

19th July 2021

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400001

National Stock Exchange of India Limited
Exchange Plaza, Plot no.C/1, G-Block, Bandra
Kurla Complex, Bandra (East), Mumbai 400051

Scrip Code: 523025

Scrip Code: SAFARI

Subject: Notice of the 41st Annual General Meeting (“AGM”) and Annual Report for FY2020-21 of the Company as required under Regulation 30 and Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Dear Sir / Madam,

Pursuant to Regulation 30 read with Para A, Part A of Schedule III and Regulation 34(1) of SEBI Listing Regulations, attached herewith is the Notice and the Explanatory Statement of the 41st AGM alongwith Annual Report for FY2020-21 of the Company to be held on Wednesday, 11th August 2021 at 1.30 p.m. (IST) through Video Conference (VC) / Other Audio Visual (OAVM). The said Notice forms part of the Annual Report 2020-21.

The said Annual Report 2020-21 is 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	Wednesday, 11 th August, 2021 at 01:30 PM (IST)
Location	Video Conferencing (VC) / Other Audio Visual Means (OAVM)
Cut-off date (for determining Members eligible for e-voting)	Wednesday, 4 th August 2021
Remote e-voting period	From: Sunday, 8 th August 2021 (9:00 am IST) Upto: Tuesday, 10 th August 2021 (5:00 pm IST)

The aforesaid Notice and the Annual Report are also available on the website of the Company at www.safaribags.com.

You are requested to kindly take the same on record.

Thanking You.

For **Safari Industries (India) Limited**


Rameez Shaikh
Company Secretary



Encl: As above

safari

**ANNUAL REPORT
2020 - 2021**



41ST ANNUAL GENERAL MEETING

Wednesday, 11th August 2021 at 1.30 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. Anuj Patodia

Mr. Piyush Goenka

Mr. Sumeet Nagar

Mr. Gaurav Sharma (*appointed w.e.f. 13th May 2021*)

CHIEF FINANCIAL OFFICER :

Mr. Vineet Poddar

COMPANY SECRETARY :

Mr. Rameez Shaikh

REGISTERED OFFICE :

302-303, A Wing, The Qube, CTS No. 1498,

A/2, MV Road, Marol,

Andheri (East), Mumbai 400059

(T) +91-22-40381888

(F) +91-22-40381850

(E) investor@safari.in

(W) www.safaribags.com

CIN :

L25200MH1980PLC022812

FACTORY :

1701/1, 2200 & 2201, GIDC Industrial Estate,

Halol 389350, Dist: Panchmahal (Gujarat)

BANKERS :

Axis Bank Ltd

Citi Bank N.A.

HDFC Bank Ltd

IndusInd Bank Ltd

AUDITORS :

M/s. Lodha & Co.

Chartered Accountants

LEGAL ADVISORS :

M/s. Vertices Partners

Advocates & Solicitors

REGISTRAR & SHARE TRANSFER AGENT :

Adroit Corporate Services Pvt. Ltd.

18-20, 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)

	2020-21	2019-20	2018-19	2017-18	2016-17
A. Statement of Profit and Loss					
Revenue from Operations	32,797.55	68,134.44	57,262.96	41,963.64	35,116.81
Other Income	332.57	76.55	130.53	94.16	109.53
Total Income	33,130.12	68,210.99	57,393.49	42,057.80	35,226.34
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	(260.37)	7,167.72	5,322.34	4,236.33	2,500.42
Finance Cost*	578.61	1,002.07	447.42	288.61	371.42
Depreciation and Amortisation expenses*	2,042.37	2,149.50	815.08	612.80	509.76
Profit/(Loss) Before Exceptional and Extraordinary Items	(2,881.35)	4,016.15	4,059.84	3,334.92	1,619.25
Exceptional and Extraordinary Items	-	-	-	-	(89.06)
Profit/(Loss) Before Tax	(2,881.35)	4,016.15	4,059.84	3,334.92	1,530.19
Tax Expense	(795.74)	965.07	1,361.81	1,213.97	524.00
Profit/(Loss) After Tax	(2,085.61)	3,051.08	2,698.03	2,120.95	1,006.19
Dividend (including proposed dividend and corporate dividend tax)	-	-	134.57	134.38	99.90
Dividend %	-	-	25.00	25.00	20.00
B. Balance Sheet					
Share Capital	447.73	447.28	446.51	445.00	415.00
Reserves & Surplus	27,378.36	22,537.55	19,547.92	16,800.34	9,677.59
Loan Funds	968.59	7,525.90	10,422.83	5,500.16	4,186.67
Total Capital Employed	28,794.68	30,510.73	30,417.26	22,745.50	14,279.26
Fixed Assets	3,780.96	4,271.36	2,894.29	3,162.69	2,439.96
Investments	5.00	5.00	5.00	5.00	5.00
Cash and other bank balances	442.03	80.56	69.33	278.77	485.36
Net Assets (Current and Non-Current)	24,566.69	26,153.81	27,448.64	19,299.04	11,348.94
Total Assets Employed	28,794.68	30,510.73	30,417.26	22,745.50	14,279.26

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

NOTICE

NOTICE is hereby given that the **41st Annual General Meeting** of the Members of Safari Industries (India) Limited ("Company") will be held on Wednesday, 11th day of August, 2021 at 01:30 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2021, 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 2021 and report of the Auditors thereon.

SPECIAL BUSINESS:

2. To consider and approve that Mr. Anuj Patodia (DIN: 00026458) liable to retire by rotation under Section 152 of the Companies Act, 2013, and does not intend to offer himself for re-appointment.

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

"RESOLVED THAT Mr. Anuj Patodia (DIN: 00026458), Director liable to retire by rotation, does not intend to offer himself for re-appointment and be not be re-appointed as a Director of the Company and the vacancy so caused on the Board of the Company be not filled-up."

3. To appoint Mr. Gaurav Sharma (DIN:03311656) as Non-Executive Non-Independent 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 read with 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. Gaurav Sharma (DIN: 03311656) , who was appointed as an Additional Director of the Company with effect from 13th May 2021 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-Executive Non-Independent 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 authorized 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 Mr. Rahul Kanodia (DIN: 00075801) as Non-Executive 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, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination, Remuneration and Compensation Committee and approval of the Board of Directors, Mr. Rahul Kanodia (DIN:00075801), who was appointed as an Independent Director of the Company for a term upto 11th August 2021 by the Members of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company not liable to retire by rotation for a second term of 5 (five) consecutive years with effect from 12th August 2021 to 11th August 2026 on the Board of the Company"

"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."

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

SUDHIR JATIA

Chairman & Managing Director

DIN:00031969

Place: Mumbai

Date: 13th May 2021

NOTES :

1. In view of the continuing COVID -19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No.20/2020 dated 5th May 2020 and Circular No. 02/2021 dated 12th January 2021 (collectively referred to as 'MCA Circulars') and SEBI Circular No. SEBI/ HO/ CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 read with SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021("SEBI Circulars") permitted the holding of an Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars, the AGM of the Company is proposed to be held through VC/ OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. An Explanatory Statement pursuant to Section 102 of the Act, relating to the Special Businesses as set out in Item Nos.2, 3 and 4 are furnished as part of this Notice.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act and Certificate from 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. to the Company on investor@safari.in.
6. Members holding shares in physical form are requested to notify any change in their address including pin code, bank mandate, email address, etc to the Company's Registrar and Transfer Agent, M/s. Adroit Corporate Services Private Limited ("RTA") through email at info@adroitcorporate.in. Members holding shares in electronic form are requested to furnish details for change/ update to their respective Depository Participant. 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.

7. Corporate Members are required to send to 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.
8. Members desirous of obtaining any information with regards to this Notice are requested to write to the Company at least one week before the AGM to enable the Company to make available the required information at the AGM. The same will be replied by the Company suitably.
9. In compliance with the aforesaid MCA Circulars and SEBI Circulars, this Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories. Members may note that the Notice will also be available on the Company's website www.safaribags.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL www.evoting.nsdl.com. Members who have not registered their email address with the Company can register the same by sending an email at info@adroitcorporate.in. Post successful registration of email address, the member will get the soft copy of the Notice of AGM.
10. 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.
11. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investor@safari.in at least one week before the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
12. The Board of Directors has appointed Mr. Ninad Awachat, Practicing Company Secretary as the Scrutinizer ("Scrutinizer") to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
13. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The voting results declared along with the Scrutinizer's report shall be communicated to BSE Limited, National Stock Exchange of India Limited and NSDL and it will also be displayed on the Company's website at www.safaribags.com.
14. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from 1st 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.
15. Members to whom this Notice has been sent through e-mail are entitled to receive the same in physical form, upon request. The request may be sent through email to RTA or the Company at info@adroitcorporate.in and/or investor@safari.in.
16. Members of the Company had approved the appointment of Lodha & Co, Chartered Accountants (Firm Registration No. 301051E), as the Statutory Auditor at the 37th AGM of the Company for a term of 5 (five) years subject to ratification by the Members at every AGM. The Ministry of Corporate Affairs vide its Notification dated 7th 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 Auditor of the Company at every AGM has now been dispensed with. Accordingly, the proposal for ratification of the appointment of Statutory Auditors is not forming part of this Notice of AGM.

17. Additional information pursuant to Regulation 26(4) and Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meeting (SS-2), in respect of the Directors seeking appointment/ re-appointment at the AGM is furnished as Annexure to the Notice.
18. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.
19. Voting through remote e-Voting:
 - a) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 - b) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 - c) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
 - d) In line with the Ministry of Corporate Affairs ("MCA") Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.safaribags.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. www.evoting.nsdl.com.

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

The remote e-Voting period begins on Sunday, 8th August 2021 (9:00 am) and ends on Tuesday, 10th August 2021 (5:00 pm). The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 4th August 2021, may cast their vote electronically. The voting right of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 4th August 2021.

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

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

Step 1: Access to NSDL e-Voting system

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

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

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nSDL.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 40px; margin-top: 10px;">   </div>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode)</p>	<p>You can also login using the login credentials of your demat account through login through their depository participants your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

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***

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

6. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open

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

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

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

General Guidelines for shareholders:

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

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

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

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

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

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

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

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

SUDHIR JATIA

Chairman & Managing Director

DIN:00031969

Place: Mumbai

Date: 13th May 2021

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESSES TO BE TRANSACTED AT THE AGM:

ITEM NO. 2:

To consider and approve that Mr. Anuj Patodia (DIN: 00026458) liable to retire by rotation under Section 152 of the Companies Act, 2013, and does not intend to offer himself for re-appointment.

In accordance with Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Anuj Patodia (DIN: 00026458), Director retires by rotation at the ensuing Annual General Meeting. Mr. Anuj Patodia has indicated to the Company that he is not seeking reappointment due to pre-occupation. Mr. Anuj Patodia has been on the Board of the Company since 2012. The Board places on record its sincere appreciation and recognition of the valuable contribution and services rendered by Mr. Anuj Patodia during his tenure as a Director on the Board of the Company. The Board proposes that the vacancy caused by his retirement be not filled up.

The Board of Directors recommends the resolution for approval of the Members of the Company as an Ordinary Resolution.

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

ITEM NO. 3:

To appoint Mr. Gaurav Sharma (DIN: 03311656) as Non-Executive Non-Independent Director of the Company:

Mr. Gaurav Sharma (DIN:03311656) 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 13th May 2021 to hold office as Additional 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.

The Company has received notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Gaurav Sharma for the office of Director of the Company. The Company has also received declaration to the effect that he is not disqualified under the provisions of Sub-section (2) of Section 164 of the Companies Act, 2013, consent letter and other relevant disclosures in accordance with the Companies Act, 2013.

The consent letter and other relevant disclosures 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. Gaurav Sharma is annexed to this Notice. The Board of Directors recommends the resolution for approval of the Members of the Company as an Ordinary Resolution.

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

ITEM NO. 4:

To re-appoint Mr. Rahul Kanodia (DIN: 00075801) as Non-Executive Independent Director of the Company for second term:

Mr. Rahul Kanodia (DIN: 00075801) was appointed as Non-Executive Independent Director of the Company for a period of five years with effect from 12th August 2016 to 11th August 2021 pursuant to the provisions of Section 149 of the Companies Act, 2013 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 Mr. Rahul Kanodia as Non-Executive Independent Director. The Board, based on the above recommendation of the Nomination, Remuneration and Compensation Committee, considered that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. In this connection, it is proposed to re-appoint Mr. Rahul Kanodia as Non-Executive Independent Director 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 12th August 2021 to 11th August 2026.

The Company has received notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Rahul Kanodia for the office of Non-Executive Independent Director of the Company. The Company has also received declaration that he 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, Mr. Rahul Kanodia fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder read with Schedule IV of the Companies Act, 2013 for his re-appointment as Non-Executive Independent Director of the Company.

Copy of the draft letter of re-appointment of Mr. Rahul Kanodia 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.

Brief profile of Mr. Rahul Kanodia is annexed to this Notice. The Board of Directors recommends the resolution for approval of the Members of the Company as a Special Resolution.

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

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

SUDHIR JATIA

Chairman & Managing Director

DIN:00031969

Place: Mumbai

Date: 13th May 2021

Additional Information of Directors recommended for re-appointment in terms of Regulation 26(4), 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. Rahul Kanodia	Mr. Gaurav Sharma
Date of birth/ age	25 th November 1966 / 54 Years	28 th February 1972/ 49 Years
Qualification	MBA degree from Columbia University (USA) with a major in Business Strategy & Marketing and a minor in Mergers & Acquisition and Turnaround Management. Two bachelor degrees from H. R. College (India), with specialization in Finance & Accounting, and Babson College (USA), with specialization in Management Information Systems	Master in Business Administration degree from The Wharton School, University of Pennsylvania (1999 - 2001) and a Bachelor's degree in Engineering from Indian Institute of Technology, Delhi (1990 - 94).
Expertise in specific functional areas	Mr. Rahul Kanodia has over 30 years of professional experience and has expertise in the field of Business Strategies, Marketing, Finance, Merger& Amalgamations.	Mr. Gaurav Sharma has experience in private equity investment and other financial services.
Date of first appointment on the Board	16 th May 2016	13 th May 2021.

Name of Director	Mr. Rahul Kanodia	Mr. Gaurav Sharma
Terms and conditions of appointment/ re-appointment	Re-appointment in terms of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as Non-Executive Independent Director for a period of 5 years.	Appointment as Non-Executive Non-Independent Director whose term of office is liable to retire by rotation.
Details of remuneration sought to be paid	Mr. Rahul Kanodia will be entitled to sitting fees for attending Board and Committee meetings of the Company and commission, if any.	Mr. Gaurav Sharma has given letter to the Board waiving his sitting fees and any sought of remuneration to be paid.
Details of last drawn remuneration	Sitting fees of ₹ 2,50,000/- paid for Financial Year 2020-21.	Not applicable
Directorship held in other companies	<ul style="list-style-type: none"> • Datamatics Global Services Limited • Cybercom Datamatics Information Solutions Limited • Lumina Datamatics Limited • Delta Infosolutions Private Limited • Datamatics Infotech Services Private Limited • Datamatics Robotics Software Limited 	<ul style="list-style-type: none"> • Intergrow Brands Private Limited • Skyron Eco Ventures Private Limited • Investcorp Credit Solutions Private Limited • Investcorp India Asset Managers Private Limited • Arr Advisory Private Limited • Medi Assist Healthcare Services Limited • Zolostays Property Solutions Private Limited • Bewakoof Brands Private Limited • Nephrocare Health Services Private Limited • ASG Hospital Private Limited
Chairmanship/ Membership in Committees of other Boards	<ul style="list-style-type: none"> • Member of Audit Committee of Datamatics Global Services Limited • Member of Stakeholders' Relationship Committee of Datamatics Global Services Limited 	Nil
Shareholding in the Company	Nil	Nil
Relationship with other Directors & KMP of the Company	None	None
Number of meetings of the Board attended during the financial year 2020-21	Attended 5 out of 5 meetings	Not applicable since appointed in FY 2021-22.

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the **41st (Forty First) Annual Report** on the business and operations of the Company together with the Audited Financial Statements for the financial year ended as on 31st March 2021.

1. STATE OF AFFAIRS OF THE COMPANY:

a) FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	32,797.55	68,134.44	32,797.55	68,586.54
Other income	332.57	76.55	333.29	95.47
Total income	33,130.12	68,210.99	33,130.84	68,682.01
Expenses	36,011.47	64,194.84	36,014.54	64,660.06
Profit/(Loss) before tax	(2,881.35)	4,016.15	(2,883.70)	4,021.95
Tax expense	(795.74)	965.07	(794.01)	955.60
Profit/(Loss) after tax	(2,085.61)	3,051.08	(2,089.69)	3,066.35
Other comprehensive income	(116.23)	(47.00)	(116.23)	(47.00)
Total comprehensive income for the period	(2,201.84)	3,004.08	(2,205.92)	3,019.35

b) PERFORMANCE REVIEW:

Standalone:

The total income of the Company for the financial year 2020-21 stood at ₹ 33,130.12 Lakhs as against last year's ₹ 68,210.99 Lakhs. Loss before tax for the year was at ₹ 2,881.35 Lakhs as against last year's Profit before tax of ₹ 4,016.15 Lakhs. The total comprehensive income was ₹ (2,201.84) Lakhs as against ₹ 3,004.08 Lakhs of the previous year.

As on 31st March 2021, the Reserves and Surplus of the Company were at ₹ 27,378.36 Lakhs.

Consolidated:

The total income of the Company for the financial year 2020-21 stood at ₹ 33,130.84 Lakhs as against last year's ₹ 68,682.01 Lakhs. Loss before tax for the year was at ₹ 2,883.70 Lakhs as against last year's Profit before tax of ₹ 4,021.95 Lakhs. The total comprehensive income was ₹ (2,205.92) Lakhs as against ₹ 3,019.35 Lakhs of the previous year.

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

The total income of Safari Lifestyles Limited for the financial year 2020-21 stood at ₹ 0.72 Lakhs as against last year's ₹ 849.33 Lakhs. Loss before tax were at ₹ 2.36 Lakhs as against last year's ₹ 37.63 Lakhs. The total comprehensive income was ₹ (4.08) Lakhs as against ₹ (28.16) 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 the cash. Hence, the Board of Directors of the Company have decided not to recommend any Dividend during the financial year 2020-21.

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

During the year under review, the Company has not made any profit and hence no amount is transferred to reserves for FY 2020-21.

4. SHARE CAPITAL:

During the year under review, the Company's paid-up share capital increased from ₹ 4,47,28,000/- to ₹ 4,47,73,000/- due to issuance of Equity Shares through ESOP Allotments which were made during the year.

5. ISSUE OF COMPULSORILY CONVERTIBLE DEBENTURES ("CCDs"):

During the year under review, based on recommendation of Board of Directors vide their meeting held on 23rd February 2021 and pursuant to the subsequent approval of the Members obtained through special resolution passed at the Extra Ordinary General Meeting held on Friday, 19th March 2021, the Company has issued 13,15,790 Compulsorily Convertible Debentures ("CCDs") each priced at Face Value of ₹ 570/- per CCD (the "Issue Price") for an aggregate amount of ₹ 75,00,00,300 (Rupees Seventy Five Crore Three Hundred only) on preferential basis to Investcorp Private Equity Fund II which is a trust created under Indian Trusts Act, 1882 and registered as an Alternative Investment Fund under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("Investor").

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

6. TRANSFER TO INVESTORS' EDUCATION AND PROTECTION FUND:

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

Details of the unpaid and unclaimed dividend amount lying with the Company as on 31st March 2020 have been uploaded on the Company's website (<https://www.safaribags.com/investors-relations/unclaimed-unpaid-dividends/>) and also on the website of the Ministry of Corporate Affairs.

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

On the recommendation of the Nomination, Remuneration and Compensation Committee, the Board of Directors of the Company had appointed Mr. Gaurav Sharma (DIN:03311656) as an Additional Director, Non-Executive Non-Independent Director of the Company w.e.f. 13th May 2021 subject to approval of the Members at the ensuing Annual General Meeting ("AGM").

The aforesaid appointment with a brief profile and other related information of Mr. Gaurav Sharma forms part of the Notice convening the ensuing AGM and the Directors recommend the same for your approval.

b) RETIREMENT BY ROTATION:

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Anuj Patodia, Director (DIN:00026458) of the Company is liable to retire by rotation at the ensuing AGM.

Mr. Anuj Patodia has intimated the Company that he does not intend to offer himself for the re-appointment in the ensuing AGM and the vacancy so caused on the Board of the Company be not filled-up.

DIRECTORS' REPORT (contd..)

c) INDEPENDENT DIRECTORS:

The current term of Mr. Rahul Kanodia, Non-Executive Independent Director of the Company expires on 11th August 2021. On the recommendation of the Nomination, Remuneration and Compensation Committee, the Board of Directors of the Company has re-appointed Mr. Rahul Kanodia (DIN: 00075801) as Non-Executive Independent Director of the Company for a further period of 5 years w.e.f. 12th August 2021 subject to approval of the Members at the ensuing AGM.

The aforesaid re-appointment with a brief profile and other related information of Mr. Rahul Kanodia forms part of the Notice convening the ensuing AGM and the Directors recommend the same for your approval.

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 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/>

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	Managing Director
2.	Mr. Vineet Poddar	Chief Financial Officer
3.	Mr. Rameez Shaikh	Company Secretary

During the year under review, the Board of Directors in their meeting held on 12th February 2021 and the Member of the Company in the Extra Ordinary General Meeting held on 19th March 2021 re-appointed Mr. Sudhir Jatia (DIN: 00031969), Managing Director of the Company for further period of five years commencing from 18th April 2021 till 17th April 2026.

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/>

DIRECTORS' REPORT (contd..)**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, 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 12th February 2021 have evaluated the performance of the Board as a whole, Committees of Board, the Chairman of the Company and the Non-Independent Directors as per the criteria adopted by the Nomination, Remuneration and Compensation Committee and the Board.

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

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

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

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

During the year under review, the Board of Directors have held five(5) Board meetings. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report which is annexed as **Annexure A**.

h) COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee of the Board of Directors of the Company comprises of the following members as on 31st March 2021:

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

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

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

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

DIRECTORS' REPORT (contd..)

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

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/>

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

The Directors hereby confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss 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 AGM till the conclusion of 42nd AGM 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 Singhi Advisors LLP (earlier known as M/s. Moore Stephens Singhi Advisors LLP) as the Internal Auditors of the Company.

14 SECRETARIAL AUDIT REPORT:

In accordance with the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Ninad Awachat & Associates, Practising Company Secretaries (Membership No. 26995 & CP No. 9668) to conduct Secretarial Audit for the financial year 2020-21.

DIRECTORS' REPORT (contd..)

The Report of the Secretarial Auditor is annexed hereto as **Annexure D**. The said Report contains no qualification or adverse remark except one reservation as follows:

During the year under review, BSE limited and National Stock Exchange of India Limited had issued notice to the Company for non-compliance with Regulation 29 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to its Board Meeting held on 12th February 2021 and subsequently both stock exchanges have levied fine on the Company of ₹ 10,000/- each exclusive of taxes.

On which the Company clarified to the Secretarial Auditor that:

- The Company had given prior intimation under regulation 29 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the meeting of the Board of Directors of the Company is scheduled on 12th February 2021, inter alia, to consider and approve, amongst other matters, the Un-audited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended 31st December 2020.
- Accordingly, the meeting of the Board was held on 12th February 2021 and the Board approved the Un-audited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended 31st December 2020 and the outcome of the same was disclosed to the Stock Exchanges.
- In addition, the Company had disclosed the following in the outcome of Board Meeting disclosed to the Stock Exchanges on 12th February 2021:
 "Augmenting long term resources of the Company and accordingly, has authorized the management of the Company to explore various fund raising options upto ₹ 100 Crores, by way of issuance of shares and/or debt security/ies, or any combinations thereof as may be deemed necessary and place for the consideration of the Board and if required the approval of the Shareholders as may be applicable"
- During course of the discussion on the results, shortfall in long term resources was identified by the Board and subsequently the Board advised the management to explore various options for raising long term resources. The disclosure made in the outcome of Board meeting to the Stock Exchanges was about exploring various options for raising long term resources. The Board never considered any proposals for raising funds at its meeting held on 12th February 2021. The fund raising proposal was considered at a Board Meeting held on 23rd February 2021 for which the Company had given prior intimation on 18th February 2021 in terms of Regulation 29(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Therefore, it was reiterated that the Board had only advised the management to explore various options including long term loan from banks or financial institution or raising of funds by other means. The Company had not identified any investor for raising of funds in the meeting held on 12th February 2021 nor received any letter of intent from any investor for investment in the Company. The Company had not signed any definitive agreements or memorandum of understanding with any investor.
- As on date of this report, the Company has paid the fine to comply with said notice requirement and simultaneously filed an application for waiver of fine and the same is pending before the Stock Exchanges.

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 2020-21. 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 send an E-mail to the Company Secretary at investor@safari.in for the same.

The Report on the performance and financial position of Safari Lifestyles Limited 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 AND INVESTMENTS UNDER SECTION 186 OF THE ACT:

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 Statements.

22. ANNUAL RETURN:

The Annual Return for financial year 2020-21 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 Statements for the year ended 31st March 2021 and the Company's response to the situation arising due to this pandemic has been explained in the Management Discussion and Analysis, which forms part of the Annual Report.

During the year under review, Subscription Agreement dated 23rd February 2021 was executed amongst the Company, its Promoters (Mr. Sudhir Mohanlal Jatia and Safari Investments Private Limited) and the Investor in relation to the investment of an aggregate amount of ₹ 75,00,00,300/- by way of subscription of 13,15,790 CCDs of a face value of ₹ 570/- each by the Investor.

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 F** hereto and forms part of this Report.

DIRECTORS' REPORT (contd..)

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 G** forming part of this 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 as **Annexure H** forming part of this Report.

28. BUSINESS RESPONSIBILITY REPORT:

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

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

30. DIVIDEND DISTRIBUTION POLICY:

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

31. GENERAL:

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

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

32. ACKNOWLEDGEMENT:

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

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

SUDHIR JATIA

Chairman & Managing Director

DIN:00031969

Place: Mumbai

Date: 13th May 2021

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure A
REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

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

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

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

*Mr. Gaurav Sharma has been appointed as Additional Non-Executive Non-Independent Director by the Board of Directors of the Company with effect from 13th May 2021 subject to approval of the Members of the Company in the ensuing Annual General Meeting ('AGM').

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

5 (Five) meetings of the Board of Directors were held during the financial year 2020-21 i.e. on 4th June 2020, 13th August 2020, 10th November 2020, 12th February 2021 and 23rd February 2021.

The attendance record of all Directors is as follows: -

Name of Director	No. of Board Meetings		Attendance at last AGM held on 13 th August 2020
	Held	Attended	
Mr. Sudhir Jatia	5	5	Yes
Dr. Shailesh Mehta	5	5	Yes
Mr. Punkajj Lath	5	5	Yes
Mr. Dalip Sehgal	5	5	Yes
Mrs. Vijaya Sampath	5	5	Yes
Mr. Anuj Patodia	5	4	Yes
Mr. Rahul Kanodia	5	5	Yes
Mr. Piyush Goenka	5	5	Yes
Mr. Sumeet Nagar	5	5	Yes

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

Name of Director	No of other Directorship(\$)	Number of Memberships in Committees of other Companies (*)	Number of Chairperson in Committees of other Companies (*)
Mr. Sudhir Jatia	1	-	-
Dr. Shailesh Mehta	4	1	-
Mr. Punkaj Lath	2	1	-
Mr. Dalip Sehgal	1	2	-
Mrs. Vijaya Sampath	7	5	1
Mr. Anuj Patodia	8	-	-
Mr. Rahul Kanodia	4	2	-
Mr. Piyush Goenka	2	1	-
Mr. Sumeet Nagar	-	-	-

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

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

a) Dr. Shailesh Mehta

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

b) Mr. Dalip Sehgal

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

c) Mrs. Vijaya Sampath

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**d) Mr. Anuj Patodia**

Sr. No	Name of Listed Entity	Category of Directorship
1	Prime Urban Development India Limited	Non-Executive Non-Independent Director

e) Mr. Rahul Kanodia

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

f) Mr. Piyush Goenka

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

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

1. Mr.Sudhir Jatia
2. Mr. Punkajj Lath
3. Mr. Sumeet Nagar

(D) Disclosure of relationships between Directors:

As on 31st March 2021, none of the Directors are related to each other.

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

As on 31st March 2021, 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 12th February 2021 with the following agenda:

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

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

The Board comprises qualified Members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. These Directors are nominated based on well-defined selection criteria. The Nomination, Remuneration and Compensation Committee considers, inter alia, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

for appointment of such Director. The Board of Directors have, based on the recommendations of the Nomination Remuneration and Compensation Committee, identified the following core key skills/ expertise/ competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Directors:

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

3. AUDIT COMMITTEE:

Composition and Meetings of the Audit Committee

As on 31st March, 2021 the Audit Committee comprises of Members as stated below. The Committee met 4 (four) times during the financial year 2020-21 i.e. on 4th June 2020, 13th August 2020, 10th November 2020 and 12th February 2021.

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

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

4. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE:

Composition and Meetings of the Nomination, Remuneration and Compensation Committee

As on 31st March 2021, the Committee comprises of Members as stated below. The Committee met 3 (Three) times during the financial year 2020-21 i.e. on 4th June 2020, 10th November 2020 and 12th February 2021.

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

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

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 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.

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 and subsequently his term expired on 17th April 2021.

Accordingly, based on recommendation of the Board of Directors of the Company vide their meeting held on 12th February 2021, the Members of the Company, vide special resolution passed in Extra-Ordinary General Meeting of the Company held on 19th March 2021, approved his re-appointment for a further period of 5 years with effect from 18th April 2021 till 17th April 2026.

His remuneration includes basic salary, contribution to provident fund, gratuity, variable performance pay upto 1% of the net profit calculated as per Section 198 of the Act and perquisites (including monetary value of taxable perquisites) etc.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

The remuneration paid to Mr. Sudhir Jatia for the financial year 2020-21 is as follows:

Particulars of Remuneration	₹ (In Lakhs)
Gross salary	
Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.04
Value of perquisites u/s 17(2) Income-tax Act, 1961	2.64
Total	7.68

Due to absence of profits, Mr. Sudhir Jatia in the meeting of the Board held on 4th June 2020 had willingly gave up his remuneration for the rest of the FY 2020-21.

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 and sitting fees paid to Non-Executive Directors:

During the financial year 2020-21, the Non-executive Directors were paid sitting fees of ₹ 50,000/- per meeting of Board, ₹ 20,000/- per meeting of Audit Committee, ₹ 10,000/- per meeting of Nomination, Remuneration and Compensation Committee, Corporate Social Responsibility Committee and ₹ 1,500/- per meeting of Stakeholders' Relationship Committee.

The remuneration paid to other Directors for the financial year 2020-21 is as follows:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ in lakhs)
		Dr. Shailesh Mehta	Mr. Punkajj Lath	Mr. Dalip Sehgal	Mrs. Vijaya Sampath	Mr. Rahul Kanodia	
1	Independent Directors						
	Fee for attending Board/ Committee meetings	3.60	3.65	3.30	3.00	2.50	16.05
	Commission*	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	3.60	3.65	3.30	3.00	2.50	16.05
2	Other Non-Executive Directors						
	Fee for attending Board/ Committee meetings	2.00	2.50	-	NA		4.50
	Commission*	-	-	-	NA		-
	Others, please specify	-	-	-	NA		-
	Total (2)	2.00	2.50	-	NA		4.50
	Total (1+2)						20.55

¹ Mr. Piyush Goenka has waived off his entitlement to receive sitting fees of Committees and commission.

² Mr. Sumeet Nagar has waived off his entitlement to receive sitting fees and commission.

³ Mr. Gaurav Sharma has been appointed as Additional Non-Executive Non-Independent Director by the Board of Directors of the Company with effect from 13th May 2021.

*All the Non-Executive Directors of the Company have waived off their entitlement to receive Commission for the FY-2020-21.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Composition and Meetings of the Stakeholders Relationship Committee

As on 31st March 2021, the Committee comprises of Members as stated below. The Committee met 5 times during the financial year 2020-21.

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

Name of Member	Category	Number of meetings attended
Mr. Pankaj Lath	Chairman	5 out of 5
Mr. Sudhir Jatia	Member	5 out of 5
Mr. Piyush Goenka	Member	5 out of 5

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

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

Number of Complaints

Pending at the beginning of the financial year	Nil
Received during the financial year	2
Disposed off during the financial year	2
Pending at the end of the financial year	Nil

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :

Composition and Meetings of the CSR Committee:

As on 31st March 2021, the CSR Committee comprises of Members as stated below. The Committee met 2 (Two) times during the financial year 2020-21 i.e. on 4th June 2020 and 12th February 2021.

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:

A. Annual General Meeting:

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

Financial Year	Date and Time	Venue	Special Resolution Passed if any
2017-18	38 th AGM 13 th August 2018 at 2.00 pm	The Gem Banquet, Podium Level, The QUBE, CTS no. 1498, A/2 M.V. Road, Marol, Andheri (East), Mumbai - 400 059	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.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Financial Year	Date and Time	Venue	Special Resolution Passed if any
2018-19	39 th AGM 12 th August 2019 at 2.00 pm	The Gem Banquet, Podium Level, The QUBE, CTS no. 1498, A/2 M.V. Road, Marol, Andheri (East), Mumbai - 400 059	Nil
2019-20	40 th AGM 13 th August 2020 at 12.00 pm	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	Yes 1. Re-appointment of Mrs. Vijaya Sampath (DIN 00641110) as an Independent Director of the Company for second term; 2. Increase in limit of total shareholding of all Registered Foreign Portfolio Investors (FPIs) / Registered Foreign Institutional Investors (FIIs) put together upto 49% of the paid-up equity share capital of the Company; 3. Amendment in the Object Clause and Liability Clause of Memorandum of Association of Company.

B. Extra Ordinary General Meeting:

During the year under review one Extra Ordinary General Meeting of the Members of the Company was held on 19th March 2021 at 10:30AM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") and following special resolutions were passed therein:

Item No.	Brief Particulars of the Special Resolutions
1	Re-appointment of Mr. Sudhir Jatia (DIN 00031969) as the Managing Director of the Company.
2	Approving preferential issue of the Compulsorily Convertible Debentures of the Company to Investcorp Private Equity Fund II.
3	Approving alteration to the Articles of Association of the Company.

C. Postal Ballot:

During the year under review, no special resolution was passed through Postal Ballot.

None of the business proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

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 communications to the Stock Exchanges are filed through the BSE Listing Centre & NSE Electronic Application Processing System (NEAPS) Portal.

Presentation made to institutional investors or to the analysts:

There were no presentations made to the institutional investors or analysts during the financial year ended 31st March 2021.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

10 GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting (AGM):

- Day, Date, Time: Wednesday, 11th August 2021 at 1.30 p.m.
- Venue: Annual General Meeting through Video Conferencing / Other Audio Visual Means facility.

Financial year: 1st April 2020 to 31st March 2021

Dividend Payment Date: Not applicable

Listing Details: **BSE Limited** **The National Stock Exchange of India Limited**
 Jeejeebhoy Towers, Exchange Plaza, Plot C/1, Block G,
 Dalal Street, Mumbai - 400 001. BKC, Bandra (E), Mumbai - 400 051.

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

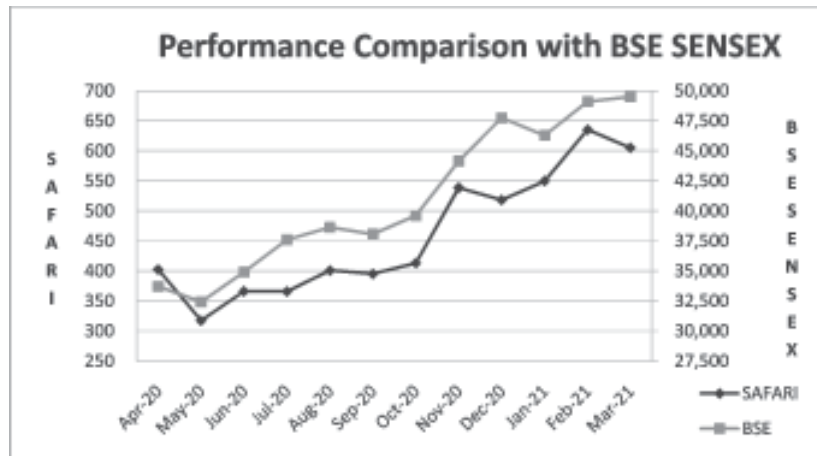
Listing Fees: The Company has paid the annual listing fees for the financial year 2021-22.

Market Price data: High, Low during each month in financial year 2020-21:

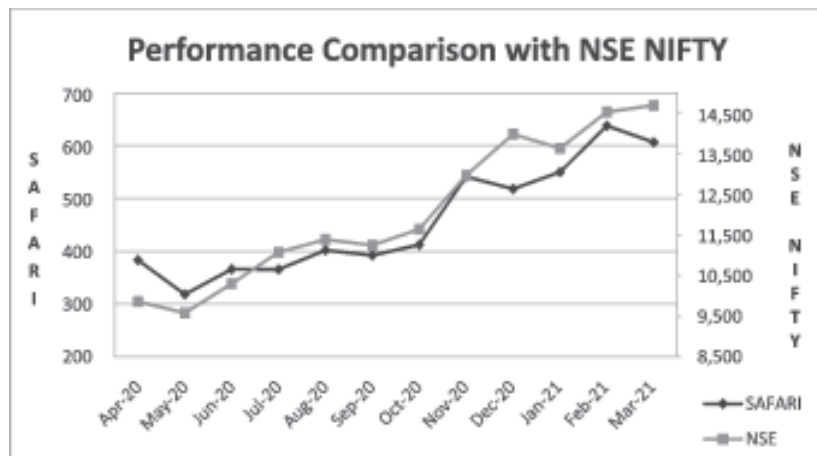
Month	BSE High	BSE Low	NSE High	NSE Low
April 2020	452.00	365.00	449.00	358.00
May 2020	402.00	315.55	387.90	314.00
June 2020	464.40	322.15	463.00	325.00
July 2020	398.50	355.50	400.00	355.00
August 2020	482.75	350.10	484.70	323.90
September 2020	429.00	359.70	420.80	356.00
October 2020	428.80	391.65	427.00	390.40
November 2020	585.00	404.05	588.00	408.50
December 2020	637.25	451.00	644.00	452.30
January 2021	595.00	516.95	595.00	507.00
February 2021	675.00	515.00	676.00	518.55
March 2021	726.25	584.95	730.00	585.00

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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



Performance in comparison with NSE Nifty, based on monthly closing price;



Suspension from trading: No Securities of the Company are suspended from trading during the financial year 2020-21.

Registrar and Share Transfer Agents:

Adroit Corporate Services Private Limited

18-20, 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 Private Limited (Adroit), Share Transfer Agent of the Company, handles share and shareholders related matters. Adroit has adequate infrastructure to process share transfer related matters. Pursuant to 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 2021:**

Nominal Value (₹)	No. of Shareholders	% to total	No. of Shares	Amount in ₹	% to Total
upto 5,000	12,014	98.46	20,45,151	40,90,302	9.14
5001 to 10,000	83	0.68	2,99,297	5,98,594	1.34
10,001 to 20,000	34	0.28	2,50,797	5,01,594	1.12
20,001 to 50,000	35	0.29	6,24,667	12,49,334	2.79
50,001 to Above	36	0.29	1,91,66,588	3,83,33,176	85.62
Total	12,202	100.00	2,23,86,500	4,47,73,000	100.00

Dematerialization of Shares and Liquidity:

98.53% of shareholding was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March 2021.

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

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

The Company has not issued any Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/Warrants. The Company has granted stock options to its 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 2021, 71,000 stock options were outstanding. During the year under review, based on recommendation of Board of Directors vide their meeting held on 23rd February 2021 and pursuant to the subsequent approval of the Members obtained through special resolution passed at the Extra Ordinary General Meeting held on Friday, 19th March 2021, the Company has issued 13,15,790 Compulsorily Convertible Debentures ("CCDs") each priced at Face Value of ₹ 570/- per CCD (the "Issue Price") for an aggregate amount of ₹ 75,00,00,300 (Rupees Seventy Five Crore Three Hundred only) on preferential basis to Investcorp Private Equity Fund II which is a trust created under Indian Trusts Act, 1882 and registered as an Alternative Investment Fund under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("Investor").

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

Commodity price risk or foreign exchange risk and hedging activities:

- **Risk Management Policy:**

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

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

The Board has adopted a 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 15th November 2018.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Plant Location:**

The Company's Plant is located at Plot No. 1701/1, 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 (East) Mumbai 400059.

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

Credit Ratings:

The Company has received following credit ratings:

Total Bank Loan Facilities	₹ 150 Crore
Long Term rating	CRISIL A-/Stable (Re-affirmed)
Short term rating	CRISIL A2+ (Re-affirmed)

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

There were no materially significant transactions with related parties during the financial year 2020-2021 that were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (IndAS 24) has been made in the notes of the Financial Statements and in the Director's Report as required under Section 134 of the Act.

(b) Details of non-compliance:

During the year under review, BSE limited and National Stock Exchange of India Limited had issued notice to the Company for non-compliance with Regulation 29 of the Listing Regulations with respect to its Board Meeting held on 12th February 2021 and subsequently both stock exchanges have levied fine of ₹ 10,000/- each exclusive of taxes. As on date of this report, the Company has filed application for waiver of fine and the same is pending before the Stock Exchanges.

(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 <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:

The Stakeholders' Relationship Committee in their Meeting held on 25th March 2021 had allotted 13,15,790 Compulsorily Convertible Debentures ("CCDs") each priced at Face Value of ₹ 570/- per CCD (the "Issue Price") for an aggregate amount of ₹ 75,00,00,300 (Rupees Seventy Five Crore Three Hundred only) on preferential basis to Investcorp Private Equity Fund II.

The amount raised, pending utilisation has been temporarily invested in fixed deposits with banks as at 31st March, 2021.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**(h) Certificate on disqualification or debar of Board of Directors:**

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

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

During the financial year 2020-21, 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 Policy for Prevention of Sexual Harassment of Women at Workplace has been uploaded on the website of the Company at <https://www.safaribags.com/investors-relations/policies/>

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

- No. of complaints filed during FY2020-21 : Nil
- No. of complaints disposed off during FY2020-21 : Nil
- No. of complaints pending as on 31st March 2021 : 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 Corporate Governance Report.

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

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

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 Corporate Governance Report.

p) Disclosures with respect to demat suspense account/ unclaimed suspense account:

Not applicable

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

SUDHIR JATIA

Chairman & Managing Director

DIN:00031969

Place: Mumbai

Date: 13th May 2021

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 2021 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: 13th May 2021

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Annexure II****COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

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

To,
The Members of Safari Industries (India) Limited

I have examined the compliance of conditions of Corporate Governance by Safari Industries (India) Limited, (**the Company**), for the year ended on March 31, 2021 as stipulated under Regulations 17 to 27, Clause (b) to (i) of Sub-regulation (2) of Regulation 46 and Para C,D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

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

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

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

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

For **NINAD AWACHAT & ASSOCIATES**
Company Secretaries

Ninad Awachat

Proprietor

Membership No : 26995

C.P No : 9668

Date : 13th May 2021
Place : Mumbai
UDIN : A026995C000293360

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

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

I hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company for the year ended 31st March 2021.

Place: Mumbai
Date: 13th May 2021

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure B

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio
Mr. Sudhir Jatia	2.90: 1

Notes:

Mr. Sudhir Jatia in the meeting of the Board held on 4th June 2020 had willingly gave up his remuneration for the rest of the FY 2020-21. Please note that no commission was paid to the rest of the Directors of the Company. Hence, no ratio is mentioned above. Also, sitting fees paid to the Directors is not included as part of remuneration.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name & Designation	Percentage increase*
Mr. Sudhir Jatia, Managing Director	0.00%
Mr. Vineet Poddar, Chief Financial Officer	0.00%
Mr. Rameez Shaikh, Company Secretary	0.00%

*There were no increment given to Key Managerial Personnel in the FY 2020-21.

During the year under review, no commission which forms part of the remuneration was paid to the Non-Executive Directors of the Company.

3. The percentage increase in the median remuneration of employees in the financial year: 0.00%
4. The number of permanent employees on the rolls of Company as on 31st March 2021: 1077 employees
5. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
There were no increments during FY 2020-21 for both, employees other than managerial personnel and managerial personnel.
6. The remuneration paid to the Directors, KMPs and other employees is as per the Nomination and Remuneration Policy of the Company.

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

Place: Mumbai
Date: 13th May 2021

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, 2021*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]*

To,

The Members,**SAFARI INDUSTRIES (INDIA) LIMITED**

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

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("**Financial Year**") complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 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, 2013 and dealing with client; (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review).
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the Company has not delisted its equity shares from stock exchange during the financial year under review)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the Company has not bought back any of its equity shares during the financial year under review)

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

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

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

During the year under review, BSE limited and National Stock Exchange of India Limited had issued notice to the Company for non-compliance with Regulation 29 (2) of the Listing Regulations with respect to its Board Meeting held on 12th February 2021 and subsequently both stock exchanges have levied fine on the Company of ₹ 10,000/- each exclusive of taxes.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

As on date of this report, the Company has paid the fine to comply with said notice requirement and simultaneously filed an application for waiver of fine and the same is pending before the Stock Exchanges.

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 except for the Board Meeting held on 23rd February 2021 which was held at a shorter notice and adequate shorter notice is given to all Directors along with agenda and detailed notes on agenda, which was affirmed by the Board in their meeting. Further system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines. The list of major head / groups of applicable general laws, rules, regulations and guidelines are mentioned in **Annexure I**, apart from these, as per Management, there are no other laws specifically applicable to the Company.

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

- (i) The Company has issued and allotted issued 13,15,790 Compulsorily Convertible Debentures ("CCDs") at a face value of ₹ 570/- each for an aggregate amount of ₹ 75,00,00,300/- to Investcorp Private Equity Fund II on preferential basis which shall be converted into 13,15,790 Equity Shares at a conversion price of ₹ 570/- per Equity Share (including a premium of ₹ 568/- per Equity Share).
- (ii) The Articles of Association of the Company has been amended to align with the Subscription Agreement executed between the Company, its Promoters (Mr. Sudhir Jatia and Safari Investments Private Limited) and Investcorp Private Equity Fund II (an Alternative Investment Fund registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012).

For **NINAD AWACHAT & ASSOCIATES**
Company Secretaries

Ninad Awachat
Proprietor

Membership No : 26995
C.P No : 9668

Date : 13th May 2021
Place : Mumbai
UDIN : A026995C000293239

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").

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	01/04/2020 to 31/03/2021
Reporting currency	INR
Share capital	5.00
Reserves & surplus	72.96
Total assets	107.06
Total Liabilities	29.10
Investments	NIL
Turnover	NIL
Profit / (Loss) before taxation	(2.36)
Provision for taxation	1.72
Profit / (Loss) after taxation	(4.08)
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)

PUNKAJJ LATH*Director*

(DIN : 00172371)

VINEET PODDAR*Chief Financial Officer***RAMEEZ SHAIKH***Company Secretary*

Place: Mumbai

Date: 13th May 2021

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure F

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

(A) CONSERVATION OF ENERGY :

- i. The steps taken or impact on conservation of energy:
 - Extruder Machines: Two Barrels (Main and Sub) Hot fumes suction / removal process was done with two numbers of pumps installed in machine, which is now being done by one pump with necessary changes made in system installation. This stoppage of one pump has given significant saving in power consumption of Extruder.
 - Thermoforming Machines: Cycle time reduction through optimization of process parameters in three stage machine resulting in efficiency increase of machine by 20% and 0.18 units saving per set produced.
 - Different process optimizations / process improvement has given significant energy units saving:
 - Auto-level controller for water for RO drinking water plant.
 - Usage of STP and RO waste water for gardening purpose in place of pumping system.
 - Installation of temperature controller in cooling tower (100TR) unit to stop idle running of Fan.
- ii. The steps taken by the Company for utilizing alternate sources of energy: No such steps were taken during the year under review.
- iii. Capital Investment on energy conservation equipment: No significant investments were made during the year under review.

(B) TECHNOLOGY ABSORPTION :

- i. Efforts made towards technology absorption:
 - Two Stage Thermoforming Machines : We have replaced our three stage forming machines with Two Stage Forming Machines. By using Two Stage Forming Machines, we have reduced the sheet size and offcut generation, which has resulted in saving of electricity per luggage and increase in extruder capacity.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution :
 - Following value engineering projects resulted into major cost benefits
 - Redesigned the PC film dimensions to ensure minimum wastage and reduce the overall shell cost.
 - 3 different tags (product tag, warranty tag and Make in India tag) were replaced by a single common tag thereby reducing the cost & inventory.
 - Standardized the length of PVC hinge to reduce the number of variants.
 - Removed webbing from interior & stitching the zipper directly to the fabric thereby reducing the cost of interior.
 - Import substitute: All wheels used in PC luggage were developed in India leading to reduced lead time and inventory.
- 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 : ₹ 8,097.26 Lakhs

Foreign exchange earned : Nil

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

Place: Mumbai
Date: 13th May 2021

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

ANNEXURES TO THE DIRECTORS' REPORT (contd..)**Annexure G****MANAGEMENT DISCUSSION AND ANALYSIS****A. Industry Structure and Developments:**

During the first half of the year, the market witnessed a sharp decline in demand due to the COVID 19 pandemic. There was a significant recovery of demand especially in the luggage segment in the second half of the year led by the opening of the economy as well as festive and marriage demand. The demand in the backpack segment remained muted throughout the year due to limited opening of schools and colleges.

The E-commerce channel saw the strongest uptick in demand in the second-half as the pandemic has accelerated the jump in digital penetration as well as e-commerce adoption for higher ticket purchases. While the growth in Hyper channel is also bouncing back, but there was some moderation due to poor participation in the market revival by one of the largest players in the sector and also because Malls continued to suffer from restrictions in many cities. With the pandemic leading to consumer preference for walking into high-street stores rather than the enclosed environment of Malls, the General Trade segment also saw a good revival in demand. The demand in the Canteen Stores Department segment remained muted throughout the year.

While there is a large drop in industry growth due to COVID 19 impact, the overall long-term outlook for the sector remains very robust. The pandemic has accelerated the shift from Unorganised to Organised players as many avenues of supply for Unorganised players such as Chinese imports have become increasingly unviable, creating a supply gap in the market. As the pandemic is expected to come under control this year with large scale vaccinations, the travel industry is set for an unprecedented boom when people look to get out of their houses after long periods of lock-downs. Other structural factors driving industry growth continue to be in place such as accelerated shift in consumer preference away from unorganised labels to brands.

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 has progressed towards developing into a well-diversified, multi-channel and multi-category business. The Company offers competitive and innovative range across all product categories designed specifically for the tastes and preferences of its target consumers. The Company continued its efforts on building the Safari brand via strong advertising presence on digital and e-commerce platforms focussed towards recruiting younger consumers into the brand. In line with the overall thrust on E-commerce, the Magnum brand was launched on this channel to enhance the product portfolio targeting mass market value seeking consumers. Given the muted demand on the backpack segments the focus on Genie brand was to drive growth in the E-commerce channel, and driving brand salience on the digital platforms to specifically target teenager and young girls.

Due to the pandemic situation, the Company limited the number of new product launches into the market but instead focussed on getting better sourcing efficiencies on existing products by shifting away its heavy dependence on Chinese imports towards other manufacturing bases in India and Bangladesh. This shift in the supply chain is designed to bring substantial savings as well as better supply security.

B. Opportunities and Threats:

The COVID 19 global pandemic has impacted overall consumer demand across industries. With a second pandemic wave hitting the country, the consumer demand in the sector is expected to be muted in the short term. The Company is continuing to focus on maintaining a tight control on operating costs, while investing capital to build capacity for future demand as it shifts its supply chain dependence away from China. The Company will also continue to invest selectively in garnering higher share of demand in selective channels to maximise sales in the segments that are expected to do relatively well.

During the year, there was increased upwards pressure on raw material cost and sourcing costs of imported products from China. To manage overall sourcing costs, the Company has significantly increased its procurement of Soft luggage and Backpack categories from India and Bangladesh. The Company has also started to gradually increase prices for its products to cover the increase in costs.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

C. Segment/Product-wise Performance:

Significant demand momentum was observed in the Luggage category in the second half of the year. The trend of rising consumer preference for Zippered Hard Luggage category continued as it is perceived to be more premium and durable. But at the same time due to supply gaps from smaller unorganised players the demand for the Soft Luggage was also robust. The size preference within the Luggage category moved towards larger sizes.

The Company continued to invest in Zippered Hard Luggage by continuing to expand its range of Polycarbonate zippered cases as well as enhancing production capacity at its manufacturing plant in Halol, Gujarat.

The growth in the Backpack category was muted throughout the year as most schools and colleges remained closed for physical classes. Even in the office segment the demand was much lower owing to large scale adoption of work-from-home. The growth in this segment is expected to remain poor in the medium term, till the pandemic recedes enough for physical attendance to become the norm again.

D. Outlook:

While the revenues have dropped in the last year due to adverse impact of the COVID 19 pandemic on consumer demand for travel products, the Company has been on a strong recovery path in the second half of the year especially in the Luggage segment. The Company will continue to build on this momentum with focus on specific Channels and Categories that are showing promise of faster than market recovery.

To diversify its supply chain and reduce costs, the Company has significantly increased its outsourcing of soft luggage and backpacks from India and Bangladesh. This will result in substantial savings in procurement costs, which will help to partially offset the overall cost increases in Raw Material and jump in sourcing costs from China.

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

Margins may continue to experience pressure on account of upward pressure on Raw Material costs as well as currency exchange rates. To manage this, apart from the shift in sourcing the Company has taken a price increase for certain products last year and will continue to work towards further improving price realisation through product innovations.

The second wave of the pandemic has again added to uncertainty on the demand-side which is likely to impact revenue in the near term, but the overall growth drivers are well in place for the Company for a fast recovery as soon as the overall situation improves.

E. Risks and Concerns:

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

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

F Internal Control Systems and their adequacy:

M/s. Moore Singhi Advisors LLP (earlier known as 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 and effectiveness, sales planning and distribution channels, branches of the Company, warehouse and retail operations, to provide assurance regarding various compliances by assessing the reliability of financial controls and IT controls and compliance with applicable laws and regulations. The Company has a regular check on expenses including capital expenditure. The

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

G Financial Performance with respect to operational performance:

Sales:

The Total Income of the Company for the year ended 31st March 2021 was at ₹ 33,130.12 Lakhs (Previous Year ₹ 68,210.99 Lakhs).

Expenditure:

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

Profit:

Profit / (Loss) after Tax for the year under review amounted to ₹ (2,085.61) Lakhs (Previous Year ₹ 3,051.08 Lakhs).

H Material Development in Human Resources/Industrial Relations front:

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. During the year, the Company faced challenges in retaining and attracting required talent in various functions. Also based on well-defined training process, the Company identified the needs of training and required training was imparted to employees to improve their efficiencies and capabilities. During the year, Industrial Relations remained cordial.

The employee strength as on 31st March 2021 was 1077.

I Financial ratios:

Sr. No.	Particulars	FY 2020-21	FY 2019-20
i.	Debtors Turnover (days)	133	77
ii.	Inventory Turnover (days)	152	93
iii.	Interest Coverage Ratio	-3.98	5.01
iv.	Current Ratio	3.01	2.05
v.	Debt Equity Ratio	0.03	0.33
vi.	Operating Profit Margin (%)	-7.02%	7.37%
vii.	Net Profit Margin (%)	-6.36%	4.48%

There has been a significant increase in debtors and inventory turnover days and negative interest coverage ratio, operating profit margin and net profit margin on account of lower sales and losses during the year due to COVID 19 pandemic.

Current debt of the company has decreased as per the working capital requirement of the company resulting in higher current ratio and lower debt equity ratio as compared to last year.

J Return on Net Worth:

Financial Year	FY 2020-21	FY 2019-20
Return on net worth (%)	-8.21%	14.21%

Return on net worth is negative on account of losses during the year due to COVID 19 pandemic.

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

Place: Mumbai
Date: 13th May 2021

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

Annexure H

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

1. Brief outline on CSR Policy of the Company:

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

2. The Composition of the CSR Committee:

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

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

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

The CSR Policy : <https://www.safaribags.com/investors-relations/policies/>

CSR Projects : <https://www.safaribags.com/investors-relations/corporate-social-responsibility/>

4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable

5. Details of the amount available for set off in pursuance of Sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable

6. Average net profit of the Company as per Section 135(5): ₹ 3,827.19 Lakh

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 76.55 Lakh

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 76.55 Lakh

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

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

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

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

Sr No	Name of the Project	Item from the list of activities in project Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Amount spent for the Project (₹ In Lakh)	Mode of imple- mentation Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District			Name	CSR Regn. number
1	Provide food to migrants	Eradicating extreme hunger and poverty	Yes	Mahara- shtra	Mumbai	15.00	No	Annam	--

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Sr No	Name of the Project	Item from the list of activities in project Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Amount spent for the Project (₹ In Lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District			Name	CSR Regn. number
2	For replacing existing vehicles with new ones to meet the increasing need to transport higher number of kids to and fro to the hospital.	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	12.00	No	Access Life Assistance Foundation	--
3	For an open heart surgery of a child.	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	2.60	No	BalAsha Trust	--
4	For extending supportive hand to low-income students in government schools.	Promoting education, including special education and employment enhancing vocation skills especially among children, women	No	Karnataka	--	10.00	No	Avanti Fellows	--
5	For purchasing 5 Fresenius (German) dialysis machines and RO water treatment plant for setting up a Dialysis Centre	Promoting health care including preventive health care	No	Uttar Pradesh	Vrindavan, Mathura	37.00	No	Apex Kidney Foundation	--

- (d) Amount spent in Administrative Overheads: Nil
(e) Amount spent on Impact Assessment, if applicable: Not applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 76.60 Lakh
(g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (₹ In Lakh)
(i)	Two percent of average net profit of the Company as per Section 135(5)	76.55
(ii)	Total amount spent for the financial year	76.60
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.05
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.05

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

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

Place: Mumbai
Date: 13th May 2021

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

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

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Annexure I BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Directors hereby present the "Business Responsibility Report" of the Company for the Financial Year 2020-21.

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 2020 to 31 st March 2021
7	Sectors that the Company is engaged in (Industrial activity code wise)	Hard Luggage - 22205 Soft Luggage - 15121
8	List three key products the Company manufactures/provides (as in Balance Sheet)	1. Hard Luggage Case; 2. Soft Luggage Case and; 3. Backpacks
9	Total number of locations where business activity is undertaken by the Company: a) Number of International Locations (Provide details of major 5) b) Number of National Locations	Following are details pertaining to presence of the Company and activities, operations undertaken by it at national and international level: a) The Company has Representative office at China. b) The Registered Office of the Company is situated in Mumbai, Maharashtra. The Company has presence across India in 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 2021

1	Paid up capital (INR)	As on 31 st March 2021, the Paid up Capital of the Company stood at ₹ 4,47,73,000/- consisting of 2,23,86,500 equity shares of ₹ 2/- each. During the year under review, the Company has also issued 13,15,790 Compulsorily Convertible Debentures ("CCDs") each priced at Face Value of ₹ 570/- per CCD which will be compulsorily converted into equity shares having face value of ₹ 2/- each at the conversion ratio of 1:1, within 18 months of their issuance.
2	Total turnover (INR)	₹ 33,130.12 Lakhs
3	Total profit/(loss) after taxes (INR)	₹ (2,085.61) Lakhs
4	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax	Please refer Annexure H to Director's Report for details on CSR initiatives undertaken by the Company.
5	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure H to Director's Report for details on CSR initiatives undertaken by the Company.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has one wholly owned subsidiary company viz: 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)

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

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

3. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:	The Policies and their implementation along with performance of the Company is monitored and reviewed by the Board of Directors annually.
2	Does the Company publish a BR or a Sustainability Report? How frequently is it published? What is the hyperlink for viewing this report?	Yes, pursuant to applicable framework, the Company publishes its Business Responsibility Report on an annual basis. The Business Responsibility Report for Financial Year 2020-21 and for previous year is available for public viewing at following URL: https://www.safaribags.com/investors-relations/annual-reports/

SECTION-E : PRINCIPLE-WISE PERFORMANCE

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

1	Does the Policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	Yes, the Company has well formulated Code of Conduct in place which governs the way in which the directors, senior officials and all levels of employees of the Company should conduct themselves in corporate atmosphere. The Code, being ethical roadmap, is applicable at Company level and binds Company's abroad offices as well. The framework has been set up for the Company and its associates covers dealings with suppliers, customers, business partners and other stakeholders.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	No complaint has been received by the Company from stakeholders during the Financial Year 2020-21.

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.	<ul style="list-style-type: none"> • Face Masks and Face Shield: These high quality Face Masks and Face Shields protect consumers against pollutants as well as reduce risk of contracting airborne diseases; • Reduction in the usage of colour master-batch in the Company's polycarbonate luggage manufacturing through better technology, to minimize its environmental impact; • Luggage sales in 3 piece and 2 piece nested sets to minimize the transportation impact on the environment.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	The Company constantly works towards reduction and optional utilization of energy, water, raw material, logistics, etc. by incorporating new techniques and innovative ideas.
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes, 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 and equipment.
4	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	<p>Yes, the Company has taken various steps to procure goods and services from local and small producers, including communities surrounding the place of work of the Company at Halol Plant. The Company provides regular inputs and technical assistance in the form of imparting knowledge, training and process skills in order to upgrade their capacity and capabilities to maintain the quality and the Company also organizes training sessions to improve capacity and capability of local and small vendors.</p> <p>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.</p>
5	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Yes, the Company manufactures plastic luggage. The plastics used are polypropylene and polycarbonate. Most of the waste plastic raw material used by the plant is reprocessed which in turn reduces environmental impact.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

1	Total number of employees	The Company, as on 31 st March 2021 had 1077 Employees on its payroll.
2	Total number of employees hired on temporary/contractual/casual basis	1576
3	Number of permanent women employees	61
4	Number of permanent employees with disabilities	1
5	Do you have an employee association that is recognized by management	Yes
6	Percentage of permanent employees that are members of this recognized employee association	8%
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	Nil
8	Percentage of mentioned employees who were given safety and skill up-gradation training in the last Financial year	a) Permanent employees: 11% b) Permanent Women Employees: 20% c) Casual/Temporary/Contractual employees/Apprentices : 3% d) Employees with disabilities: 100%

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

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

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

Principle 5 - Businesses should respect and promote human rights.

1	Does the Policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?	The Company firmly believes in upholding and promoting human rights. It adheres to all statutes which embodies the principles of human rights such as prevention of child labour and women empowerment. The HR Policy strives at the employees having a humane approach when dealing with internal and external stakeholders and includes values relating to respecting human rights and women empowerment. The Policy extends to its consultants and others who represent or act on behalf of the Company. The Company is committed towards respect and protection of humans and their rights.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint has been received by the Company from stakeholders during the Financial Year 2020-21.

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

1	Does the Policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others.	The Company finds endeavor in doing business which is ecologically sustainable and which achieves/strikes balance between environmental protection and economic returns. The Company strives to use energy in the most efficient, cost-effective and environmentally responsible manner. The Company has also implemented a well defined Environmental, Health and Safety Policy which broadly covers these aspects.
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, as a responsible Corporate, the Company is committed to energy conservation. Towards achieving this, it uses latest available energy efficient technology and 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 as and when need arises.
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Yes, the Company has operationalized a 40 KWD New Sewage Treatment Plant for re-utilization of waste water and further the Company also uses its polycarbonate scrap as Raw Materials.
5	Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, the Company has been focusing on optimum utilization of renewable energy resources during day time which has resulted in lessened demand for non-renewable energy and has also resulted in targeted energy efficiency. Further, usage of LED lighting has been promoted at Company's plant to reduce energy consumption. Since, these initiatives are taken on daily operational level, same is not available on webpage for public viewing.
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The Company does not exert any harmful emissions and waste which is generated by Company is within the limits as prescribed by SPCB for the Financial Year and all wastes generated by the Company are re-usable and recyclable.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	The Company has not received any such notice during the Financial Year 2020-21.
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Principle 7 - Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner.

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

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

1	Does the Company have specified programmes/ initiatives/projects in pursuit of the Policy related to Principle 8? If yes, details thereof.	Yes, the Company focuses on responsible business practices with community-centric interventions. The thrust areas for the Company are sustainable livelihood - especially poverty eradication, imparting education and promoting health care, which constitute the Human Development Index - a quality of life indicator. 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 - H ' 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 partners with third parties / agencies such as NGOs and other authorized organizations to implement its CSR interventions in the thematic areas of health, education, livelihoods and ethnicity.
3	Have you done any impact assessment of your initiative?	Yes, the CSR Committee on regular basis discusses and reviews the impact of Company's CSR initiatives.
4	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	The Company, during the Financial Year 2020-21 has spent ₹ 76,60,000/- (Rupees Seventy Six Lakh Sixty Thousand). The brief details of the same are provided in Annexure H of Directors' Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	In accordance with Company's CSR Policy, the Company's management internally reviews and discusses the proposal which carries more significance with respect to protection of environment, human life and overall welfare of the society is adopted and implemented. Upon receipt of CSR proposals they are put up before the CSR Committee for its consideration and approval.

ANNEXURES TO THE DIRECTORS' REPORT (contd..)

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

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	Customer satisfaction is of utmost importance for the Company. The Company receives customer complaints which are appropriately redressed. At the end of the financial year under review there was negligible percentage of unresolved complaints.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)	Yes, the Company observes the local and central laws in this regards and displays necessary and relevant information on the product label.
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	There have been no such cases filed against the Company during preceding five years and which are pending as on 31 st March 2021.
4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Yes, the Company conducts consumer surveys and consumer trend mapping exercises on a periodic basis to develop a strong understanding of consumer behavior. This is used as an input into developing product innovations as well as brand communication.

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

Place: Mumbai
Date: 13th May 2021

SUDHIR JATIA
Chairman & Managing Director
DIN: 00031969

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 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2021, and loss (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 31(d) of the standalone financial statements, with regard to Management's assessment of, inter-alia, utilisation of deferred tax assets of ₹ 1,091.48 lakhs, realisability of inventories of ₹ 11,397.82 lakh and recoverability of trade receivables of ₹ 9,060.15 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.	<p>Utilisation of Deferred Tax Assets</p> <p>The Company has recognized a deferred tax assets amounting ₹ 1,091.48 lakh in respect of unabsorbed business losses, depreciation and others pertaining to current financial year.</p> <p>The deferred tax assets is recognised as it is considered to be recoverable based on the Company's projected taxable profits in the forthcoming years.</p> <p>This was considered as a key audit matter as the amount is material to the Financial statement and</p>	<p>Audit procedures performed:</p> <ul style="list-style-type: none"> Evaluation of the design and testing operating effectiveness of the Company's control relating to assessment of carrying amount of deferred tax assets, the preparation of the forecast and its related inputs/ assumptions. Comparing the Company's business forecast prepared in the previous year with its actual performance during the year. Assessing the business plans used by the

INDEPENDENT AUDITORS' REPORT

Sr. No.	Key Audit Matters	Auditor's response
	<p>significant judgement was required by the Company's management in the preparation of the future taxable profits based on the underlying business plans.</p>	<p>Management in evaluating the utilization of the deferred tax asset.</p> <ul style="list-style-type: none"> Based on the above procedures we assessed the reasonability of the assumptions and estimates used by the Management in assessing the recoverability of Deferred Tax Asset in respect of unabsorbed tax losses and depreciation. <p>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 utilisation of deferred tax assets.</p>
2.	<p>Inventory - valuation</p> <p>As at March 31, 2021, the Company held inventories of ₹ 11,397.82 Lakhs. [Also, refer Note no. 10 of the standalone financial statements]</p> <p>Inventories valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). Future selling prices are dependent on market conditions, which can be difficult to predict due to COVID 19.</p> <p>There is an element of judgement relating to these provisions which are based on historical evidence and the current economic conditions. The changing trends and economic environment require judgements in respect of provisions to be reassessed at each reporting date.</p> <p>In view of the above, the matter has been determined to be a key audit matter.</p>	<p>Audit procedures performed:</p> <p>We have performed following alternative audit procedures over inventory valuations:</p> <ol style="list-style-type: none"> Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the inventory valuation is in accordance with applicable accounting standard and verification of net realizable value. We considered the inventory provision for obsolescence and items to be sold at less than cost through evaluating: <ul style="list-style-type: none"> historical inventory and sales data; management's latest forecasts; and selling prices realised subsequent to the year end. Performing substantive analytical procedures to test the correctness of inventory valuation. <p>The procedures performed gave us a sufficient evidence to conclude about the inventory valuation.</p>
3.	<p>Trade receivables-collectability and certainty</p> <p>As at March 31, 2021, the Company held trade receivables of ₹ 9,060.15 lakhs. [Also, refer Note no. 11 of the standalone financial statements]</p> <p>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).</p> <p>As explained by the Management, due to COVID 19 related restrictions on account of nationwide lockdown, resulted in non-receipt of most of the direct confirmations from the customers and reconciliations whereof with the books of accounts of the Company.</p> <p>In view of the above, the matter has been determined to be a key audit matter.</p>	<p>Audit procedures performed:</p> <p>We have performed following alternative audit procedures over trade receivables:</p> <ol style="list-style-type: none"> 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) Performing substantive analytical procedures to test the correctness of receivables valuation Testing of accuracy of trade receivables reconciliations with the general ledgers during the year, including test of reconciling items We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management. <p>The procedures performed gave us a sufficient evidence to conclude about the collectability and certainty of trade receivables.</p>

INDEPENDENT AUDITORS' REPORT

Sr. No.	Key Audit Matters	Auditor's response
3.	<p>Allowance for sales returns</p> <p>The Company sells its products through various channels like retailers, e-commerce, institutions, modern trade etc.</p> <p>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.</p> <p>In view of the above, the matter has been determined to be a key audit matter.</p>	<p>Audit procedures performed:</p> <ul style="list-style-type: none"> • 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, interalia, considering the present COVID 19 situation. <p>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.</p>

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.

Based on the work we have performed, if 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 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.

INDEPENDENT AUDITORS' REPORT

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.
- 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 an 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

INDEPENDENT AUDITORS' REPORT**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 (Account) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on records by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:
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.-35 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 were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

Mumbai
Date : 13th May 2021

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)
R. P. Baradiya
Partner
(Membership No. 044101)
UDIN 21044101AAAAGR3773

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

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

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).
(b) The Company has a regular program of physical verification of its fixed assets by which all assets are verified in a phased manner, over a period of three years. Pursuant to the program of physical verification of fixed assets, physical verification of the assets has been carried out during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventories have been physically verified by the management at reasonable intervals during the year. As per the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the investments made. The Company has not granted any loans, provided guarantees and security during the year 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
Bihar Value Added Tax Act, 2005	Value Added Tax	4.49	2013-14	Commissioner appeal, Bihar
Department of Trade and Taxes, Government of NCT of Delhi	Value Added Tax	46.28	2016-17	Required details are in the process of submission upon which assessing officer would issue the revised Order.

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 parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed as required by the applicable Accounting Standard (Refer Note 38 to the Standalone Financial Statements).
14. During the year, the Company has made preferential allotment of Compulsory convertible debentures and has complied with the requirements of Section 42 of the Act. The amount raised, pending utilisation has been temporarily invested in fixed deposits with banks as at 31st March, 2021 (Refer note 8 to the Standalone Financial Statements).
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 : 13th May 2021

For LODHA & CO.
Chartered Accountants
(Firm Regn. No. 301051E)
R. P. Baradiya
Partner
(Membership No. 044101)
UDIN 21044101AAAAGR3773

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, 2021 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; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements; and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Mumbai
Date : 13th May 2021

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)
R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **21044101AAAAGR3773**

**STANDALONE FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH 2021**

		₹ in lakhs	
	Note no.	As at 31 st March 2021	As at 31 st March 2020
Assets			
Non-current assets			
Property, plant and equipment	3	3,721.34	4,095.73
Right-of-use asset	5	2,897.58	3,695.77
Capital work-in-progress	6	6.62	23.47
Intangible assets	4	53.00	152.16
Financial assets			
Investments	7	5.00	5.00
Other financial assets	8	3,388.72	399.34
Deferred tax assets (net)	29	1,091.48	186.27
Income tax assets (net)		282.07	307.31
Other non-current assets	9	218.15	132.76
Total non-current assets		11,663.96	8,997.81
Current assets			
Inventories	10	11,397.82	16,003.38
Financial assets			
Trade receivables	11	9,060.15	14,766.93
Cash and cash equivalents	12	172.79	41.49
Other bank balances	13	269.24	39.07
Other financial assets	8	6,105.49	211.06
Other current assets	9	946.92	1,434.43
Total current assets		27,952.41	32,496.36
Total assets		39,616.37	41,494.17
Equity and liabilities			
Equity			
Equity share capital	14	447.73	447.28
Other equity	15	27,378.36	22,537.55
Total equity		27,826.09	22,984.83
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	230.20	83.66
Lease liabilities	5	2,256.99	2,556.70
Provisions	17	22.04	-
Total non-current liabilities		2,509.23	2,640.36
Current liabilities			
Financial liabilities			
Borrowings	18	303.65	7,373.72
Trade payables	19		
Total outstanding dues of micro, small and medium enterprises		1,739.46	834.84
Total outstanding dues of creditors other than micro, small and medium enterprises		5,257.74	5,274.15
Lease liabilities	5	859.18	1,340.45
Other financial liabilities	20	640.28	583.62
Other current liabilities	21	280.21	339.52
Provisions	17	200.53	122.68
Total current liabilities		9,281.05	15,868.98
Total equity and liabilities		39,616.37	41,494.17

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

As per our report of even date	For and on behalf of the Board of Directors	
For LODHA & CO., Chartered Accountants (Firm Regn. No. 301051E)	SUDHIR JATIA (DIN : 00031969) <i>Chairman & Managing Director</i>	PUNKAJJ LATH (DIN : 00172371) <i>Director</i>
R. P. BARADIYA, Partner (Membership No. 044101)	VINEET PODDAR <i>Chief Financial Officer</i>	RAMEEZ SHAIKH <i>Company Secretary</i>
Mumbai, Date: 13 th May 2021		

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

	Note no.	Year Ended 31 st March 2021	₹ in lakhs Year Ended 31 st March 2020
Income			
Revenue from operations	22	32,797.55	68,134.44
Other income	23	332.57	76.55
Total income		33,130.12	68,210.99
Expenses			
Cost of materials consumed	24	5,661.71	9,949.75
Purchases of stock-in-trade		8,734.31	26,603.14
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	4,671.74	1,782.22
Employee benefits expense	26	5,987.26	7,670.57
Finance costs	27	578.61	1,002.07
Depreciation and amortisation expense	3,4,5	2,042.37	2,149.50
Other expenses	28	8,335.47	15,037.59
Total expenses		36,011.47	64,194.84
Profit/(loss) before tax		(2,881.35)	4,016.15
Tax expense			
Current tax	29	-	1,130.85
Deferred tax	29	(691.79)	(139.13)
Tax for earlier years	29	(103.95)	(26.65)
Total tax expense		(795.74)	965.07
Profit/(loss) for the year		(2,085.61)	3,051.08
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	33	(155.76)	(65.02)
Tax relating to these items	29	39.53	18.02
Total other comprehensive income		(116.23)	(47.00)
Total comprehensive income		(2,201.84)	3,004.08
Earnings per equity share	34		
Basic earnings per equity share (in ₹)		(9.32)	13.66
Diluted earnings per equity share (in ₹)		(9.32)	13.64
(Face value of ₹ 2 each)			

As per our report of even date

For **LODHA & CO., Chartered Accountants**
(Firm Regn. No. 301051E)**R. P. BARADIYA, Partner**
(Membership No. 044101)Mumbai, Date: 13th May 2021

For and on behalf of the Board of Directors

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

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

₹ in lakhs

Equity share capital :	Balance as at 1 st April 2019	Changes in equity share capital during the year 2019-20	Balance as at 31 st March 2020	Changes in equity share capital during the year 2020-21	Balance as at 31 st March 2021			
Paid-up capital (refer note 14)	446.51	0.77	447.28	0.45	447.73			
Other equity :	Reserves and surplus							
Particulars	Capital reserve	Securities premium	General reserve	Equity- settled share-based payment reserve	Retained earnings	Items of other comp- rehensive income	Equity Component of Compound Financial Instrument	Total
						Remeasure- ment of defined benefit plan	Compulsorily Convertible Debentures (Refer Note 14(d))	
Balance as at 1 st April 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)	-	-	-	-
Dividend (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
Loss for the year	-	-	-	-	(2,085.61)	-	-	(2,085.61)
Other comprehensive income for the year	-	-	-	-	-	(116.23)	-	(116.23)
Total Comprehensive income for the year	-	-	-	-	(2,085.61)	(116.23)	-	(2,201.84)
On shares issued on ESOP	-	52.20	-	-	-	-	-	52.20
Transfer from equity-settled share-based payment reserve (on options exercised)	-	42.78	-	(42.78)	-	-	-	-
Transfer from equity-settled share-based payment reserve (on options lapsed)	-	-	-	(8.91)	8.91	-	-	-
On issue of 6% compulsorily convertible debentures (Refer Note 14(d))	-	-	-	-	-	-	6,804.06	6,804.06
Effect on account of deferred tax on issue expense and interest on compulsorily convertible debentures (Refer note 29(d))	-	-	-	-	173.89	-	-	173.89
Transfer from statement of profit and loss	-	-	-	12.50	-	-	-	12.50
Balance as at 31st March 2021	11.18	12,308.77	618.80	13.16	7,904.17	(281.78)	6,804.06	27,378.36

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

As per our report of even date

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

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

Mumbai, Date: 13th May 2021

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2021

	Year Ended 31 st March 2021	₹ in lakhs Year Ended 31 st March 2020
A. Cash flow from operating activities		
Profit/(loss) before tax	(2,881.35)	4,016.15
Adjustments for :		
Depreciation and amortisation expense	2,042.37	2,149.50
Finance costs	578.61	1,002.07
Interest income	(30.99)	(6.88)
Other income on concession / termination of leases	(259.76)	(36.02)
Loss on disposal / discard of property, plant and equipment (net)	43.45	16.02
Deposits / other amounts written back (net)	(3.98)	(28.77)
Unrealised exchange fluctuation (gain)/ loss	(112.59)	122.76
Share based payments to employees	12.50	31.44
Bad debts written off / provision for doubtful debts / advances / deposits	889.78	110.62
Operating profit before working capital changes	278.04	7,376.89
Adjustments for :		
Changes in working capital		
Decrease in inventories	4,605.56	2,578.94
Decrease/(increase) in trade receivables	4,857.11	(701.22)
Decrease/(increase) in other bank balances	19.83	(6.96)
Decrease/(increase) in other financial assets	101.03	(103.24)
Decrease in other assets	493.95	339.51
Increase/(decrease) in trade payables	1,009.05	(760.14)
Decrease in other financial liabilities	(198.85)	(157.94)
Decrease in provisions	(55.87)	(97.29)
Decrease in other current liabilities	(49.91)	(174.42)
Cash generated from operations	11,059.94	8,294.13
Direct taxes refund / (paid)	119.78	(1,297.18)
Net cash generated from operating activities	11,179.72	6,996.95

STANDALONE FINANCIAL STATEMENTS**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2021 (CONTD..)**

	Year Ended 31 st March 2021	₹ in lakhs Year Ended 31 st March 2020
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital advances)	(831.82)	(2,114.77)
Disposal of property, plant and equipment	64.71	39.26
Investments in term deposits (other than cash and cash equivalents)	(9,250.00)	-
Interest received	6.04	7.00
Net cash used in investing activities	(10,011.07)	(2,068.51)
C. Cash flow from financing activities		
Proceeds from shares issued on ESOP	52.65	89.45
Proceeds from issue of 6% compulsorily convertible debentures (net of issue expenses of ₹ 59.43 Lakhs) (Refer Note 14(d))	7,440.57	-
Proceeds from long term borrowings	15.00	9.60
Repayment of long term borrowings	(130.98)	(67.87)
Repayment of short term borrowings (net)	(7,074.34)	(2,872.85)
Repayment of leases liabilities	(758.07)	(939.93)
Finance costs	(582.15)	(1,009.06)
Dividend paid (including dividend distribution tax)	(0.03)	(133.51)
Net cash used in financing activities	(1,037.35)	(4,924.17)
Net increase in cash and cash equivalents	131.30	4.27
Opening cash and cash equivalents	41.49	37.22
Closing cash and cash equivalents	172.79	41.49

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

As per our report of even date

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

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

Mumbai, Date: 13th May 2021

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021
1. Corporate information:

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

2. Significant accounting policies:
2.1 Basis of preparation:

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

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

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

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

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

2.2 Use of estimates and judgements:

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

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

2.3 Property, plant and equipment

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

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

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

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
Depreciation method, estimated useful lives and residual value:

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

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

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

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

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

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

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

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

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

2.4 Intangible assets

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**2.5 Impairment of non-financial assets**

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

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

2.6 Inventories:

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

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

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

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

2.7 Revenue recognition:

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

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

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

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

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

Contract balances

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
2.8 Financial instruments:

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

A. Non-derivative financial instruments:
1. Financial assets
(i) Initial recognition and measurement:

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

(ii) Subsequent measurement:

Financial assets are subsequently classified as measured at:

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

The above classification is being determined considering:

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

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

(a) Measured at amortised cost:

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

(b) Measured at FVOCI:

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

(c) Measured at FVTPL:

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

Investment in equity instruments:

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

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

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

Investment in subsidiary:

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

(iii) Impairment

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

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

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

(iv) Derecognition

The Company derecognises a financial asset when,

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

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

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

2. Financial liabilities**(i) Initial recognition and measurement**

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

(ii) Subsequent measurement

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

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

(iii) Derecognition

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

Offsetting of financial instruments

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

3. Equity instruments:

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**4. Compound financial instruments:**

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

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

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

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

B. Derivative financial instruments:

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

2.9 Fair value measurement:

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

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

2.10 Foreign currency transactions:

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

a) Initial recognition

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

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

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

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

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

2.11 Taxes on income :

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

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

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

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

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**2.12 Employee benefits:**

The Company has following post-employment plans:

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

a) Defined contribution plan

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

b) Defined benefit plan

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

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

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (ii) Net interest expense or income

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

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

- (i) actuarial (gains)/ losses,
- (ii) return on plan assets, excluding amounts included in interest income and
- (iii) any change in the effect of the asset ceiling, excluding amounts included in interest income are recognised in the period in which they occur directly in OCI. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

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

c) Compensated absences

The Company had a policy on compensated absences which were both accumulating and non accumulating in nature. In the previous year, the Company had revised its policy for compensated absences to allow leave entitlements which would be only non-accumulating in nature except for a certain class of employees. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur. Necessary impact of the same had been considered in the financial statements.

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**2.13 Share-based payment**

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

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

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

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

2.14 Leases:

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

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

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

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

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

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

2.15 Provisions and contingencies:

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

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

2.16 Cash and cash equivalents:

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

2.17 Earnings per equity share:

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

2.18 Borrowing cost :

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

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

2.19 Exceptional items:

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
Note 3 Property, plant and equipment
₹ in lakhs

Particulars	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Gross carrying amount								
Balance as at 1 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 1 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
Gross carrying amount								
Balance as at 1 st April 2020	6.71	1,106.82	2,638.48	613.92	385.81	397.82	104.43	5,253.99
Additions	-	5.61	516.83	37.69	17.52	31.26	22.19	631.10
Deductions/ adjustment	-	-	69.87	314.77	46.69	72.79	1.34	505.46
Balance as at 31st March 2021	6.71	1,112.43	3,085.44	336.84	356.64	356.29	125.28	5,379.63
Accumulated Depreciation								
Balance as at 1 st April 2020	0.39	146.50	523.04	174.00	102.96	170.97	40.40	1,158.26
Additions	0.24	54.53	480.52	199.93	46.50	90.50	25.13	897.35
Deductions/ adjustment	-	-	55.17	260.29	15.58	65.23	1.05	397.32
Balance as at 31st March 2021	0.63	201.03	948.39	113.64	133.88	196.24	64.48	1,658.29
Net carrying amount as at 31st March 2021	6.08	911.40	2,137.05	223.20	222.76	160.05	60.80	3,721.34

Note:

1. Leasehold land is under lease arrangement for a period of 99 years commencing from 1st April 1982.
2. Refer note 40 for property, plant and equipment provided as security against certain bank borrowings.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 4 Intangible assets**

₹ in lakhs

Particulars	Trademarks	Brands	Computer software	Total
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
Gross carrying amount				
Balance as at 1 st April 2020	0.05	462.71	281.18	743.94
Additions	-	-	10.95	10.95
Deductions/ adjustment	-	-	14.25	14.25
Balance as at 31st March 2021	0.05	462.71	277.88	740.64
Accumulated amortisation				
Balance as at 1 st April 2020	0.05	382.62	209.11	591.78
Additions	-	52.53	57.45	109.98
Deductions/ adjustment	-	-	14.12	14.12
Balance as at 31st March 2021	0.05	435.15	252.44	687.64
Net carrying amount as at 31st March 2021	-	27.56	25.44	53.00

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

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

₹ in lakhs

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Balance as at the beginning of the year/ (first time adoption in case of previous year)	3,695.77	4,211.99
Additions	1,652.97	1,636.20
Deductions/ Reversal	(1,416.12)	(975.09)
Amortisation	(1,035.04)	(1,177.33)
Balance as at the end of the year	2,897.58	3,695.77

Lease liabilities:

Following is the movement in lease liabilities:

₹ in lakhs

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Balance as at beginning of the year/ (first time adoption in case of previous year)	3,897.15	4,211.99
Additions	1,652.97	1,636.20
Interest accrued during the year	257.04	363.02
Deductions/ Reversal	(1,416.12)	(975.09)
Income on Concession on lease liability	(150.17)	-
Income on Termination of lease liability	(109.59)	(36.02)
Payment of lease liabilities	(758.07)	(939.93)
Payment of interest on lease liabilities	(257.04)	(363.02)
Balance as at the end of the year	3,116.17	3,897.15
Current lease liabilities	859.18	1,340.45
Non- current lease liabilities	2,256.99	2,556.70

Refer Note 37 on leases:

The Company has chosen to apply the practical expedient as per paragraph 46A of the Indian Accounting Standard on Leases 'Ind AS 116', for accounting changes in leases, in the form of lease concessions that meet the conditions prescribed in paragraph 46B of Ind AS 116. The Company has consequently recognised an income of ₹ 150.17 lakhs for the year ended 31st March, 2021 under the head "Other income".

For changes in leases in the form of terminations, the Company has accounted for such terminations in accordance with Ind AS 116 and has consequently recognised a net gain of ₹ 109.59 lakhs for the year ended 31st March, 2021 under the head "Other income".

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 6 Capital work-in-progress:**

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Plant and equipment under installation	6.62	23.47

Note 7 Non-current investments

₹ in lakhs

	Quantity (in numbers)		Amount	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
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 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good unless otherwise stated				
Deposits for premises and others	388.72	399.34	69.82	198.57
Investments in term deposits (with original maturity of more than twelve months)	3,000.00	-	6,000.00	-
Loans and advances to employees	-	-	10.65	12.42
Interest accrued on fixed deposits	-	-	25.02	0.07
	3,388.72	399.34	6,105.49	211.06

Note 9 Other assets

₹ in lakhs

	Non-current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good unless otherwise stated				
Capital advances	215.86	124.03	-	-
Advances to suppliers / others	-	-	77.21	130.59
Prepayments	-	6.00	54.02	88.29
Refunds due from/balances with government authorities	2.29	2.73	808.86	1,211.63
Other receivables	-	-	6.83	3.92
	218.15	132.76	946.92	1,434.43

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 10 Inventories**

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Raw Materials [including goods in transit ₹223.15 lakhs (as at 31 st March 2020 - ₹360.95 lakhs)]	1,192.46	1,117.43
Work-in-progress	278.93	144.22
Finished goods	1,758.02	2,417.43
Stock-in-trade [including goods in transit ₹ 645.55 lakhs (as at 31 st March 2020 - ₹1,987.36 lakhs)]	8,119.12	12,266.16
Stores and spares	23.41	34.11
Packing materials	25.88	24.03
	<u>11,397.82</u>	<u>16,003.38</u>

Mode of valuation : refer note 2.6

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

Note 11 Trade receivables

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Unsecured		
Considered good	9,060.15	14,766.93
Credit impaired	<u>908.05</u>	<u>45.31</u>
	9,968.20	14,812.24
Less: Allowances for bad and doubtful debts	<u>908.05</u>	<u>45.31</u>
	<u>9,060.15</u>	<u>14,766.93</u>

Refer note 40 for trade receivables charged against certain bank borrowings.

Refer note 31 (A) for credit terms, ageing analysis and other relevant details related to trade receivables.

Note 12 Cash and cash equivalents

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Balances with banks in current accounts	172.01	38.91
Cash on hand	<u>0.78</u>	<u>2.58</u>
	<u>172.79</u>	<u>41.49</u>

Note 13 Other bank balances

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
In deposit accounts (pledged against bank guarantees / LCs)	11.41	31.21
In deposit Accounts (with original maturity of more than three months but less than twelve months)	250.00	-
In dividend accounts	<u>7.83</u>	<u>7.86</u>
	<u>269.24</u>	<u>39.07</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 14 Equity share capital**

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Authorised :		
2,50,00,000 (as at 31 st March 2020 : 2,50,00,000) equity shares of ₹ 2/- each	500.00	500.00
2,50,00,000 (as at 31 st March 2020 : 2,50,00,000) unclassified shares of ₹ 2/- each	500.00	500.00
	<u>1,000.00</u>	<u>1,000.00</u>
Issued, subscribed and paid-up		
2,23,86,500 (as at 31 st March 2020 : 2,23,64,000) equity shares of ₹ 2/- each fully paid-up	447.73	447.28
	<u>447.73</u>	<u>447.28</u>

The reconciliation of the number of equity shares outstanding

	As at 31 st March 2021		As at 31 st March 2020	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Equity shares at the beginning of the year (face value per share ₹ 2)	2,23,64,000	447.28	2,23,25,500	446.51
Add :- Shares issued on ESOP (face value per share ₹ 2)	22,500	0.45	38,500	0.77
Equity shares at the end of the year (face value per share ₹ 2)	<u>2,23,86,500</u>	<u>447.73</u>	<u>2,23,64,000</u>	<u>447.28</u>

(a) Terms/rights attached to Equity shares :

- 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.
- In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the Shareholders	As at 31 st March 2021		As at 31 st March 2020	
	Numbers (face value of ₹ 2 each)	% of holding	Numbers (face value of ₹ 2 each)	% of holding
Safari Investments Private Limited	22,73,465	10.16%	22,73,465	10.17%
Sudhir Mohanlal Jatia	1,01,00,000	45.12%	1,04,00,000	46.50%
Malabar India Fund Limited	21,64,332	9.67%	21,64,332	9.68%
Tano India Private Equity Fund II	-	-	12,15,000	5.43%

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

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

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

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 15 Other equity**

₹ in lakhs

Other equity :	Reserves and surplus					Items of other comprehensive income	Equity Component of Compound Financial Instrument	Total
	Capital reserve	Securities premium	General reserve	Equity-settled share-based payment reserve	Retained earnings	Remeasurement of defined benefit plan	Compulsorily Convertible Debentures (Refer Note 14(d))	
Balance as at 1st April 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)	-	-	-	-
Dividend (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
Loss for the year	-	-	-	-	(2,085.61)	-	-	(2,085.61)
Other comprehensive income for the year	-	-	-	-	-	(116.23)	-	(116.23)
Total Comprehensive income for the year	-	-	-	-	(2,085.61)	(116.23)	-	(2,201.84)
On shares issued on ESOP	-	52.20	-	-	-	-	-	52.20
Transfer from equity-settled share-based payment reserve (on options exercised)	-	42.78	-	(42.78)	-	-	-	-
Transfer from equity-settled share-based payment reserve (on options lapsed)	-	-	-	(8.91)	8.91	-	-	-
On issue of 6% compulsorily convertible debentures (Refer Note 14(d))	-	-	-	-	-	-	6,804.06	6,804.06
Effect on account of deferred tax on issue expense and interest on compulsorily convertible debentures (Refer note 29(d))	-	-	-	-	173.89	-	-	173.89
Transfer from statement of profit and loss	-	-	-	12.50	-	-	-	12.50
Balance as at 31st March 2021	11.18	12,308.77	618.80	13.16	7,904.17	(281.78)	6,804.06	27,378.36

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 16 Non-current borrowings**

	Non-current		Current Maturities (refer note 20)	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
	₹ in lakhs			
Measured at amortised cost				
Secured				
Term loans from banks	18.54	66.19	16.74	49.31
Term loans from others	-	17.47	0.93	19.21
Unsecured				
Liability component of compound financial instrument: 6% Compulsorily convertible debentures ("CCD")	211.66	-	417.07	-
	230.20	83.66	434.74	68.52

Notes:*Security and terms of repayment:*

- Term loans from banks for vehicles amounting to ₹ 35.28 lakhs (as at 31st March 2020 Rs. 115.50 lakhs) including current maturities of ₹ 16.74 lakhs (as at 31st March 2020 ₹ 49.31 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 year ₹ 16.74 lakhs; 1-2 years ₹ 9.20 lakhs; 2-3 years ₹ 6.50 lakhs; 3-4 years ₹ 2.84 lakhs; >4 years ₹ Nil.
These loans carry interest rate ranging from 7.90% p.a. to 10.00% p.a. (31st March 2020 8.00% p.a. to 10.00% p.a.)
- Term loans from others for vehicles amounting to ₹ 0.93 lakhs (as at 31st March 2020 ₹ 36.68 lakhs) including current maturities of ₹ 0.93 lakhs (as at 31st March 2020 ₹ 19.21 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 year ₹ 0.93 lakhs; >1 year ₹ Nil.
These loans carry interest rate of 8.49% p.a. (31st March 2020 7.99% p.a. to 9.12% p.a.)
- The Company has issued and allotted 13,15,790 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 570 each to Investcorp Private Equity Fund II ("Investor") on preferential allotment basis on 25th March 2021. The CCDs carry a coupon rate of 6% p.a. payable on quarterly basis. The CCDs shall automatically and compulsorily be converted into equal number of equity shares at a face value of ₹ 2 per share on the earlier of occurrence of following events – a) Investor electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs.
The CCDs shall be unsecured, and until converted, shall rank pari passu with any other unsecured creditors of the Company.
- Also, refer note 40 for details of assets provided as security.

Note 17 Provisions

	Non-current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
	₹ in lakhs			
Provision for employee benefits (refer note 33)				
Gratuity	22.04	-	186.26	110.20
Compensated absences	-	-	14.27	12.48
	22.04	-	200.53	122.68

Note 18 Current borrowings

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Secured, Measured at amortised cost		
Working capital loans from Banks:		
Cash credit accounts	-	905.53
Demand loans	-	5,000.00
Buyer's credit	-	1,094.68
Others	303.65	373.51
Total	303.65	7,373.72

Notes:*Security and terms of repayment:*

- Working capital loans of ₹ 303.65 (as at 31st March 2020 ₹ 7373.72 lakhs) 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.
- Refer note 40 for details of assets provided as security.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 19 Trade payables**

	₹ in lakhs	
	As at	As at
	31 st March 2021	31 st March 2020
Total outstanding dues of micro, small and medium enterprises	1,739.46	834.84
Total outstanding dues of creditors other than micro, small and medium enterprises	5,257.74	5,274.15
	<u>6,997.20</u>	<u>6,108.99</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.

	₹ in lakhs	
	As at	As at
	31 st March 2021	31 st March 2020
1) The principal amount remaining unpaid to supplier as at the end of the accounting year	1,739.46	834.84
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 20 Other financial liabilities

	₹ in lakhs	
	As at	As at
	31 st March 2021	31 st March 2020
Current maturities of long-term debt (refer note 16)	434.74	68.52
Payable for capital goods	95.43	210.33
Interest accrued but not due on borrowings	8.85	4.63
Unpaid dividend (refer note below)	7.83	7.86
Employee payable	85.12	283.97
Other payables	8.31	8.31
	<u>640.28</u>	<u>583.62</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 21 Other current liabilities

	₹ in lakhs	
	As at	As at
	31 st March 2021	31 st March 2020
Advances received from customers	3.49	26.23
Statutory dues	276.72	303.89
Others	-	9.40
	<u>280.21</u>	<u>339.52</u>

Note 22 Revenue from operations

	₹ in lakhs	
	Year ended	Year ended
	31 st March 2021	31 st March 2020
Sale of products	32,675.46	67,954.59
Other operating revenues		
Sale of scrap	122.09	179.85
	<u>32,797.55</u>	<u>68,134.44</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Reconciliation of revenue from operations with contract price:**

	₹ in lakhs	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Contract Price	34,488.06	71,420.22
Less: Discounts, rebates and others	1,690.51	3,285.78
	<u>32,797.55</u>	<u>68,134.44</u>

Note 23 Other income

	₹ in lakhs	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Interest income		
Fixed deposits	30.99	6.88
Other income		
Amounts written back (net)	3.98	28.77
Foreign exchange/MTM gain (net)	28.08	-
On reversal of lease liability on concession (refer Note 5)	150.17	-
On reversal of lease liability on termination (refer Note 5)	109.59	36.02
Miscellaneous income	9.76	4.88
	<u>332.57</u>	<u>76.55</u>

Note 24 Cost of materials consumed

	₹ in lakhs	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Raw materials		
Opening stock	1,117.43	1,907.28
Purchases	5,790.04	8,751.59
Sub-total	<u>6,907.47</u>	<u>10,658.87</u>
Sales	(434.79)	(213.78)
Closing stock	(1,192.46)	(1,117.43)
Raw materials consumed	<u>5,280.22</u>	<u>9,327.66</u>
Packing materials consumed	<u>381.49</u>	<u>622.09</u>
	<u>5,661.71</u>	<u>9,949.75</u>

Note 25 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	₹ in lakhs	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Inventories at the beginning of the year		
Finished goods	2,417.43	1,496.27
Stock-in-trade	12,266.16	14,976.16
Work-in-progress	144.22	137.60
	<u>14,827.81</u>	<u>16,610.03</u>
Inventories at the end of the year		
Finished goods	1,758.02	2,417.43
Stock-in-trade	8,119.12	12,266.16
Work-in-progress	278.93	144.22
	<u>10,156.07</u>	<u>14,827.81</u>
	<u>4,671.74</u>	<u>1,782.22</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
Note 26 Employee benefits expense

	Year ended 31 st March 2021	₹ in lakhs Year ended 31 st March 2020
Salaries and wages	5,484.22	6,965.76
Contribution to provident and other funds	386.05	449.18
Share based payments (refer note 42)	12.50	31.44
Staff welfare expense	104.49	224.19
	<u>5,987.26</u>	<u>7,670.57</u>

Note 27 Finance costs

	Year ended 31 st March 2021	₹ in lakhs Year ended 31 st March 2020
Interest expense	312.43	621.65
Other borrowing costs	266.18	380.42
	<u>578.61</u>	<u>1,002.07</u>

Note 28 Other expenses

	Year ended 31 st March 2021	₹ in lakhs Year ended 31 st March 2020
Consumption of stores and spares	26.41	8.30
Consumption of packing materials - trading	188.80	378.47
Power and fuel	234.62	471.72
Repairs and maintenance		
Building	8.39	116.04
Plant and equipment	20.04	61.13
Others	136.46	155.70
Rent	277.30	352.31
Rates and taxes, excluding tax on income	71.29	78.69
Insurance	65.02	62.17
Postage, telegram and telephone expenses	89.43	150.89
Legal and professional fees	199.91	330.43
Freight, handling and octroi	2,476.03	4,097.60
Contractual labour	1,650.36	2,803.26
Job work charges	437.08	1,124.23
Travelling and conveyance	301.90	1,104.14
Advertisement and sales promotion	920.82	2,968.86
Bad debts written off	67.14	44.69
Provisions for doubtful debts/advances/deposits	822.64	65.93
Loss on disposal / discard of property, plant and equipment (net)	43.45	16.02
Director's sitting fees	20.55	15.77
Corporate social responsibility expenditure (refer note 43)	76.60	60.00
Foreign exchange/MTM loss (net)	-	209.99
Miscellaneous expenditure	201.23	361.25
	<u>8,335.47</u>	<u>15,037.59</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 29 Income taxes**

	Year ended 31 st March 2021	₹ in lakhs Year ended 31 st March 2020
a) Tax expense recognised in the statement of profit and loss:		
Current tax		
Current year	-	1,130.85
Earlier years	(103.95)	(26.65)
	<u>(103.95)</u>	<u>1,104.20</u>
Deferred tax		
Increase in deferred tax assets	(691.79)	(139.13)
	<u>(691.79)</u>	<u>(139.13)</u>
Total income tax expense recognised in statement of profit and loss	<u>(795.74)</u>	<u>965.07</u>
b) Tax on items of other comprehensive income		
	Year ended 31 st March 2021	Year ended 31 st March 2020
Deferred tax on remeasurement of defined benefit plans	(39.53)	-
Current tax on remeasurement of defined benefit plans	-	(18.02)
Total income tax expense recognised in Other comprehensive income	<u>(39.53)</u>	<u>(18.02)</u>
c) 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 2021	₹ in lakhs Year ended 31 st March 2020
Enacted income tax rate in India	25.17%	25.17%
Profit/(loss) before tax	(2,881.34)	4,016.14
Income tax as per above rate	(725.18)	1,010.78
Adjustments for:		
Expenses not deductible for tax purposes	572.70	375.80
Expenses deductible separately for tax purposes	(308.15)	(255.73)
Deferred Tax Asset recognised on carried forward business loss	460.63	-
Taxes of earlier years	(103.95)	(26.65)
Current tax as per statement of profit and loss	<u>(103.95)</u>	<u>1,104.20</u>

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

	₹ in lakhs					
Particulars	As at 1 st April 2019	Credit / (charge) in statement of profit and loss	As at 31 st March 2020	Impact in Other Equity	Credit / (charge) in statement of profit and loss	As at 31 st March 2021
Deferred tax assets/(liabilities)						
Property, plant and equipment and intangible assets	41.64	54.55	96.19	-	83.66	179.85
Amount allowable on payment basis	12.01	(2.77)	9.24	-	(0.07)	9.17
Voluntary retirement scheme	4.58	(2.93)	1.65	-	(1.65)	-
Provisions for doubtful debts/advances/deposits	16.53	11.97	28.50	-	200.06	228.56
Right-of-use assets	-	(930.23)	(930.23)	-	200.90	(729.33)
Lease liabilities	-	980.92	980.92	-	(196.57)	784.35
Carried forward business loss	-	-	-	-	460.63	460.63
On issue expense on equity component of compulsorily convertible debentures	-	-	-	13.68	(13.68)	-
On interest of compulsorily convertible debentures	-	-	-	160.21	(1.96)	158.25
Others	(27.62)	27.62	-	-	-	-
Total	47.14	139.13	186.27	173.89	731.32	1,091.48

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 30 Financial instruments**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

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

a. Financial Assets

₹ in lakhs

Particulars	At Cost	Instruments carried at amortised cost	Total carrying amount	Total fair value
		Carrying amount		
As at 31st March, 2021				
Investments	5.00	-	5.00	5.00
Trade receivables	-	9,060.15	9,060.15	9,060.15
Cash and cash equivalents	-	172.79	172.79	172.79
Other bank balances	-	269.24	269.24	269.24
Other financial assets	-	9,494.22	9,494.22	9,494.22
Total	5.00	18,996.40	19,001.40	19,001.40
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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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 2021				
Borrowings	-	533.85	533.85	533.85
Trade payables	-	6,997.20	6,997.20	6,997.20
Lease liabilities	-	3,116.17	3,116.17	3,116.17
Other financial liabilities	-	640.28	640.28	640.28
Total	-	11,287.50	11,287.50	11,287.50
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

Note 31 Financial risk management

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

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

A. Credit risk

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

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

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

Ageing analysis of trade receivables:

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
0-3 months	7,816.47	10,077.40
3-6 months	175.08	4,172.14
6-12 months	91.17	334.69
more than 12 months	977.43	182.70
Total	9,060.15	14,766.93

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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 2021			
	0-1 year	1-5 years	More than 5 years	Total
Long-term borrowings (including current maturity of long-term debt)	434.74	230.20	-	664.94
Short-term borrowings	303.65	-	-	303.65
Trade payables	6,997.20	-	-	6,997.20
Lease Liabilities	859.18	2,126.06	130.93	3,116.17
Other financial liabilities	205.54	-	-	205.54
Total	8,800.31	2,356.26	130.93	11,287.50

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	407.40	18,047.14

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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 2021	As at 31 st March 2020
Borrowings bearing fixed rate of interest	664.94	152.18
Borrowings bearing variable rate of interest	303.65	7,373.72

Hence, the Company is not significantly exposed to the interest rate risk as working capital facilities are, as per contractual terms, primarily of short term in nature.

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit/(loss) before tax

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Increase by 50 bps - decrease in profits/increase in loss	(22.03)	(35.87)
Decrease by 50 bps - increase in profits/decrease in loss	22.03	35.87

(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 2021.

Foreign currency exposure

Particulars	Year ended 31 st March 2021		Year ended 31 st March 2020	
	In million US\$	₹ in lakhs	In million US\$	₹ in lakhs
Total foreign currency exposure payable (net)	3.97	2,920.50	5.84	4,403.89

Foreign currency risk sensitivity

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

Particulars	Year ended 31 st March 2021		Year ended 31 st March 2020	
	1% increase	1% decrease	1% increase	1% decrease
Increase / (decrease) in profit or loss	(29.21)	29.21	(44.04)	44.04

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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 since then, the Company has gradually resumed its operations in compliance with the guidelines issued by respective authorities. This has impacted the Company's operations adversely in the financial year ended 31st March, 2021. The Company has taken adequate precautions for safety and wellbeing of the employees while resumption of its operations. In view of recent surge in COVID-19 cases, few states have reintroduced certain restrictions and the Company continues to be vigilant and cautious. The Company has considered the possible effects that may impact the carrying amounts of inventories, trade receivables and deferred tax assets. In making the assumptions and estimates relating to the uncertainties as at the reporting date in relation to the recoverable amounts, the Company has inter alia considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials statements. The Company expects no significant impairment to the carrying amounts of these assets other than those accounted for. The Company will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

Note 32 Capital risk management**(a) Risk management**

The Company's objectives when managing capital are to

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

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

The following table summarises the capital of the Company:

₹ in lakhs

Particulars	31 st March 2021	31 st March 2020
Net debt (refer note 44)	804.65	7,489.04
Total equity	27,826.09	22,984.83
Capital gearing ratio	0.03	0.33

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

(b) Dividend

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

The Board of Directors of the Company did not recommend any dividend on equity shares for the financial year ended 31st March 2021 and the financial year ended 31st March 2020.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 33 Disclosure pursuant to Ind AS - 19 "Employee benefits"**

A. Defined contribution plan: Amounts recognised towards defined contribution plan have been disclosed under "Contribution to provident and other funds" ₹ 329.15 lakhs (Previous year ₹ 404.19 lakhs). (Refer Note 26)

B. Defined benefit plan - Gratuity: In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous service), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date. The Gratuity Plan is a funded plan and the Company makes annual contribution to the gratuity fund administered by Life Insurance Company under its respective Group Gratuity Scheme.

The disclosure in respect of the defined gratuity plan are given below:

i. Balance sheet

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Present value of plan liabilities	661.48	487.76
Fair value of plan assets (insurance fund)	453.18	377.56
Funded status [surplus/ (deficit)]	(208.30)	(110.20)
Net (liability)/asset recognised in balance sheet	(208.30)	(110.20)

ii. Statement of profit and loss

₹ in lakhs

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Employee benefits expense:		
Current service cost	49.38	37.40
Net interest cost	7.52	7.60
Total amount recognised in statement of profit and loss	56.90	45.00
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest income	4.60	2.24
Actuarial loss arising from changes in financial assumptions	151.86	23.26
Actuarial loss arising from experience adjustments	(0.70)	39.52
Total amount recognised in other comprehensive income	155.76	65.02

iii. Movements in plan liabilities

₹ in lakhs

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Opening present value of defined benefit obligation	487.76	394.42
Current service cost	49.38	37.40
Interest cost	33.27	29.94
Actuarial loss arising from changes in financial assumptions	151.86	23.26
Actuarial loss arising from experience adjustments	(0.70)	39.52
Benefits paid from the fund	(60.09)	(36.78)
Closing present value of defined benefit obligation	661.48	487.76

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**iv. Movements in plan assets**

₹ in lakhs

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Opening fair value of plan assets	377.56	294.37
Interest income	25.75	22.34
Return on plan assets excluding amounts included in interest income	(4.60)	(2.24)
Employer contributions	114.55	99.87
Benefits paid from the fund	(60.09)	(36.78)
Closing fair value of plan assets	453.18	377.56

v. Assumptions

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

Financial assumptions

Particulars	As at 31 st March 2021	As at 31 st March 2020
Discount rate	6.85%	6.82%
Expected rate of return on plan assets	6.85%	6.82%
Salary escalation rate	8.00%	4.50%

Demographic assumptions

Mortality rate during employment: Indian Assured Lives Mortality (2006-08) Ultimate

Particulars	As at 31 st March 2021	As at 31 st March 2020
Attrition rate	For service of 4 years and below: 26% p.a and for service 5 years and above : 2.00% p.a.	For service of 4 years and below: 26% p.a and for service 5 years and above : 2.00% p.a.

vi. Sensitivity analysis

The sensitivity of the present value of plan liabilities to 1.00% change in the key assumptions are:

₹ in lakhs

Particulars	Increase in assumption		Decrease in assumption	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Discount rate	(52.71)	(29.74)	62.24	34.30
Salary escalation rate	58.32	33.97	(51.09)	(29.88)
Attrition rate	(6.73)	4.31	7.49	(5.10)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**vii. Characteristics of defined benefit plan:**

The entity has a defined benefit gratuity plan (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

viii. Risks associated with defined benefit plan:

Gratuity is a defined benefit plan and entity is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk. Mortality rate during employment is calculated considering Indian Assured Lives Mortality (2006-08) Ultimate.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

ix. Other details**₹ in lakhs**

Particulars	As at 31 st March 2021	As at 31 st March 2020
Expected contributions to the defined benefit plan for the next financial year	186.26	159.58

in years

Particulars	As at 31 st March 2021	As at 31 st March 2020
Weighted average duration of the defined benefit obligation	10	8

During the year, there were no plan amendments, curtailments and settlements.

x. Maturity analysis of the benefit payments

The defined benefit obligation shall mature as follows:

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Within 1 year	89.83	67.04
1-2 years	40.58	39.54
2-3 years	60.77	69.19
3-4 years	59.18	55.48
4-5 years	40.91	49.38
5-10 years	222.91	180.22
11 years and above	933.67	423.30
Total	1,447.85	884.15

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death estimate of members in respective years.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

- C) Compensated absences:** The Company had a policy on compensated absences which were both accumulating and non accumulating in nature. In the previous year, the Company had revised its policy for compensated absences to allow leave entitlements which would be only non-accumulating in nature except for a certain class of employees. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur. Necessary impact of the same had been considered in the financial statements.

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

₹ in lakhs

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Expenses recognised in statement of profit and loss	21.02	46.27
Balance sheet liability	14.27	12.48

Note 34 Earnings per equity share (EPS)

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Profit / (Loss) after tax attributable to equity shareholders (₹ in lakhs)	(2,085.61)	3,051.08
Weighted average number of equity shares for basic EPS	2,23,70,436	2,23,42,673
Basic earnings per equity share (in ₹)	(9.32)	13.66
Weighted average number of equity shares for diluted EPS	2,23,78,268	2,23,71,117
Diluted earnings per equity share (in ₹)	(9.32)	13.64
Nominal value of equity shares (in ₹)	2.00	2.00

Note 35 Contingent liabilities

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Disputed sales tax / entry tax demands	57.84	18.58
Bonus for earlier years	-	10.80
Other claims against the Company not acknowledged as debts	27.05	29.09

Notes:

- a) Sales Tax and Entry Tax related litigation/demand primarily pertains to non- submission of required declaration forms in time due to non- receipt of the same from customers and/ or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- b) The Company's pending litigations comprise mainly claims against the Company, proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 36 Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 265.70 lakhs (Previous year ₹ 528.72 lakhs).

Note 37 Leases

Effective 1st April, 2019, the Company had adopted Ind AS 116 "Leases" using modified retrospective approach. The Company's lease asset classes primarily consist of leases for buildings. These leases were classified as "Operating Leases" under Ind AS 17. On transition to Ind AS 116 "Leases", for these leases, lease liabilities were measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate as at 1st April, 2019. Right-of-use assets if measured either at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

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

- The Company didn't recognised Right-of-use assets and Lease liabilities for lease for which the lease terms ends within 12 months on the date of initial transition and low value assets.
- The Company excluded initial direct cost from measurement of the Right-of-use assets at the date of initial application.
- The Company uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Weighted average lessee's incremental borrowing rate applied to the lease liabilities on first time adoption was 8.5%.

On transition to the Ind AS 116 "Leases", impact thereof is as follows:

₹ in lakhs

Particulars	Initial conversion as on 1st April 2019
Right-of-use assets	4,211.99
Lease liabilities	4,211.99

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

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Less than one year	1,065.37	1,340.45
One to five years	2,421.13	2,904.40
More than five years	141.18	448.89

Short-term leases expenses incurred:

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Rental expense	277.30	352.31

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
Note 38 Related party disclosures
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 and Managing Director
Mr. Vineet Poddar	Chief Financial Officer
Mr. Rameez Shaikh	Company Secretary
Dr. Shailesh Jayantilal Mehta	Non-Executive and Independent Director
Mr. Punkajj Girdharilal Lath	Non-Executive and Independent Director
Mr. Dalip Charanjit Sehgal	Non-Executive and Independent Director
Mrs. Vijaya Sampath	Non-Executive and Independent Director
Mr. Rahul Lalit Kanodia	Non-Executive and Independent Director
Mr. Anuj Patodia	Non-Executive and Non-Independent Director
Mr. Piyush Goenka	Non-Executive and Non-Independent Director
Mr. Sumeet Nagar	Non-Executive and Non-Independent Director

Other related parties:

Name	Nature of Relationship
Ms. Shivani Jatia	Daughter of Mr. Sudhir Mohanlal Jatia, Chairman and Managing Director
Ms. Tanisha Jatia (<i>appointed 1st September, 2020</i>)	Daughter of Mr. Sudhir Mohanlal Jatia, Chairman and Managing Director

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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)		
Rent received	- (3.14)		
Employee cost recovered / reimbursed	- (9.00)		
Remuneration to key managerial persons (Refer note (d) below)			
Short-term employee benefits		117.02 (201.66)	
Post-employment benefits		5.93 (16.48)	
Share-based payment		19.71 (39.74)	
Sitting Fees:			
Non-Executive and Independent Directors		16.05 (12.77)	
Non-Executive and Non-Independent Directors		4.50 (3.00)	
Salary including perquisites			17.08 (3.53)
Balances as at year end			
Investment in equity shares	5.00 (5.00)		
Trade receivables	13.98 (20.44)		

Figures in bracket relate to previous year.
Notes:

- Related party relationship is as identified by the management and relied upon by the auditors.
- No amounts in respect of related parties have been written off/ written back during the year and no provision has been made for doubtful debts/receivable.
- All related party transactions entered during the year were in the ordinary course of the business at arm's length basis.
- Key Managerial Persons who are under the employment of the Company are entitled to post-employment benefits (defined benefit gratuity plan) recognised as per Ind AS 19 "Employee Benefits" in the financial statements and short-term employee benefits in the form of premium paid by company for group health insurance plan. As these employee benefits are lumpsum amounts provided on the basis of actuarial valuation/ premium payment for the Company as a whole, the same is not included above.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 39 Segment Reporting**

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

Note 40 Assets provided as security

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

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Current assets		
Financial assets		
Trade receivables	9,060.15	14,766.93
Non-financial assets		
Inventories	11,397.82	16,003.38
Total current assets provided as security	20,457.97	30,770.31
Non-current assets		
Leasehold land *	6.08	6.32
Buildings*	911.40	960.32
All movable property, plant and equipment*	2,743.06	3,065.06
Total non-current assets provided as security	3,660.54	4,031.70
Total assets provided as security	24,118.51	34,802.01

*This represents net book value.

Note 41 Auditor's remuneration

(excluding goods and service tax)

₹ in lakhs

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Audit fees	6.50	6.50
Tax audit fees	1.50	1.50
Limited review and certification fees *	10.60	6.25
Reimbursement of expenses	0.25	1.23
Total	18.85	15.48

* Certification fees for year ended 31st March, 2021 includes ₹ 5.00 Lakhs paid for certification in relation to preferential issue of CCD and thus becomes part of issue expense which are not charged to Statement of Profit and Loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
Note 42 Employee share-based plan:
A) Details of stock options to eligible employees under Safari Stock Option Scheme 2016 are as under:

Particulars	Tranche II	Tranche III	Tranche IV	Tranche V
Grant date	09 Mar 2017	29 Nov 2017	09 Feb 2018	05 Dec 2020
No of options	45,000	30,000	10,000	10,000
Method of accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting plan	Graded Vesting- At the end of 1 st year - 40%	Graded Vesting- At the end of 1 st year - 40%	Graded Vesting- At the end of 1 st year - 40%	Graded Vesting- At the end of 1 st year - 40%
	At the end of 2 nd year - 30%	At the end of 2 nd year - 30%	At the end of 2 nd year - 30%	At the end of 2 nd year - 30%
	At the end of 3 rd year - 30%	At the end of 3 rd year - 30%	At the end of 3 rd year - 30%	At the end of 3 rd 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)	190.00	300.00	440.00	440.00
Average market price on the date of grant of options (₹ per share)	228.17	482.22	539.86	531.05
Discount on average price (₹ per share)	38.17	182.22	99.86	91.05

Movements in number of share options during the year:

Particulars	Tranche II	Tranche III	Tranche IV	Tranche V	
Grant date	09 Mar 2017	29 Nov 2017	09 Feb 2018	05 Dec 2020	Total
Opening balance	13,500	9,000	6,000	-	28,500
Granted during the year	-	-	-	10,000	10,000
Exercised during the year	13,500	9,000	-	-	22,500
Expired/lapsed during the year	-	-	3,000	-	3,000
Closing balance	-	-	3,000	10,000	13,000
Exercisable options as at year end	-	-	3,000	-	3,000

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

- B) The fair value of options have been done by independent firm of Chartered Accountants using the Black-Scholes Merton Model/ Binomial Model.

The key assumptions for calculating fair value on the date of grant for Safari Stock Option Scheme 2016 are as follows:

Particulars	Tranche II	Tranche III	Tranche IV	Tranche V
Grant date	09 Mar 2017	29 Nov 2017	09 Feb 2018	05 Dec 2020
Fair Valuation Model	Black-Scholes Merton Model	Black-Scholes Merton Model	Black-Scholes Merton Model	Binomial Model
1. Risk free rate	6.74%	7.71%	7.46%	4.53%
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)	2.00 (Year 1) 3.00 (Year 2) 4.00 (Year 3)
3. Expected volatility	0.8247	0.8336	0.8503	0.3814
4. Dividend growth rate	5%	5%	5%	-
Weighted average fair value of the options (In ₹)	126.54	285.52	296.98	205.44

Note 43 Details of corporate social responsibility (CSR) expenditure :
₹ in lakhs

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Amount required to be spent as per Section 135 of the Companies Act, 2013	76.55	59.87
Amount spent during the year on :		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than above	76.60	60.00
Total	76.60	60.00

Note 44 Debt reconciliation statement in accordance with Ind AS 7 - Statement of Cash Flows:
₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Non current borrowings (including current maturities of long-term debt)	664.94	152.19
Current borrowings	303.65	7,373.72
Interest accrued but not due on borrowings	8.85	4.63
Less: Cash and cash equivalents	(172.79)	(41.49)
Net debt	804.65	7,489.04

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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	(58.29)	(2,872.85)	-	(4.27)	(2,935.41)
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	152.19	7,373.72	4.63	(41.49)	7,489.04
Cash flows	512.75	(7,074.34)	-	(131.30)	(6,692.89)
Unrealised exchange loss	-	4.27	-	-	4.27
Finance costs	-	-	578.61	-	578.61
Interest paid	-	-	(582.15)	-	(582.15)
Other adjustment IndAS 32 (interest payable on CCDs)	-	-	7.76	-	7.76
Net debt as at 31st March 2021	664.94	303.65	8.85	(172.79)	804.65

45 Recent accounting pronouncements

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

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

- 46** The Indian Parliament has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post-employment, and the same has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.
- 47** Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The Management, however, is confident that the impact whereof for the year on the financial statements will not be material.
- 48** The previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's classification.

Signatures to notes 1-48

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)
Director

VINEET PODDAR
Chief Financial Officer

RAMEEZ SHAIKH
Company Secretary

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, 2021, the consolidated Statement of Profit & Loss (including other comprehensive income), the consolidated Statement of changes in equity and the consolidated Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information which are included in the consolidated financial statements for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2021, the consolidated loss, 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, utilisation of deferred tax assets of ₹ 1105.68 crores, realisability of inventories of ₹ 11,397.82 lakhs and recoverability of trade receivables of ₹ 9,034.95 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 consolidated 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.	<p>Utilisation of Deferred Tax Assets</p> <p>The Group has recognized a deferred tax assets amounting ₹ 1105.68 lakh in respect of unabsorbed business losses, depreciation and others pertaining to current financial year.</p> <p>The deferred tax assets is recognised as it is considered to be recoverable based on the Group's projected taxable profits in the forthcoming years.</p>	<p>Audit procedures performed:</p> <ul style="list-style-type: none"> Evaluation of the design and testing operating effectiveness of the Group's control relating to assessment of carrying amount of deferred tax assets, the preparation of the forecast and its related inputs/assumptions. Comparing the Group's business forecast prepared in the previous year with its actual performance during the year.

INDEPENDENT AUDITORS' REPORT

Sr. No.	Key Audit Matters	Auditor's response
	<p>This was considered as a key audit matter as the amount is material to the Financial statement and significant judgement was required by the Group's management in the preparation of the future taxable profits based on the underlying business plans.</p>	<ul style="list-style-type: none"> • Assessing the business plans used by the Management in evaluating the utilization of the deferred tax asset. • Based on the above procedures we assessed the reasonability of the assumptions and estimates used by the Management in assessing the recoverability of Deferred Tax Asset in respect of unabsorbed tax losses and depreciation. <p>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 utilisation of deferred tax assets.</p>
2.	<p>Inventory - valuation</p> <p>As at March 31, 2021, the Group held inventories of ₹ 11,397.82 Lakhs. [Also, refer Note no. 9 of the consolidated financial statements]</p> <p>Inventories valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). Future selling prices are dependent on market conditions, which can be difficult to predict due to COVID 19. There is an element of judgement relating to these provisions which are based on historical evidence and the current economic conditions. The changing trends and economic environment require judgements in respect of provisions to be reassessed at each reporting date.</p> <p>In view of the above, the matter has been determined to be a key audit matter.</p>	<p>Audit procedures performed:</p> <p>We have performed following alternative audit procedures over inventory existence and valuations.</p> <ol style="list-style-type: none"> (a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the inventory valuation is in accordance with applicable accounting standard and verification of net realizable value. (b) We considered the inventory provision for obsolescence and items to be sold at less than cost through evaluating: <ul style="list-style-type: none"> • historical inventory and sales data; • management's latest forecasts; and • selling prices realised subsequent to the year end. (c) Performing substantive analytical procedures to test the correctness of inventory valuation. <p>The procedures performed gave us a sufficient evidence to conclude about the inventory valuation.</p>
3.	<p>Trade receivables-collectability and certainty</p> <p>As at March 31, 2020, the Group held trade receivables of ₹ 9,034.95 lakhs. [Also, refer Note no. 10 of the consolidated financial statements]</p> <p>Trade receivables collectability and certainty was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). As explained by the Management, due to COVID 19 related restrictions on account of nationwide lockdown, resulted in non-receipt of most of the direct confirmations from the customers and reconciliations whereof with the books of accounts of the Group.</p> <p>In view of the above, the matter has been determined to be a key audit matter.</p>	<p>Audit procedures performed:</p> <p>We have performed following alternative audit procedures over trade receivables valuations.</p> <ol style="list-style-type: none"> (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. <p>The procedures performed gave us a sufficient evidence to conclude about the collectability and certainty of trade receivables.</p>

INDEPENDENT AUDITORS' REPORT

Sr. No.	Key Audit Matters	Auditor's response
4.	<p>Allowance for sales returns</p> <p>The Group sells its products through various channels like retailers, institutions, modern trade etc.</p> <p>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.</p> <p>In view of the above, the matter has been determined to be a key audit matter.</p>	<p>Audit procedures performed:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>

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.

INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

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

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

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.

INDEPENDENT AUDITORS' REPORT**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.
- (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, 2021 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the 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 were no amounts which required to be transferred to the Investor Education and Protection Fund by the Parent Company.

Mumbai
Date : 13th May 2021

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)
R. P. Baradiya
Partner
(Membership No. 044101)
UDIN 21044101AAAAGS1159

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, 2021, 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; and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time..

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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 : 13th May 2021

For **LODHA & CO.**
Chartered Accountants
(Firm Regn. No. 301051E)
R. P. Baradiya
Partner
(Membership No. 044101)
UDIN **21044101AAAAGS1159**

**CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH 2021**

		₹ in lakhs	
	Note no.	As at 31 st March 2021	As at 31 st March 2020
Assets			
Non-current assets			
Property, plant and equipment	3	3,721.34	4,095.73
Right-of-use asset	5	2,897.58	3,695.77
Capital work-in-progress	6	6.62	23.47
Intangible assets	4	53.00	152.16
Financial assets			
Other financial assets	7	3,456.23	399.34
Deferred tax assets (net)	28	1,105.68	202.18
Income tax assets (net)		282.07	310.32
Other non-current assets	8	218.65	133.26
Total non-current assets		<u>11,741.17</u>	<u>9,012.23</u>
Current assets			
Inventories	9	11,397.82	16,003.38
Financial assets			
Trade receivables	10	9,034.95	14,746.49
Cash and cash equivalents	11	180.08	115.73
Other bank balances	12	270.29	40.04
Other financial assets	7	6,105.49	211.06
Other current assets	8	963.43	1,469.72
Total current assets		<u>27,952.06</u>	<u>32,586.42</u>
Total assets		<u>39,693.23</u>	<u>41,598.65</u>
Equity and liabilities			
Equity			
Equity share capital	13	447.73	447.28
Other equity	14	27,451.33	22,614.58
Total equity		<u>27,899.06</u>	<u>23,061.86</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	230.20	83.66
Lease liabilities	5	2,256.99	2,556.70
Provisions	17	22.04	-
Total non-current liabilities		<u>2,509.23</u>	<u>2,640.36</u>
Current liabilities			
Financial liabilities			
Borrowings	15	303.65	7,373.72
Trade payables	18		
Total outstanding dues of micro, small and medium enterprises		1,739.46	834.84
Total outstanding dues of creditors other than micro, small and medium enterprises		5,261.48	5,301.31
Lease liabilities	5	859.18	1,340.45
Other financial liabilities	19	640.28	583.62
Other current liabilities	20	280.36	339.81
Provisions	16	200.53	122.68
Total current liabilities		<u>9,284.94</u>	<u>15,896.43</u>
Total equity and liabilities		<u>39,693.23</u>	<u>41,598.65</u>

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date	For and on behalf of the Board of Directors	
For LODHA & CO., Chartered Accountants (Firm Regn. No. 301051E)	SUDHIR JATIA (DIN : 00031969) Chairman & Managing Director	PUNKAJJ LATH (DIN : 00172371) Director
R. P. BARADIYA, Partner (Membership No. 044101)	VINEET PODDAR Chief Financial Officer	RAMEEZ SHAIKH Company Secretary
Mumbai, Date: 13 th May 2021		

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Note no.	Year ended 31 st March 2021	₹ in lakhs Year ended 31 st March 2020
Income			
Revenue from operations	21	32,797.55	68,586.54
Other income	22	333.29	95.47
Total income		33,130.84	68,682.01
Expenses			
Cost of materials consumed	23	5,661.71	9,949.75
Purchases of stock-in-trade		8,734.31	26,603.14
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	4,671.74	1,857.87
Employee benefits expense	25	5,987.76	7,679.68
Finance costs	26	578.61	1,021.25
Depreciation and amortisation expense	3,4,5	2,042.37	2,247.39
Other expenses	27	8,338.04	15,300.98
Total expense		36,014.54	64,660.06
Profit/(loss) before tax		(2,883.70)	4,021.95
Tax expense			
Current tax	28	-	1,131.34
Deferred tax	28	(690.08)	(148.89)
Tax for earlier years	28	(103.93)	(26.85)
Total tax expense		(794.01)	955.60
Profit/(loss) for the year		(2,089.69)	3,066.35
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	32	(155.76)	(65.02)
Tax relating to these items	28	39.53	18.02
Total other comprehensive income		(116.23)	(47.00)
Total comprehensive income		(2,205.92)	3,019.35
Earnings per equity share	33		
Basic earnings per equity share (in ₹)		(9.34)	13.72
Diluted earnings per equity share (in ₹)		(9.34)	13.71
(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: 13th May 2021

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)
Chairman & Managing Director

VINEET PODDAR
Chief Financial Officer

PUNKAJJ LATH (DIN : 00172371)
Director

RAMEEZ SHAIKH
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

Equity share capital :	Balance as at 1 st April 2019	Changes in equity share capital during the year 2019-20	Balance as at 31 st March 2020	Changes in equity share capital during the year 2020-21	Balance as at 31 st March 2021			
Paid-up capital (refer note 13)	446.51	0.77	447.28	0.45	447.73			
Other equity :	Reserves and surplus							
Particulars	Capital reserve	Securities premium	General reserve	Equity- settled share-based payment reserve	Retained earnings	Items of other comp- rehensive income	Equity Component of Compound Financial Instrument	Total
						Remeasure- ment of defined benefit plan	Compulsorily Convertible Debentures (Refer Note 13(d))	
Balance as at 1 st April 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 31st March 2020	11.18	12,213.79	618.80	52.35	9,884.01	(165.55)	-	22,614.59
Loss for the year	-	-	-	-	(2,089.69)	-	-	(2,089.69)
Other comprehensive income for the year	-	-	-	-	-	(116.23)	-	(116.23)
Total Comprehensive income for the year	-	-	-	-	(2,089.69)	(116.23)	-	(2,205.92)
On shares issued on ESOP	-	52.20	-	-	-	-	-	52.20
Transfer from equity-settled share-based payment reserve (on options exercised)	-	42.78	-	(42.78)	-	-	-	-
Transfer from equity-settled share-based payment reserve (on options lapsed)	-	-	-	(8.91)	8.91	-	-	-
On issue of 6% compulsorily convertible debentures (Refer note 13(d))	-	-	-	-	-	-	6,804.06	6,804.06
Effect on account of deferred tax on issue expense and interest on compulsorily convertible debentures (Refer note 28(d))	-	-	-	-	173.89	-	-	173.89
Transfer from statement of profit and loss	-	-	-	12.51	-	-	-	12.51
Balance as at 31st March 2021	11.18	12,308.77	618.80	13.17	7,977.13	(281.78)	6,804.06	27,451.33

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

As per our report of even date

For **LODHA & CO., Chartered Accountants**
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CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

	Year Ended 31 st March 2021	₹ in lakhs Year Ended 31 st March 2020
A. Cash flow from operating activities		
Profit/(loss) before tax	(2,883.70)	4,021.95
Adjustments for :		
Depreciation and amortisation expense	2,042.37	2,247.39
Finance costs	578.61	1,021.25
Interest income	(31.27)	(6.94)
Other income on concession or termination of leases	(259.76)	(52.10)
Loss on disposal / discard of property, plant and equipment (net)	43.18	16.02
Deposits / other amounts written back (net)	(3.98)	(28.77)
Unrealised exchange fluctuation (gain)/ loss	(112.59)	122.76
Share based payments to employees	12.51	31.44
Bad debts written off / provision for doubtful debts / advances / deposits	889.78	216.34
Operating profit before working capital changes	275.15	7,589.34
Adjustments for :		
Changes in working capital		
Decrease in inventories	4,605.56	2,654.58
Decrease/(increase) in trade receivables	4,861.87	(878.09)
Decrease/(increase) in other bank balances	19.75	(7.02)
Decrease/(increase) in other financial assets	33.52	(11.85)
Decrease in other assets	512.73	338.82
Increase/(decrease) in trade payables	985.64	(800.51)
Decrease in other financial liabilities	(198.85)	(176.95)
Decrease in provisions	(55.87)	(97.29)
Decrease in other current liabilities	(50.05)	(176.48)
Cash generated from operations	10,989.45	8,434.55
Direct taxes refund / (paid)	122.78	(1,307.78)
Net cash generated from operating activities	11,112.23	7,126.77

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd..)

	Year Ended 31 st March 2021	₹ in lakhs Year Ended 31 st March 2020
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital advances)	(831.82)	(2,128.72)
Disposal of property, plant and equipment	64.98	39.26
Investments in term deposits (other than cash and cash equivalents)	(9,250.00)	-
Interest received	6.31	7.07
Net cash used in investing activities	(10,010.53)	(2,082.39)
C. Cash flow from financing activities		
Proceeds from shares issued on ESOP	52.65	89.45
Proceeds from issue of 6% compulsorily convertible debentures (net of issue expenses of ₹ 59.43 Lakhs) (Refer note 13(d))	7,440.57	-
Proceeds from long term borrowings	15.00	9.60
Repayment of long term borrowings	(130.98)	(67.87)
Repayment of short term borrowings (net)	(7,074.34)	(2,872.85)
Repayment of leases liabilities	(758.07)	(967.56)
Finance costs	(582.15)	(1,028.24)
Dividend paid (including dividend distribution tax)	(0.03)	(133.51)
Net cash used in financing activities	(1,037.35)	(4970.98)
Net increase in cash and cash equivalents	64.35	73.40
Opening cash and cash equivalents	115.73	42.33
Closing cash and cash equivalents	180.08	115.73

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **LODHA & CO., Chartered Accountants**
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RAMEEZ SHAIKH
Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021
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 provisions of the Companies Act applicable in India. Its equity shares are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Group is engaged in the manufacturing and marketing of luggage and luggage accessories.

2. Significant accounting policies:
2.1 Basis of preparation:

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

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

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

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

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

2.2 Basis of consolidation:

Subsidiary is an entity over which the group has control. The group controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is deconsolidated from the date 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 revenues and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**2.4 Property, plant and equipment**

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

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

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

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

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

Depreciation method, estimated useful lives and residual value:

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

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

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

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

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

Leasehold land and leasehold improvements are amortised over the period of lease. Assets costing up to ₹ 5,000 each are depreciated fully in the year of purchase.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

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

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

2.5 Intangible assets

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

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

2.6 Impairment of non-financial assets

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

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

2.7 Inventories:

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

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

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

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

2.8 Revenue recognition:

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

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

Other Income: Dividend income on investments is recognised when the right to receive dividend is established. Interest income is 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 Group's right to an amount of consideration under the contract with a customer that is unconditional and realisable on the due date.

2.9 Financial instruments:

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

A. Non-derivative financial instruments:**(1) Financial assets****(i) Initial recognition**

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

(ii) Subsequent measurement

Financial assets are classified as subsequently measured at:

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

The above classification is being determined considering:

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

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

(a) Measured at amortised cost:

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

(b) Measured at FVOCI:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**(c) Measured at FVTPL:**

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

Investment in equity instruments:

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in OCI that would otherwise be measured at FVTPL pertaining to investments in equity instruments (other than investment in subsidiary). This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. However, the Group may transfer the cumulative gain or loss within equity.

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

(iii) Impairment

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

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

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

(iv) Derecognition

The Group derecognises a financial asset when,

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

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

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

(2) Financial liabilities
(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

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

(iii) Derecognition

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

Offsetting of financial instruments

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

(3) Equity instruments:

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

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

(4) Compound financial instruments:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

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

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

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

B. Derivative financial instruments:

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

2.10 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 best economic interest.

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

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

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

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
2.11 Foreign currency transactions:

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

a) Initial recognition

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

b) Measurement of foreign currency items at the balance sheet date

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

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

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

2.12 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 OCI.

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

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

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

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

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

2.13 Employee benefits:

The Group has following post-employment plans:

- (a) Defined contribution plan such as Provident Fund
- (b) Defined benefit plan - Gratuity
- (c) Compensated absences

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
a) Defined contribution plan

Under defined contribution plan, 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.

b) Defined benefit plan

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

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

- (i) Service costs comprising current service costs, past service costs, gains and losses on curtailment and non-routine settlements; and
- (ii) Net interest expense or income

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

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

- (i) actuarial (gains)/losses
- (ii) return on plan assets, excluding amounts included in interest income and
- (iii) anychange in the effect of the asset ceiling, excluding amounts included in interest income

are recognised in the period in which they occur directly in OCI. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Ind AS 19 "Employee benefits" requires the exercise of judgment in relation to various assumptions including future pay rises, inflation, discount rates and employee demographics. The 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 statement of profit and loss, OCI and balance sheet. There may also be interdependency between some of the assumptions.

c) Compensated absences

The Group had a policy on compensated absences which were both accumulating and non accumulating in nature. In the previous year, the Group had revised it policy for compensated absences to allow leave entitlements which would be only non-accumulating in nature except for a certain class of employees. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur. Necessary impact of the same had been considered in the consolidated financial statements.

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

2.14 Share-based payment

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

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

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

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

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

2.15 Leases:

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

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

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

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

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

2.16 Provisions and contingencies:

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**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 equity share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the consolidated earnings per equity share is the net profit/ (loss) for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.19 Borrowing cost:

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

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

2.20 Exceptional items:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
Note 3 Property, plant and equipment
₹ in lakhs

Particulars	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Total
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
Gross carrying amount								
Balance as at 1 st April 2020	6.71	1,106.82	2,638.48	687.89	385.81	402.35	104.43	5,332.49
Additions	-	5.61	516.83	37.69	17.52	31.26	22.19	631.09
Deductions/adjustment	-	-	69.87	320.37	46.69	73.91	1.34	512.18
Balance as at 31st March 2021	6.71	1,112.43	3,085.43	405.21	356.64	359.70	125.29	5,451.42
Accumulated depreciation								
Balance as at 1 st April 2020	0.39	146.50	523.04	247.98	102.96	175.49	40.40	1,236.77
Additions	0.24	54.53	480.52	199.93	46.50	90.50	25.13	897.35
Deductions/adjustment	-	-	55.17	265.89	15.58	66.35	1.05	404.04
Balance as at 31st March 2021	0.62	201.03	948.39	182.03	133.88	199.65	64.49	1,730.08
Net carrying amount as at 31st March 2021	6.09	911.40	2,137.04	223.18	222.76	160.05	60.81	3,721.34

Note:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 4 Intangible assets**

₹ in lakhs

Particulars	Trademarks	Brands	Computer Software	Total
Gross carrying amount				
Balance as at 1 st April 2019	0.05	462.71	252.29	715.05
Additions	-	-	29.47	29.47
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
Gross carrying amount				
Balance as at 1 st April 2020	0.05	462.71	281.18	743.94
Additions	-	-	10.95	10.95
Deductions/adjustment	-	-	14.25	14.25
Balance as at 31st March 2021	0.05	462.71	277.88	740.64
Accumulated amortisation				
Balance as at 1 st April 2020	0.05	382.62	209.11	591.78
Additions	-	52.53	57.45	109.98
Deductions/adjustment	-	-	14.12	14.12
Balance as at 31st March 2021	0.05	435.15	252.44	687.64
Net carrying amount as at 31st March 2021	-	27.56	25.45	53.00

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

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

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Balance as at the beginning of the year / (first time adoption in case of previous year)	3,695.77	5,123.75
Additions	1,652.97	1,636.20
Deductions/ Reversal	(1,416.12)	(1,843.14)
Amortisation	(1,035.04)	(1,221.04)
Balance as at the end of the year	2,897.58	3,695.77

Lease liabilities:

Following is the movement in lease liabilities during the year ended March 31, 2021:

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Balance as at beginning of the year / (first time adoption in case of previous year)	3,897.15	5,123.75
Additions	1,652.97	1,636.20
Interest accrued during the year	257.04	382.20
Deductions/ Reversal	(1,416.12)	(1,843.14)
Income on Concession on lease liability	(150.17)	-
Income on Termination of lease liability	(109.59)	(52.10)
Payment of lease liabilities	(758.07)	(967.56)
Payment of interest on lease liabilities	(257.04)	(382.20)
Balance as at the end of the year	3,116.17	3,897.15
Current lease liabilities	859.18	1,340.45
Non- current lease liabilities	2,256.99	2,556.70

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Refer Note 36 on leases**

The Group has chosen to apply the practical expedient as per paragraph 46A of the Indian Accounting Standard on Leases 'Ind AS 116', for accounting changes in leases, in the form of lease concessions that meet the conditions prescribed in paragraph 46B of Ind AS 116. The Group has consequently recognised an income of ₹ 150.17 lakhs for the year ended 31st March, 2021 under the head "Other income".

For changes in leases in the form of terminations, the Group has accounted for such terminations in accordance with Ind AS 116 and has consequently recognised a net gain of ₹ 109.59 lakhs for the year ended 31st March, 2021 under the head "Other income".

Note 6 Capital work-in-progress:

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Plant and equipment under installation	6.62	23.47

Note 7 Other financial assets

₹ in lakhs

	Non-current		Current	
	As at	As at	As at	As at
	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020
Unsecured, considered good unless otherwise stated				
Deposits for premises and others	456.23	399.34	69.82	198.58
Investments in term deposits (with original maturity of more than twelve months)	3,000.00	-	6,000.00	-
Loans and advances to employees	-	-	10.65	12.41
Interest accrued on fixed deposits	-	-	25.02	0.07
	3,456.23	399.34	6,105.49	211.06

Note 8 Other assets

₹ in lakhs

	Non-current		Current	
	As at	As at	As at	As at
	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020
Unsecured, considered good unless otherwise stated				
Capital advances	215.86	124.03	-	-
Advances to suppliers / others	-	-	77.21	130.59
Prepayments	-	6.00	54.02	88.29
Refunds due/balances from/ with government authorities	2.79	3.23	825.37	1,229.78
Other receivables	-	-	6.83	21.06
	218.65	133.26	963.43	1,469.72

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
Note 9 Inventories

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Raw materials [including goods in transit ₹ 223.15 lakhs (as at 31 st March 2020 ₹ 360.95 lakhs)]	1,192.46	1,117.43
Work-in-progress	278.93	144.22
Finished goods	1,758.02	2,417.43
Stock-in-trade [including goods in transit ₹ 645.55 lakhs (as at 31 st March 2020 - ₹ 1,987.36 lakhs)]	8,119.12	12,266.16
Stores and spares	23.41	34.11
Packing materials	25.88	24.03
	<u>11,397.82</u>	<u>16,003.38</u>

Mode of valuation : Refer note 2.7

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

Note 10 Trade receivables

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Unsecured		
Considered good	9,034.95	14,746.49
Credit impaired	908.05	45.31
	<u>9,943.00</u>	<u>14,791.80</u>
Less: allowances for bad and doubtful debts	908.05	45.31
	<u>9,034.95</u>	<u>14,746.49</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

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Balances with banks in current accounts	179.30	113.15
Cash on hand	0.78	2.58
	<u>180.08</u>	<u>115.73</u>

Note 12 Other bank balances

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
In deposit accounts (pledged against bank guarantees / LCs)	12.46	32.18
In deposit Accounts (with original maturity of more than three months but less than twelve months)	250.00	-
In dividend accounts	7.83	7.86
	<u>270.29</u>	<u>40.04</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 13 Equity share capital**

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Authorised :		
2,50,00,000 (as at 31 st March 2020 : 2,50,00,000) Equity shares of ₹ 2/- each	500.00	500.00
2,50,00,000 (as at 31 st March 2020 : 2,50,00,000) Unclassified shares of ₹ 2/- each	500.00	500.00
	<u>1,000.00</u>	<u>1,000.00</u>
Issued, subscribed and paid-up		
2,23,86,500 (as at 31 st March 2020 : 2,23,64,000) Equity shares of ₹ 2/- each fully paid-up	447.73	447.28
	<u>447.73</u>	<u>447.28</u>

The reconciliation of the number of equity shares outstanding

	As at 31 st March 2021		As at 31 st March 2020	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Equity shares at the beginning of the year (face value per share ₹ 2)	2,23,64,000	447.28	2,23,25,500	446.51
Add :- Shares issued on ESOP (face value per share ₹ 2)	22,500	0.45	38,500	0.77
Equity shares at the end of the year (face value per share ₹ 2)	<u>2,23,86,500</u>	<u>447.73</u>	<u>2,23,64,000</u>	<u>447.28</u>

(a) Terms/rights attached to equity shares :

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

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

	As at 31 st March 2021		As at 31 st March 2020	
	Numbers (face value of ₹ 2 each)	% of holding	Numbers (face value of ₹ 2 each)	% of holding
Safari Investments Private Limited	22,73,465	10.16%	22,73,465	10.17%
Sudhir Mohanlal Jatia	1,01,00,000	45.12%	1,04,00,000	46.50%
Malabar India Fund Limited	21,64,332	9.67%	21,64,332	9.68%
Tano India Private Equity Fund II	-	-	12,15,000	5.43%

(c) Dividend paid and proposed: Refer note 31(b)

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 14 Other equity**

Other equity :	Reserves and surplus					Items of other comprehensive income	Equity Component of Compound Financial Instrument	Total
	Capital reserve	Securities premium	General reserve	Equity-settled share-based payment reserve	Retained earnings	Remeasurement of defined benefit plan	Compulsorily Convertible Debentures (refer note 13(d))	
Balance as at 1st April 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)	-	-	-	-
Dividend (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)	-	22,614.59
Loss for the year	-	-	-	-	(2,089.69)	-	-	(2,089.69)
Other comprehensive income for the year	-	-	-	-	-	(116.23)	-	(116.23)
Total Comprehensive income for the year	-	-	-	-	(2,089.69)	(116.23)	-	(2,205.92)
On shares issued on ESOP	-	52.20	-	-	-	-	-	52.20
Transfer from equity-settled share-based payment reserve (on options exercised)	-	42.78	-	(42.78)	-	-	-	-
Transfer from equity-settled share-based payment reserve (on options lapsed)	-	-	-	(8.91)	8.91	-	-	-
On issue of 6% compulsorily convertible debentures (Refer Note 13(d))	-	-	-	-	-	-	6,804.06	6,804.06
Effect on account of deferred tax on issue expense and interest on compulsorily convertible debentures (Refer note 28(d))	-	-	-	-	173.89	-	-	173.89
Transfer from statement of profit and loss	-	-	-	12.51	-	-	-	12.51
Balance as at 31st March 2021	11.18	12,308.77	618.80	13.17	7,977.13	(281.78)	6,804.06	27,451.33

Purpose of the Reserves:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 15 Non-current borrowings**

	Non-current		Current Maturities (refer note 19)	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
	₹ in lakhs			
Measured at amortised cost				
Secured				
Term loans from banks	18.54	66.19	16.74	49.32
Term loans from others	-	17.47	0.93	19.21
Unsecured				
Liability component of compound financial instrument: 6% Compulsorily convertible debentures	211.66	-	417.07	-
	230.20	83.66	434.74	68.52

Notes:

Security and terms of repayment:

1) Term loans from banks for vehicles amounting to ₹ 35.28 lakhs (as at 31st March 2020 ₹ 115.50 lakhs) including current maturities of ₹ 16.74 lakhs (as at 31st March 2020 ₹ 49.31 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 year ₹ 16.74 lakhs; 1-2 years ₹ 9.20 lakhs; 2-3 years ₹ 6.50 lakhs; 3-4 years ₹ 2.84 lakhs; >4 years ₹ Nil.

These loans carry interest rate ranging from 7.90% p.a. to 10.00% p.a. (31st March 2020 8.00% p.a. to 10.00% p.a.)

2) Term loans from others for vehicles amounting to ₹ 0.93 lakhs (as at 31st March 2020 ₹ 36.68 lakhs) including current maturities of ₹ 0.93 lakhs (as at 31st March 2020 ₹ 19.21 lakhs) are secured by way of charge on specific vehicles. The said loans are repayable in a range of 0-1 year ₹ 0.93 lakhs; >1 years ₹ Nil.

These loans carry interest rate of 8.49% p.a. (31st March 2020 7.99% p.a. to 9.12% p.a.)

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

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

4) Also, refer note 39 for details of assets provided as security.

Note 16 Provisions

	Non-current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
	₹ in lakhs			
Provision for employee benefits (refer note 32)				
Gratuity	22.04	-	186.26	110.20
Compensated absences	-	-	14.27	12.48
	22.04	-	200.53	122.68

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 17 Current borrowings**

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Measured at amortised cost		
Secured		
Working capital loans from Banks:		
Cash credit accounts	-	905.53
Demand loans	-	5,000.00
Buyer's credit	-	1,094.68
Others	303.65	373.51
	<u>303.65</u>	<u>7,373.72</u>

Note:

Security and terms of repayment:

- 1) Working capital loans of ₹ 303.65 (as at 31st March 2020 ₹ 7373.72 lakhs) are secured by way of first pari-passu charge on the entire current assets of the parent company both present and future, pari passu charge on entire moveable property, plant and equipment (fixed assets) of the parent company both present and future, excluding vehicles and equitable mortgage on immovable properties situated at parent company's Halol plant.
- 2) Refer note 39 for details of assets provided as security.

Note 18 Trade payables

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Total outstanding dues of micro, small and medium enterprises	1,739.46	834.84
Total outstanding dues of creditors other than micro, small and medium enterprises	5,261.48	5,301.31
	<u>7,000.94</u>	<u>6,136.15</u>

Note:

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

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
1) The principal amount remaining unpaid to supplier as at the end of the accounting year	1,739.46	834.84
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	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
Note 19 Other Financial Liabilities

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Current maturities of long-term debt (refer note 15)	434.74	68.52
Payable for capital goods	95.43	210.33
Interest accrued but not due on borrowings	8.85	4.63
Unpaid dividend (refer note below)	7.83	7.86
Employee Payable	85.12	283.97
Other payables	8.31	8.31
	<u>640.28</u>	<u>583.62</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

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Advances received from customers	3.49	26.23
Statutory dues	276.87	304.18
Others	-	9.40
	<u>280.36</u>	<u>339.81</u>

Note 21 Revenue from operations

	₹ in lakhs	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Sale of products	32,675.46	68,406.70
Other operating revenue		
Sale of scrap	122.09	179.84
	<u>32,797.55</u>	<u>68,586.54</u>

Reconciliation of revenue from operations with contract price:

	₹ in lakhs	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Contract Price	34,488.06	71,924.72
Less: Discounts, rebates and others	1,690.51	3,338.18
Revenue from Operations	<u>32,797.55</u>	<u>68,586.54</u>

Note 22 Other Income

	₹ in lakhs	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Interest income		
Fixed deposits	31.27	6.88
Other income		
Amounts written back (net)	3.98	28.77
Foreign exchange/MTM gain (net)	28.08	-
On reversal of lease liability on concession (refer Note 5)	150.17	-
On reversal of lease liability on termination (refer Note 5)	109.59	52.10
Miscellaneous income	10.20	7.72
	<u>333.29</u>	<u>95.47</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 23 Cost of materials consumed**

	₹ in lakhs	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Raw materials		
Opening stock	1,117.43	1,907.28
Purchases	5,790.04	8,751.59
Sub-total	6,907.47	10,658.87
Sales	(434.79)	(213.78)
Closing stock	(1,192.46)	(1,117.43)
Raw materials consumed	5,280.22	9,327.66
Packing materials consumed	381.49	622.09
	5,661.71	9,949.75

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

	₹ in lakhs	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Inventories at the beginning of the year		
Finished goods	2,417.43	1,496.27
Stock-in-trade	12,266.16	15,051.80
Work-in-progress	144.22	137.61
	14,827.81	16,685.68
Inventories at the end of the year		
Finished goods	1,758.02	2,417.43
Stock-in-trade	8,119.12	12,266.16
Work-in-progress	278.93	144.22
	10,156.07	14,827.81
Total changes in inventories	4,671.74	1,857.87

Note 25 Employee benefits expense

	₹ in lakhs	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Salaries and wages	5,484.72	6,974.76
Contribution to provident and other funds	386.04	449.18
Share based payments (refer note 41)	12.51	31.44
Staff welfare expense	104.49	224.30
	5,987.76	7,679.68

Note 26 Finance costs

	₹ in lakhs	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Interest expense	312.43	621.65
Other borrowing costs	266.18	399.60
	578.61	1,021.25

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

Note 27 Other expenses	(₹ in lakhs)	
	Year ended 31 st March 2021	Year ended 31 st March 2020
Consumption of stores and spares	26.41	8.30
Consumption of packing materials - trading	188.80	378.47
Power and fuel	234.62	471.72
Repairs and maintenance		
Building	8.39	116.04
Plant and equipment	20.04	61.13
Others	136.46	155.70
Rent	277.30	439.36
Rates and taxes, excluding tax on income	73.50	78.69
Insurance	65.02	62.17
Postage, telegram and telephone expenses	89.47	151.24
Legal and professional fees	200.07	333.76
Freight, handling and octroi	2,476.03	4,136.42
Contractual labour	1,650.36	2,803.27
Job work charges	437.08	1,124.23
Travelling and conveyance	301.90	1,104.15
Advertisement and sales promotion	920.82	2,988.64
Bad debts written off	67.14	150.41
Provisions for doubtful debts/advances/deposits	822.64	65.93
Loss on disposal / discard of property, plant and equipment (net)	43.45	16.02
Director's sitting fees	20.55	15.77
Corporate social responsibility expenditure (refer note 42)	76.60	60.00
Foreign exchange/MTM loss (net)	-	209.99
Miscellaneous expenditure	201.39	369.57
	<u>8,338.04</u>	<u>15,300.98</u>

Note 28 Income taxes

Particulars	₹ in lakhs	
	Year Ended 31 st March 2021	Year Ended 31 st March 2020
a) Tax expense recognised in the consolidated statement of profit and loss:		
Current tax		
Current year	-	1,131.34
Earlier years	(103.93)	(26.85)
	<u>(103.93)</u>	<u>1,104.49</u>
Deferred tax		
Increase in deferred tax assets	(690.08)	(148.89)
	<u>(690.08)</u>	<u>(148.89)</u>
Total income tax expense	<u>(794.01)</u>	<u>955.60</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

b) Tax on items of other comprehensive income	₹ in lakhs	
	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Particulars		
Deferred tax on remeasurement of defined benefit plans	(39.53)	-
Current tax on remeasurement of defined benefit plans	-	(18.02)
Total	(39.53)	(18.02)

c) 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:	₹ in lakhs	
	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Enacted income tax rate in India	25.17%	25.17%
Profit/(loss) before tax	(2,883.70)	4,021.95
Income tax as per above rate	(725.77)	1,012.24
Adjustments for:		
Expenses not deductible for tax purposes	572.62	389.44
Expenses deductible separately for tax purposes	(309.77)	(270.34)
Deferred Tax Asset recognised on carried forward business loss	460.63	-
Others	2.29	-
Tax for earlier years	(103.93)	(26.85)
Current tax as per consolidated statement of profit and loss	(103.93)	1,104.49

d) The movement in deferred tax assets and liabilities during the year ended 31 st March 2020 and 31 st March 2021:	₹ in lakhs					
	As at 1 st April 2019	Credit / (charge) in statement of profit and loss	As at 31 st March 2020	Impact in Other Equity	Credit / (charge) in statement of profit and loss	As at 31 st March 2021
Deferred tax assets/(liabilities)						
Property, plant and equipment and intangible assets	45.89	66.20	112.09	-	81.94	194.03
Amount allowable on payment basis	12.01	(2.77)	9.24	-	(0.07)	9.17
Voluntary retirement scheme	4.58	(2.93)	1.65	-	(1.65)	-
Provisions for doubtful debts/advances/deposits	18.42	10.09	28.51	-	200.06	228.57
Right-of-use assets	-	(930.23)	(930.23)	-	200.90	(729.33)
Lease liabilities	-	980.92	980.92	-	(196.57)	784.35
Carried forward business loss	-	-	-	-	460.63	460.63
On issue expense on equity component of compulsorily convertible debentures	-	-	-	13.68	(13.68)	-
On interest of compulsorily convertible debentures	-	-	-	160.21	(1.96)	158.25
Others	(27.61)	27.61	-	-	-	-
Total	53.29	148.89	202.18	173.89	729.61	1,105.68

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

a. Financial assets

₹ in lakhs

Particulars	Instruments carried at amortised cost		Total carrying amount	Total fair value
	Carrying amount			
As at 31st March 2021				
Trade receivables	9,034.95		9,034.95	9,034.95
Cash and cash equivalents	180.08		180.08	180.08
Other bank balances	270.29		270.29	270.29
Other financial assets	9,561.73		9,561.73	9,561.73
Total	19,047.05		19,047.05	19,047.05
As at 31st March 2020				
Trade receivables	14,746.49		14,746.49	14,746.49
Cash and 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

b. Financial liabilities

₹ in lakhs

Particulars	Instruments carried at fair value		Instruments carried at amortised cost	Total carrying amount	Total fair value
	FVTPL				
As at 31st March 2021					
Borrowings	-	533.85	533.85	533.85	533.85
Trade payables	-	7,000.94	7,000.94	7,000.94	7,000.94
Lease liabilities	-	3,116.17	3,116.17	3,116.17	3,116.17
Other financial liabilities	-	640.28	640.28	640.28	640.28
Total	-	11,291.24	11,291.24	11,291.24	11,291.24
As at 31st March 2020					
Borrowings	-	7,457.38	7,457.38	7,457.38	7,457.38
Trade payables	-	6,136.15	6,136.15	6,136.15	6,136.15
Lease liabilities	-	3,897.15	3,897.15	3,897.15	3,897.15
Other financial liabilities	-	583.62	583.62	583.62	583.62
Total	-	18,074.30	18,074.30	18,074.30	18,074.30

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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 : the average credit period allowed to customers is less than 90 days.

The ageing analysis of trade receivables:

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
0-3 months	7,791.27	10,056.96
3-6 months	175.08	4,172.14
6-12 months	91.17	334.69
more than 12 months	977.43	182.70
Total	9,034.95	14,746.49

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 2021			Total
	0-1 year	1-5 years	More than 5 years	
Long-term borrowings (including current maturity of long-term debt)	434.74	230.20	-	664.94
Short term borrowings	303.65	-	-	303.65
Trade payables	7,000.94	-	-	7,000.94
Lease Liabilities	859.18	2,126.06	130.93	3,116.17
Other financial liabilities	205.54	-	-	205.54
Total	8,804.05	2,356.26	130.93	11,291.24

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

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	18,074.30

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 2021	As at 31 st March 2020
Borrowings bearing fixed rate of interest	664.94	152.19
Borrowings bearing variable rate of interest	303.65	7,373.72

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 2021	Year ended 31 st March 2020
Increase by 50 bps - decrease in profits/increase in loss	(22.03)	(35.87)
Decrease by 50 bps - increase in profits/decrease in loss	22.03	35.87

(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 2021

Foreign currency exposure

Name of the instrument	As at 31 st March 2021		As at 31 st March 2020	
	In million US\$	₹ in lakhs	In million US\$	₹ in lakhs
Total foreign currency exposure payable (net)	3.97	2,920.50	5.84	4,403.89

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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 2021		Year ended 31 st March 2020	
	1% increase	1% decrease	1% increase	1% decrease
Increase / (decrease) in profit	(29.21)	29.21	(44.04)	44.04

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 since then, the Group has gradually resumed its operations in compliance with the guidelines issued by respective authorities. This has impacted the Group's operations adversely in the financial year ended 31st March, 2021. The Group has taken adequate precautions for safety and wellbeing of the employees while resumption of its operations. In view of recent surge in COVID-19 cases, few states have reintroduced certain restrictions and the Group continues to be vigilant and cautious. The Group has considered the possible effects that may impact the carrying amounts of inventories, trade receivables and deferred tax assets. In making the assumptions and estimates relating to the uncertainties as at the reporting date in relation to the recoverable amounts, the Group has inter alia considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials statements. The Group expects no significant impairment to the carrying amounts of these assets other than those accounted for. The Group 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 of the parent company and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Group:

₹ in lakhs

Particulars	31 st March 2021	31 st March 2020
Net debt (refer note 43)	797.36	7,414.80
Total equity	27,899.06	23,061.87
Capital gearing ratio	0.03	0.32

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

(b) Dividend

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

The Board of Directors of the Parent Company did not recommend any dividend on equity shares for the financial year ended 31st March 2021 and the financial year ended 31st March 2020.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 32 Disclosure pursuant to Ind AS - 19 "Employee benefits"**

- A. Defined contribution plan:** Amounts towards defined contribution plan have been recognised under "Contribution to provident and other funds" in Note 25: ₹ 329.15 lakhs (Previous year ₹ 404.19 lakhs).
- B. Defined benefit plan - Gratuity:** In accordance with the Payment of Gratuity Act, 1972, the Parent Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous service), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date. The Gratuity Plan is a funded plan and the Company makes annual contribution to the gratuity fund administered by Life Insurance Company under its respective Group Gratuity Scheme.

The disclosure in respect of the defined Gratuity Plan are given below:

i) Balance sheet

₹ in lakhs

Particulars	Defined benefit plan	
	As at 31 st March 2021	As at 31 st March 2020
Present value of plan liabilities	661.48	487.76
Fair value of plan assets (insurance fund)	453.18	377.56
Funded status [surplus/ (deficit)]	(208.30)	(110.20)
Net (liability)/asset recognised in balance sheet	(208.30)	(110.20)

ii) Statement of profit and loss

₹ in lakhs

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Employee benefits expense:		
Current service cost	49.38	37.40
Interest cost (net)	7.52	7.60
Total amount recognised in statement of profit and loss	56.90	45.00
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest income	4.60	2.24
Actuarial loss arising from changes in financial assumptions	151.86	23.26
Actuarial loss arising from experience adjustments	(0.70)	39.52
Total amount recognised in other comprehensive income	155.76	65.02

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**iii) Movements in plan liabilities**

₹ in lakhs

	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Opening present value of defined benefit obligation	487.76	394.42
Current service cost	49.38	37.40
Interest cost	33.27	29.94
Actuarial loss arising from change in financial assumptions	151.86	23.26
Actuarial loss arising from experience adjustments	(0.70)	39.52
Benefits paid from the fund	(60.09)	(36.78)
Closing present value of defined benefit obligation	661.48	487.76

iv) Movements in plan assets

₹ in lakhs

	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Opening fair value of plan assets	377.56	294.37
Interest income	25.75	22.34
Return on plan assets excluding amounts included in interest income	(4.60)	(2.24)
Employer's contribution	114.56	99.87
Benefits paid from the fund	(60.09)	(36.78)
Closing fair value of plan assets	453.18	377.56

v) Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Financial assumptions

Particulars	As at 31 st March 2021	As at 31 st March 2020
Discount rate	6.85%	6.82%
Expected rate of return on plan assets	6.85%	6.82%
Salary escalation rate	8.00%	4.50%

Demographic assumptions

Mortality rate during employment: Indian Assured Lives Mortality (2006-08) Ultimate

Particulars	As at 31 st March 2021	As at 31 st March 2020
Attrition rate	For service of 4 years and below :- 26.00% p.a and for service 5 years and above :- 2.00% p.a.	For service of 4 years and below :- 26.00% p.a and for service 5 years and above :- 2.00% p.a.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**vi) Sensitivity analysis**

The sensitivity of the present value of plan liabilities to 1.00% change in the key assumptions are:

₹ in lakhs

Particulars	Increase in assumption		Decrease in assumption	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Discount rate	(52.71)	(29.74)	62.24	34.30
Salary escalation rate	58.32	33.97	(51.09)	(29.88)
Attrition rate	(6.73)	4.31	7.49	(5.10)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

vii) Characteristics of defined benefit plan:

The entity has a defined benefit gratuity plan (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

viii) Risks associated with defined benefit plan:

Gratuity is a defined benefit plan and entity is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk. Mortality rate during employment is calculated considering Indian Assured Lives Mortality (2006-08) Ultimate.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**ix) Other details:****₹ in lakhs**

Particulars	As at 31 st March 2021	As at 31 st March 2020
Expected contributions to the defined benefit plan for the next financial year	186.26	159.58

in years

Particulars	As at 31 st March 2021	As at 31 st March 2020
Weighted average duration of the defined benefit obligation	10	8

During the year, there were no plan amendments, curtailments and settlements.

x) Maturity analysis of the benefit payments**The defined benefit obligation shall mature as follows:****₹ in lakhs**

Particulars	As at 31 st March 2021	As at 31 st March 2020
Within 1 year	89.83	67.04
1-2 years	40.58	39.54
2-3 years	60.77	69.19
3-4 years	59.18	55.48
4-5 years	40.91	49.38
5-10 years	222.91	180.22
11 years and above	933.67	423.30
Total	1,447.85	884.15

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death estimate of members in respective years.

- C. Compensated absences:** The Group had a policy on compensated absences which were both accumulating and non accumulating in nature. In the previous year, the Group had revised its policy for compensated absences to allow leave entitlements which would be only non-accumulating in nature except for a certain class of employees. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur. Necessary impact of the same had been considered in the financial statements.

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

₹ in lakhs

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Expenses recognised in statement of profit and loss	21.02	46.27
Balance sheet liability	14.27	12.48

Note 33 Earnings per equity share (EPS)

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Profit/(loss) after tax available for equity shareholders (₹ in lakhs)	(2,089.69)	3,066.35
Weighted average number of equity shares for basic EPS	2,23,70,436	2,23,42,673
Basic earnings per equity share (in ₹)	(9.34)	13.72
Weighted average number of equity shares for diluted EPS	2,23,78,268	2,23,71,117
Diluted earnings per equity share (in ₹)	(9.34)	13.71
Nominal value of equity shares (in ₹)	2.00	2.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Note 34 Contingent liabilities**

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Disputed sales tax/entry tax demands	57.84	211.91
Bonus for earlier years	-	10.80
Other claims against the Group not acknowledged as debts	27.05	20.55

Notes:

- a) Sales Tax and Entry Tax related litigation/demand primarily pertains to non- submission of required declaration forms in time due to non- receipt of the same from customers and/ or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- b) The Group's pending litigations comprise mainly claims against the Parent Company, proceedings pending with Tax and other Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

Note 35 Commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 280.24 lakhs (previous year ₹ 528.72 lakhs).

Note 36 Leases

Effective April 1, 2019, the Group had 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 Parent Company's incremental borrowing rate as at 1st April, 2019. Right-of-use assets if measured either at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

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

- The Group didn't recognised Right-of-use assets and Lease liabilities for lease for which the lease terms ends within 12 months on the date of initial transition and low value assets.
- The 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 on first time adoption was 8.5%.

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

₹ in lakhs

Particulars	Initial conversion as on 1 st April 2019
Right-of-use assets	5,123.75
Lease liabilities	5,123.75

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)**Break-up of the contractual maturities of lease liabilities on an undiscounted basis: ₹ in lakhs**

Particulars	As at 31 st March 2021	As at 31 st March 2020
Less than one year	1,065.37	1,340.45
One to five years	2,421.13	2,904.40
More than five years	141.18	448.89

Short-term leases expenses incurred: ₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Rental expense	277.30	439.36

Note 37 Related party disclosures**Key Managerial Personnel:**

Name	Nature of Relationship
Mr. Sudhir Mohanlal Jatia	Chairman & Managing Director
Mr. Vineet Poddar	Chief Financial Officer
Mr. Rameez Shaikh	Company Secretary
Dr. Shailesh Jayantilal Mehta	Non-executive and independent director
Mr. 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	Non-executive and non-independent director

Other related parties:

Name	Nature of Relationship
Ms. Shivani Jatia	Daughter of Mr. Sudhir Mohanlal Jatia, Chairman and Managing Director
Ms. Tanisha Jatia (appointed 1 st September 2020)	Daughter of Mr. Sudhir Mohanlal Jatia, Chairman and Managing Director

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)
Transactions during the year:
₹ in lakhs

Nature of transactions	Key Managerial Personnel	Other Related Parties
Transactions during the year		
Remuneration to key managerial persons (Refer note (d) below):		
Short-term employee benefits	117.02 (201.66)	
Post-employment benefits	5.93 (16.48)	
Share-based payment	19.71 (39.74)	
Sitting Fees:		
Non-Executive and Independent Directors	16.05 (12.77)	
Non-Executive and Non-Independent Directors	4.50 (3.00)	
Salary including perquisites		17.08 (3.53)

Figures in bracket relate to previous year
Notes:

- Related party relationship is as identified by the management and relied upon by the auditors.
- No amounts in respect of related parties have been written off/ written back during the year and no provision has been made for doubtful debts/ receivable.
- All related party transactions entered during the year were in ordinary course of the business and are at arm's length basis.
- Key Managerial Persons who are under the employment of the companies of the Group are entitled to post-employment benefits (defined benefit gratuity plan) recognised as per Ind AS 19 "Employee Benefits" in the financial statements and short-term employee benefits in the form of premium paid by the respective company for group health insurance plan. As these employee benefits are lumpsum amounts provided on the basis of actuarial valuation/ premium payment for the Company as a whole, the same is not included above.
- There is no outstanding balance due to/from any related party as at the year end.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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 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 2021	As at 31 st March 2020
Current assets		
Financial assets		
Trade receivables	9,060.15	14,766.93
Non-financial assets		
Inventories	11,397.82	16,003.38
Total current assets provided as security	20,457.97	30,770.31
Non-current assets		
Leasehold land *	6.08	6.32
Buildings*	911.40	960.32
All movable property, plant and equipment*	2,743.06	3,065.06
Total non-current assets provided as security	3,660.54	4,031.70
Total assets provided as security	24,118.51	34,802.01

*This represents net book value.

Note 40 Auditor's remuneration

(excluding goods and service tax)

₹ in lakhs

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Audit fees	7.50	7.50
Tax audit fees	1.50	1.75
Limited review and certification fees*	10.60	6.25
Reimbursement of expenses	0.26	1.23
Total	19.86	16.73

* Certification fees for year ended 31st March, 2021 includes ₹ 5.00 Lakhs paid for certification in relation to preferential issue of CCD and thus becomes part of issue expense which are not charged to Statement of Profit and Loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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 II	Tranche III	Tranche IV	Tranche V
Grant date	09 Mar 2017	29 Nov 2017	09 Feb 2018	05 Dec 2020
No of options	45,000	30,000	10,000	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 1 st year - 40%	At the end of 1 st year - 40%	At the end of 1 st year - 40%	At the end of 1 st year - 40%
	At the end of 2 nd year - 30%	At the end of 2 nd year - 30%	At the end of 2 nd year - 30%	At the end of 2 nd year - 30%
	At the end of 3 rd year - 30%	At the end of 3 rd year - 30%	At the end of 3 rd year - 30%	At the end of 3 rd 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)	190.00	300.00	440.00	440.00
Average market price on the date of grant of options (₹ per share)	228.17	482.22	539.86	531.05
Discount on average price (₹ per share)	38.17	182.22	99.86	91.05

Movements in number of share options during the year:

Particulars	Tranche II	Tranche III	Tranche IV	Tranche V	
Grant date	09 Mar 2017	29 Nov 2017	09 Feb 2018	05 Dec 2020	Total
Opening balance	13,500	9,000	6,000	-	28,500
Granted during the year	-	-	-	10,000	10,000
Exercised during the year	13,500	9,000	-	-	22,500
Expired/lapsed during the year	-	-	3,000	-	3,000
Closing balance	-	-	3,000	10,000	13,000
Exercisable options as at year end	-	-	3,000	-	3,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (contd..)

B) The fair value of options have been done by independent firm of Chartered Accountants using the Black-Scholes Merton Model/ Binomial Model.

The key assumptions for calculating fair value on the date of grant for Safari Stock Option Scheme 2016 are as follows:

Particulars	Tranche II	Tranche III	Tranche IV	Tranche V
Grant date	09 Mar 2017	29 Nov 2017	09 Feb 2018	05 Dec 2020
Fair Valuation Model	Black-Scholes Merton Model	Black-Scholes Merton Model	Black-Scholes Merton Model	Binomial Model
1. Risk free rate	6.74%	7.71%	7.46%	4.53%
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)	2.00 (Year 1) 3.00 (Year 2) 4.00 (Year 3)
3. Expected volatility	0.8247	0.8336	0.8503	0.3814
4. Dividend growth rate	5%	5%	5%	-
Weighted average fair value of the options (In ₹)	126.54	285.52	296.98	205.44

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

₹ in lakhs

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Amount required to be spent as per section 135 of the Companies Act, 2013	76.55	59.87
Amount spent during the year on :		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	76.60	60.00
Total	76.60	60.00

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

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Non current borrowings (includes current maturities of long term debt)	664.94	152.19
Current borrowings	303.65	7,373.72
Interest accrued but not due on borrowings	8.85	4.63
Less: Cash and cash equivalents	(180.08)	(115.73)
Net debt	797.36	7,414.81

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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	(42.33)	10,392.12
Cash flows	(58.29)	(2,872.85)	-	(73.40)	(3,004.54)
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	152.19	7,373.72	4.63	(115.73)	7,414.81
Cash flows	512.75	(7,074.34)	-	(64.35)	(6,625.94)
Unrealised exchange (gain) / loss	-	4.27	-	-	4.27
Finance costs	-	-	578.61	-	578.61
Interest paid	-	-	(582.15)	-	(582.15)
Other adjustment IndAS 32 (interest payable on CCDs)	-	-	7.76	-	7.76
Net debt as at 31st March 2021	664.94	303.65	8.85	(180.08)	797.36

44 Recent accounting pronouncements

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

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1st April, 2021.

45 The Indian Parliament has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post-employment, and the same has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code and recognise the same when the Code becomes effective.

46 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 consolidated financial statements will not be material.

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

Signatures to notes 1-47

For and on behalf of the Board of Directors

SUDHIR JATIA (DIN : 00031969)

Chairman & Managing Director

PUNKAJJ LATH (DIN : 00172371)

Director

VINEET PODDAR

Chief Financial Officer

RAMEEZ SHAIKH

Company Secretary



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