	4,059.84	4,021.95	4,097.15
Tax expenses	965.07	1,361.81	955.60	1,376.44
Profit after tax	3,051.08	2,698.03	3,066.35	2,720.71
Other comprehensive income	(47.00)	(43.91)	(47.00)	(43.91)
Total comprehensive income for the period	3,004.08	2,654.12	3,019.35	2,676.80

b) PERFORMANCE REVIEW:

Standalone:

The total revenue of the Company for the financial year 2019-20 stood at ` 68,210.99 lakhs as against last year's ` 57,393.49 lakhs, a growth of 18.85%. Profit before tax were at ` 4,016.15 lakhs as against last year's ` 4,059.84 lakhs. The total comprehensive income was ` 3,004.08 lakhs as against ` 2,654.12 lakhs of the previous year.

As on 31st March 2020 the Reserves and Surplus of the Company were at ` 22,537.55 lakhs.

Consolidated:

The total revenue of the Company for the financial year 2019-20 stood at ` 68,682.01 lakhs as against last year's ` 57,895.80 lakhs, a growth of 18.63%. Profit before tax were at Rs.4,021.15 lakhs as against last year's ` 4,097.15 lakhs. The total comprehensive income was ` 3,019.35 lakhs as against ` 2,676.80 lakhs of the previous year.

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 2019-20 stood at ` 830.41 lakhs as against last year's ` 1,457.70 lakhs. Profit before tax were at ` (37.63) lakhs as against last year's ` 54.82 lakhs. The total comprehensive income was ` (28.16) lakhs as against ` 40.19 lakhs 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:

Considering the impact of COVID-19 Pandemic on business operations, it is necessary for the Company to conserve cash. The Board of Directors of the Company have decided not to recommend any Dividend for the financial year 2019-20.

DIRECTORS' REPORT (contd..)**3. TRANSFER TO RESERVES:**

It is not proposed to transfer any amount to reserves out of the profits earned during FY 2019-20.

4. SHARE CAPITAL:

During the year under review, Company's paid-up share capital stood increased from ` 4,46,51,000/- to ` 4,47,28,000/- due to issuance of equity shares through ESOP Allotments which were made during the year.

5. LISTING ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"):

During the year under review, the Company got listed on National Stock Exchange of India Limited ("NSE") with effect from 12th September, 2019.

6. TRANSFER TO INVESTORS' EDUCATION AND PROTECTION FUND:

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

Details of the unpaid and unclaimed dividend amount lying with the Company as on 12th August 2019 have been uploaded on the Company's website www.safaribags.com and also on the website of the Ministry of Corporate Affairs.

7. DIRECTORS:**a) APPOINTMENT:**

During the year under review, on the recommendation of the Nomination, Remuneration and Compensation Committee, the Board of Directors of the Company had appointed Mr. Sumeet Nagar (holding DIN: 02099103) as an Additional Director, Non-Executive Non-Independent Director of the Company w.e.f. 05th February, 2020 subject to approval of the Members at the ensuing Annual General Meeting (AGM).

A brief profile and other related information of Mr. Sumeet Nagar has been given in the Notice convening the ensuing Annual General Meeting (AGM).

b) RETIREMENT BY ROTATION:

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association Mr. Piyush Goenka, Director (holding DIN: 02117859) of the Company is liable to retire by rotation at the ensuing Annual General Meeting (AGM) 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 AGM.

c) INDEPENDENT DIRECTORS:

The current term of Mrs. Vijaya Sampath, Independent Director of the Company expires on 04th August 2020. On the recommendation of the Nomination, Remuneration and Compensation Committee, the Board of Directors of the Company have re-appointed Mrs. Vijaya Sampath (holding DIN: 00641110) as an Independent Director of the Company for a period of 5 years w.e.f. 05th August, 2020 subject to approval of the Members at the ensuing Annual General Meeting (AGM).

A brief profile and other related information of Mrs. Vijaya Sampath has been given in the Notice convening the ensuing AGM.

During the year under review, pursuant to Section 134(3)(d) of the Act 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 Act and Regulation 16(b) of the 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 <https://www.safaribags.com/investors-relations/toaoid/>

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

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

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

e) 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 Act. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

The said Policy lays down the guidelines to be followed in relation to:

- A. Appointment of the directors and key managerial personnel of the Company;
- B. Fixation of the remuneration of the directors, key managerial personnel and other employees of the Company; and
- C. Evaluation of performance of directors, key managerial personnel and other employees of the Company.

The objective of this Policy is to inter-alia:

- A. Attract, recruit and retain good and exceptional talent;
- B. List down the criteria for determining the qualifications, positive attributes and Independence of the Directors of the Company;
- C. Ensure that the remuneration of the Directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- D. Motivate such personnel to align their individual interests with the interests of the Company and further the interests of its stakeholders;
- E. Ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- F. Fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency and sustained long-term value creation for its stakeholders.

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

f) 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 Act. All Independent Directors of the Company at their meeting held on 05th February, 2020 have evaluated the performance of the Board as a whole, Committees of Board, the Chairman of the Company and the Non Independent Directors as per the criteria adopted by the Nomination, Remuneration and Compensation Committee and the Board.

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

The evaluation of the Independent Directors was carried out by the entire Board excluding the Independent Director being evaluated.

DIRECTORS' REPORT (contd..)

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

g) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS DURING THE YEAR:

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

h) 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. Punkajj 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

8. 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.

9. PARTICULARS OF EMPLOYEES:

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

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

In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members excluding the aforesaid **Annexure C**.

This Annexure will be available on the website of the Company 21 days prior to the date of the AGM. Any Member desirous of obtaining a copy of the said Annexure may email to the Company Secretary at investor@safari.in

10. 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.safaribags.com/investors-relations/annual-reports/>

DIRECTORS' REPORT (contd..)

11. 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 Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that they have prepared the annual accounts on a going concern basis.
- e) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. AUDITORS:

M/s Lodha & Co., Chartered Accountants (Firm Registration No. 301051E) was appointed as Statutory Auditors of the Company for the period of five years commencing from the conclusion of 37th Annual General Meeting till the conclusion of 42nd Annual General Meeting of the Company.

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

13. INTERNAL AUDITORS:

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

14. SECRETARIAL AUDIT REPORT:

In accordance to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/ s. Ninad Awachat & Associates, Practicing Company Secretaries (Membership No. 26995 & CP No. 9668) to conduct Secretarial Audit for the financial year 2019-20.

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

15. ACCOUNTING TREATMENT

The Accounting Treatment is in line with the applicable Indian Accounting Standards (IND-AS) recommended by the Institute of Chartered Accountants of India and prescribed by the Central Government.

16. SUBSIDIARIES:

The consolidated financial statements of the Company include the financial statements of Safari Lifestyles Limited, the wholly owned subsidiary of the Company for the financial year 2019-20. 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 email to the Company Secretary at investor@safari.in

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 Act and Rule 5 of Companies (Accounts) Rules, 2014 is annexed to this Report as **Annexure E**.

DIRECTORS' REPORT (contd..)

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

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

18. RISK MANAGEMENT POLICY:

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

19. PARTICULARS OF CONTRACTS WITH RELATED PARTIES:

All the related party transactions entered by the Company during the year under review were in the ordinary course of business, on arm's length basis and in accordance with the provisions of the Act read with the Rules issued thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There 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.

20. VIGIL MECHANISM-WHISTLE BLOWERS POLICY:

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In order to achieve the same, the Company has formulated a Whistle Blowers Policy to provide a secure environment and to encourage all employees 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 <https://www.safaribags.com/investors-relations/policies/>

21. 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.

22. ANNUAL RETURN:

An extract of the Annual Return as on 31st March 2020 in terms of Section 92(3) of the Act read with rule 12(1) of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure F**.

The Annual Return for financial year 2018-19 has been uploaded on the website of the Company at <https://www.safaribags.com/investors-relations/annualreturn/>

23. COMPLIANCE WITH SECRETARIAL STANDARDS:

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

24. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

The impact of COVID-19 on the Financial Statements of the Company, has been given in the Notes to Financial Statement for the Year ended 31st March 2020 and the Company's response to the situation arising this pandemic has been explained in the Management Discussion and Analysis, which forms part of the Annual Report.

DIRECTORS' REPORT (contd..)**25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

26. 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.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

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

28. BUSINESS RESPONSIBILITY REPORT

Pursuant to SEBI Listing Regulations, a Business Responsibility Report is annexed as **Annexure J** forming part of this Annual Report.

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

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

30. 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 Act.
- b) Change in nature of Company's business.
- c) Details of significant and material orders passed by Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.
- d) No material fraud has been reported by the Auditors to the Audit Committee of the Board.

31. ACKNOWLEDGEMENT:

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

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

SUDHIR JATIA

Chairman & Managing Director

DIN:00031969

Place: Mumbai

Date: 04th June 2020

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure A
Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

2. BOARD OF DIRECTORS:**(A) Composition and categories of Directors :-**

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

Name of Director	Category
Mr. Sudhir Jatia	Promoter, 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
Mr. Sumeet Nagar	Non-Executive

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

4 (Four) meetings of the Board of Directors were held during the financial year 2019-20 i.e. on 13th May 2019, 12th August 2019, 11th November 2019 and 05th February 2020.

The attendance record of all Directors is as under: -

Name of Director	No. of Board Meetings		Attendance at last AGM held on 13th August 2019
	Held	Attended	
Mr. Sudhir Jatia	4	4	Yes
Dr. Shailesh Mehta	4	3	Yes
Mr. Punkaj Lath	4	4	Yes
Mr. Dalip Sehgal	4	4	Yes
Mrs. Vijaya Sampath	4	4	Yes
Mr. Anuj Patodia	4	2	Yes
Mr. Rahul Kanodia	4	3	No
Mr. Piyush Goenka	4	4	Yes
Mr. Sumeet Nagar	1*	0	Not Applicable

* Mr. Sumeet Nagar was appointed as an Additional Non-Executive Director w.e.f. 05th February, 2020

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**(C) Number of other Board Directors or 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	3	2	1
Dr. Shailesh Mehta	4	0	0
Mr. Punkajj Lath	3	1	-
Mr. Dalip Sehgal	1	2	-
Mrs. Vijaya Sampath	7	8	1
Mr. Anujj Patodia	7	-	-
Mr. Rahul Kanodia	5	2	-
Mr. Piyush Goenka	2	1	-
Mr. Sumeet Nagar	1	0	Not Applicable

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

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

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

As per the disclosures received, none of the Directors of the Company are Director in more than 10 Public Limited Companies or act as an Independent Director in more than 7 Listed Companies and further, none of the directors of the Company, who are Whole Time Director / Managing Director in any listed entity hold position of Independent Director in more than three listed entities. 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.

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

a) Mr. Dalip Sehgal

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

b) Mrs. Vijaya Sampath

Sr. No	Name of Listed Entity	Category of Directorship
1	Nabha Power Limited	Independent Director
2	XPRO India Limited	Additional Independent Director
3	ERIS Lifesciences Limited	Independent Director
4	Varroc Engineering Limited	Independent Director
5	Intellect Design Arena Limited	Independent Director
6	Ingersoll- Rand (India) Limited	Independent Director

c) Mr. Anujj Patodia

Sr. No	Name of Listed Entity	Category of Directorship
1	Prime Urban Development India Limited	Managing Director

d) Mr. Rahul Kanodia

Sr. No	Name of Listed Entity	Category of Directorship
1	Datamatics Global Services Limited	Whole Time Director

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**e) Dr. Shailesh Mehta**

Sr. No	Name of Listed Entity	Category of Directorship
1	Manappuram Finance Limited	Additional Independent Director

f) Mr. Piyush Goenka

Sr. No	Name of Listed Entity	Category of Directorship
1	Shilpa Medicare Limited	Additional Independent Director

g) Mr. Sudhir Jatia

Sr. No	Name of Listed Entity	Category of Directorship
1	Affle (India) Limited*	Independent Director

**Mr. Sudhir Jatia's term has expired as Independent Director on 31st May 2020*

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

1. Mr. Punkaj Lath
2. Mr. Sumeet Nagar

(D) Disclosure of relationships between Directors:

As on 31st March 2020, 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 2020, none of the Non- Executive Directors hold any shares or convertible instruments of the Company.

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

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

(G) Fulfilment of the criteria to be Independent Director

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

(H) Separate Meeting of Independent Directors:

As stipulated under Section 149 of the Act read with Schedule IV pertaining to the Code of Independent Directors and Regulation 25 of Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 05th February 2020 with the following agenda:

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

(I) Skills / expertise / competence of board of directors

The Board of Directors of the Company possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**3. AUDIT COMMITTEE:****Composition and Meetings of the Audit Committee**

As on 31st March, 2020 the Audit Committee comprises of members as stated below. The Committee met 4 (four) times during the financial year 2019-20 i.e. on 13th May 2019, 12th August 2019, 11th November 2019 and 05th February 2020. The Composition and attendance of members at the Committee meeting is given below:

Name of Member	Category	Number of meetings attended
Dr. Shailesh Mehta	Chairman	3 out of 4
Mr. Punkajj Lath	Member	4 out of 4
Mr. Dalip Sehgal	Member	4 out of 4
Mr. Piyush Goenka	Member	4 out of 4

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

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

1. 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.

4. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE:**Composition and Meetings of the Nomination, Remuneration and Compensation Committee**

As on 31st March 2020, the Committee comprises of members as stated below. The Committee met 4 (four) times during the financial year 2019-20 i.e. on 13th May 2019, 12th August 2019, 11th November 2019 and 05th February 2020.

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

Name of Member	Category	Number of meetings attended
Mr. Punkajj Lath	Chairman	4 out of 4
Dr. Shailesh Mehta	Member	3 out of 4
Mrs. Vijaya Sampath	Member	4 out of 4
Mr. Piyush Goenka	Member	4 out of 4

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

- A. 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.
- B. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- C. Devising a policy on diversity of Board of Directors;
- D. 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.
- E. Implementation, administration and superintendence of the employee stock option purchase (ESOP) Scheme and formulate the details terms and conditions of the ESOP Scheme.
- F. 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.
- G. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Performance evaluation criteria for Independent Directors of the Company:

During the year under review, performance evaluation of the Independent Directors was carried out by the entire Board excluding the Independent Director being evaluated as per the criteria adopted by the Board. The performance evaluation was evaluated on the various parameters such as Participation at Board/ Committee Meetings, Relationship, Knowledge and Skill, Independence, Overall rating of Director performance.

5 REMUNERATION OF DIRECTORS:

Remuneration to Managing Director:

Mr. Sudhir Jatia was appointed as the Managing Director of the Company for a period of 3 years with effect from 18th April 2018. His remuneration includes basic salary, contribution to provident fund, gratuity, variable performance pay upto 1% of the net profit calculated as per Section 198 of the Act and perquisites (including monetary value of taxable perquisites) etc.

The remuneration paid to Mr. Sudhir Jatia for the financial year 2019-20 is set out in Annexure F (Form No. MGT- 9) to the Director's Report which forms part of this Annual Report. No stock option were issued to the Managing Director of the Company during the financial year 2019-20

Service contract / notice period / severance fees:

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

Remuneration to other Directors:

During the financial year under review, Sitting fees paid to the Non-Executive Directors were revised for Board Meeting with effect from 13th May, 2019 from ` 30,000/- to ` 50,000/- per meeting, ` 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 2019-20 is set out in **Annexure F** (Form No. MGT 9) to the Director's Report which forms part of this Annual Report.

6 STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Composition and Meetings of the Stakeholders Relationship Committee

As on 31st March 2020, the Committee comprises of members as stated below. The Committee met 15 times during the financial year 2019-20.

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

Name of Member	Category	Number of meetings attended
Mr. Punkajj Lath	Chairman	14 out of 15
Mr. Sudhir Jatia	Member	15 out of 15
Mr. Piyush Goenka	Member	14 out of 15

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

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

Number of Complaints

Pending at the beginning of the financial year	Nil
Received during the financial year	5
Disposed off during the financial year	5
Pending at the end of the financial year	Nil

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**7 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:****Composition and Meetings of the CSR Committee**

As on 31st March 2020, the CSR Committee comprises of members as stated below. The Committee met 2 (Two) times during the financial year 2019-20 i.e. on 13th May, 2019 and 05th February, 2020

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

Name of Member	Category	Number of meetings attended
Mr. Sudhir Jatia	Chairman	2 out of 2
Mr. Piyush Goenka	Member	2 out of 2
Mrs. Vijaya Sampath	Member	2 out of 2

The Board of Directors of the Company has adopted a CSR Policy of the Company which was reviewed and recommended by the CSR Committee of the Company. The CSR Policy of the Company is placed on Company's website and the web link <https://www.safaribags.com/investors-relations/policies/>

8 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
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
2017-2018	38 th AGM on 13 th August 2018 at 2.00 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	Yes 1. Re-appointment of Mr. Sudhir Jatia (DIN 00031969) as Managing Director of the Company 2. Approval of payment of remuneration by way of Commission to Non-Executive Directors
2018-2019	39 th AGM on 12 th August 2019 at 2.00 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

POSTAL BALLOT:

Yes, Company held postal ballot on 24th June, 2019 special resolution(s) was passed during the financial year 2019-20 through postal ballot.

Item No.	Brief Particulars of the Special Resolutions
1	Raising of Funds through issue of Equity Shares
2	To re-appoint Mr. Shailesh Mehta as an Independent Director of the Company
3	To re-appoint Mr. Dalip Sehgal as an Independent Director of the Company
4	To re-appoint Mr. Punkajj Lath as an Independent Director of the Company

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**9 MEANS OF COMMUNICATION:****Publication of results:**

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

Website and News Releases:

All official news releases and financial results are communicated by the Company through its corporate website www.safaribags.com. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through the BSE Listing Centre & NSE Electronic Application Processing System (NEAPS) Portal.

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

10 GENERAL SHAREHOLDER INFORMATION:**Annual General Meeting (AGM):**

- Day, Date, Time : Thursday, 13th August 2020 at 12:00 p.m.
- Venue: Annual General Meeting through Video Conferencing / Other Audio Visual Means facility

Financial year: 01st April 2019 to 31st March 2020

Listing Details:	BSE Limited Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	The National Stock Exchange of India Limited Exchange Plaza, Plot C / 1, Block G, BKC, Bandra (E), Mumbai - 400 051.
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Stock Code:	BSE: 523025	NSE: SAFARI
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Listing Fees: The Company has paid the annual listing fees for the financial year 2019-20

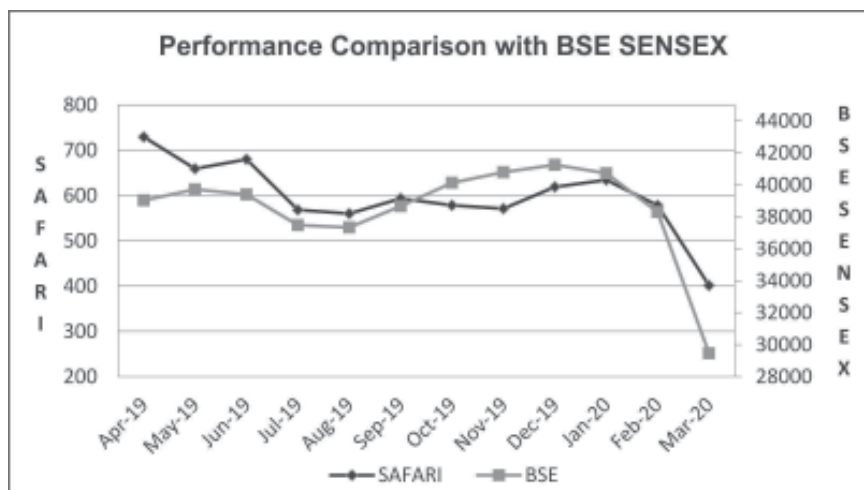
Market Price data: High, Low during each month in financial year 2019-20

Month	BSE High	BSE Low	NSE High*	NSE Low*
April 2019	754.95	702.00	—	—
May 2019	734.95	615.00	—	—
June 2019	700.00	622.20	—	—
July 2019	690.00	550.00	—	—
August 2020	581.95	481.00	—	—
September 2019	628.20	532.55	633.95	477.70
October 2019	615.00	540.00	619.00	535.30
November 2019	599.00	540.00	598.00	530.05
December 2019	653.85	560.00	656.20	565.95
January 2020	667.00	598.10	649.00	595.00
February 2020	732.95	551.00	698.00	552.10
March 2020	598.00	295.45	630.00	289.60

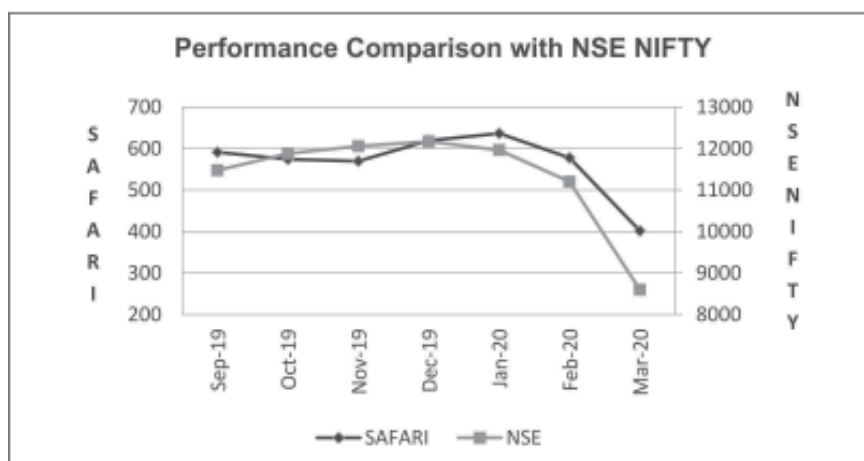
* the Company shares got listed on NSE w.e.f. 12th September, 2019

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Performance in comparison with BSE Sensex;



Performance in comparison with NSE Nifty;



Note: The Company shares got listed on NSE w.e.f 12th September, 2019

Suspension from trading: No equity shares were suspended from trading during the financial year 2019-20

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

Share Transfer System:

Adroit Corporate Services Pvt. Ltd. (Adroit), Share Transfer Agent of the Company, handles share and shareholders related matters. Adroit has adequate infrastructure to process share transfer related matters. Pursuant to the proviso of regulation 40 of Listing Regulations, except in case of transmission or transposition of securities, transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Distribution of shareholding as on 31st March 2020:**

Shares slab	No. of Shareholders	% to total	No. of Shares	Amount in `	% to Total
upto 5,000	8,840	99.00	17,50,007	35,00,014	7.83
5001 to 10,000	28	0.31	2,00,150	4,00,300	0.89
10,001 to 20,000	25	0.29	3,63,795	7,27,590	1.63
20,001 to 50,000	19	0.21	5,51,055	1,102,110	2.46
50,001 to Above	17	0.19	19,498,993	3,89,97,986	87.19
Total	8,929	100.00	2,23,64,000	4,47,28,000	100.00

Dematerialization of Shares and Liquidity:

98.49% of shareholding was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March 2020.

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

* The Company equity shares got listed with NSE w.e.f. 12th September, 2019

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

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

The Company has granted stock options to its employees under the Employee Stock Option Scheme. The Company allots equity shares from time to time on exercise of stock options by the employees pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Employee Stock Option Scheme(s). As on 31st March 2020, 65,000 stock options were outstanding.

Commodity price risk or foreign exchange risk and hedging activities:

- **Risk Management Policy:**

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

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

The Board has adopted a 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.

- **Commodity risks exposure:**

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

Plant Location:

The Company's Plant is located at Plot No. 1701, 2200, 2201, GIDC Industrial Estate, Halol 389350, Dist. Panchmahal, 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.safaribags.com **Email:** investor@safari.in

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Credit Ratings:**

During the financial year ended 31st March 2020, the Company received following credit ratings:

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

11 OTHER DISCLOSURES:**(a) Materially significant related party transactions:**

There were no materially significant transactions with related parties during the financial year 31st March 2020 that were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (IAS 24) has been made in the notes of the Financial Statements and in the Board Report as required under Section 134 of the Act.

(b) Details of non-compliance:

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

(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.safaribags.com/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 Listing Regulations. In addition, Company has adopted the following non-mandatory requirement:

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

(e) Policy determining Material Subsidiaries.

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

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

(f) Policy on Related Party Transactions:

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

(g) Utilization of funds:

Not applicable

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

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**(i) Recommendation of Committee to the Board for approval:**

During the financial year 2019-20, none of the recommendations of the Committees of the Board were disapproved by the Board of Directors of the Company.

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

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

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

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

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

- No. of complaints filed during FY2019-20 : Nil
- No. of complaints disposed of during FY2019-20 : Nil
- No. of complaints pending as on 31st March 2020 : Nil

l) Compliance with 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:

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

(m) Managing Director/ CFO Certification:

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

(n) 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.

o) Code of Conduct:

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

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

SUDHIR JATIA

Chairman & Managing Director
DIN:00031969

Place: Mumbai

Date: 04th June 2020

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 2020 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: 04th June 2020

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 31st March, 2020, as stipulated under Regulation 17 to 27, Clause (b) to (i) of Sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in the SEBI Listing Regulations for the year ended on 31st March, 2020.

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

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

For **NINAD AWACHAT & ASSOCIATES**
Company Secretaries

Ninad Awachat
Proprietor

Membership No : 26995
C.P No : 9668

Place : Mumbai
Date : 04th June 2020

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 2020.

Place: Mumbai
Date: 04th June 2020

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**

- Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: 40:1
- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name & Designation	Percentage increase
Mr. Sudhir Jatia, Managing Director	20.04%
Mr. Vineet Poddar, Chief Financial Officer	14.24%
Mr. Rameez Shaikh, Company Secretary	13.00%

- The percentage increase in the median remuneration of employees in the financial year: 8.47%
- The number of permanent employees on the rolls of company: 1388 employees
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 8.79% and is in line with the increase in the managerial remuneration;
- 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: 04th June 2020

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, 2020*[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 31st March, 2020 ("**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 31st March, 2020 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 amended and named as The Securities and Exchange Board of India (Depositories and Participants) Regulations 2018 and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing were not attracted to the Company during the Financial Year under report.
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulation 2011.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits) 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)

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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 01st 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.

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 which took place in the Company:

- i. The equity shares of the Company were listed on National Stock Exchange with effect from 12th September 2019 under scrip symbol "Safari".

For **NINAD AWACHAT & ASSOCIATES**
Company Secretaries

Ninad Awachat
Proprietor

Membership No : 26995
C.P No : 9668

Place : Mumbai

Date : 04th June 2020

Note: In view of COVID-19 pandemic physical verification of records of the Company at the registered office of the Company was restricted. Therefore the Secretarial Audit of the Company was conducted using appropriate information technology tools to access relevant documents, records of the Company in accordance with guidance issued by The Institute of Company Secretaries of India ("ICSI") dated 04th May 2020.

Annexure I:

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Annexure E****Form AOC-1**

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

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(` in lakhs)

Sr. No.	1
Name of the Subsidiary	Safari Lifestyles Limited
Reporting period	01/04/2019 to 31/03/2020
Reporting currency	INR
Share capital	5.00
Reserves & surplus	77.04
Total assets	129.92
Total Liabilities	47.87
Investments	Nil
Turnover	830.41
Profit / (Loss) before taxation	(37.63)
Provision for taxation	(9.47)
Profit / (Loss) after taxation	(28.16)
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)

PUNKAJ LATH

Director

(DIN : 00172371)

VINEET PODDAR

Chief Financial Officer

RAMEEZ SHAIKH

Company Secretary

Place: Mumbai

Date: 04th June 2020

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Annexure F****Form No. MGT-9****Extract of Annual Return****As on Financial Year ended on 31st March 2020***[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	08 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.safaribags.com
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	33%
2	Soft Luggage	15121	67%

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 held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	PROMOTERS									
1)	Indian									
a)	Individual / HUF	1,05,87,500	-	1,05,87,500	47.42	1,04,00,000	-	1,04,00,000	46.50	(0.92)
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	22,73,465	-	22,73,465	10.18	22,73,465	-	22,73,465	10.17	(0.01)
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total(A)(1):	1,28,60,965	-	1,28,60,965	57.61	1,26,73,465	-	1,26,73,465	56.67	(0.93)
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)		1,28,60,965	-	1,28,60,965	57.61	1,26,73,465	-	1,26,73,465	56.67	(0.93)
B	PUBLIC SHAREHOLDING									
1.	Institutions									
a)	Mutual funds	-	1,500	1,500	0.01	-	1,500	1,500	0.01	-
b)	Banks / FI	500	-	500	0.00	801	-	801	0.00	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FPIs / FIIs	22,29,138	-	22,29,138	9.98	36,45,090	-	36,45,090	16.30	6.32
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Alternate Investment Fund	1,22,080	-	1,22,080	0.55	1,80,080	-	1,80,080	0.81	0.26
j)	Others:	31,18,781	-	31,18,781	13.97	16,18,781	-	16,18,781	7.24	(6.73)
	Sub-total (B)(1):	54,70,499	1500	54,71,099	24.51	54,44,752	1,500	54,46,252	24.35	(0.16)
2.	Non-Institutional									
a)	Bodies Corp									
i.	Indian	6,13,876	1,000	6,14,876	2.74	2,87,703	1,000	2,88,703	1.29	(1.45)
ii.	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i.	Individual shareholders holding nominal share capital upto ` 1 lakh	19,97,604	3,71,005	23,68,609	10.61	20,97,841	3,35,755	24,33,596	10.88	0.27
ii.	Individual shareholders holding nominal share capital in excess of ` 1 lakh	5,16,201	-	5,16,201	2.31	10,55,507	-	10,55,507	4.72	2.41
c)	Others									
i.	Clearing members	3,792	-	3,792	0.02	5266	-	5266	0.02	-
ii.	IEPF	3,24,850	-	3,24,850	1.46	3,24,350	-	3,24,350	1.45	(0.01)
iii.	Trusts	100	-	100	0.00	100	-	100	0.00	-
iv.	NRIs	1,63,608	500	1,64,108	0.74	1,36,261	500	1,36,761	0.61	(0.13)
	Sub-total(B)(2):	36,20,031	3,72,505	39,92,536	17.88	39,07,028	3,37,255	42,44,283	18.98	1.09
Total Public shareholding (B)= (B)(1)+(B)(2)		90,90,530	3,74,005	94,64,535	42.39	93,51,780	3,38,755	96,90,535	43.33	0.94
C	SHARES HELD BY CUSTODIAN FOR GDRS & ADRS									
		-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)		2,19,51,495	3,74,005	2,23,25,500	100.00	2,20,25,245	3,38,755	2,23,64,000	100.00	-

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares for FV of ` 2 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.	Mr. Sudhir Jatia	1,05,87,500	47.42	0.00	1,04,00,000	46.50	0.00	(0.92)
2.	Safari Investments Pvt Ltd	22,73,465	10.18	0.00	22,73,465	10.17	0.00	(0.01)
Total		1,28,60,965	57.60	0.00	1,26,73,465	56.67	0.00	(0.93)

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	1,05,87,500	47.42		
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.):*				
1 Sale in Market	(1,87,500)	(0.84)	1,04,00,000	46.50
At the end of the year	1,04,00,000	46.50	-	-
Safari Investments Private Limited				
At the beginning of the year	22,73,465	10.18		
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.):	-	-	22,73,465	10.17
At the end of the year	22,73,465	10.17	-	-

*During the year under review, due to increase in Paidup-capital of the Company, percentage shareholding will differ from beginning of year and end of the year.

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. Malabar India Fund Limited					
	At the beginning of the year	19,01,743	8.52	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)				
	27 / 09 / 2019 (Buy)	32,146	0.14	19,33,889	8.66
	11 / 10 / 2019 (Buy)	501	0	19,34,390	8.66
	18 / 10 / 2019 (Buy)	3,728	0.02	19,38,118	8.67
	29 / 11 / 2019 (Buy)	22,542	0.1	19,60,660	8.78
	13 / 12 / 2019 (Buy)	2,01,008	0.9	21,61,668	9.67
	20 / 03 / 2020 (Buy)	2664	0.01	21,64,332	9.68
	At the end of the year (or on the date of separation, if separated during the year)	21,64,332	9.68		
2. Tano India Pvt Equity Fund II					
	At the beginning of the year	27,15,000	12.16	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	22 / 11 / 2019 (sell)	(4,30,000)	(1.92)	22,85,000	10.24
	26 / 11 / 2019 (sell)	(10,70,000)	(4.79)	12,15,000	5.45
	At the end of the year (or on the date of separation, if separated during the year)	12,15,000	5.43		
3. Saif India VI FII Holdings Limited					
	At the beginning of the year	0	0.00	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)				
	26 / 11 / 2019 (Buy)	5,78,992	2.59	5,78,992	2.59
	06 / 12 / 2019 (Buy)	6,613	0.03	5,85,605	2.62
	13 / 12 / 2019 (Buy)	28,625	0.13	6,14,230	2.75
	21 / 02 / 2020 (Buy)	31,470	0.14	6,45,700	2.89
	28 / 02 / 2020 (Buy)	1,00,130	0.45	7,45,830	3.33
	06 / 03 / 2020 (Buy)	17,390	0.08	7,63,220	3.41
	13 / 03 / 2020 (Buy)	5,000	0.02	7,68,220	3.44
	20 / 03 / 2020 (Buy)	2,978	0.01	7,71,198	3.45
	At the end of the year (or on the date of separation, if separated during the year)	7,71,198	3.45		

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.	Old Well Emerging Markets Master Fund Ltd.				
	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 / 11 / 2019 (Buy)	4,30,500	1.93	4,30,500	1.93
	At the end of the year (or on the date of separation, if separated during the year)	4,30,500	1.93		
5.	Rajeev Chitrabhanu HUF				
	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.) 27 / 03 / 2020 (Buy)	4,17,035	1.86	4,17,035	1.86
	At the end of the year (or on the date of separation, if separated during the year)	4,17,035	1.86		
6.	Malabar Value Fund				
	At the beginning of the year	4,03,781	1.81	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	4,03,781	1.81		
7.	Mr. Ashish Kacholia				
	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.) 26 / 11 / 2019 (Buy) 29 / 11 / 2019 (Buy) 03 / 01 / 2020 (Buy) 07 / 02 / 2020 (Buy) 20 / 03 / 2020 (Buy)	42,297 1,75,703 1,00,000 57,000 8,415	0.19 0.79 0.45 0.25 0.04	42,297 2,18,000 3,18,000 3,75,000 3,83,415	0.19 0.98 1.42 1.68 1.71
	At the end of the year (or on the date of separation, if separated during the year)	3,83,415	1.71		

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
8.	Investor Education and Protection Fund A				
	At the beginning of the year	3,24,850	1.46	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.) 19/07/2019 (Refunded to investor)	(500)	0.00	3,24,350	1.45
	At the end of the year (or on the date of separation, if separated during the year)	3,24,350	1.45		
9.	Mr. Jatinder Agarwal				
	At the beginning of the year	1,25,000	0.55	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.) 29/11/2019 (Buy) 06/12/2019 (Buy) 13/12/2019 (Buy) 20/12/2019 (Buy) 31/12/2019 (Buy) 10/01/2020 (Buy) 06/03/2020 (Buy) 13/03/2020 (Buy)	10,653 25,233 8,586 4,058 1,470 2,345 12,484 10,171	0.05 0.11 0.04 0.02 0.01 0.01 0.06 0.05	1,35,653 1,60,886 1,69,472 1,73,530 1,75,000 1,77,345 1,89,829 2,00,000	0.61 0.72 0.76 0.78 0.78 0.79 0.85 0.89
	At the end of the year (or on the date of separation, if separated during the year)	2,00,000	0.89		
10.	Al Mehwar Commercial Investments LLC				
	At the beginning of the year	1,22,750	0.55	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)				
	At the end of the year (or on the date of separation, if separated during the year)	1,22,750	0.55		

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

Except for Mr. Sudhir Jatia, Chairman & Managing Director, and Mr. Vineet Poddar, Chief Financial Officer, none of the other Directors or Key Managerial Personnel hold shares in the Company. Details of Mr. Sudhir Jatia and Mr. Vineet Poddar'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	1,05,87,500	47.42		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.)* 13 / 12 / 2019 (Sell)	1,87,500	0.84	1,04,00,000	46.50
	At the end of the year	1,04,00,000	46.50		
B	Mr. Vineet Poddar - Chief Financial Officer				
	At the beginning of the year	12,000	0.05		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc.) ESOP Allotment on 12 th August 2019	9,000	0.04	21,000	0.09
	At the end of the year	21,000	0.09		

*During the year under review, due to increase in Paidup-capital of the Company, percentage shareholding will differ from beginning of year and end of the year.

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

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	9,422.83	1,000.00	-	10,422.83
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	10.10	1.52	-	11.62
Total (i +ii+ iii)	9,432.93	1,001.52	-	10,434.45
Change in indebtedness during the financial year				
Addition	9.59		-	9.59
Reduction	1,911.98	1,001.52	-	2,903.91
Net change	1,902.39	1,001.52	-	2,903.91
Indebtedness at the end of the financial year				
i. Principal Amount	7,525.91	-	-	7,525.91
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	4.63	-	-	4.63
Total (i +ii+ iii)	7,530.54	-	-	7,530.54

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

Sr. No.	Particulars of Remuneration	Mr. Sudhir Jatia Managing Director
1.	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	86.60
	b) Value of perquisites u / s 17(2) of the Income Tax Act, 1961	4.69
	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 (Performance Linked Pay)	-
	Others, specify	-
5.	Others	
	Company's contribution to Provident Fund	10.29
	Total (A)	101.57
	Ceiling as per the Act**	204.35

** 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 lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Dr. Shailesh Mehta	Mr. Punkaj Lath	Mr. Dalip Sehgal	Mrs. Vijaya Sampath	Mr. Rahul Kanodia	
	Fee for attending Board Committee meetings	2.40	3.41	2.80	2.60	1.50	12.71
	Commission	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—
	Total (1)	2.40	3.41	2.80	2.60	1.50	12.71
2	Other Non-Executive Directors	Mr. Anuj Patodia	Mr. Piyush Goenka	Mr. Sumeet Nagar [#]			
	Fee for attending Board Committee meetings	1.00	2.00	NIL	—	—	3.00
	Commission	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—
	Total (2)	1.00	2.00	NIL			3.00
	Total B= (1+2)						15.71
	Ceiling as per the Act*						40.87
	Total Managerial Remuneration						117.28
	Overall ceiling as per the Act**						449.57

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

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

[#] Mr. Sumeet Nagar has been appointed as additional director w.e.f 05th February 2020 and has waived off his entitlement to receive sitting fees and commission**C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD**

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
		Mr. Vineet Poddar	Mr. Rameez Shaikh	
1.	Gross Salary			
	a Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	91.63	18.02	109.65
	b Value of perquisites u / s 17(2) of the Income Tax Act, 1961	0.40	0.32	0.72
	c Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	—	—	—
2.	Stock Option	39.73	—	39.73
3.	Sweat Equity	—	—	—
4.	Commission			
	As % of profit	—	—	—
	Others, specify	—	—	—
5.	Others			
	Company's contribution to Provident Fund	5.04	1.15	6.19
	Total	136.80	19.49	156.29

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: 04th June 2020

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:
 - Plant Shop floor : Roof cement sheets replaced with GI sheet and Translucent Poly sheet leading to stoppage of light across shop floor during day time with improved lux levels during day time. Time based assembly lines fans operation done for auto on / off.
 - Thermoforming Machines: Installation of two stage forming machines have reduced both air consumption and Electricity consumption per luggage, provision of additional air receiver tank in machines to reduce compressor loading time. Resulted into better productivity at lower cost.
 - Different process optimizations / process improvement has given significant energy units saving like Auto-level controller for water input to machines.
- ii. The steps taken by the company for utilizing alternate sources of energy: No such steps were taken during the year under review.
- iii. Capital Investment on energy conservation equipment: No significant investments were made during the year under review.

(B) TECHNOLOGY ABSORPTION:

- i. Efforts made in technology absorption:
 - Two Stage Thermoforming Machines :- We have replaced Three stage forming machines with Two stage Forming machines, by using Two stage forming machines we have reduced the sheet size & offcut generation. This has resulted in saving of Electricity per luggage & increase in Extruder capacity.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution :
 - Following value engineering projects resulted into major cost benefits
 - Nylon shell lug was replaced with new PP lug with slim design thereby reducing the overall cost of product.
 - Zipper width reduced from 40 mm to 36 mm to reduce the cost & improve the product finish
 - Kissing puller replaced with non- kissing type puller
 - Trolley internal bracket removed across all sizes
 - Aluminum logo which was used in majority of products was modified to reduce the cost by using the MS bracket for fixture.
 - Started using lining of 190T specifications in all the Magnum products thereby reducing per meter lining cost.
 - Identified & started using TSA lock with per unit price less than the lock which was used earlier.
 - Major cost saving derived by removing the elastic & fastener from the top convi- pack.
 - Import substitute: Additional tooling for PVC handle developed to get 100% qty. from India.
 - Imported metal logos were replaced with low cost plastic logos 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 - ` 28,338.82 lakhs

Foreign exchange earned - NIL

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

Place: Mumbai

Date: 04th June 2020

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Annexure H****Management Discussion and Analysis****A. Industry Structure and Developments**

During the year the market growth slowed down driven by the drop in GDP growth in the economy as well as slow growth in the travel sector. The domestic aviation industry witnessed a growth of 3.74% in traffic in 2019 compared with 18.6% in 2018. At the end of the year the COVID 19 pandemic resulted in a strong growth shock, which is expected to result in medium-term demand slow-down, especially for the travel sector. As of now it is difficult to predict the timing and the nature of the bounce back in consumer demand.

During the year the E-commerce channel continued to grow well with increasing digital penetration and increasing shopper maturity to make higher ticket purchases online. Hyper channel growth saw some moderation with a slowdown in new store openings. Muted growth was seen across general trade and retail channel with changing shopper behaviour. Canteen Stores Department is the only channel that did not witness growth during the year.

Other structural factors driving industry growth continue to be in place such as accelerated shift in consumer preference away from unorganised labels to brands, a rising leisure travel culture and shortening replacement cycle for luggage as well as backpacks. While there is a large drop in industry growth that is expected due to COVID 19 impact, the overall long-term outlook for the sector remains robust.

Company Development:

The Company growth was impacted adversely during the year due to the overall industry slowdown, but it continued to grow ahead of the market. The company progressed towards developing into a well-diversified multi-channel and multi-category business. The company offers competitive & innovative range across all product categories designed specifically for the tastes and preferences of its target consumers.

The Company continued its focus on building the Safari brand via launches of innovative new products and advertising focussed towards recruiting younger consumers into the brand. The company focussed its brand building activities on the digital medium as well as mass media. The Magnum brand continued to grow well with an enhanced product portfolio targeting mass market value seeking consumers.

The Genie brand continued to innovate with a wider range of feminine designs targeted specifically at teenage and young girls. The brand grew well in the Backpack category and also forayed into a wider range of accessorised bags. The Genius brand widened its product portfolio to include innovative Backpacks targeted at toddlers and kids, expanding its target segment to all young boy. This is in line with the company's strategic intent targeting the high-growth Backpack market with multiple brands targeting specific consumer sub-segments.

The Company increased its thrust on Polycarbonate zippered case category in line with shifting consumer preference away from soft luggage. It continued to increase its polycarbonate ranges with a focus on upgradation in terms of features, design and price to drive strong share growth.

The Company significantly increased its focus in the E-commerce and Hypermarket channels with aggressive marketing investments in the top E-Commerce horizontal platforms and Hypermarket chains.

B. Opportunities and Threats

The COVID 19 global pandemic has impacted overall consumer demand across industries, but its impact is expected to be more severe and longer lasting in travel related industries. The consumer demand in the sector is expected to be muted in the medium term. While the timing and extent of bounce back on demand is difficult to predict, the Company is focussing on tightening its cost structure and streamlining its supply chain to ensure all resources are optimally used. The Company will also invest selectively in consumer demand in selective channels to maximise sales in the segments that bounce back earlier.

Imported Soft luggage and Backpacks are a major contributor to the sales of the Company. During the year, there was increased upwards pressure on buying costs of imported products from China due to adverse exchange rate movements. The Company has started hedging its foreign exchange exposure to mitigate its risk arising out of foreign exchange fluctuations. The Company continues to leverage its increasing scale to limit sourcing cost increase. The Company is also increasing its domestic procurement of Soft luggage and Backpack categories, apart from scaling up the revenue mix from Polycarbonate Uprights produced at its plant in Halol, Gujarat.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Given rising uncertainty induced by the recent demand-side shock as well as high competitive intensity, to continue to outperform the market and sustaining growth in the most important medium term challenge. The Company's linear structure facilitates faster and better decision making which allows the Company to grab opportunities in time.

C. Segment / Product-wise Performance

Significant growth was observed in the Polycarbonate zippered case category, due to an accelerating shift of consumer preference away from Soft Luggage to more durable and premium looking hard luggage. The Company is prepared to tap into this opportunity by introducing a wider range of Polycarbonate zippered cases and enhanced production capacity at its manufacturing plant in Halol, Gujarat.

The Company discontinued its product ranges of framed hard luggage, made of Polypropylene given the lack of consumer demand in this category. The consumer preferences have shifted away from traditional framed hard luggage towards the convenience of light and four wheeled travel products.

The Company continued to grow well in the Backpack category with an umbrella-brand Safari and sub-brands like Genius and Genie, that ensures that all major consumer segments have a relevant offer.

D. Outlook

The Company has strengthened its position in the travel lifestyle market place with new and innovative product offerings, wide distribution and higher investments in brand building. While the revenue is likely to drop in the near term due to the COVID 19 pandemic impact on consumer demand for travel products, the long-term structural growth drivers remain in place to drive a fast recovery.

To take advantage of shifting consumer tastes towards Polycarbonate zippered cases, the Company has made investments to upgrade and increase its manufacturing capacity of polycarbonate luggage at its Halol Plant. The Company has also made significant investments in modernising and improving its warehousing capability across key distribution points in the country. The Company continues reaping benefits of implementing SAP system which has a positive impact on operations and value chain. To diversify its supply chain and reduce costs, the Company is also increasing its outsourcing of soft luggage and backpacks from India and Bangladesh. These improvements will help the company in reducing costs and, making its supply chain leaner and more responsive to the changing market.

However, the near term revenue loss due to the COVID 19 pandemic will have adverse impact on the revenue and profit outlook for the year. In addition margins may continue to experience pressure on account upward pressure on buying costs due to currency exchange rates and import duty, etc. To pass on these cost escalations, the company took a price increase for its certain products last year. Considering the threats, opportunities and the strengths of the Company, the key task at hand will be to innovate on products and drive channels that help consumers with safer travel and a secure shopping experience, while continuing to maintain margins to the best possible level without affecting volume growth. Considering the uncertainty induced by the COVID 19 pandemic, the outlook for the current year looks muted, with adverse revenue growth impact expected at least for the first half of the year.

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 COVID 19 pandemic, overdependence on China for purchase of soft luggage, currency risk associated with imports, unfair competition etc.

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

F Internal Control Systems

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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.

G Financial Performance**Sales:**

The Revenue from Operations and Other Income of the Company for the year ended 31st March 2020 was at ₹ 68,210.99 lakhs (Previous Year ₹ 57,393.49 lakhs).

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 ₹ 3,051.08 lakhs (Previous Year ₹ 2,698.03 lakhs)

H Human Resource Development & Industrial Relations

A note on Human Resource is provided in the Directors' Report. The Company has in place 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 2020 was 1388.

I Financial ratios

Sr. No.	Particulars	2019-20	2018-19
i.	Debtors Turnover (days)	77	76
ii.	Inventory Turnover (days)	93	98
iii.	Interest Coverage Ratio [#]	5.01	10.07
iv.	Current Ratio	2.05	1.89
v.	Debt Equity Ratio*	0.33	0.52
vi.	Operating Profit Margin (%)	7.37%	7.87%
vii.	Net Profit Margin (%)	4.48%	4.71%

* Total debt of the Company has decreased as per its working capital requirement.

[#] Interest coverage ratio is not comparable due to transition to IND AS 116 and change in accounting of lease rent to amortisation expense and interest cost during FY 2019-20

J Return on net worth

Financial Year	2019-20	2018-19
Return on net worth (%)	14.21%	14.50%

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

Place: Mumbai
Date: 04th June 2020

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

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.safaribags.com/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: ` 2993.68 lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ` 59.87 lakhs

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: ` 60.00 lakhs

(b) Amount unspent, if any: Nil

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

(` in lakhs)

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.	Manav Mandir Mission Trust	construction of orphan children rooms for boarding & studying	Delhi	23.00	23.00	23.00	Directly
2.	Disha Foundation	New Learning Disability Centre	Jaipur	15.00	15.00	15.00	Directly
3.	Acess Life Assistance Foundation	Vehicle for transport of pediatric patients to and fro to the hospital.	Mumbai	22.00	22.00	22.00	Directly
	Total			60.00	60.00	60.00	

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

6. Reasons for not spending the amount: Not Applicable
7. Responsibility Statement: We hereby confirm that the CSR policy as approved by the Board has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with the CSR objectives.

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

Place: Mumbai
Date: 04th June 2020

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:

- a) Providing facilities to communities and other sections of the society located near to the Company's Plant - Halol - Gujarat in the form of primary health care support and sanitation, promoting education especially among children, women, senior citizen;
- b) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- c) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- d) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- e) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- f) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- g) Measures for the benefit of armed forces veterans, war widows and their dependents;
- h) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- i) Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- j) Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt;
- k) Rural development projects;
- l) Slum Area Development;
- m) Such other activity as the Board may consider appropriate which is in line with Schedule VII of the Companies Act, 2013 as amended from time to time.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Annexure J****BUSINESS RESPONSIBILITY REPORT**

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Directors hereby present the "Business Responsibility Report" of the Company for the Financial Year 2019-20.

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

SECTION-A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN)	L25200MH1980PLC022812
2	Name of the Company	Safari Industries (India) Limited
3	Registered office address	302-303, A wing, The Qube, CTS No.1498, MV Road, Marol, Andheri (East), Mumbai 400059
4	Website	www.safaribags.com
5	E-mail ID	investor@safari.in
6	Financial Year reported	1 st April 2019 to 31 st March 2020
7	Sectors that the Company is engaged in (Industrial activity code wise)	Luggage, travel goods, and backpacks.
8	List three key products the Company manufactures / provides (as in Balance Sheet)	1. Hard Luggage Case; 2. Soft Luggage Case and; 3. Backpacks
9	Total number of locations where business activity is undertaken by the Company:	Following are details pertaining to presence of the Company and activities, operations undertaken by it at national & international level:
	a) Number of International Locations (Provide details of major 5) b) Number of National Locations	a) The Company has Representative office at China. b) The registered office of the Company is situated in Mumbai, Maharashtra. The Company has presence across India in 21 states and has plant / factory located at Halol, Gujarat.
10	Markets served by the Company	1. Local - ✓ 2. State - ✓ 3. National - ✓

SECTION-B: FINANCIAL DETAILS OF THE COMPANY AS ON 31ST MARCH 2020

1	Paid up capital (INR)	As on 31 st March 2020, the Paid up Capital of the Company stood at ` 4,47,28,000/- consisting of 2,23,64,000 equity shares of ` 2/- each.
2	Total turnover (INR)	` 68,134.44 lakhs
3	Total profit after taxes (INR)	` 3,051.08 lakhs
4	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax	Please refer Annexure I to Board's Report for details on CSR initiatives undertaken by the Company.
5	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure I to Board's Report for details on CSR initiatives undertaken by the Company.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**SECTION-C: OTHER DETAILS**

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

SECTION-D: BR INFORMATION**1. Details of Director responsible for BR**

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

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

b) Details of the BR Head

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

2. Principle-wise (as per NVGs) BR Policy/Policies -Details of compliance -Reply in Yes (Y)/ No (N)

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

1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
3	Business should promote the wellbeing of all employees
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
5	Businesses should respect and promote human rights
6	Businesses should respect, protect, and make efforts to restore the environment
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8	Business should support inclusive growth and equitable development
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

3. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:	The policies and their implementation along with performance of the Company is monitored and reviewed by the Board of Directors periodically at their well convened meetings.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019 notification dated 26th December, 2019 to Top 1000 listed companies by market capitalization applicability of BRR This is the first Business Responsibility Report being published for the Financial Year 2019-20 by the Company. It will be made available on the website of the Company at https:// www.safaribags.com / The Business Responsibility Report will be published on an annual basis.

SECTION-E : PRINCIPLE-WISE PERFORMANCE**Principle 1 - Businesses should conduct and govern themselves with ethics, transparency and accountability**

1	Does the policy relating to ethics, bribery and corruption cover only the Company? COBC extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The company has well formulated code of conduct policy in place which governs the way in which the directors, senior officials and all levels of employees of the Company should behave in corporate atmosphere. The Code is applicable at Company level and binds Company's abroad offices as well. The framework has been set up for the Company and its associates covers dealings with suppliers, customers, business partners and other stakeholders
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	The Company has received 5 (five) complaints from stakeholders during the Financial Year 2019-20 and all were resolved within reasonable time.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Principle 2 - Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	Daypacks: These are ultra-compact backpacks that use minimum raw material to minimize environmental impact, while providing sufficient packing space for daily casual usage. Reduction in the usage of colour master-batch in the Company's Polycarbonate luggage manufacturing through better technology, to minimize its environmental impact. Launch of luggage in 3 piece and 2 piece nested sets to minimize the transportation impact on the environment.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	The Company is committed to environment sustainability. It constantly works towards reduction and optional utilization of energy, water, raw material, logistics, etc by incorporating new techniques and innovative ideas.
3	Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	As a Company, we are committed to energy conservation and environment sustainability. Towards achieving this, at Halol plant the Company is using latest available energy efficient technology & equipment.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes, the Company has taken various steps to procure goods and services from local and small producers, including communities surrounding the place of work of the Company at Halol Plant. The Company provide regular inputs and technical assistance in the form of imparting knowledge, training and process skills in order to upgrade their capacity and capabilities to maintain the quality and the Company also organizes training sessions to improve capacity and capability of local and small vendors. The Company is committed to grow small and medium scale entrepreneur based companies / Partnership Firms / LLPs who qualify parameters of our quality control department in line with ethics of the Company.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	The Company also manufactures plastic luggage. The plastic used is Polycarbonate. All waste plastic raw material used by the plant is reprocessed reducing the environmental impact.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Principle 3 - Businesses should promote well-being of all employees**

1	Total number of employees	The Company, as on 31 st March 2020 had 1388 Employees on its payroll.
2	Total number of employees hired on temporary / contractual / casual basis	1838
3	Number of permanent women employees	80
4	Number of permanent employees with disabilities	1
5	Do you have an employee association that is recognized by management	Yes
6	Percentage of permanent employees that are members of this recognized employee association	7%
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	NIL
8	Percentage of under mentioned employees who were given safety & skill up-gradation training in the last Financial year	a) Permanent employees:- 33% b) Permanent Women Employees:- 23% c) Casual / Temporary / Contractual employees / Apprentices :- 26% d) Employees with disabilities:- 100%

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

1	Has the company mapped its internal and external stakeholders? Yes / No	Yes, the company has through its extensive operations mapped its stakeholders i.e. internal as well as external stakeholders the major / key categories viz. shareholders, Central and State Governments / regulatory authorities, customers, employees, vendors, suppliers, media, financial institutions / banks, service providers, society at large.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	Yes, The Company acknowledges the important role played by the society in its growth and development and strives to discharge its responsibility towards the society at large. The Company has identified disadvantaged, vulnerable & marginalized stakeholders belonging to the society and has meticulously included their welfare in its CSR initiative.
3	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide the details thereof, in about 50 words or so.	The Company's management believes that the society being its majority stakeholder, is entitled to certain welfare oriented enrichments. Keeping the same in mind, the Company has made efforts to improve standard of living of orphans by contributing to building of stay homes and has also made significant contributions to healthcare.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Principle 5 - Business should respect and promote human rights**

1	Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company firmly believes in upholding and promoting human rights. It adheres to all statutes which embodies the principles of human rights such as prevention of child labour and women empowerment. The HR Policy strives at the employees having a humane approach when dealing with internal and external stakeholders and includes values relating to respecting human rights and women empowerment. The Policy extends to its consultants and others who represent or act on behalf of the Company. The Company is committed towards respect and protection of humans and their rights.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company has received 5 (Five) complaints from stakeholders during the Financial Year 2019-20 and all were resolved within reasonable time.

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

1	Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOsothers.	The company finds endeavor in doing business which is ecologically sustainable and which achieves / strikes balance between environmental protection & economic returns. The Company strives to use energy in the most efficient, cost-effective and environmentally responsible manner.
2	Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.	As a responsible Corporate, the Company is committed to energy conservation. Towards achieving this, it uses latest available energy efficient technology & equipment. The Company also on periodic basis reviews the operations undertaken to mitigate potentially environment damaging practices and adopt business practices which are aimed towards preservation of environment.
3	Does the company identify and assess potential environmental risks? Y / N	Yes. The Company on regular intervals identifies such factors.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company has recently invested in 40 KLD New Sewage treatment plant. All treated water we have used at cooling tower and garden area. We have regularly submitted environmental statement to the Gujarat Pollution control board (SPCB).
5	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.	The Company also re-uses scrap hard luggage items as raw material which reduces waste.
6	Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?	The Company does not exert any harmful emissions and waste generated by Company is within the limits as prescribed by SPCB for the Financial Year and all wastes generated by the Company are re-usable and recyclable.
7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	The Company has not received any such notice during the Financial Year 2019-20

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Principle 7 - Business when engaged in influencing public and regulatory policy should do so in a responsible manner.**

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

Principle 8 - Business should support inclusive growth and equitable development

1	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company believes in the inclusive growth of internal and external stakeholders and accordingly has taken bird's- eye view while framing its policies and business practices which will ensure equitable development of stakeholders. The details of the CSR projects / activities undertaken by the Company are described in ' Annexure - I ' of Directors' Report - Annual Report on CSR activities.
2	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?	The Company engages third parties / agencies such as NGOs and other authorized organizations to carry out its CSR initiatives.
3	Have you done any impact assessment of your initiative?	The CSR Committee on regular basis discusses and reviews the impact of Company's CSR initiatives.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	The Company, during the Financial Year 2019-20 has spent Rs.60,00,000/- (Rupees Sixty Lakh). The brief details of the same are provided in Annexure A of Board Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	The Company's management internally reviews and discusses the proposal which carries more significance with respect to protection of environment, human life and overall welfare of the society is adopted and implemented. Upon CSR proposals so received and it is put up to the CSR Committee for its consideration and approval.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

1	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	Customer Satisfaction is of utmost important for the Company. The Company receives customer complaints which are appropriately redressed. At the end of the financial year under review there was negligible percentage of unresolved complaints.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	Yes, the Company observes the local and central laws in this regards and displays necessary and relevant information on the product label.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	There have been no such cases filed against the Company during preceding five years and which are pending as on 31 st March 2020.
4	Did your company carry out any consumer survey / consumer satisfaction trends?	Yes, the Company conducts consumer surveys and consumer trend mapping exercises on a periodic basis to develop a strong understanding of consumer behavior. This is used as an input into developing product innovations as well as brand communication.

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the standalone financial statements of **Safari Industries (India) Limited** ("the Company"), which comprise of Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to the Note 30(d) of the standalone financial statements, with regard to Management's assessment of, inter-alia, realisability of inventories of ₹ 16,003.38 lakhs and recoverability of trade receivables of ₹ 14,766.93 lakhs, due to COVID 19 pandemic outbreak. The Management apart from considering the internal and external information up to the date of approval of these standalone financial statements, the Company has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to in future economic conditions as may pan out in future. Our report is not modified in respect of this matter.

Key Audit Matters

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

Sr. No.	Key Audit Matters	Auditor's response
1.	Inventory - existence and valuation As at March 31, 2020, the Company held inventories of ₹ 16,003.38 Lakhs. [Also, refer Note no. 10 of the standalone financial statements] Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). As explained by the Management, due to COVID 19 related restriction on account of nationwide	Audit procedures performed: We have performed following alternative audit procedures over inventory existence and valuations. (a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have operated effectively.

INDEPENDENT AUDITORS' REPORT

Sr. No.	Key Audit Matters	Auditor's response
	lockdown, physical verification of inventories of ` 6,414 lakhs at certain locations as on the Balance sheet date couldn't be carried out by the Company. In view of the above, the matter has been determined to be a key audit matter.	(b) Performing procedures to ensure that the changes in inventory are properly recorded. (c) Performing substantive analytical procedures to test the correctness of inventory existence and valuation (d) Testing of accuracy of inventory reconciliations with the general ledgers at period end, including test of reconciling items. The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation. Reference is also invited to Opinion para of internal financial control report in Annexure "B"
2.	Trade receivables-collectability and certainty As at March 31, 2020, the Company held trade receivables of ` 14,766.93 lakhs. [Also, refer Note no. 11 of the standalone financial statements] Trade receivables collectability and certainty was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, resulted in non receipt of direct confirmations and reconciliations from the customers. In view of the above, the matter has been determined to be a key audit matter.	Audit procedures performed: We have performed following alternative audit procedures over trade receivables: (a) Performing procedures to ensure that the changes in trade receivables between the last confirmation receipt and date of the Balance sheet are properly recorded (Roll forward procedures) (b) Performing substantive analytical procedures to test the correctness of receivables valuation (c) Testing of accuracy of trade receivables reconciliations with the general ledgers during the year, including test of reconciling items (d) We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management. The procedures performed gave us a sufficient evidence to conclude about the collectability and certainty of trade receivables. Reference is also invited to Opinion para of internal financial control over financial reporting report in Annexure "B"
3.	Allowance for sales returns The Company sells its products through various channels like retailers, institutions, modern trade etc. The Company makes the allowance for sales returns based on the past experience in various channels and determines the quantum of allowance which requires significant estimation and judgment, particularly in COVID 19 situation. In view of the above, the matter has been determined to be a key audit matter.	Audit procedures performed: • Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing for sales returns. We also performed sufficient test of details as a part of our audit. • Ensured the completeness of liability recognized by evaluating the actual returns in the past. • We have also assessed the reasonableness of the estimates and judgment applied to determine the quantum of the allowance, inter alia, considering the present COVID 19 situation. The combination of these tests of controls and procedures performed, gave us a sufficient evidence to rely on the assessment made by the management in respect of allowance for sales returns.

INDEPENDENT AUDITORS' REPORT

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

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we required to report that fact. We have nothing to report in this regard.

Management responsibilities for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
- (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

INDEPENDENT AUDITORS' REPORT

- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on records by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "B"**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No. 34 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts to be transferred, to the Investor Education and Protection Fund by the Company.

Mumbai

Date : 04th June 2020

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

R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **20044101AAAADC8830**

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, 2020**

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. However, due to COVID 19 related nationwide lockdown, the Management was not able to perform year end physical verification of fixed assets as per the phased programme. According to the information and explanations given to us, management does not expect any material discrepancy as an when the physical verification is carried out.
 (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. Due to COVID 19 related nationwide lockdown, the Management was not able to perform year end physical verification of inventory aggregating to ` 6,414 lakhs at certain locations. According to the information and explanations given to us, management does not expect any material discrepancy as an when the physical verification is carried out.
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 and therefore reporting of compliance of Section 185 of the Act doesn't arise.
5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, goods and service tax, service tax, duty of customs and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the dues	` in lakhs	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh Value Added Tax, 2008	Value Added Tax	2.36	2014-15	Commercial Tax Dept. Uttar Pradesh
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
Kerala Value Added Tax Act, 2003	Value Added Tax	4.65	2012-13	Deputy Commissioner appeal, Kerala
Bihar Value Added Tax Act, 2005	Value Added Tax	4.49	2013-14	Commissioner appeal, Bihar

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 to 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 Financial Statements.
14. The Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures referred to in Section 42 of the Act during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
16. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Mumbai
Date : 04th June 2020

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)
R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **20044101AAAADC8830**

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 31st March, 2020 in conjunction with our audit of the Standalone 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 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 31st March, 2020, except certain year end controls related to inventory and receivables, due to prevailing pandemic condition, reference is also invited to Key audit Matters para in our mail audit report, 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 : 04th June 2020

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)
R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **20044101AAAADC8830**

STANDALONE FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH 2020

		` in lakhs	
	Note no.	As at 31 st March 2020	As at 31 st March 2019
Assets			
Non-current assets			
Property, plant and equipment	3	4,095.73	2,591.48
Right-of-use assets	5	3,695.77	-
Capital work-in-progress	6	23.47	-
Intangible assets	4	152.16	302.81
Financial assets			
Investments	7	5.00	5.00
Other financial assets	8	399.34	448.51
Deferred tax assets (net)	28	186.27	47.14
Income tax assets (net)		307.31	120.75
Other non-current assets	9	132.76	284.96
Total non-current assets		8,997.81	3,800.65
Current assets			
Inventories	10	16,003.38	18,582.32
Financial assets			
Trade receivables	11	14,766.93	14,108.41
Cash and cash equivalents	12	41.49	37.22
Other bank balances	13	39.07	32.11
Other financial assets	8	211.06	133.39
Other current assets	9	1,434.43	1,771.77
Total current assets		32,496.36	34,665.22
Total assets		41,494.17	38,465.87
Equity and liabilities			
Equity			
Equity share capital	14	447.28	446.51
Other equity	15	22,537.55	19,547.92
Total equity		22,984.83	19,994.43
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	83.66	142.76
Lease liabilities	5	2,556.70	-
Total non-current liabilities		2,640.36	142.76
Current liabilities			
Financial liabilities			
Borrowings	16	7,373.72	10,212.35
Trade payables	18		
Total outstanding dues of micro, small and medium enterprises		834.84	248.18
Total outstanding dues of creditors other than micro, small and medium enterprises		5,274.15	6,567.87
Lease liabilities	5	1,340.45	-
Other financial liabilities	19	583.62	606.96
Other current liabilities	20	339.52	538.37
Provisions	17	122.68	154.95
Total current liabilities		15,868.98	18,328.68
Total equity and liabilities		41,494.17	38,465.87
The accompanying notes form an integral part of the Standalone Financial Statements.			

As per our report of even date

For **LODHA & CO.,** Chartered Accountants
(Firm Regn. No. 301051E)**R. P. BARADIYA,** Partner
(Membership No. 044101)Mumbai, Date: 04th June 2020

For and on behalf of the Board of Directors

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

STANDALONE FINANCIAL STATEMENTS**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020**

			₹ in lakhs
	Note no.	Year Ended 31st March 2020	Year Ended 31st March 2019
Income			
Revenue from operations	21	68,134.44	57,262.96
Other income	22	76.55	130.53
Total income		68,210.99	57,393.49
Expenses			
Cost of materials consumed	23	10,285.08	7,254.32
Purchases of stock-in-trade		26,603.14	32,342.14
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	1,782.22	(6,209.39)
Employee benefits expense	25	7,670.57	6,539.00
Finance costs	26	1,002.07	447.42
Depreciation and amortisation expense	3,4,5	2,149.50	815.08
Other expenses	27	14,702.26	12,145.08
Total expenses		64,194.84	53,333.65
Profit before tax		4,016.15	4,059.84
Tax expense			
Current tax	28	1,130.85	1,495.32
Deferred tax	28	(139.13)	(89.87)
Tax for earlier years		(26.65)	(43.64)
Total tax expenses		965.07	1,361.81
Profit for the year		3,051.08	2,698.03
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	32	(65.02)	(68.84)
Tax relating to these items		18.02	24.93
Total other comprehensive income		(47.00)	(43.91)
Total comprehensive income		3,004.08	2,654.12
Earnings per equity share	33		
Basic earnings per equity share (in ₹)		13.66	12.10
Diluted earnings per equity share (in ₹) (Face value of ₹ 2 each)		13.64	12.07

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

As per our report of even date

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

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

Mumbai, Date: 04th June 2020

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

` in lakhs

Equity share capital :	Balance as at 1 st April 2018	Changes in equity share capital during the year 2018-19	Balance as at 31 st March 2019	Changes in equity share capital during the year 2019-20	Balance as at 31 st March 2020		
Paid-up capital (refer note 14)	445.00	1.51	446.51	0.77	447.28		
Other equity :	Reserves and surplus					Items of other comp- rehensive income	Total
Particulars	Capital reserve	Securities premium	General reserve	Equity- settled share-based payment reserve	Retained earnings	Remeasure- ment of defined benefit plan	
Balance as at 01 st April 2018	11.18	11,811.30	618.80	112.10	4,321.60	(74.64)	16,800.34
Profit for the year	-	-	-	-	2,698.03	-	2,698.03
Other comprehensive income for the year	-	-	-	-	-	(43.91)	(43.91)
Total Comprehensive income for the year	-	-	-	-	2,698.03	(43.91)	2,654.12
On shares issued on ESOP	-	141.49	-	-	-	-	141.49
Transfer from equity-settled share-based payment reserve (on options exercised)	-	105.01	-	(105.01)	-	-	-
Transfer from equity-settled share-based payment reserve (on options lapsed / cancelled)	-	-	-	(5.22)	5.22	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.38)	-	(134.38)
Transfer from statement of profit and loss	-	-	-	86.35	-	-	86.35
Balance as at 31 st March 2019	11.18	12,057.80	618.80	88.22	6,890.47	(118.55)	19,547.92
Profit for the year	-	-	-	-	3,051.08	-	3,051.08
Other comprehensive income for the year	-	-	-	-	-	(47.00)	(47.00)
Total Comprehensive income for the year	-	-	-	-	3,051.08	(47.00)	3,004.08
On shares issued on ESOP	-	88.68	-	-	-	-	88.68
Transfer from equity-settled share-based payment reserve (on options exercised)	-	67.31	-	(67.31)	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.57)	-	(134.57)
Transfer from statement of profit and loss	-	-	-	31.44	-	-	31.44
Balance as at 31 st March 2020	11.18	12,213.79	618.80	52.35	9,806.98	(165.55)	22,537.55

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

As per our report of even date

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

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

Mumbai, Date: 04th June 2020

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

STANDALONE FINANCIAL STATEMENTS**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020**

	Year Ended 31st March 2020	` in lakhs Year Ended 31st March 2019
A. Cash flow from operating activities		
Profit before tax	4,016.15	4,059.84
Adjustments for :		
Depreciation and amortisation expense	2,149.50	815.08
Finance costs	1,002.07	447.42
Interest income	(6.88)	(54.52)
Loss on disposal / discard of property, plant and equipment (net)	16.02	46.36
Deposits / other amounts written back (net)	(28.77)	(25.65)
Provisions for doubtful advances / deposits	67.92	-
Unrealised exchange fluctuation (gain) / loss	122.76	(30.51)
Share-based payments to employees	31.44	86.35
Bad debts written off / provision for doubtful debts	42.70	50.84
Operating profit before working capital changes	7,412.91	5,395.21
Adjustments for :		
Changes in working capital		
Decrease / (increase) in inventories	2,578.94	(6,371.45)
Increase in trade receivables	(701.22)	(4,372.00)
Increase in other bank balances	(1.06)	(0.21)
Decrease / (increase) in other financial assets	(103.24)	76.02
Decrease / (increase) in other assets	339.51	(158.47)
Increase / (decrease) in trade payables	(760.14)	3,228.71
Increase / (decrease) in other financial liabilities	(157.94)	25.73
Decrease in provisions	(97.29)	(102.80)
Increase / (decrease) in other current liabilities	(174.42)	42.25
Cash generated from/ (used in) operations	8,336.05	(2,237.01)
Direct taxes paid	(1,297.18)	(1,650.63)
Net cash from/ (used in) operating activities	7,038.87	(3,887.64)

STANDALONE FINANCIAL STATEMENTS**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020 (CONTD..)**

	Year Ended 31 st March 2020	in lakhs Year Ended 31 st March 2019
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital advances)	(2,114.77)	(874.67)
Disposal of property, plant and equipment	39.26	14.66
Proceeds from maturity of deposits (other than cash and cash equivalents)	(5.90)	198.92
Interest received	7.00	55.31
Net cash used in investing activities	(2,074.41)	(605.78)
C. Cash flow from financing activities		
Proceeds from shares issued on ESOP	89.45	143.00
Proceeds from long-term borrowings	9.60	12.57
Repayment of long-term borrowings	(67.87)	(59.37)
Proceeds / (Repayment) from short-term borrowings (net)	(2,872.85)	4,976.54
Repayment of leases liabilities	(975.95)	-
Finance costs	(1,009.06)	(455.88)
Dividend paid (including corporate dividend tax)	(133.51)	(134.17)
Net cash from/ (used in) financing activities	(4,960.19)	4,482.69
Net increase/(decrease) in cash and cash equivalents	4.27	(10.73)
Opening cash and cash equivalents	37.22	47.95
Closing cash and cash equivalents (refer note-12)	41.49	37.22

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

As per our report of even date

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

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

Mumbai, Date: 04th June 2020

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

1. Corporate information:

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

2. Significant accounting policies:

2.1 Basis of preparation:

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

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

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

2.2 Use of estimates and judgements:

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

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

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

2.3 Property, plant and equipment

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

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

Leasehold land is stated at historical cost less amounts amortised proportionate to expired lease periods.

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

Capital work-in-progress includes expenditure 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Depreciation method, estimated useful lives and residual value:**

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

The range of estimated useful lives of Property, Plant and Equipments 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.

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.

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

2.5 Impairment of non-financial assets

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**2.6 Inventories:**

Inventories include Raw Material, Work-in-Progress, Finished goods, Stock-in-trade, Stores and spares, and Packing Materials. Raw material, stores and spares and packing materials 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 weighted average basis. Stock-in-trade, work-in-progress and finished goods are valued at lower of cost and net realisable value. Finished 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. Stock-in-trade cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. .

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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:

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

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

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

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

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

Contract balances

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**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 Company 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 model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Measured at 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 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

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

(iii) Impairment

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

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

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

(iv) Derecognition

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**(ii) Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured at using Effective Interest Rate (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 amortisation 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) Derecognition

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

Offsetting of financial instruments

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

2.9 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: 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.

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. 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.

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (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.

2.13 Employee benefits:

The Company has following post-employment plans:

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

a) Defined contribution plan

Under defined contribution plan, 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 plan comprise of contributions to the employees' provident fund with the government and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

b) Defined benefit plan

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by 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 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 Statement of Profit and 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 statement of profit and loss, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**c) Compensated absences**

The Company's liabilities for accumulating 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.

The Company has since revised its policy for compensated absences to allow leave entitlements which would be non-accumulating in nature. Necessary impact of the same has been considered in the financial statements.

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

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

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

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

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

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

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

2.16 Provisions and contingencies:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

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

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

2.17 Cash and cash equivalents:

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

2.18 Earnings per equity share:

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

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

2.19 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 item.

2.21 Recent accounting developments:

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

Note 3 Property, plant and equipment

` in lakhs

Particulars	Lease- hold land	Build- ings	Plant and equip- ment	Furni- ture and fixtures	Vehicles	Office equip- ment	Lease- hold improv- ements	Total
Gross carrying amount								
Balance as at 01 st April 2018	6.71	99.23	2,012.75	374.75	386.79	217.92	95.78	3,193.93
Additions	-	-	187.95	268.40	27.70	118.96	0.95	603.96
Deductions/ adjustment	-	-	68.40	30.59	20.38	9.30	-	128.67
Balance as at 31st March 2019	6.71	99.23	2,132.30	612.56	394.11	327.58	96.73	3,669.22
Accumulated depreciation								
Balance as at 01 st April 2018	0.19	11.73	351.58	38.72	15.08	83.31	1.57	502.18
Additions	0.10	73.88	334.76	98.57	51.46	66.06	18.37	643.20
Deductions/ adjustment	-	-	34.78	19.63	4.80	8.43	-	67.64
Balance as at 31st March 2019	0.29	85.61	651.56	117.66	61.74	140.94	19.94	1,077.74
Net carrying amount as at 31st March 2019	6.42	13.62	1,480.74	494.90	332.37	186.64	76.79	2,591.48
Gross carrying amount								
Balance as at 01 st April 2019	6.71	99.23	2,132.30	612.56	394.11	327.58	96.73	3,669.22
Additions	-	1,007.59	1,159.15	69.78	10.77	124.42	7.70	2,379.41
Deductions/ adjustment	-	-	652.97	68.42	19.07	54.18	-	794.64
Balance as at 31st March 2020	6.71	1,106.82	2,638.48	613.92	385.81	397.82	104.43	5,253.99
Accumulated Depreciation								
Balance as at 01 st April 2019	0.29	85.61	651.56	117.66	61.74	140.94	19.94	1,077.74
Additions	0.10	60.89	478.03	101.54	50.32	80.72	20.46	792.06
Deductions/ adjustment	-	-	606.55	45.20	9.10	50.69	-	711.54
Balance as at 31st March 2020	0.39	146.50	523.04	174.00	102.96	170.97	40.40	1,158.26
Net carrying amount as at 31st March 2020	6.32	960.32	2,115.44	439.92	282.85	226.85	64.03	4,095.73

Note:

1. Leasehold land is under lease arrangement for a period of 99 years commencing from 01st April 1982.
2. Refer note 39 for leasehold land, buildings, property, plant and equipments provided as security.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

Note 4 Intangible assets

₹ in lakhs

Particulars	Trademarks	Brands	Computer software	Total
Gross carrying amount				
Balance as at 1 st April 2018	0.05	462.71	232.69	695.45
Additions	-	-	19.61	19.61
Deductions/ adjustment	-	-	-	-
Balance as at 31st March 2019	0.05	462.71	252.30	715.06
Accumulated amortisation				
Balance as at 1 st April 2018	0.05	178.78	61.54	240.37
Additions	-	101.92	69.96	171.88
Deductions/ adjustment	-	-	-	-
Balance as at 31st March 2019	0.05	280.70	131.50	412.25
Net carrying amount as at 31st March 2019	-	182.01	120.80	302.81
Gross carrying amount				
Balance as at 1 st April 2019	0.05	462.71	252.30	715.06
Additions	-	-	29.46	29.46
Deductions/ adjustment	-	-	0.58	0.58
Balance as at 31st March 2020	0.05	462.71	281.18	743.94
Accumulated amortisation				
Balance as at 1 st April 2019	0.05	280.70	131.50	412.25
Additions	-	101.92	78.19	180.11
Deductions/ adjustment	-	-	0.58	0.58
Balance as at 31st March 2020	0.05	382.62	209.11	591.78
Net carrying amount as at 31st March 2020	-	80.09	72.07	152.16

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

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

₹ in lakhs

Particulars	Right-of-use assets
	Buildings
Balance as at 1st April 2019 on transition to Ind AS 116 (refer note 36)	4,211.99
Additions	1,636.20
Deductions/ Reversal	(975.09)
Amortisation	(1,177.33)
Balance as at 31st March 2020	3,695.77

Lease liabilities:

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

₹ in lakhs

Particulars	Amount
Balance as at 1st April 2019 on transition to Ind AS 116 (refer note 36)	4,211.99
Additions	1,636.20
Interest accrued during the year	363.02
Deductions/ Reversal	(975.09)
Payment of lease liabilities	(975.95)
Payment of interest on lease liabilities	(363.02)
Balance as at 31st March 2020	3,897.15
Current lease liabilities	1,340.45
Non- current lease liabilities	2,556.70

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 6 Capital work-in-progress:**

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Capital work-in-progress (plant and equipment under installation)	23.47	-

Note 7 Non-current investments

` in lakhs

	Quantity (in numbers)		Amount	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Trade - unquoted - at cost				
Equity instruments - wholly owned subsidiary				
Safari Lifestyles Ltd. (Equity shares of ` 10 each - fully paid-up)	50,000	50,000	5.00	5.00
	50,000	50,000	5.00	5.00
Aggregate amount of unquoted investments			5.00	5.00
Aggregate amount of impairment in value of investments			-	-

Note 8 Other financial assets

` in lakhs

	Non-current		Current	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Unsecured, considered good unless otherwise stated				
Deposits for premises & others	399.34	448.51	198.57	110.95
Loans and advances to employees	-	-	12.42	14.31
Interest accrued on fixed deposits	-	-	0.07	0.19
Other receivables	-	-	-	7.94
	399.34	448.51	211.06	133.39

Note 9 Other assets

` in lakhs

	Non-current		Current	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Unsecured, considered good unless otherwise stated				
Capital advances	124.03	274.05	-	-
Advances to suppliers / others	-	-	130.59	238.92
Prepayments	6.00	-	88.29	48.08
Refunds due from / balances with government authorities	2.73	10.91	1,211.63	1,481.22
Other receivables	-	-	3.92	3.55
	132.76	284.96	1,434.43	1,771.77

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 10 Inventories**

	As at 31 st March 2020	in lakhs As at 31 st March 2019
Raw Materials [including goods in transit ` 360.95 lakhs (as at 31 <sup>st</sup> March 2019 - ` 855.63 lakhs)]	1,117.43	1,907.28
Work-in-progress	144.22	137.60
Finished goods	2,417.43	1,496.27
Stock-in-trade [including goods in transit ` 1,987.36 lakhs (as at 31 <sup>st</sup> March 2019 - ` 2,528.93 lakhs)]	12,266.16	14,976.16
Stores and spares	34.11	26.00
Packing materials	24.03	39.01
	<u>16,003.38</u>	<u>18,582.32</u>

Mode of valuation : refer note 2.6

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

Note 11 Trade receivables

	As at 31 st March 2020	in lakhs As at 31 st March 2019
Unsecured		
Considered good	14,766.93	14,108.41
Credit impaired	45.31	47.29
	14,812.24	14,155.70
Less: Allowances for bad and doubtful debts	45.31	47.29
	<u>14,766.93</u>	<u>14,108.41</u>

Refer note 39 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 12 Cash and cash equivalents

	As at 31 st March 2020	in lakhs As at 31 st March 2019
Balances with banks in current accounts	38.91	34.50
Cash on hand	2.58	2.72
	<u>41.49</u>	<u>37.22</u>

Note 13 Other bank balances

	As at 31 st March 2020	in lakhs As at 31 st March 2019
In deposit accounts (pledged against bank guarantees / LCs)	31.21	25.31
In dividend accounts	7.86	6.80
	<u>39.07</u>	<u>32.11</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 14 Equity share capital**

	As at 31 st March 2020	As at 31 st March 2019
Authorised :		
2,50,00,000 (as at 31 st March 2019 : 2,50,00,000) equity shares of ` 2/- each	500.00	500.00
2,50,00,000 (as at 31 st March 2019 : 2,50,00,000) unclassified shares of ` 2/- each	500.00	500.00
	1,000.00	1,000.00
Issued, subscribed and paid-up		
2,23,64,000 (as at 31 st March 2019: 2,23,25,500) equity shares of ` 2/- each fully paid- up	447.28	446.51
	447.28	446.51

The reconciliation of the number of equity shares outstanding	As at 31st March 2020		As at 31st March 2019	
	Numbers	` in lakhs	Numbers	` in lakhs
Equity shares at the beginning of the year (face value per share ` 2)	2,23,25,500	446.51	2,22,50,000	445.00
Add :- Shares issued on ESOP (face value per share ` 2)	38,500	0.77	75,500	1.51
Equity shares at the end of the year (face value per share ` 2)	2,23,64,000	447.28	2,23,25,500	446.51

(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.

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

Name of the Shareholders	As at 31st March 2020		As at 31st March 2019	
	Numbers (face value of ` 2 each)	% of holding	Numbers (face value of ` 2 each)	% of holding
Safari Investments Private Limited	22,73,465	10.17%	22,73,465	10.18%
Mr. Sudhir Mohanlal Jatia	1,04,00,000	46.50%	1,05,87,500	47.42%
Tano India Private Equity Fund II	12,15,000	5.43%	27,15,000	12.16%
Malabar India Fund Limited	21,64,332	9.68%	19,01,743	8.52%

(b) Dividend paid and proposed: Refer note 31(b)**(c) The Company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 15 Other equity**

` in lakhs

Particulars	Reserves and surplus					Items of other comprehensive income	Total
	Capital reserve	Securities premium	General reserve	Equity-settled share-based payment reserve	Retained earnings	Remeasurement of defined benefit plan	
Balance as at 1st April 2018	11.18	11,811.30	618.80	112.10	4,321.60	(74.64)	16,800.34
Profit for the year	-	-	-	-	2,698.03	-	2,698.03
Other comprehensive income for the year	-	-	-	-	-	(43.91)	(43.91)
Total comprehensive income for the year	-	-	-	-	2,698.03	(43.91)	2,654.12
On shares issued on ESOP	-	141.49	-	-	-	-	141.49
Transfer from equity-settled share-based payment reserve (on options exercised)	-	105.01	-	(105.01)	-	-	-
Transfer from equity-settled share-based payment reserve (on options lapsed / cancelled)	-	-	-	(5.22)	5.22	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.38)	-	(134.38)
Transfer from statement of profit and loss	-	-	-	86.35	-	-	86.35
Balance as at 31st March 2019	11.18	12,057.80	618.80	88.22	6,890.47	(118.55)	19,547.92
Profit for the year	-	-	-	-	3,051.08	-	3,051.08
Other comprehensive income for the year	-	-	-	-	-	(47.00)	(47.00)
Total comprehensive income for the year	-	-	-	-	3,051.08	(47.00)	3,004.08
On shares issued on ESOP	-	88.68	-	-	-	-	88.68
Transfer from equity-settled share-based payment reserve (on options exercised)	-	67.31	-	(67.31)	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.57)	-	(134.57)
Transfer from statement of profit and loss	-	-	-	31.44	-	-	31.44
Balance as at 31st March 2020	11.18	12,213.79	618.80	52.35	9,806.98	(165.55)	22,537.55

Purpose of the Reserves:

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 16 Borrowings**

	Non-current		Current	
	As at	As at	As at	As at
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Measured at amortised cost				
Secured				
From banks:				
Term loans	66.19	106.08	-	-
Working capital loans				
Cash credit accounts	-	-	905.53	4,280.20
Demand loans	-	-	5,000.00	2,700.00
Buyer's credit	-	-	1,094.68	1,783.70
Others	-	-	373.51	448.45
From others:				
Term loans	17.47	36.68	-	-
Unsecured				
From banks:				
Working capital loans	-	-	-	1,000.00
	83.66	142.76	7,373.72	10,212.35

Notes:

Security and terms of repayment:

- 1) Term loans from banks for vehicles amounting to ` 115.50 lakhs (as at 31<sup>st</sup> March 2019 ` 150.50 lakhs) including current maturities of ` 49.31 lakhs (as at 31<sup>st</sup> March 2019 ` 44.42 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 years ` 49.31 lakhs; 1-2 years ` 34.86 lakhs; 2-3 years ` 28.82 lakhs; 3-4 years ` 2.51 lakhs; >4 years ` Nil.
These loans carry interest rate ranging from 8.00% p.a. to 10.00% p.a. (31st March 2019 8.00% p.a. to 10.00% p.a.)
- 2) Term loans from others for vehicles amounting to ` 36.68 lakhs (as at 31<sup>st</sup> March 2019 ` 59.98 lakhs) including current maturities of ` 19.21 lakhs (as at 31<sup>st</sup> March 2019 ` 23.30 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 years ` 19.21 lakhs; 1-2 years ` 9.65 lakhs; 2-3 years ` 7.82 lakhs; 3-4 years ` Nil. These loans carry interest rate ranging from 7.99% p.a. to 9.12% p.a. (31st March 2019 7.99% p.a. to 9.12% p.a.)
- 3) Working capital loans of ` 7,373.72 are secured by way of first charge (pari passu) on the entire current assets of the company both present and future, pari passu charge on entire moveable property, plant and equipment (fixed assets) of the company both present and future, excluding vehicles and equitable mortgage on immovable properties situated at company's Halol plant.
- 4) Also, refer note 39 for details of assets provided as security.

Note 17 Provisions

	As at	As at
	31 st March 2020	31 st March 2019
Provision for employee benefits (refer note 32)	122.68	154.95
Total	122.68	154.95

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 18 Trade payables**

	As at 31 st March 2020	in lakhs As at 31 st March 2019
Total outstanding dues of micro, small and medium enterprises	834.84	248.18
Total outstanding dues of creditors other than micro, small and medium enterprises	5,274.15	6,567.87
	<u>6,108.99</u>	<u>6,816.05</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 company regarding the status of registration of such vendors under the Act, as per the intimation received from them on request made by the company.

	As at 31 st March 2020	in lakhs As at 31 st March 2019
1) The principal amount remaining unpaid to supplier as at the end of the accounting year	834.84	248.18
2) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
3) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
4) The amount of interest due and payable for the year	-	-
5) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
6) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note 19 Other financial liabilities

	As at 31 st March 2020	in lakhs As at 31 st March 2019
Current maturities of long-term debt (refer note 16)	68.52	67.72
Payable for capital goods	210.33	70.59
Interest accrued but not due on borrowings	4.63	11.62
Unpaid dividend (refer note below)	7.86	6.80
Forward contracts payable	-	37.36
Employee payable	283.97	404.56
Other payables	8.31	8.31
	<u>583.62</u>	<u>606.96</u>

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

Note 20 Other current liabilities

	As at 31 st March 2020	in lakhs As at 31 st March 2019
Advances received from customers	26.23	-
Statutory dues	303.89	504.54
Others	9.40	33.83
	<u>339.52</u>	<u>538.37</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 21 Revenue from operations**

	Year ended 31st March 2020	` in lakhs Year ended 31st March 2019
Sale of products	67,954.60	57,162.21
Other operating revenues		
Sale of scrap	179.84	100.75
	68,134.44	57,262.96

Note 22 Other income

	Year ended 31st March 2020	` in lakhs Year ended 31st March 2019
Interest income		
Fixed deposits	6.88	7.04
Others	-	47.48
Other income		
Electricity duty refund	-	41.87
Amounts written back (net)	28.77	25.65
Miscellaneous income	40.90	8.49
	76.55	130.53

Note 23 Cost of materials consumed

	Year ended 31st March 2020	` in lakhs Year ended 31st March 2019
Raw materials		
Opening stock	1,907.28	1,747.36
Purchases	9,086.92	6,964.73
Sub-total	10,994.20	8,712.09
Sales	(213.78)	-
Closing stock	(1,117.43)	(1,907.28)
Sub-total	9,662.99	6,804.81
Processing charges, etc.	-	98.83
Raw materials consumed	9,662.99	6,903.64
Packing materials consumed	622.09	350.68
	10,285.08	7,254.32

Note 24 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year ended 31st March 2020	` in lakhs Year ended 31st March 2019
Inventories at the beginning of the year		
Work-in-progress	137.60	263.42
Finished goods	1,496.27	1,284.33
Stock-in-trade	14,976.16	8,852.89
	16,610.03	10,400.64
Inventories at the end of the year		
Work-in-progress	144.22	137.60
Finished goods	2,417.43	1,496.27
Stock-in-trade	12,266.16	14,976.16
	14,827.81	16,610.03
Total changes in inventories	1,782.22	(6,209.39)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 25 Employee benefits expense**

	Year ended 31st March 2020	in lakhs Year ended 31st March 2019
Salaries and wages	6,965.76	5,859.01
Contribution to provident and other funds	449.18	382.31
Share-based payments (<i>refer note 41</i>)	31.44	86.35
Staff welfare expenses	224.19	211.33
	<u>7,670.57</u>	<u>6,539.00</u>

Note 26 Finance costs

	Year ended 31st March 2020	in lakhs Year ended 31st March 2019
Interest expense	621.65	369.25
Other borrowing costs	380.42	78.17
	<u>1,002.07</u>	<u>447.42</u>

Note 27 Other expenses

	Year ended 31st March 2020	in lakhs Year ended 31st March 2019
Consumption of stores and spares	8.30	8.57
Consumption of packing materials - trading	378.47	364.37
Power and fuel	471.72	354.59
Repairs and maintenance		
Building	116.04	34.97
Plant and equipment	61.13	54.01
Others	155.70	167.34
Rent (<i>refer note 36</i>)	352.31	1,388.09
Rates and taxes, excluding tax on income	78.69	99.33
Insurance	62.17	35.01
Postage, telegram and telephone expenses	150.89	157.69
Legal and professional fees	330.43	422.47
Provisions for doubtful debts / advances / deposits	65.93	47.29
Freight, handling & octroi	4,097.60	2,991.20
Contractual labour	3,592.16	2,335.10
Travelling and conveyance	1,104.14	1,033.48
Advertisement and sales promotion	2,968.86	1,879.32
Royalty expense	14.22	30.72
Bad debts written off	44.69	3.54
Loss on disposal / discard of property, plant and equipment (net)	16.02	46.36
Director's sitting fees	15.77	10.10
Commission to Non-Executive Directors	-	24.50
Corporate social responsibility expenditure (<i>refer note 42</i>)	60.00	40.40
Foreign exchange / MTM loss (net)	209.99	209.18
Miscellaneous expenditure	347.03	407.45
	<u>14,702.26</u>	<u>12,145.08</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

Note 28 Income taxes

	Year ended 31 st March 2020	Year ended 31 st March 2019
a) Tax expense recognised in the statement of profit and loss:		
Current tax		
Current year	1,130.85	1,495.32
Earlier years	(26.65)	(43.64)
	<u>1,104.20</u>	<u>1,451.68</u>
Deferred tax		
Increase in deferred tax assets	(139.12)	(89.87)
	<u>(139.12)</u>	<u>(89.87)</u>
Total income tax expense	<u>965.07</u>	<u>1,361.81</u>

b) A reconciliation of the income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised tax expense for the period is as follows:		
	Year ended 31 st March 2020	Year ended 31 st March 2019
Enacted income tax rate in India	25.17%	34.94%
Profit before tax	4,016.15	4,059.84
Income tax as per above rate	1,010.78	1,418.51
Adjustments for:		
Expenses not deductible for tax purposes	375.80	379.11
Expenses deductible separately for tax purposes	(255.73)	(302.30)
Tax for earlier years	(26.65)	(43.64)
Current tax as per statement of profit and loss	<u>1,104.20</u>	<u>1,451.68</u>

c) The movement in deferred tax assets and liabilities during the year ended 31st March 2019 and 31st March 2020:					
					in lakhs
Particulars	As at 1 st April 2018	(Credit)/ charge in statement of profit and loss	As at 31 st March 2019	(Credit)/ charge in statement of profit and loss	As at 31 st March 2020
Deferred tax assets/(liabilities)					
Property, plant and equipment and intangible assets	(78.89)	(120.53)	41.64	(54.55)	96.19
Amount allowable on payment basis	46.38	34.37	12.01	2.77	9.24
Voluntary retirement scheme	13.46	8.88	4.58	2.93	1.65
Provision for doubtful debts and advances	-	(16.53)	16.53	(11.97)	28.50
Right-of-use assets	-	-	-	930.23	(930.23)
Lease liabilities	-	-	-	(980.92)	980.92
Others	(23.68)	3.94	(27.62)	(27.62)	-
Total	(42.73)	(89.87)	47.14	(139.13)	186.27

The Company elected to exercise the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961. The Company, accordingly has recognised Provision for Income Tax and remeasured its Deferred Tax assets basis the rate prescribed in the said section. The impact of this change has been recognised in the Statement of Profit and Loss for current year including reversal of deferred tax assets relating to earlier years of ₹ 13.18 lakhs

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (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 prices (unadjusted) 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 lakhs

Particulars	At Cost	Instruments carried at amortized cost	Total carrying amount	Total fair value
		Carrying amount		
As at 31st March, 2020				
Investments	5.00	-	5.00	5.00
Trade receivables	-	14,766.93	14,766.93	14,766.93
Cash and cash equivalents	-	41.49	41.49	41.49
Other bank balances	-	39.07	39.07	39.07
Other financial assets	-	610.40	610.40	610.40
Total	5.00	15,457.89	15,462.89	15,462.89
As at 31st March, 2019				
Investments	5.00	-	5.00	5.00
Trade receivables	-	14,108.41	14,108.41	14,108.41
Cash and cash equivalents	-	37.22	37.22	37.22
Other bank balances	-	32.11	32.11	32.11
Other financial assets	-	581.90	581.90	581.90
Total	5.00	14,759.64	14,764.64	14,764.64

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

b. Financial liabilities

` in lakhs

Particulars	Instruments carried at fair value	Instruments carried at amortised cost	Total carrying amount	Total fair value
	FVTPL	Carrying amount		
As at 31st March 2020				
Borrowings	-	7,457.38	7,457.38	7,457.38
Trade payables	-	6,108.99	6,108.99	6,108.99
Lease liabilities	-	3,897.15	3,897.15	3,897.15
Other financial liabilities	-	583.62	583.62	583.62
Total	-	18,047.14	18,047.14	18,047.14
As at 31st March 2019				
Borrowings	-	10,355.11	10,355.11	10,355.11
Trade payables	-	6,816.05	6,816.05	6,816.05
Other financial liabilities	37.36	569.60	606.96	606.96
Total	37.36	17,740.76	17,778.12	17,778.12

Note 30 Financial risk management

The Company has exposure to the following risks arising from financial instrument:

- Credit risk;
- Liquidity risk;
- Market risk - interest rate; and
- Market risk - foreign currency;

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligation.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable and individual risk limits are set accordingly.

Credit terms : Average credit period allowed to customers is less than 90 days.

Ageing analysis of trade receivables:

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
0-3 months	10,077.40	11,331.42
3-6 months	4,172.14	2,500.85
6-12 months	334.69	114.59
more than 12 months	182.70	161.55
Total	14,766.93	14,108.41

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**B. Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. For the Company, liquidity risk arise from obligations on account of financial liabilities- borrowings, trade payables and other financial liabilities.

The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations when due. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. It maintains adequate sources of financing including loans and short-term borrowings from banks.

Exposure to liquidity risk

Contractual maturity of financial liabilities at the reporting date:

in lakhs

Particulars	As at 31 st March 2020			
	0-1 year	1-5 years	More than 5 years	Total
Long-term borrowings (including current maturity of long-term debt)	68.52	83.66	-	152.18
Short-term borrowings	7,373.72	-	-	7,373.72
Trade payables	6,108.99	-	-	6,108.99
Lease Liabilities	1,340.45	2,149.30	407.40	3,897.15
Other financial liabilities	515.10	-	-	515.10
Total	15,406.78	2,232.96	407.41	18,047.14

Particulars	As at 31 st March 2019		
	0-1 year	1-5 years	Total
Long-term borrowings (including current maturities of long-term debt)	67.72	142.76	210.48
Short-term borrowings	10,212.35	-	10,212.35
Trade payables	6,816.05	-	6,816.05
Other financial liabilities including derivative financial liabilities	539.24	-	539.24
Total	17,635.36	142.76	17,778.12

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**C. Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency payables and loans and borrowings.

(i) Market risk - interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company is mainly exposed to this risk due to borrowings having variable rate of interest.

Exposure to interest rate risk

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Borrowings bearing fixed rate of interest	152.18	210.48
Borrowings bearing variable rate of interest	7,373.72	10,212.35

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 lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Increase by 50 bps - decrease in profits	(35.87)	(23.64)
Decrease by 50 bps - increase in profits	35.87	23.64

(ii) Market risk - foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and is therefore exposed to foreign exchange risk. The operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies. The Company manages foreign currency risk by hedging its transactions using foreign currency forward contracts. There is no forward contract outstanding as at 31st March 2020.

Foreign currency exposure

Particulars	Year ended 31 st March 2020		Year ended 31 st March 2019	
	In million US\$	` in lakhs	In million US\$	` in lakhs
Total foreign currency exposures (net)	5.84	4,403.89	4.65	3,219.78

Foreign currency risk sensitivity

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

Particulars	Year ended 31 st March 2020		Year ended 31 st March 2019	
	1% increase	1% decrease	1% increase	1% decrease
Increase / (decrease) in profit	(44.04)	44.04	(32.20)	32.20

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**D. Impact of COVID-19**

Due to the global outbreak of COVID-19, a pandemic and following the nation-wide lockdown by the Government of India, the Company's manufacturing facility at Halol, retail stores and warehouses have been closed which has impacted Company's operations adversely in the quarter ended 31st March 2020. Since then, the operations at Halol Plant has partially resumed based on conditional permission by the relevant authorities. The management has considered possible effects that may impact carrying amounts of inventories and trade receivables. In making assumptions and estimates relating to uncertainties as at the balance sheet date in relation to recoverable amounts, the management has, inter alia, considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials results. The management expects no significant impairment to carrying amounts of these assets. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

Note 31 Capital risk management**(a) Risk management**

The Company's objectives when managing capital are to

- (i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- (ii) Maintain an optimal capital structure to reduce the cost of capital.
- (iii) Support the corporate strategy and meet shareholder expectations.

The policy of the Company is to borrow through banks / financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The capital structure is governed by policies approved by the Board of Directors and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Company:

₹ in lakhs

Particulars	31 st March 2020	31 st March 2019
Net debt (refer note 43)	7,489.04	10,397.23
Total equity	22,984.83	19,994.43
Capital gearing ratio	0.33	0.52

The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividend

The Company follows the policy of dividend for every financial year as may be decided by Board considering financial performance of the Company and other internal and external factors enumerated in the Company dividend policy.

- (i) The Board of Directors of the Company did not recommend any dividend on equity shares for the financial year ended 31st March 2020.
- (ii) During the year the Company paid total dividend of ₹ 134.57 lakhs, including corporate dividend tax of ₹ 22.95 lakhs (₹ 0.50 per equity share (25%)) for the year ended 31st March 2019 which was approved by the shareholders at the Annual General Meeting held on 12th August 2019.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 32 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 lakhs

Particulars	Defined benefit plan	
	As at 31 st March 2020	As at 31 st March 2019
Present value of plan liabilities	487.75	394.42
Fair value of plan assets	377.55	294.37
Asset/(liability) recognised	(110.20)	(100.05)

B. Movements in plan assets and plan liabilities

` in lakhs

Particulars	Present value of obligations	Fair value of plan assets
As at 1st April 2019	394.42	294.37
Current service cost	37.40	-
Interest cost on obligation / interest income on plan assets	29.94	22.34
Return on plan assets excluding amounts included in interest income	-	(2.24)
Actuarial loss arising from changes in financial assumptions	23.26	-
Actuarial loss arising from experience adjustments	39.52	-
Employer contributions	-	99.87
Benefits paid from the fund	(36.79)	(36.79)
As at 31st March 2020	487.75	377.55
As at 1 st April 2018	300.03	206.04
Current service cost	23.84	-
Interest cost on obligation / interest income on plan assets	23.13	15.89
Return on plan assets excluding amounts included in interest income	-	(1.41)
Actuarial loss arising from changes in demographic assumptions	11.25	-
Actuarial loss arising from changes in financial assumptions	34.99	-
Actuarial loss arising from experience adjustments	21.19	-
Employer contributions	-	93.87
Benefits paid from the fund	(20.02)	(20.02)
As at 31st March 2019	394.42	294.37

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

C. Statement of profit and loss

` in lakhs

Particulars	Year Ended 31 st March 2020	Year Ended 31 st March 2019
Employee benefits expense:		
Current service cost	37.40	23.84
Interest cost (net)	7.60	7.25
Total amount recognised in statement of profit and loss	45.00	31.09
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest income	2.24	1.41
Actuarial loss arising from changes in demographic assumptions	-	11.25
Actuarial loss arising from changes in financial assumptions	23.26	34.99
Actuarial loss arising from experience adjustments	39.52	21.19
Total amount recognised in other comprehensive income	65.02	68.84

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefit plan at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Financial assumptions

Particulars	As at 31 st March 2020	As at 31 st March 2019
Discount rate	6.82%	7.59%
Expected rate of return on plan assets	6.82%	7.59%
Salary escalation rate	4.50%	4.50%

Demographic assumptions

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

Particulars	As at 31 st March 2020	As at 31 st March 2019
Attrition rate	For service of 4 years and below: 26% p.a and for service 5 years and above : 2.00% p.a.	For service of 4 years and below: 26% p.a and for service 5 years and above : 2.00% p.a.

E. Sensitivity

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

` in lakhs

Particulars	Change in assumption	Increase in assumption	Decrease in assumption
As at 31st March 2020			
Impact on defined benefit obligation			
Discount rate	1.00%	(29.74)	34.30
Salary escalation rate	1.00%	33.97	(29.88)
Attrition Rate	1.00%	4.31	(5.10)
As at 31st March 2019			
Impact on defined benefit obligation			
Discount rate	1.00%	(22.25)	25.26
Salary escalation rate	1.00%	25.00	(22.33)
Attrition Rate	1.00%	4.50	(5.18)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

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.

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 obligation shall mature as follows:**` in lakhs**

Particulars	As at 31 st March 2020	As at 31 st March 2019
Within 1 year	67.04	36.60
1-2 years	39.54	37.85
2-3 years	69.19	46.75
3-4 years	55.48	64.30
4-5 years	49.38	48.33
5-10 years	180.22	170.26
10 years and above	423.30	321.55

- ii) **Compensated absences:** The Company has a policy on compensated absences which are both accumulating and non accumulating in nature. The expected cost of accumulating compensated absences is determined and provided on the basis of actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date and the Company makes annual contribution to the fund administered by Life Insurance Company under its respective Group Scheme. Expense on non accumulating compensated absences is recognised in the period in which the absences occur.

The Company has since revised its policy for compensated absences to allow leave entitlements which would be non-accumulating in nature. Necessary impact of the same has been considered in the financial statements.

The disclosure in respect of the Compensated absences are given below:

` in lakhs

Particulars	31 st March 2020	31 st March 2019
Expenses recognised in statement of profit and loss	46.27	86.96
Balance sheet liability	12.38	54.90

Note 33**Earnings per equity share (EPS)**

Particulars	Year Ended 31 st March 2020	Year Ended 31 st March 2019
Profit after tax (PAT) available for equity shareholders (` in lakhs)	3,051.08	2,698.03
Weighted average number of equity shares for basic EPS	22,342,673	22,297,371
Basic earnings per equity share (in `)	13.66	12.10
Weighted average number of equity shares for diluted EPS	22,371,117	22,355,698
Diluted earnings per equity share (in `)	13.64	12.07
Nominal value of equity shares (in `)	2.00	2.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)
Note 34 Contingent liabilities
` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Disputed sales tax / entry tax demands	18.58	6.56
Bonus for earlier years	10.80	10.80
Other claims against the Company not acknowledged as debts	29.09	27.76

Notes:

- 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.
- 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 35 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is **` 528.72 lakhs** (Previous year ` 837.27 lakhs).

Note 36 Leases

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

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

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

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

The company didn't recognise right-of-use assets and lease liabilities for lease for which the lease terms ends within 12 months on the date of initial transition and low value assets.

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

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**On transition to the Ind AS 116 “Leases”, impact thereof is as follows:**

` in lakhs	
Particulars	Initial conversion
Right-of-use assets	4,211.99
Lease liabilities	4,211.99

The difference between the lease obligation under Ind AS 17 disclosed under Note no. 35 of the annual standalone financial statements for the year ended 31st March 2019 and the value of the lease liability as of 01st April 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

Break-up of the contractual maturities of lease liabilities as at 31st March 2020 on an undiscounted basis:

` in lakhs	
Particulars	Amount
Less than one year	1,340.45
One to five years	2,149.30
More than 5 years	407.41

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

` in lakhs	
Particulars	Amount
Rental expense	352.31

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 Mohanlal Jatia	Chairman & Managing Director
Mr. Vineet Poddar	Chief Financial Officer
Mr. Rameez Shaikh	Company Secretary
Dr. Shailesh Jayantilal Mehta	Non-Executive and Independent Director
Mr. Punkajj Girdharilal Lath	Non-Executive and Independent Director
Mr. Dalip Charanjit Sehgal	Non-Executive and Independent Director
Mrs. Vijaya Sampath	Non-Executive and Independent Director
Mr. Rahul Lalit Kanodia	Non-Executive and Independent Director
Mr. Anujj Patodia	Non-Executive and Non-Independent Director
Mr. Piyush Goenka	Non-Executive and Non-Independent Director
Mr. Sumeet Nagar (w.e.f. 05 th February 2020)	Non-Executive and Non-Independent Director

Other related parties:

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)
Transactions during the year and balances as at year end:

₹ in lakhs

Nature of Transactions	Subsidiary	Key managerial personnel	Other related parties
Transactions during the year			
Sale of goods	378.30 (955.46)		
Rent received	3.14 (2.60)		
Employee cost recovered / reimbursed	9.00 (18.00)		
Remuneration to key managerial persons:			
Mr. Sudhir Mohanlal Jatia, Chairman & Managing Director		101.57 (105.63)	
Mr. Vineet Poddar, Chief Financial Officer		136.80 (133.92)	
Mr. Rameez Shaikh, Company Secretary		19.49 (15.33)	
Sitting Fees:			
Non-Executive and Independent Directors		12.77 (8.60)	
Non-Executive and Non-Independent Directors		3.00 (1.50)	
Commission:			
Non-Executive and Independent Directors	-	- (23.75)	
Non-Executive and Non-Independent Directors	-	- (0.75)	
Salary & perquisites:			
Ms. Shivani Jatia			3.53 (12.66)
Balances as at year end			
Investment in equity shares	5.00 (5.00)		
Trade receivables	20.44 (228.73)		

Figures in bracket relate to previous year.
Notes:

- Related party relationship is as identified by the management and relied upon by the auditors.
- No amount in respect of related parties has 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 at arm's length basis.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 38 Segment Reporting**

The Company's Chairman and Managing Director has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators. The Company is primarily engaged in the manufacturing and marketing of luggage and luggage accessories. Since this segment meets the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers this as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

Note 39 Assets provided as security

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

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Current assets		
Financial assets		
Trade receivables	14,766.93	14,108.41
Non-financial assets		
Inventories	16,003.38	18,582.32
Total current assets provided as security	30,770.31	32,690.73
Non-current assets		
Leasehold land *	6.32	6.42
Buildings*	960.32	13.62
All movable property, plant and equipment*	3,065.06	2,494.64
Total non-current assets provided as security	4,025.38	2,508.26
Total assets provided as security	34,795.69	35,198.99

*This represents net book value.

Note 40 Auditor's remuneration

(excluding goods and service tax)

` in lakhs

Particulars	Year Ended 31 st March 2020	Year Ended 31 st March 2019
Audit fees	6.50	4.50
Tax audit fees	1.50	1.50
Limited review and certification fees	6.25	5.25
Reimbursement of expenses	1.23	0.70
Total	15.48	11.95

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)
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 Oct 2016	09 Mar 2017	29 Nov 2017	09 Feb 2018
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

Movements in number of share options during the year:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant date	08 Oct 2016	09 Mar 2017	29 Nov 2017	09 Feb 2018
Opening balance	12,000	27,000	18,000	10,000
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	12,000	13,500	9,000	4,000
Expired /lapsed during the year	-	-	-	-
Closing balance	-	13,500	9,000	6,000
Exercisable options	-	-	-	3,000

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (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 Oct 2016	09 Mar 2017	29 Nov 2017	09 Feb 2018
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%
Weighted average fair value of the options (In `)	105.44	126.54	285.52	296.98

Note 42 Details of corporate social responsibility (CSR) expenditure :

` in lakhs

Particulars	Year Ended 31 st March 2020	Year Ended 31 st March 2019
Amount required to be spent as per Section 135 of the Companies Act, 2013	59.87	40.08
Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than above	60.00	40.40
Total	60.00	40.40

Note 43 Debt reconciliation statement in accordance with Ind AS 7 - Statement of Cash Flows:

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Non current borrowings (including current maturities of long-term debt)	152.18	210.48
Current borrowings	7,373.72	10,212.35
Interest accrued but not due on borrowings	4.63	11.62
Less: Cash and cash equivalents	(41.49)	(37.22)
Net debt	7,489.04	10,397.23

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

` in lakhs

Particulars	Non-current borrowings	Current borrowings	Interest accrued but not due on borrowings	Cash and cash equivalents	Total
Net debt as at 1 st April 2019	210.48	10,212.35	11.62	(37.22)	10,397.23
Cash flows	(58.30)	(2,872.85)	-	(4.27)	(2,935.42)
Unrealised exchange loss	-	34.22	-	-	34.22
Finance costs	-	-	1,002.07	-	1,002.07
Interest paid	-	-	(1,009.06)	-	(1,009.06)
Net debt as at 31st March 2020	152.18	7,373.72	4.63	(41.49)	7,489.04

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

Signatures to notes 1-45

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)**R. P. BARADIYA**, *Partner*
(Membership No. 044101)Mumbai, Date: 04th June 2020

For and on behalf of the Board of Directors

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

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of **Safari Industries (India) Limited** ("the Parent Company") and its subsidiary (hereinafter to be referred as "the Group") which comprises of consolidated Balance Sheet as at 31st March, 2020, the consolidated Statement of Profit & Loss (including other comprehensive income), the consolidated Statement of changes in equity and the consolidated Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included in the consolidated financial statements for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2020, the consolidated profit, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

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

Emphasis of Matter

We draw your attention to the Note 30 (D) of the consolidated financial statements, with regard to Management's assessment of, inter-alia, realisability of inventories of ` 16,003.38 lakhs and recoverability of trade receivables of ` 14,746.49 lakhs, due to COVID 19 pandemic outbreak. The Management apart from considering the internal and external information up to the date of approval of these consolidated financial statements, the Group has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to in future economic conditions as may pan out in future. Our report is not modified in respect of this matter.

Key Audit Matters

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

Sr. No.	Key Audit Matters	Auditor's response
1.	Inventory - existence and valuation As at March 31, 2020, the Group held inventories of ` 16,003.38 Lakhs. [Also, refer Note no. 9 of the consolidated financial statements] Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19).	Audit procedures performed: We have performed following alternative audit procedures over inventory existence and valuations. (a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have operated effectively.

INDEPENDENT AUDITORS' REPORT

Sr. No.	Key Audit Matters	Auditor's response
	As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, physical verification of inventories of ` 6,414 lakhs at certain locations as on the Balance sheet date couldn't be carried out by the Group. In view of the above, the matter has been determined to be a key audit matter.	(b) Performing procedures to ensure that the changes in inventory are properly recorded. (c) Performing substantive analytical procedures to test the correctness of inventory existence and valuation. (d) Testing of accuracy of inventory reconciliations with the general ledgers at period end, including test of reconciling items. The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation. Reference is also invited to Opinion para of internal financial control report in Annexure "A"
2.	Trade receivables-collectability and certainty As at March 31, 2020, the Group held trade receivables of ` 14,746.49 lakhs. [Also, refer Note no. 10 of the consolidated financial statements] Trade receivables collectability and certainty was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, resulted in non receipt of direct confirmations and reconciliations from the customers. In view of the above, the matter has been determined to be a key audit matter.	Audit procedures performed: We have performed following alternative audit procedures over trade receivables valuations. (a) Performing procedures to ensure that the changes in trade receivables between the last confirmation receipt and date of the Balance sheet are properly recorded (Roll forward procedures) (b) Performing substantive analytical procedures to test the correctness of receivables valuation (c) Testing of accuracy of trade receivables reconciliations with the general ledgers during the year, including test of reconciling items (d) We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management. The procedures performed gave us a sufficient evidence to conclude about the collectability and certainty of trade receivables. Reference is also invited to Opinion para of internal financial control over financial reporting report in Annexure "A"
3.	Allowance for sales returns The Group sells its products through various channels like retailers, institutions, modern trade etc. The Group makes the allowance for sales returns based on the past experience in various channels and determines the quantum of allowance which requires significant estimation and judgment, particularly in COVID 19 situation. In view of the above, the matter has been determined to be a key audit matter.	Audit procedures performed: • Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing for sales returns. We also performed sufficient test of details as a part of our audit. • Ensured the completeness of liability recognized by evaluating the actual returns in the past. • We have also assessed the reasonableness of the estimates and judgment applied to determine the quantum of the allowance, inter alia, considering the present COVID 19 situation. The combination of these tests of controls and procedures performed, gave us a sufficient evidence to rely on the assessment made by the management in respect of allowance for sales returns.

INDEPENDENT AUDITORS' REPORT

Information Other than the Consolidated Financial Statements and auditor's report thereon

The Parent Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the consolidated financial statement and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management responsibilities for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the respective entities ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. We remain solely responsible for our audit opinion.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law maintained by the Group have been kept so far as it appears from our examination of those books and records.
- (c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

INDEPENDENT AUDITORS' REPORT

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2020 taken on record by the Board of Directors of the Parent Company, none of the directors of the Group companies is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, please refer annexure A of the audit report attached with the consolidated financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the respective companies to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its financial performance in its consolidated financial statements. Refer Note No. 34 to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts to be transferred, to the Investor Education and Protection Fund by the Parent Company.

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

R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **20044101AAAADD7802**

Mumbai
Date : 04th June 2020

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, 2020, 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 has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, except certain year end controls related to inventory and receivables, due to prevailing pandemic condition, reference is also invited to Key audit Matters para in our mail audit report, 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 : 04th June 2020

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

R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **20044101AAAADD7802**

CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH 2020

			in lakhs
	Note no.	As at 31 st March 2020	As at 31 st March 2019
Assets			
Non-current assets			
Property, plant and equipment	3	4,095.73	2,631.71
Right-of-use assets	5	3,695.77	-
Capital work-in-progress	6	23.47	-
Intangible assets	4	152.16	302.81
Financial assets			
Other financial assets	7	399.34	518.62
Deferred tax assets (net)	28	202.18	53.29
Income tax assets (net)		310.32	120.75
Other non-current assets	8	133.26	285.46
Total non-current assets		9,012.23	3,912.64
Current assets			
Inventories	9	16,003.38	18,657.96
Financial assets			
Trade receivables	10	14,746.49	14,016.84
Cash and cash equivalents	11	115.73	42.33
Other bank balances	12	40.04	33.02
Other financial assets	7	211.06	154.67
Other current assets	8	1,469.72	1,806.33
Total current assets		32,586.42	34,711.15
Total assets		41,598.65	38,623.79
Equity and liabilities			
Equity			
Equity share capital	13	447.28	446.51
Other equity	14	22,614.58	19,609.69
Total equity		23,061.86	20,056.20
Liabilities			
Non - current liabilities			
Financial liabilities			
Borrowings	15	83.66	142.76
Lease liabilities	5	2,556.70	-
Total non-current liabilities		2,640.36	142.76
Current liabilities			
Financial liabilities			
Borrowings	15	7,373.72	10,212.35
Trade payables	17		
Total outstanding dues of micro, small and medium enterprises		834.84	248.18
Total outstanding dues of creditors other than micro, small and medium enterprises		5,301.31	6,635.38
Lease liabilities	5	1,340.45	-
Other financial liabilities	18	583.62	625.96
Other current liabilities	19	339.81	540.71
Provisions	16	122.68	154.95
Current tax liabilities (net)	20	-	7.30
Total current liabilities		15,896.43	18,424.83
Total equity and liabilities		41,598.65	38,623.79

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

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

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

Mumbai, Date: 04th June 2020

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

			` in lakhs
	Note no.	Year ended 31 st March 2020	Year ended 31 st March 2019
Income			
Revenue from operations	21	68,586.54	57,765.20
Other income	22	95.47	130.60
Total income		68,682.01	57,895.80
Expenses			
Cost of materials consumed	23	10,285.08	7,254.32
Purchases of stock-in-trade		26,603.14	32,342.14
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	1,857.87	(6,243.85)
Employee benefits expense	25	7,679.68	6,557.38
Finance costs	26	1,021.25	447.42
Depreciation and amortisation expense	3,4,5	2,247.39	830.96
Other expenses	27	14,965.65	12,610.28
Total expenses		64,660.06	53,798.65
Profit before tax		4,021.95	4,097.15
Tax expenses			
Current tax	28	1,131.34	1,514.62
Deferred tax	28	(148.89)	(94.54)
Tax for earlier years		(26.85)	(43.64)
Total tax expenses		955.60	1,376.44
Profit for the year		3,066.35	2,720.71
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	32	(65.02)	(68.84)
Tax relating to these items		18.02	24.93
Total other comprehensive income		(47.00)	(43.91)
Total comprehensive income		3,019.35	2,676.80
Earnings per equity share	33		
Basic earnings per equity share (in `)		13.72	12.20
Diluted earnings per equity share (in `)		13.71	12.17
(Face value of ` 2 each)			

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

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

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

Mumbai, Date: 04th June 2020

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020**

` in lakhs

Equity share capital :	Balance as at 1 st April 2018	Changes in equity share capital during the year 2018-19	Balance as at 31 st March 2019	Changes in equity share capital during the year 2019-20	Balance as at 31 st March 2020		
Paid-up capital (<i>refer note 13</i>)	445.00	1.51	446.51	0.77	447.28		
Other equity :	Reserves and surplus					Items of other comp- rehensive income	Total
Particulars	Capital reserve	Securities premium	General reserve	Equity- settled share-based payment reserve	Retained earnings	Remeasure- ment of defined benefit plan	
Balance as at 1 st April 2018	11.18	11,811.30	618.80	112.10	4,360.69	(74.64)	16,839.43
Profit for the year	-	-	-	-	2,720.71	-	2,720.71
Other comprehensive income for the year	-	-	-	-	-	(43.91)	(43.91)
Total Comprehensive income for the year	-	-	-	-	2,720.71	(43.91)	2,676.80
On shares issued on ESOP	-	141.49	-	-	-	-	141.49
Transfer from equity-settled share-based payment reserve (on options exercised)	-	105.01	-	(105.01)	-	-	-
Transfer from equity-settled share-based payment reserve (on options forfeited)	-	-	-	(5.22)	5.22	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.38)	-	(134.38)
Transfer from statement of profit and loss	-	-	-	86.35	-	-	86.35
Balance as at 31 st March 2019	11.18	12,057.80	618.80	88.22	6,952.23	(118.55)	19,609.69
Profit for the year	-	-	-	-	3,066.35	-	3,066.35
Other comprehensive income for the year	-	-	-	-	-	(47.00)	(47.00)
Total Comprehensive income for the year	-	-	-	-	3,066.35	(47.00)	3,019.35
On shares issued on ESOP	-	88.68	-	-	-	-	88.68
Transfer from equity-settled share-based payment reserve (on options exercised)	-	67.31	-	(67.31)	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.57)	-	(134.57)
Transfer from statement of profit and loss	-	-	-	31.44	-	-	31.44
Balance as at 31 st March 2020	11.18	12,213.79	618.80	52.35	9,884.01	(165.55)	22,614.58

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

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

(Membership No. 044101)

Mumbai, Date: 04th June 2020

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)

Chairman & Managing Director

VINEET PODDAR

Chief Financial Officer

PUNKAJ LATH (DIN : 00172371)

Director

RAMEEZ SHAIKH

Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020**

	Year Ended 31st March 2020	` in lakhs Year Ended 31st March 2019
A. Cash flow from operating activities		
Profit before tax	4,021.95	4,097.15
Adjustments for :		
Depreciation and amortisation expense	2,247.39	830.96
Finance costs	1,021.25	447.42
Interest income	(6.94)	(54.58)
Loss on disposal / discard of property, plant and equipment (net)	16.02	46.36
Deposits / other amounts written back (net)	(28.77)	(25.65)
Provisions for doubtful advances / deposits	67.92	-
Unrealised exchange fluctuation (gain)/ loss	122.76	(30.51)
Share-based payments to employees	31.44	86.35
Bad debts written off / provision for doubtful debts	148.42	50.84
Operating profit before working capital changes	7,641.44	5,448.34
Adjustments for :		
Changes in working capital		
Decrease / (increase) in inventories	2,654.58	(6,405.94)
Increase in trade receivables	(878.09)	(4,287.84)
Increase in other bank balances	(1.06)	(0.42)
Decrease / (increase) in other financial assets	(11.85)	6.49
Decrease / (increase) in other assets	338.82	(184.66)
Increase / (decrease) in trade payables	(800.51)	3,235.51
Increase / (decrease) in other financial liabilities	(176.95)	47.29
Decrease in provisions	(97.29)	(102.80)
Increase / (decrease) in other current liabilities	(176.48)	90.63
Cash generated from/ (used in) operations	8,492.61	(2,153.40)
Direct taxes paid	(1,307.78)	(1,669.75)
Net cash from/ (used in) operating activities	7,184.83	(3,823.15)

CONSOLIDATED FINANCIAL STATEMENTS**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd..)**

	Year Ended 31st March 2020	in lakhs Year Ended 31st March 2019
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital advances)	(2,128.72)	(935.06)
Disposal of property, plant and equipment	39.26	14.66
Proceeds from maturity of deposits (other than cash and cash equivalents)	(5.96)	199.02
Interest received	7.07	55.37
Net cash used in investing activities	(2,088.35)	(666.01)
C. Cash flow from financing activities		
Proceeds from shares issued on ESOP	89.45	143.00
Proceeds from long-term borrowings	9.60	12.57
Repayment of long-term borrowings	(67.87)	(59.38)
Proceeds from short-term borrowings (net)	(2,872.85)	4,976.54
Repayment of long-term liabilities on leases	(1,019.66)	-
Finance costs	(1,028.24)	(455.88)
Dividend paid (including dividend distribution tax)	(133.51)	(134.17)
Net cash from/ (used in) financing activities	(5,023.08)	4,482.68
Net increase/(decrease) in cash and cash equivalents	73.40	(6.48)
Opening cash and cash equivalents	42.33	48.81
Closing cash and cash equivalents (refer note - 11)	115.73	42.33

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

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

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

Mumbai, Date: 04th June 2020

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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 incorporated under the provision of The Companies Act applicable in India. Its equity shares are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Group is engaged in the manufacturing and marketing of luggage and luggage accessories.

2. Significant accounting policies:

2.1 Basis of preparation:

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (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 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:

Subsidiary is an entity over which the group has control. The group controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.

2.3 Use of estimates and judgements:

The preparation of the consolidated financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of 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.

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**2.4 Property, plant and equipment**

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

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

Leasehold land is stated at historical cost less amounts amortised proportionate to expired lease periods.

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

Capital Work-in-Progress includes expenditure 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.

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.*

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**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

2.6 Impairment of non-financial assets

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

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

2.7 Inventories:

Inventories include Raw Material, Work-in-Progress, Finished goods, Stock-in-trade, Stores and spares and Packing Materials.

Raw material, stores and spares and packing materials 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 weighted average basis.

Stock-in-trade, work-in-progress and finished goods are valued at lower of cost and net realisable value. Finished 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. Stock-in-trade cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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 from contracts with customers:

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

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

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

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

Contract balances

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

2.9 Financial instruments:**(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.

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 model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Measured at 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 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**(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.

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

(i) 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.

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**(ii) Derecognition**

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 Effective Interest Rate (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.

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) Derecognition

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

Offsetting of financial instruments

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

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**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 prices (unadjusted) 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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by 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.

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

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.

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 plan such as Provident Fund
- (b) Defined benefit plan 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 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**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 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 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 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 accumulating 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.

The Group has since revised its policy for compensated absences to allow leave entitlements which would be non-accumulating in nature. Necessary impact of the same has been considered in the financial statements.

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based 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 equity share.

2.16 Leases:

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

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

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

At the date of commencement of the lease, the Group recognises a right-of-use assets ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

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

2.18 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 equity share:

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

2.20 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 item.

2.22 Recent accounting developments:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

Note 3 Property, plant and equipment

` in lakhs

Particulars	Lease- hold Land	Build- ings	Plant and Equip- ment	Furni- ture and Fixtures	Vehicles	Office equip- ment	Lease- hold improv- ements	Total
Gross carrying amount								
Balance as at 1 st April 2018	6.71	99.23	2,012.75	384.75	386.79	219.15	95.78	3,205.16
Additions	-	-	187.95	318.88	27.70	121.80	0.95	657.28
Deductions / adjustment	-	-	68.40	30.59	20.38	9.30	-	128.67
Balance as at 31st March 2019	6.71	99.23	2,132.30	673.04	394.11	331.65	96.73	3,733.77
Accumulated depreciation								
Balance as at 1 st April 2018	0.19	11.73	351.58	46.73	15.08	83.74	1.57	510.62
Additions	0.10	73.88	334.76	113.75	51.46	66.76	18.37	659.08
Deductions / adjustment	-	-	34.78	19.63	4.80	8.43	-	67.64
Balance as at 31st March 2019	0.29	85.61	651.56	140.85	61.74	142.07	19.94	1,102.06
Net carrying amount as at 31st March 2019	6.42	13.62	1,480.74	532.19	332.37	189.58	76.79	2,631.71
Gross carrying amount								
Balance as at 1 st April 2019	6.71	99.23	2,132.30	673.04	394.11	331.65	96.73	3,733.77
Additions	-	1,007.59	1,159.15	83.27	10.77	124.88	7.70	2,393.36
Deductions / adjustment	-	-	652.97	68.42	19.07	54.18	-	794.64
Balance as at 31st March 2020	6.71	1,106.82	2,638.48	687.89	385.81	402.35	104.43	5,332.49
Accumulated depreciation								
Balance as at 1 st April 2019	0.29	85.61	651.56	140.85	61.74	142.07	19.94	1,102.06
Additions	0.10	60.89	478.03	152.33	50.32	84.11	20.46	846.24
Deductions / adjustment	-	-	606.55	45.20	9.10	50.69	-	711.54
Balance as at 31st March 2020	0.39	146.50	523.04	247.98	102.96	175.49	40.40	1,236.76
Net carrying amount as at 31st March 2020	6.32	960.32	2,115.44	439.91	282.85	226.86	64.03	4,095.73

Note:

1. Leasehold land is under lease arrangement for a period of 99 years commencing from 1st April 1982.
2. Refer note 39 for lease-hold land, buildings, property, plant and equipment provided as security.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

Note 4 Intangible assets

` in lakhs

Particulars	Trademarks	Brands	Computer Software	Total
Gross carrying amount				
Balance as at 1st April 2018	0.05	462.71	232.69	695.45
Additions	-	-	19.61	19.61
Deductions / adjustment	-	-	-	-
Balance as at 31st March 2019	0.05	462.71	252.30	715.06
Accumulated amortisation				
Balance as at 1st April 2018	0.05	178.78	61.54	240.37
Additions	-	101.92	69.96	171.88
Deductions / adjustment	-	-	-	-
Balance as at 31st March 2019	0.05	280.70	131.50	412.25
Net carrying amount as at 31st March 2019	-	182.01	120.80	302.81
Gross carrying amount				
Balance as at 1st April 2019	0.05	462.71	252.30	715.06
Additions	-	-	29.46	29.46
Deductions / adjustment	-	-	0.58	0.58
Balance as at 31st March 2020	0.05	462.71	281.18	743.94
Accumulated amortisation				
Balance as at 1st April 2019	0.05	280.70	131.50	412.25
Additions	-	101.92	78.19	180.11
Deductions / adjustment	-	-	0.58	0.58
Balance as at 31st March 2020	0.05	382.62	209.11	591.78
Net carrying amount as at 31st March 2020	-	80.09	72.07	152.16

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

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

` in lakhs

Particulars	Right-of-use assets
	Buildings
Balance as at 1st April 2019 on transition to Ind AS 116 (refer note 36)	5,123.75
Additions	1,636.20
Deductions / Reversal	(1,843.14)
Amortisation	(1,221.04)
Balance as at 31st March 2020	3,695.77

Lease liabilities:

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

` in lakhs

Particulars	Amount
Balance as at 1st April 2019 on transition to Ind AS 116 (refer note 36)	5,123.75
Additions	1,636.20
Interest accrued during the year	382.20
Deductions / Reversal	(1,843.14)
Payment of lease liabilities	(1,019.66)
Payment of interest on lease liabilities	(382.20)
Balance as at 31st March 2020	3,897.15
Current lease liabilities	1,340.45
Non- current lease liabilities	2,556.70

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 6 Capital work-in-progress:**

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Capital work-in-progress (plant and equipment under installation)	23.47	-

Note 7 Other financial assets

` in lakhs

	Non-current		Current	
	As at	As at	As at	As at
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Unsecured, considered good unless otherwise stated				
Deposits for premises & others	399.34	518.62	198.58	132.23
Loans and advances to employees	-	-	12.41	14.31
Interest accrued on fixed deposits	-	-	0.07	0.19
Other receivables	-	-	-	7.94
	399.34	518.62	211.06	154.67

Note 8 Other assets

` in lakhs

	Non-current		Current	
	As at	As at	As at	As at
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Unsecured, considered good unless otherwise stated				
Capital advances	124.03	274.05	-	-
Advances to suppliers / others	-	-	130.59	238.92
Prepayments	6.00	-	88.29	48.08
Refunds due / balances from / with government authorities	3.23	11.41	1,229.78	1,515.78
Other receivables	-	-	21.06	3.55
	133.26	285.46	1,469.72	1,806.33

Note 9 Inventories

` in lakhs

	As at 31 st March 2020	As at 31 st March 2019
Raw materials [including goods in transit ` 360.95 lakhs (as at 31 <sup>st</sup> March 2019 ` 855.63 lakhs)]	1,117.43	1,907.28
Work-in-progress	144.22	137.61
Finished goods	2,417.43	1,496.27
Stock-in-trade [including goods in transit ` 1,987.36 lakhs (as at 31 <sup>st</sup> March 2019- ` 2,528.93 lakhs)]	12,266.16	15,051.80
Stores and spares	34.11	26.00
Packing materials	24.03	39.00
	16,003.38	18,657.96

Mode of valuation : Refer note 2.7

Refer note 39 for inventories hypothecated as security against certain bank borrowings.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 10 Trade receivables**

	As at 31 st March 2020	in lakhs As at 31 st March 2019
Unsecured		
Considered good	14,746.49	14,016.84
Credit impaired	45.31	54.56
	<u>14,791.80</u>	<u>14,071.40</u>
Less: allowances for bad and doubtful debts	45.31	54.56
	<u>14,746.49</u>	<u>14,016.84</u>

Refer note 39 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

	As at 31 st March 2020	in lakhs As at 31 st March 2019
Balance with banks in current accounts	113.15	39.61
Cash on hand	2.58	2.72
	<u>115.73</u>	<u>42.33</u>

Note 12 Other bank balances

	As at 31 st March 2020	in lakhs As at 31 st March 2019
In deposit accounts (pledged against bank guarantees / LCs)	32.18	26.22
In dividend accounts	7.86	6.80
	<u>40.04</u>	<u>33.02</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 13 Equity share capital**

	As at 31st March 2020	₹ in lakhs As at 31st March 2019
Authorised :		
2,50,00,000 (as at 31 st March 2019 : 2,50,00,000) Equity shares of ₹ 2/- each	500.00	500.00
2,50,00,000 (as at 31 st March 2019 : 2,50,00,000) Unclassified shares of ₹ 2/- each	500.00	500.00
	1,000.00	1,000.00
Issued, subscribed and paid-up		
2,23,64,000 (as at 31 st March 2019 : 2,23,25,500) Equity shares of ₹ 2/- each fully paid-up	447.28	446.51

The reconciliation of the number of equity shares outstanding

	As at 31st March 2020	As at 31st March 2019
	Numbers	Numbers
Equity shares at the beginning of the year (face value per share ₹ 2)	2,23,25,500	2,22,50,000
Add :- Shares issued on ESOP (face value per share ₹ 2)	38,500	75,500
Equity shares at the end of the year (face value per share ₹ 2)	2,23,64,000	2,23,25,500

(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.

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

	As at 31st March 2020	As at 31st March 2019
	Numbers	Numbers
	% of	% of
	(face value of	(face value of
	₹ 2 each)	₹ 2 each)
Name of the shareholders		
Safari Investments Private Limited	22,73,465	22,73,465
Mr. Sudhir Mohanlal Jatia	1,04,00,000	1,05,87,500
Tano India Private Equity Fund II	12,15,000	27,15,000
Malabar India Fund Limited	21,64,332	19,01,743

(b) Dividend paid and proposed: Refer note 31(b)**(c) The Parent Company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 14 Other equity**

` in lakhs

Particulars	Reserves and surplus					Items of other comprehensive income	Total
	Capital reserve	Securities premium	General reserve	Equity-settled share-based payment reserve	Retained earnings	Remeasurement of defined benefit plan	
Balance as at 1st April 2018	11.18	11,811.30	618.80	112.10	4,360.69	(74.64)	16,839.43
Profit for the year	-	-	-	-	2,720.71	-	2,720.71
Other comprehensive income for the year	-	-	-	-	-	(43.91)	(43.91)
Total comprehensive income for the year	-	-	-	-	2,720.71	(43.91)	2,676.80
On shares issued on ESOP	-	141.49	-	-	-	-	141.49
Transfer from equity-settled share-based payment reserve (on options exercised)	-	105.01	-	(105.01)	-	-	-
Transfer from equity-settled share-based payment reserve (on options forfeited)	-	-	-	(5.22)	5.22	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.38)	-	(134.38)
Transfer from statement of profit and loss	-	-	-	86.35	-	-	86.35
Balance as at 31st March 2019	11.18	12,057.80	618.80	88.22	6,952.33	(118.55)	19,609.69
Profit for the year	-	-	-	-	3,066.35	-	3,066.35
Other comprehensive income for the year	-	-	-	-	-	(47.00)	(47.00)
Total comprehensive income for the year	-	-	-	-	3,066.35	(47.00)	3,019.35
On shares issued on ESOP	-	88.68	-	-	-	-	88.68
Transfer from equity-settled share-based payment reserve (on options exercised)	-	67.31	-	(67.31)	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-	(134.57)	-	(134.57)
Transfer from statement of profit and loss	-	-	-	31.44	-	-	31.44
Balance as at 31st March 2020	11.18	12,213.79	618.80	52.35	9,884.01	(165.55)	22,614.58

Purpose of the Reserves:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 15 Borrowings**

	Non-current		Current	
	As at	As at	As at	As at
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Measured at amortised cost				
Secured				
From banks:				
Term loans	66.19	106.08	-	-
Working capital loans				
Cash credit accounts	-	-	905.53	4,280.20
Demand loans	-	-	5,000.00	2,700.00
Buyer's credit	-	-	1,094.68	1,783.70
Others	-	-	373.51	448.45
From others:				
Term loans	17.47	36.68	-	-
Unsecured				
From banks:				
Working capital loans	-	-	-	1,000.00
	83.66	142.76	7,373.72	10,212.35

Notes:

Security and terms of repayment:

- 1) Term loans from banks for vehicles amounting to ` 115.50 lakhs (as at 31<sup>st</sup> March 2019 ` 150.50 lakhs) including current maturities of ` 49.31 lakhs (as at 31<sup>st</sup> March 2019 ` 44.42 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 years ` 49.31 lakhs; 1-2 years ` 34.86 lakhs; 2-3 years ` 28.82 lakhs; 3-4 years ` 2.51 lakhs; >4 years ` Nil.
These loans carry interest rate ranging from 8.00% p.a. to 10.00% p.a. (31st March 2019 8.00% p.a. to 10.00% p.a.)
- 2) Term loans from others for vehicles amounting to ` 36.68 lakhs (as at 31<sup>st</sup> March 2019 ` 59.98 lakhs) including current maturities of ` 19.21 lakhs (as at 31<sup>st</sup> March 2019 ` 23.30 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 years ` 19.21 lakhs; 1-2 years ` 9.65 lakhs; 2-3 years ` 7.82 lakhs; 3-4 years ` Nil.
These loans carry interest rate ranging from 7.99% p.a. to 9.12% p.a. (31st March 2019 7.99% p.a. to 9.12% p.a.)
- 3) Working capital loans of ` 7,373.72 are secured by way of first pari-passu charge on the entire current assets of the company both present and future, first charge (pari passu) on entire moveable property, plant and equipment (fixed assets) of the company both present and future, excluding vehicles and equitable mortgage on immovable properties situated at company's Halol plant.
- 4) Also, refer note 39 for details of assets provided as security.

Note 16 Provisions

	in lakhs	
	As at	As at
	31 st March 2020	31 st March 2019
Provision for employee benefits (refer note 32)	122.68	154.95
	122.68	154.95

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 17 Trade payables**

	As at 31 st March 2020	in lakhs As at 31 st March 2019
Total outstanding dues of micro, small and medium enterprises	834.84	248.18
Total outstanding dues of creditors other than micro, small and medium enterprises	5,301.31	6,635.38
	<u>6,136.15</u>	<u>6,883.56</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 company regarding the status of registration of such vendors under the Act, as per the intimation received from them on request made by the company.

	As at 31 st March 2020	in lakhs As at 31 st March 2019
1) The principal amount remaining unpaid to supplier as at the end of the accounting year	834.84	248.18
2) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
3) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
4) The amount of interest due and payable for the year	-	-
5) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
6) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note 18 Other Financial Liabilities

	As at 31 st March 2020	in lakhs As at 31 st March 2019
Current maturities of long-term debt (refer note 15)	68.52	67.72
Payable for capital goods	210.33	70.59
Interest accrued but not due on borrowings	4.63	11.62
Unpaid dividend (refer note below)	7.86	6.80
Forward contracts payable	-	37.36
Employee payable	283.97	404.55
Other payables	8.31	27.32
	<u>583.62</u>	<u>625.96</u>

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

Note 19 Other current liabilities

	As at 31 st March 2020	in lakhs As at 31 st March 2019
Advances received from customers	26.23	-
Statutory dues	304.18	506.88
Others	9.40	33.83
	<u>339.81</u>	<u>540.71</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 20 Current tax liabilities (net)**

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

Note 21 Revenue from operations

	Year ended 31 st March 2020	Year ended 31 st March 2019
Sale of products	68,406.70	57,664.44
Other operating revenue		
Sale of scrap	179.84	100.76
	68,586.54	57,765.20

Note 22 Other Income

	Year ended 31 st March 2020	Year ended 31 st March 2019
Interest income		
Fixed deposits	6.88	7.11
Others	-	47.47
Other income		
Electricity duty refund	-	41.88
Amounts written back (net)	28.77	25.65
Miscellaneous income	59.82	8.49
	95.47	130.60

Note 23 Cost of materials consumed

	Year ended 31 st March 2020	Year ended 31 st March 2019
Raw materials		
Opening stock	1,907.28	1,747.36
Purchases	9,086.92	6,964.73
Sub-total	10,994.20	8,712.09
Sales	(213.78)	-
Closing stock	(1,117.43)	(1,907.28)
Sub-total	9,662.99	6,804.81
Processing charges, etc.	-	98.83
Raw materials consumed	9,662.99	6,903.64
Packing materials consumed	622.09	350.68
	10,285.08	7,254.32

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 24 Changes in inventories of finished goods, stock-in-trade and work-in-progress**

	` in lakhs	
	Year ended 31st March 2020	Year ended 31st March 2019
Inventories at the beginning of the year		
Work-in-progress	137.61	263.42
Finished Goods	1,496.27	1,284.34
Stock-in-trade	15,051.80	8,894.07
	<u>16,685.68</u>	<u>10,441.83</u>
Inventories at the end of the year		
Work-in-progress	144.22	137.61
Finished goods	2,417.43	1,496.27
Stock-in-trade	12,266.16	15,051.80
	<u>14,827.81</u>	<u>16,685.68</u>
Total changes in inventories	<u>1,857.87</u>	<u>(6,243.85)</u>

Note 25 Employee benefits expense

	` in lakhs	
	Year ended 31st March 2020	Year ended 31st March 2019
Salaries and wages	6,974.76	5,877.01
Contribution to provident and other funds	449.18	382.31
Share-based payments (refer note 41)	31.44	86.35
Staff welfare expense	224.30	211.71
	<u>7,679.68</u>	<u>6,557.38</u>

Note 26 Finance cost

	` in lakhs	
	Year ended 31st March 2020	Year ended 31st March 2019
Interest expense	621.65	369.25
Other borrowing costs	399.60	78.17
	<u>1,021.25</u>	<u>447.42</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 27 Other expenses**

	(` in lakhs)	
	Year ended 31st March 2020	Year ended 31st March 2019
Consumption of stores and spares	8.30	8.57
Consumption of packing materials - trading	378.47	366.34
Power and fuel	471.72	354.59
Repairs and maintenance		
Building	116.04	34.97
Plant and equipment	61.13	48.94
Others	155.70	167.34
Rent (<i>refer note 36</i>)	439.36	1,604.29
Rates and taxes, excluding tax on income	78.69	99.33
Insurance	62.17	35.00
Postage, telegram and telephone expenses	151.24	159.15
Legal and professional fees	333.76	426.75
Provisions for doubtful debts / advances / deposits	65.93	54.46
Freight, handling & octroi	4,136.42	3,147.85
Contractual labour	3,592.17	2,335.10
Travelling and conveyance	1,104.15	1,033.47
Advertisement and sales promotion	2,988.64	1,937.65
Royalty expense	14.22	30.72
Bad debts written off	150.41	3.54
Loss on disposal / discard of property, plant and equipment (net)	16.02	46.36
Director's sitting fees	15.77	10.10
Commission to Non-Executive Directors	-	24.50
Corporate social responsibility expenditure (<i>refer note 42</i>)	60.00	40.40
Foreign exchange / MTM loss (net)	209.99	209.18
Miscellaneous expenditure	355.35	431.58
Total	<u>14,965.65</u>	<u>12,610.28</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 28 Income taxes****a) Tax expense recognised in the consolidated statement of profit and loss:**

Particulars	Year Ended 31 st March 2020	₹ in lakhs Year Ended 31 st March 2019
Current tax		
Current year	1,131.34	1,514.62
Earlier years	(26.85)	(43.64)
	<u>1,104.49</u>	<u>1,470.98</u>
Deferred tax		
Increase in deferred tax assets	(148.89)	(94.54)
	<u>(148.89)</u>	<u>(94.54)</u>
Total income tax expense	<u>955.60</u>	<u>1,376.44</u>

b) A reconciliation of the income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised tax expense for the period is as follows:

	Year Ended 31 st March 2020	₹ in lakhs Year Ended 31 st March 2019
Enacted income tax rate in India	25.17%	34.94 %
Profit before tax	4,021.95	4,097.15
Income tax as per above rate	1,012.24	1,431.55
Adjustments for:		
Expenses not deductible for tax purposes	389.44	390.83
Expenses deductible separately for tax purposes	(270.34)	(304.43)
Tax for earlier years	(26.85)	(43.64)
Others	-	(3.33)
Current tax as per consolidated statement of profit and loss	<u>1,104.49</u>	<u>1,470.98</u>

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

Particulars	As at 1 st April 2018	(Credit)/ charge in statement of profit and loss	As at 31 st March 2019	(Credit)/ charge in statement of profit and loss	As at 31 st March 2020
Deferred tax assets/(liabilities)					
Depreciation	(77.41)	(123.31)	45.89	(66.20)	112.09
Amount allowable on payment basis	46.37	34.37	12.01	2.77	9.24
Voluntary retirement scheme	13.46	8.88	4.58	2.93	1.65
Provision for doubtful debts and advances	-	(18.42)	18.42	(10.09)	28.51
Right-of-use assets	-	-	-	930.23	(930.23)
Lease liabilities	-	-	-	(980.92)	980.92
Others	(23.67)	3.94	(27.61)	(27.61)	-
Total	(41.25)	(94.54)	53.29	(148.89)	202.18

The Group elected to exercise the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961. The Group, accordingly has recognised Provision for Income Tax and remeasured its Deferred Tax assets basis the rate prescribed in the said section. The impact of this change has been recognised in the Statement of Profit and Loss for current year including reversal of deferred tax assets relating to earlier years of ₹ 13.38 lakhs.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 29 Financial instruments**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: 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 lakhs

Particulars	Instruments carried at amortised cost	Total carrying amount	Total fair value
	Carrying amount		
As at 31st March 2020			
Trade receivables	14,746.49	14,746.49	14,746.49
Cash & cash equivalents	115.73	115.73	115.73
Other bank balances	40.04	40.04	40.04
Other financial assets	610.40	610.40	610.40
Total	15,512.66	15,512.66	15,512.66
As at 31st March 2019			
Trade receivables	14,016.84	14,016.84	14,016.84
Cash & cash equivalents	42.33	42.33	42.33
Other bank balances	33.02	33.02	33.02
Other financial assets	673.29	673.29	673.29
Total	14,765.48	14,765.48	14,765.48

b. Financial liabilities

` in lakhs

Particulars	Instruments carried at fair value	Instruments carried at amortised cost	Total carrying amount	Total fair value
	FVTPL	Carrying amount		
As at 31st March 2020				
Borrowings	-	7,457.38	7,457.38	7,457.38
Trade payables	-	6,136.15	6,136.15	6,136.15
Lease liabilities	-	3,897.15	3,897.15	3,897.15
Other financial liabilities	-	583.62	583.62	583.62
Total	-	18,074.30	18,074.30	18,074.30
As at 31st March 2019				
Borrowings	-	10,355.11	10,355.11	10,355.11
Trade payables	-	6,883.56	6,883.56	6,883.56
Other financial liabilities	37.36	588.60	625.96	625.96
Total	37.36	17,827.27	17,864.63	17,864.63

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 30****Financial risk management**

The Group has exposure to the following risks arising from financial instrument:

- Credit risk;
- Liquidity risk;
- Market risk - interest rate; and
- Market risk - foreign currency;

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligation.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable and individual risk limits are set accordingly.

Credit terms : Average credit period on sale of products is less than 90 days.

Ageing analysis of trade receivables:

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
0-3 months	10,056.96	11,239.85
3-6 months	4,172.14	2,500.85
6-12 months	334.69	114.59
more than 12 months	182.70	161.55
Total	14,746.49	14,016.84

B. Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time, or at a reasonable price. For the Group, liquidity risk arise from obligations on account of financial liabilities-borrowings, trade payables and other financial liabilities.

The Group's objective is to maintain at all times, optimum levels of liquidity to meet its obligations when due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. It maintains adequate sources of financing including loans and short-term borrowings from banks.

Exposure to liquidity risk

Contractual maturity of financial liabilities at the reporting date:

` in lakhs

Particulars	As at 31 st March 2020			
	0-1 year	1-5 years	More than 5 years	Total
Long-term borrowings (including current maturity of long-term debt)	68.52	83.66	-	152.18
Short-term borrowings	7,373.72	-	-	7,373.72
Trade payables	6,136.15	-	-	6,136.15
Lease liabilities	1,340.45	2,149.30	407.40	3,897.15
Other financial liabilities	515.10	-	-	515.10
Total	15,433.94	2,232.96	407.40	18,074.29

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

Particulars	As at 31 st March 2019		
	0-1 year	1-5 years	Total
Long-term borrowings (including current maturities of long-term debt)	67.72	142.76	210.48
Short-term borrowings	10,212.35	-	10,212.35
Trade payables	6,883.56	-	6,883.56
Other financial liabilities including derivative financial liabilities	558.24	-	558.24
Total	17,721.87	142.76	17,866.97

C. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency payables and loans and borrowings.

(i) Market risk - interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group is mainly exposed to this risk due to borrowings having variable rate of interest.

Exposure to interest rate risk

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Borrowings bearing fixed rate of interest	152.18	210.48
Borrowings bearing variable rate of interest	7,373.72	10,212.35

Hence, the Group is not significantly exposed to the interest rate risk as working capital facilities are, as per contractual terms, primarily of short term in nature.

Interest rate sensitivity**A change of 50 bps in interest rates would have following impact on profit before tax**

` in lakhs

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Increase by 50 bps - decrease in profits	(35.87)	(23.64)
Decrease by 50 bps - increase in profits	35.87	23.64

(ii) Market risk - foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables and is therefore exposed to foreign exchange risk. The operating results and financials of the Group may be impacted due to volatility of the rupee against foreign currencies. The Group manages foreign currency risk by hedging its transactions using foreign currency forward contracts. There is no forward contract outstanding as at 31st March 2020.

Foreign currency exposure

Name of the instrument	As at 31 st March 2020		As at 31 st March 2019	
	In million US\$	` in lakhs	In million US\$	` in lakhs
Total foreign currency exposures (net)	5.84	4,403.89	4.65	3,219.78

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Foreign currency risk sensitivity****A change of 1% in foreign currency would have following impact on profit before tax:**

Particulars	Year ended 31 st March 2020		Year ended 31 st March 2019	
	1% increase	1% decrease	1% increase	1% decrease
Increase / (decrease) in profit	(44.04)	44.04	(32.20)	32.20

D. Impact of COVID-19

Due to the global outbreak of COVID-19, a pandemic and following the nation-wide lockdown by the Government of India, the Group's manufacturing facility at Halol, retail stores and warehouses have been closed which has impacted Group's operations adversely in the quarter ended 31st March 2020. Since then, the operations at Halol Plant has partially resumed based on conditional permission by the relevant authorities. The management has considered possible effects that may impact carrying amounts of inventories and trade receivables. In making assumptions and estimates relating to uncertainties as at the balance sheet date in relation to recoverable amounts, the management has, inter alia, considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials results. The management expects no significant impairment to carrying amounts of these assets. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

Note 31 Capital risk management**(a) Risk management**

The Group's objectives when managing capital are to

- (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- (ii) maintain an optimal capital structure to reduce the cost of capital.
- (iii) support the corporate strategy and meet shareholder expectations.

The policy of the Group is to borrow through banks / financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The capital structure is governed by policies approved by the Board of Directors and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Group:

` in lakhs

Particulars	31 st March 2020	31 st March 2019
Net debt (refer note 43)	7,414.80	10,392.12
Total equity	23,061.86	20,056.20
Capital gearing ratio	0.32	0.52

The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividend

The Parent Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the Group and other internal and external factors.

- (i) The Board of Directors of the Parent Company did not recommend any dividend on equity shares for the financial year ended 31st March 2020.
- (ii) During the year the Parent Company paid total dividend of ` 134.57 lakhs, including corporate dividend tax of ` 22.95 lakhs (` 0.50 per equity share (25%)) for the year ended 31st March 2019 which was approved by the shareholders at the Annual General Meeting held on 12th August 2019.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (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 its respective Group Gratuity Scheme.

The disclosure in respect of the defined Gratuity Plan are given below:

A. Balance sheet

` in lakhs

Particulars	Defined benefit plan	
	As at 31 st March 2020	As at 31 st March 2019
Present value of plan liabilities	487.75	394.42
Fair value of plan assets	377.55	294.37
Asset/(liability) recognised	(110.20)	(100.05)

B. Movements in plan assets and plan liabilities

` in lakhs

	Present value of obligations	Fair Value of Plan assets
As at 01st April 2019	394.42	294.37
Current service cost	37.40	-
Past service cost	-	-
Interest cost on obligation / interest income on plan assets	29.94	22.34
Return on plan assets excluding amounts included in interest income	-	(2.24)
Actuarial loss arising from changes in financial assumptions	23.26	-
Actuarial loss arising from experience adjustments	39.52	-
Employer contributions	-	99.87
Benefits paid from the fund	(36.79)	(36.79)
As at 31st March 2020	487.75	377.55

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

` in lakhs

	Present value of obligations	Fair Value of Plan assets
As at 01 st April 2018	300.03	206.04
Current service cost	23.84	-
Interest cost on obligation / interest income on plan assets	23.13	15.89
Return on plan assets excluding amounts included interest income	-	(1.41)
Actuarial loss arising from changes in demographic assumptions	11.25	-
Actuarial loss arising from changes in financial assumptions	34.99	-
Actuarial loss arising from experience adjustments	21.19	-
Employer contributions	-	93.87
Benefits paid from the fund	(20.02)	(20.02)
As at 31 st March 2019	394.42	294.37

C. Statement of profit and loss

` in lakhs

Particulars	Year Ended 31 st March 2020	Year Ended 31 st March 2019
Employee benefits expense:		
Current service cost	37.40	23.84
Interest cost (net)	7.59	7.25
Total amount recognised in statement of profit and loss	45.00	31.09
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest income	2.24	1.41
Actuarial loss arising from changes in demographic assumptions	-	11.25
Actuarial loss arising from changes in financial assumptions	23.26	34.99
Actuarial loss arising from experience adjustments	39.52	21.19
Total amount recognised in other comprehensive income	65.02	68.84

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**D. Assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefit plan at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Financial assumptions

Particulars	As at 31 st March 2020	As at 31 st March 2019
Discount rate	6.82%	7.59%
Expected rate of return on plan assets	6.82%	7.59%
Salary escalation rate	4.50%	4.50%

Demographic assumptions

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

Particulars	As at 31 st March 2020	As at 31 st March 2019
Attrition rate	For service of 4 years and below :- 26% p.a and for service 5 years and above :- 2.00% p.a.	For service of 4 years and below :- 26% p.a and for service 5 years and above :- 2.00% p.a.

E. Sensitivity

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

` in lakhs			
Particulars	Change in assumption	Increase in assumption	Decrease in assumption
As at 31st March 2020			
Impact on defined benefit obligation			
Discount rate	1.00%	(29.74)	34.30
Salary escalation rate	1.00%	33.97	(29.88)
Attrition rate	1.00%	4.31	(5.10)
As at 31st March 2019			
Impact on defined benefit obligation			
Discount rate	1.00%	(22.25)	25.26
Salary escalation rate	1.00%	25.00	(22.33)
Attrition rate	1.00%	4.50	(5.18)

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.

Sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**F. The defined benefit obligation shall mature as follows:**

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Within 1 year	67.04	36.60
1-2 years	39.54	37.85
2-3 years	69.19	46.75
3-4 years	55.48	64.30
4-5 years	49.38	48.33
5-10 years	180.22	170.26
10 years and above	423.30	321.55

- ii) **Compensated absences:** The Group has a policy on compensated absences which are both accumulating and non accumulating in nature. The expected cost of accumulating compensated absences is determined and provided on the basis of actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date and the Group makes annual contribution to the fund administered by Life Insurance Company under its respective Group Scheme. Expense on non accumulating compensated absences is recognised in the period in which the absences occur.

The Group has since revised its policy for compensated absences to allow leave entitlements which would be non-accumulating in nature. Necessary impact of the same has been considered in the financial statements.

The disclosure in respect of the compensated absences are given below:

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Expenses recognised in Statement of Profit and Loss	46.27	86.96
Balance sheet liability	12.48	54.90

Note 33 Earnings per equity share (EPS)

Particulars	Year Ended 31 st March 2020	Year Ended 31 st March 2019
Profit after tax (PAT) available for equity shareholders (` in lakhs)	3,066.35	2,720.71
Weighted average number of equity shares for basic EPS	22,342,673	22,297,371
Basic earnings per equity share (in `)	13.72	12.20
Weighted average number of equity shares for diluted EPS	22,371,117	22,355,698
Diluted earnings per equity share (in `)	13.71	12.17
Nominal value of equity shares (in `)	2.00	2.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 34 Contingent liabilities**

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Disputed sales tax/ entry tax demands	18.58	6.56
Bonus for earlier years	10.80	10.80
Other claims against the Group not acknowledged as debts	29.09	27.76

Notes:

- 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.
- 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

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ` **528.72 lakhs** (previous year ` 837.27 lakhs).

Note 36 Leases

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

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

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

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

The Group didn't recognise right-of-use assets and lease liabilities for lease for which the lease terms ends within 12 months on the date of initial transition and low value assets.

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**On transition to the Ind AS 116, impact thereof is as follows:**

` in lakhs

Particulars	Initial conversion
Right-of-use assets	5,123.75
Lease liabilities	5,123.75

The difference between the lease obligation under Ind AS 17 disclosed under Note no. 34 of the annual standalone financial statements for the year ended 31st March 2019 and the value of the lease liability as of 01st April 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116

Break-up of the contractual maturities of lease liabilities as at 31st March 2020 on an undiscounted basis:

` in lakhs

Particulars	Amount
Less than one year	1,340.45
One to five years	2,149.30
More than 5 years	407.41

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

` in lakhs

Particulars	Amount
Rental expense	439.36

Note 37 Disclosure on related party transactions**Key Managerial Personnel:**

Name	Nature of Relationship
Mr. Sudhir Mohanlal Jatia	Chairman & Managing Director
Mr. Vineet Poddar	Chief Financial Officer
Mr. Rameez Shaikh	Company Secretary
Dr. Shailesh Jayantilal Mehta	Non-Executive and Independent Director
Mr. Punkaj Girdharilal Lath	Non-Executive and Independent Director
Mr. Dalip Charanjit Sehgal	Non-Executive and Independent Director
Mrs. Vijaya Sampath	Non-Executive and Independent Director
Mr. Rahul Lalit Kanodia	Non-Executive and Independent Director
Mr. Anuj Patodia	Non-Executive and Non-Independent Director
Mr. Piyush Goenka	Non-Executive and Non-Independent Director
Mr. Sumeet Nagar (w.e.f. 05 th February 2020)	Non-Executive and Non-Independent Director

Other related parties:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Transactions during the year and balances as at year end:**

₹ in lakhs

Nature of transactions	Key Management Personnel	Other Related Parties
Transactions during the year		
Remuneration to key managerial persons:		
Mr. Sudhir Mohanlal Jatia, Chairman & Managing Director	101.57 (105.63)	
Mr. Vineet Poddar, Chief Financial Officer	136.80 (133.92)	
Mr. Rameez Shaikh, Company Secretary	19.49 (15.33)	
Sitting Fees:		
Non-Executive and Independent Directors	12.77 (8.60)	
Non-Executive and Non-Independent Directors	3.00 (1.50)	
Commission:		
Non-Executive and Independent Directors	- (23.75)	
Non-Executive and Non-Independent Directors	- (0.75)	
Salary & perquisites:		
Ms. Shivani Jatia	- (-)	3.53 (12.66)

*Figures in bracket relate to previous year***Notes:**

- Related party relationship is as identified by the management and relied upon by the auditors.
- No amount in respect of related parties has 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 at arm's length basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)**Note 38 Segment reporting**

The Group's Chairman and Managing Director has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators. The Group is primarily engaged in the manufacturing and marketing of luggage and luggage accessories. Since this segment meets the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers this as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

Note 39 Assets provided as security

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

` in lakhs		
Particulars	As at 31 st March 2020	As at 31 st March 2019
Current assets		
Financial assets		
Trade receivables	14,766.93	14,108.41
Non-financial assets		
Inventories	16,003.38	18,582.32
Total current assets provided as security	30,770.31	32,690.73
Non-current assets		
Leasehold land *	6.32	6.42
Buildings*	960.32	13.62
All movable property, plant and equipment*	3,065.06	2,494.64
Total non-current assets provided as security	4,025.38	2,508.26
Total assets provided as security	34,795.69	35,198.99

*This represents net book value.

Note 40 Auditor's remuneration

(excluding goods and service tax)

` in lakhs		
Particulars	Year Ended 31 st March 2020	Year Ended 31 st March 2019
Audit fees	7.50	5.50
Tax audit fees	1.75	1.75
Limited review and certification fees	6.25	5.25
Reimbursement of expenses	1.23	0.70
Total	16.73	13.20

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)
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 Oct 2016	09 Mar 2017	29 Nov 2017	09 Feb 2018
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

Movements in number of share options during the year:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Grant Date	08 Oct 2016	09 Mar 2017	29 Nov 2017	09 Feb 2018
Opening balance	12,000	27,000	18,000	10,000
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	12,000	13,500	9,000	4,000
Expired / lapsed during the year	-	-	-	-
Closing balance	-	13,500	9,000	6,000
Exercisable options	-	-	-	3,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (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 Oct 2016	09 Mar 2017	29 Nov 2017	09 Feb 2018
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%
Weighted average fair value of the options (In `)	105.44	126.54	285.52	296.98

Note 42 Details of corporate social responsibility (CSR) expenditure :

` in lakhs

Particulars	Year Ended 31 st March 2020	Year Ended 31 st March 2019
Amount required to be spent as per section 135 of the Companies Act, 2013	59.87	40.08
Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	60.00	40.40
Total	60.00	40.40

Note 43 Debt reconciliation statement in accordance with Ind AS 7 - Statement of Cash Flows:

` in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Non-current borrowings (including current maturities of long-term debt)	152.18	210.48
Current borrowings	7,373.72	10,212.35
Interest accrued but not due on borrowings	4.63	11.62
Less: Cash and cash equivalents	(115.73)	(42.33)
Net debt	7,414.80	10,392.12

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (contd..)

` in lakhs

Particulars	Non-current borrowings	Current borrowings	Interest accrued but not due on borrowings	Cash and cash equivalents	Total
Net debt as at 01 st April 2019	210.48	10,212.35	11.62	(42.33)	10,392.12
Cash flows	(58.30)	(2,872.85)	-	(73.40)	(3,004.55)
Unrealised exchange loss	-	34.22	-	-	34.22
Finance costs	-	-	1,021.25	-	1,021.25
Interest paid	-	-	(1,028.24)	-	(1,028.24)
Net debt as at 31st March 2020	152.18	7,373.72	4.63	(115.73)	7,414.80

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

Signatures to notes 1-45

As per our report of even date

For **LODHA & CO.**, *Chartered Accountants*
(Firm Regn. No. 301051E)**R. P. BARADIYA**, *Partner*
(Membership No. 044101)Mumbai, Date: 04th June 2020

For and on behalf of the Board of Directors

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



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