

SAFARI
INDUSTRIES (INDIA) LTD.



THE SPIRIT OF TRAVEL

20TH ANNUAL REPORT - 1999-2000

BOARD OF DIRECTORS

Shri Sumatichandra H. Mehta
(Chairman & Managing Director)

Shri Amul S. Mehta
(Managing Director)

Shri Yogendra P. Trivedi

Shri Jayaramdas M. Patel

Shri Dhananjay M. Parekh

Shri Mulchand K. Sheth

Shri Yugesh S. Mehta

20TH ANNUAL GENERAL MEETING
on Thursday the 31st August, 2000
at 3.30 P.M.
at Indian Merchants' Chamber,
Conference Hall, Near Churchgate Station,
Mumbai - 400 020.

COMPANY SECRETARY
Shri S. K. Somani

REGISTERED OFFICE
107/0, Khetani Textile Compound,
Bazar Ward, Kurla West,
Mumbai - 400 070.

HALOL PLANT
1701/2200, GIDC Industrial Estate,
Halol 389 350
Dist. Panchmahal (Gujarat)

BANKERS
Central Bank of India

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AUDITORS
Bansi S. Mehta & Co.
Chartered Accountants

SOLICITORS
Dhru & Co.

SHARE DEPARTMENT
M/s. Safari Industries (India) Ltd,
107/0, Khetani Textile Compound,
Bazarward, Kurla West, Mumbai - 400 070.
Tel-5145119, Fax-5114859

FINANCIAL HIGHLIGHTS

		(Rs.'000)				
		1995-96	1996-97	1997-98	1998-99	1999-00
1	Gross Sales	3,47,820	4,76,562	5,00,902	5,65,235	6,28,893
2	Less Excise	64,056	88,537	69,882	80,085	84,976
3	Net Sales	2,83,764	3,88,025	4,31,020	4,85,150	5,43,917
4	Other Income	3,315	4,212	3,931	3,700	4,974
5	Total Income	2,87,079	3,92,237	4,34,951	4,88,850	5,48,891
6	Total Expenditure	2,64,170	3,51,857	3,86,903	4,28,022	4,83,093
7	Operating Profit	22,909	40,380	48,048	60,828	65,798
8	Interest	13,571	11,800	9,179	18,183	17,087
9	Gross Profit	9,338	28,580	38,869	42,645	48,711
10	Depreciation	8,364	8,120	8,164	8,209	8,645
11	Deferred Revenue Expenditure w/off	0	0	3,030	3,667	637
12	Profit Before Tax	974	20,460	27,675	30,769	39,429
13	Tax	10	5,515	10,000	14,128	12,637
14	Profit After Tax	964	14,945	17,675	16,641	26,792
15	Dividend	3,900	5,200	6,500	7,800	6,500
16	Retained Earnings	4,046	11,666	18,191	16,174	20,751
17	Share Capital	26,000	26,000	26,000	26,000	26,000
18	Reserves and Surplus	29,938	39,180	49,703	57,686	77,263
19	Shareholders' Funds	55,938	65,180	75,703	83,686	1,03,263
20	Loan Funds	56,718	66,013	65,397	68,387	83,587
21	Total Capital Employed	1,12,656	1,31,193	1,41,100	1,52,073	1,86,850
22	Gross Block	1,18,441	1,24,825	1,28,458	1,31,774	1,39,165
23	Net Block	59,209	57,569	53,890	49,089	57,336
24	Net Current Assets	53,447	67,564	82,905	1,02,347	129,514
25	Miscellaneous Expenditure	0	6,060	4,305	637	0
26	Total Assets	1,12,656	1,31,193	1,41,100	1,52,073	1,86,850
27	Operating Profit Margin %	7.98	10.29	11.05	11.09	11.99
28	Gross Profit Margin %	3.25	7.29	8.94	8.72	8.87
29	Dividend %	15.00	20.00	25.00	30.00	25.00
30	Book Value Per Share (Rs.)	21.51	25.07	29.12	32.19	39.72
31	Cash Earning Per Share (Rs.)	3.59	8.87	11.10	10.97	13.87
32	Earning Per Share (Rs.)	0.37	5.75	6.80	6.40	10.30
33	Return On Net Worth %	1.72	22.93	23.35	19.89	25.95
34	Return On Capital Employed %	20.34	30.78	34.05	35.84	35.21
35	Assets Turnover Ratio	5.87	8.28	9.29	11.51	10.97
36	Inventory Turnover Ratio	6.26	7.68	9.13	8.83	6.64
37	Debt Equity Ratio	1.01	1.01	0.86	0.81	0.81
38	Current Ratio	1.57	1.59	1.91	2.02	1.95

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of Safari Industries (India) Limited will be held at Indian Merchants' Chamber Conference Hall, Near Churchgate Station, Mumbai 400 020, on Thursday, the 31st August, 2000, at 3.30 p.m. to transact the following business.

ORDINARY BUSINESS :

1. To consider and adopt Balance Sheet as at 31st March, 2000 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm and ratify the payment of Interim Dividend as Final Dividend.
3. To appoint a Director in place of Shri Jayaramdas M. Patel, who retires by rotation, but being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Dhananjay M. Parekh, who retires by rotation, but being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass, with or without modification, the following :

• AS A SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and other applicable provisions, if any, and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, or bodies, the Articles of Association of the Company be and are hereby altered in the following manner :

- (a) In Article 2 of the Articles of Association of the Company under the heading "Interpretation", the following new definitions shall be inserted :

"Beneficial Owner" means the beneficial owner as defined in Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

"Depositories Act" means the Depositories Act, 1996 and shall include any statutory modification thereto or re-enactment thereof for the time being in force.

"Depository" means a Depository as defined under Clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

"SEBI" means the Securities & Exchange Board of India.

"Security" means such securities as may be specified by SEBI from time to time.

- (b) In Article 4 after the words ".....same was originally distinguished" to add the words "provided however, that the provision relating to progressive numbering shall not apply to the shares of the company which have been dematerialised."

- (c) After Article 48, insert the following Article as Article 48 A :

48A (1) Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

(2) Every person subscribing to securities offered by the company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is beneficial owner of the securities can at any time opt out of a depository, as may be permitted by the law, in respect of any security in the manner provided by the Depositories Act, and company shall in the manner and within the time prescribed issue to the beneficial owner

the required certificates of securities.

If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

- (3) All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C, and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner.
 - (4) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owners.
 (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 (c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
 - (5) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.
 - (6) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository. In the case of transfer of shares or other marketable securities where the company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of The Depositories Act, 1996, shall apply.
 - (7) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.
 - (8) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.
 - (9) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."
7. To consider and, if thought fit, to pass, with or without modification, the following :

AS A SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the company be and is hereby accorded to the reappointment of Shri Sumatichandra H. Mehta as Chairman and Managing Director of the company for a period of 5 years effective from 1st December, 2000, upon the terms and conditions, as set out in the draft agreement to be entered into between the company of one part and Shri Sumatichandra H. Mehta of the other part, placed before the meeting and initialled by the Chairman for the purpose of identification, which agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said reappointment and/or agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, or any amendment thereto as may be agreed to between the Board of Directors and Shri Sumatichandra H Mehta."

"FURTHER RESOLVED THAT notwithstanding anything herein contained, where in any financial year during the currency of the tenure of the appointee, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary and perquisites and any other allowances in accordance with provisions of Schedule XIII of the Companies Act, 1956, as may be in force from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps as may be necessary to give effect to this Resolution."



8. To consider and, if thought fit, to pass, with or without modification, the following :

AS AN ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the company be and is hereby accorded to the reappointment of Shri Amul S Mehta as Managing Director of the company for a period of 5 years effective from 1st December, 2000, upon the terms and conditions, as set out in the draft agreement to be entered into between the company of one part and Shri Amul S Mehta of the other part, placed before the meeting and initialled by the Chairman for the purpose of identification, which agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said reappointment and/or agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, or any amendment thereto as may be agreed to between the Board of Directors and Shri Amul S Mehta."

"FURTHER RESOLVED THAT notwithstanding anything herein contained, where in any financial year during the currency of the tenure of the appointee, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary and perquisites and any other allowances in accordance with provisions of Schedule XIII of the Companies Act, 1956, as may be in force from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps as may be necessary to give effect to this Resolution."

REGISTERED OFFICE :

107/O, Khetani Textile Compound,
Bazar Ward, Kurla,
Mumbai - 400 070.

Dated : 30th May, 2000.

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

S. H. MEHTA
Chairman

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item nos. 6 to 8 is annexed hereto.
3. Proxies in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
4. The Register of Members and Share Transfer Books of the company will remain closed from Friday, the 18th August, 2000, to Thursday, the 31st August, 2000, (both days inclusive) for the purpose of Annual General Meeting.
5. Members desirous of obtaining any information as regards Accounts and operations of the Company are requested to write to the Company at least one week before the meeting, so that the information required will be made available at the meeting.
6. Members are requested to intimate the change in their addresses, if any, immediately to the company at its Registered Office.
7. The unclaimed dividends upto the company's financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.
8. The Company's shares are listed on the Stock Exchanges at Mumbai and Ahmedabad and all the applicable listing fees till date have been paid.

ANNEXURE TO THE NOTICE :

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO 6 :

With the introduction of the Depositories Act, 1996, and the Depository system, a facility has been provided to the investors to hold securities in the form of electronic entries instead of paper scrips. Consequently, some of the provisions of the existing Articles of Association of the Company pertaining to issue, holding, transfer, transmission of shares and other securities require amendment, as set out in the Resolution, so as to give effect to the requirements of the Depository system under the new legislation.

A copy of the existing Articles of Association of the Company together with the proposed alterations is available for inspection at the Registered Office of the Company on all the working days upto the date of Annual General Meeting during the hours of 10.00 a.m. to 12.30 p.m.

The Board of Directors recommend the Special Resolution for your approval.

None of the Directors is concerned or interested in the said resolution.

ITEM NO 7 :

The Board of Directors of the company at their meeting held on 30th May, 2000, have resolved to reappoint Shri Sumatichandra H. Mehta as Chairman and Managing Director of the company for a further period of 5 years with effect from 1st December, 2000, on the following terms and conditions.

1. Period of Agreement : 01.12.2000 to 30.11.2005
2. Salary : Rs.75,000/- per month in the scale of Rs.75,000-5,000-1,25,000.
3. Perquisites :

Following perquisites in addition to salary.

- (i) The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of the appointee.
- (ii) Medical Reimbursement :
Reimbursement of actual expenses for self and family including dependants as per rules of the Company, not exceeding Rs. 75,000/- per annum OR Rs.

2,25,000/- over a period of three years.

- (iii) Leave Travel Concession :
For self and family including dependants once in a year as per rules of the company.
 - (iv) Club Fees :
Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
 - (v) Medical Insurance :
Premium paid or reimbursed under medical insurance scheme for self and family including dependants.
- The appointee shall also be eligible to the following perquisites which shall not be included in the computation of the salary specified above.
- (a) Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961.
 - (b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
 - (c) Encashment of leave at the end of the tenure.
 - (vi) Car & Telephone :
Provision of car for use on company's business and telephone at residence will not be considered as perquisites.

4. COMMISSION :

Such remuneration by way of commission in addition to the above salary and perquisites, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board of Directors of the company at the end of each financial year, subject to the overall ceiling stipulated in Section 198 and 309 of the Act.

5. The terms and conditions set out for reappointment and/or agreement may be altered and varied from time to time by the Board as it may, at its discretion, deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, or any other amendments made hereafter in this regard.
6. The agreement may be terminated by either party by giving the other party six months notice.
7. If at any time the appointee ceases to be a Director of the company from any cause whatsoever, he shall cease to be the Managing Director in terms of the agreement and the agreement shall forthwith terminate.

ANNEXURE TO THE NOTICE (contd..)

8. Shri S. H. Mehta will carry out such duties as may be entrusted to him subject to the supervision and control of the Board of Directors and he will also perform such other duties and service as shall from time to time be entrusted to him by the Board of Directors.

9. Shri S. H. Mehta is not liable to retire by rotation.

The draft agreement between the company and Shri S. H. Mehta is available for inspection by the members of the company at its Registered Office between 10.00 a.m. and 12.30 p.m. on all working days of the company upto and including the day of the meeting.

The above may also be treated as an abstract of the draft agreement between the company and Shri S. H. Mehta pursuant to Section 302 of the Companies Act, 1956.

MEMORANDUM OF INTEREST :

Shri Sumatichandra H Mehta, Chairman & Managing Director is deemed to be concerned or interested in the resolution in respect of reappointment and remuneration payable to him.

Shri Amul S Mehta and Shri Yugesh S Mehta may be deemed to be concerned or interested in the resolution as they are related to Shri S. H. Mehta.

None of the other Directors of the company is, in any way, concerned or interested in the resolution.

The Board of Directors recommend the Special Resolution for your approval.

As Shri S. H. Mehta is above 70 years old, a Special Resolution of the Members is required for his reappointment and remuneration payable to him as per Schedule XIII of the Companies Act, 1956.

ITEM NO 8 :

The Board of Directors of the company at their meeting held on 30th May, 2000, have resolved to reappoint Shri Amul S. Mehta as Managing Director of the company for a further period of 5 years with effect from 1st December, 2000, on the following terms and conditions.

1. Period of Agreement : 01.12.2000 to 30.11.2005

2. Salary : Rs.75,000/- per month in the scale of Rs.75,000-5,000-1,25,000.

3. Perquisites :

Following perquisites in addition to salary.

(i) The expenditure incurred by the company on gas,

electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10 % of the salary of the appointee.

(ii) Medical Reimbursement :

Reimbursement of actual expenses for self and family including dependants as per rules of the Company, not exceeding Rs. 75,000/- per annum OR Rs. 2,25,000/- over a period of three years.

(iii) Leave Travel Concession :

For self and family including dependants once in a year as per rules of the company.

(iv) Club Fees :

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

(v) Medical Insurance :

Premium paid or reimbursed under medical insurance scheme for self and family including dependants.

The appointee shall also be eligible to the following perquisites which shall not be included in the computation of the salary specified above.

(a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

(c) Encashment of leave at the end of the tenure.

(vi) Car & Telephone :

Provision of car for use on company's business and telephone at residence will not be considered as perquisites.

4. COMMISSION

Such remuneration by way of commission in addition to the above salary and perquisites, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board of Directors of the company at the end of each financial year, subject to the overall ceiling stipulated in Section 198 and 309 of the Act.

5. The terms and conditions set out for reappointment and/or agreement may be altered and varied from time to time by the Board as it may, at its discretion, deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, or any