# SANSCO SERVICES - Annual Reports Library Services - www.sansco.net





www.reportjunction.com



# **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

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

AUDITORS Bansi S. Mehta & Co. Chartered Accountants

SOLICITORS Dhru & Co.

SHARE DEPARTMENT ADROIT CORPORATE SERVICES PVT. LTD. 19, Jafarbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400 059.

#### 23rd ANNUAL GENERAL MEETING On Thursday, 25th Sepember, 2003. at 4.00 p.m. at Indian Merchants' Chamber, Conference Hall, Nr. Churchgate Station, Mumbai - 400 020.

CONTENTS

GOMIENIS	rage no.
Board of Directors	1
Financial Highlights	2
Notice	3-4
Directors' Report	5-7
Auditors' Report	8-9
Balance Sheet	10
Profit & Loss Account	11
Schedule to Balance Sheet a	ınd
Profit & Loss Account	12-17
Notes to the Accounts	18-23
Cash flow Statement	24
Attendance Slip/Proxy Form	n25

Page No.

Į.

# ANNUAL REPORT 2002-2003

# FINANCIAL HIGHLIGHTS

				<u> </u>	(Rs.'000
	1998-99	1999-00	2000-01	2001-02	2002-03
Gross Sales	565235	628893	535427	388702	51893
2 Less Excise	. 80085	84976	62593	49352	6460
3 Net Sales	485150	543917	472834	339350	454326
4 Other Income	3995	4974	3886	2556	5533
5 Total Income	489145	548891	476720	341906	45985
5 Total Expenditure	434905	483093	451360	325150	41378
Operating Profit	54240	65798	25360	16756	46079
3 Interest	11595	17087	19041	20380	2396
Gross Profit	42645	48711	6319	(3624)	2211
0 Depreciation	8209	8645	8565	7961	1045'
1 Deferred Revenue Expenditure w/off	3667	637	0	0	146'
2 Profit Before Tax	30769	39429	(2246)	(11585)	1018
3 Provision for Tax & Deferred Tax	14128	12637	813	(477)	506
4 Profit After Tax	16641	26792	(3059)	(11108)	512
5 Dividend	7800	6500	2600	0	
6 Retained Earnings	16174	20751	14826	3718	884
7 Share Capital	26000	26000	26000	26000	2600
8 - Reserves and Surplus	57686	77263	71339	59297	6653
9 Shareholders' Fund	83686	103263	97339	85297	9253
0 Loan Funds	67637	83587	94093	100182	9796
1 Total Capital Employed	151323	186850	191432	185479	190494
2 Gross Block	131674	139165	148534	165455	17247
3 Net Block	49089	57336	59192	68571	6585
4 Net Current Assets	101597	129514	132240	111040	11784
5 Miscellaneous Expenditure	637	0	0	5868	680
6 Total Assets	151323	186850	191432	185479	190494
7 Operating Profit Margin %	11.09	11.99	5.32	4.90	10.02
8 Gross Profit Margin %	8.72	8.87	1.33	(1.06)	4.8
9 Dividend %	30.00	25.00	10.00	0.00	0.00
0 Book Value Per Share (Rs.)	32.19	39.72	37.44	32.81	35.59
1 Cash Earning Per Share (Rs.)	10.97	13.87	2.12	(1.21)	6.56
2 Earning Per Share (Rs.)	6.40	10.30	(1.18)	(4.27)	1.97
3 Return On Net Worth %	19.89	25.95	(3.14)	(13.02)	5.54
4 Return On Capital Employed %	35.84	35.21	13.25	9.03	24.19
5 Assets Turnover Ratio	11.51	10.97	9.05	5.67	7.88
ô Inventory Turnover Ratio	8.83	6.64	9.24	5.64	5.73
7 Debt Equity Ratio	0.81	0.81	0.97	1.17	1.06
8 Current Ratio	2.02	2.04	2.43	2.15	2.03



# NOTICE

NOTICE is hereby given that the 23rd 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 25th September, 2003, at 4.00 p.m. to transact the following business.

# ORDINARY BUSINESS :

- 1. To consider and adopt Balance Sheet as at 31st March, 2003, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2. To appoint a Director in place of Shri M. K. Sheth, who retires by rotation, but being eligible, offers himself for reappointment.
- 3. To appoint a Director in place of Shri D. M. Parekh, who retires by rotation, but being eligible, offers himself for reappointment.
- 4. To appoint Auditors and to fix their remuneration.

## SPECIAL BUSINESS :

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

"RESOLVED THAT the Equity Shares of the Company be delisted from The Stock Exchange, Ahmedabad, in accordance with the relevant laws, rules, regulations and guidelines (including any statutory modification(s) or re-enactments thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions as may be necessary and in compliance with such conditions and modifications as may be necessary for this purpose."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred by the Board) be and is hereby authorised to seek voluntary delisting, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in regard to delisting of the Equity Shares and to execute all such deeds, documents, writing as may be necessary, desirable or expedient as may be deemed fit and for this purpose, to delegate the authority duly vested in it by virtue hereto to the Managing Director or the Company Secretary or any other person whom the Managing Director may consider suitable to do the various acts, deeds and things as required to be done in this behalf."

REGISTERED OFFICE : 107/0, Khetani Textile Compound, Bazar Ward, Kurla, Mumbai - 400 070. Dated : 30th May, 2003.

## 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. 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.
- 3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 10th September, 2003, to Thursday, the 25th September, 2003, (both days inclusive) for the purpose of Annual General Meeting.
- 4. Members who hold shares in dematerialised form are requested to bring their client ID and DPID number for easy identification of attendance at the meeting.

#### ANNUAL REPORT 2002-2003

- 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.
- 7a. The unclaimed dividends upto the company's financial year 1994-95 have 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.
- 7b The unclaimed dividends of the Company's financial year 1995-96 have been transferred to Investor Education & Protection fund of the Central Government.
- 8. Pursuant to the Provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 1996 and thereafter, which remains unpaid or unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 1996, or any subsequent financial years are requested to make their claims to the office of the Registrar & Transfer Agent M/s. Adroit Corporate Services Pvt. Ltd. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claims shall lie in respect thereof.

#### EXPLANATORY STATEMENT U/S 173 (2) OF THE COMPANIES ACT, 1956 :

Item No. 5

Presently, the Equity Shares of the Company are listed on the Stock Exchanges at Mumbai and Ahmedabad. Consequent to the recent changes in the capital market in relation to the manner of dealing in shares/securities of companies, the volume of trading in Company's Equity Shares on the Ahmedabad Stock Exchange has reduced substantially, the Board of Directors of the Company at their meeting held on 30th May, 2003 has decided to get the shares of the Company voluntarily delisted from the Ahmedabad Stock Exchange in accordance with the applicable laws, rules, regulations and guidelines.

As required under the Listing Agreement entered into by the Company with the said Stock Exchange and SEBI Guidelines on voluntary delisting of shares, your approval for the proposal is sought by way of a Special Resolution for delisting the shares of the Company from the said Stock Exchange.

The Special Resolution mentioned at Item No. 5 of the Notice is commended by your Directors for your approval.

None of the Direcors, is, in any way, concerned or interested, in the above resolution.

#### ON BEHALF OF THE BOARD OF THE DIRECTORS

MUMBAI DATED : 30th May, 2003 S. H. MEHTA Chairman

4



# DIRECTOR'S REPORT

#### To the Members,

Your Directors present the 23rd Annual Report together with Audited Statement of Accounts of the company for the year ended 31st March, 2003.

#### **1.FINANCIAL RESULTS**

YE	AR ENDED	YEAR ENDED
	31.03.2003	31.03.2002
	RUPEES	RUPEES
Gross Operating Profit/(Loss)	2,21,12,446	(36,23,469)
Less : Depreciation	1,04,56,554	79,61,256
Operating Profit/(loss)	·····	
for the year	1,16,55,892	(1, 15, 84, 725)
Provision for Taxation		
Current Tax	5,48,500	10,000
Deferred Tax	21,10,762	(9,33,108)
Taxes of earlier years	24,03,295	4,46,769
Deferred Revenue Expenditure	14,66,967	-
Profit/(Loss) after Taxes	51,26,368	(1,11,08,386)
Add : Profit brought forward		
from previous year	37,18,111	1,4 <mark>8,26</mark> ,497
Balance carried to		
Balance Sheet	88,44,479	37,18,111

#### 2. DIVIDEND

In view of the need to plough back profits for the company's operations, your Directors do not recommend any dividend for the year 2002-2003.

#### 3. PERFORMANCE

Your company has achieved improvement in production, sales and profitability in the year under review. Sales and other income have increased from Rs. 3912.58 lakhs to Rs. 5244.64 lakhs. The net profit is Rs. 51.26 lakhs after providing depreciation of Rs. 104.57 lakhs, deferred tax liability of Rs. 21.10 lakhs, provision of tax of Rs. 5.48 lakhs, taxes of earlier years Rs. 24.03 lakhs and deferred revenue expenditure of Rs. 14.67 lakhs.

#### 4. CURRENT YEAR

The Company hopes to achieve improvement to Production, Sales and Profitability in the current year, barring unforeseen circumstances.

#### 5. FIXED DEPOSITS

Fixed Deposits from public and shareholders as on 31st March, 2003, aggregated to Rs. 160.24 Lakhs. The Company has paid interest and all fixed deposits due and claimed.

#### 6. DIRECTORS

As per the provisions of the Companies Act, 1956, and Company's Articles of Association, Shri M. K. Sheth and Shri D. M. Parekh, Directors of the company, retire by rotation and being eligible, offer themselves for reappointment.

#### 7. AUDITORS

M/S. Bansi S. Mehta & Co., Chartered Accountants, Mumbai, Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting. The company has received certificate from Auditors to the effect that their reappointment, if made, would be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956.

## 8. COMMENT ON AUDITORS' REMARKS

Notes contained in Schedule No. 12 of the Accounts and referred to in the Auditors' Report are self explanatory and do not call for further explanations and may be treated as, adequate compliance of Section 217(3) of the Companies Act, 1956.

#### 9. PERSONNEL

The Directors place on record their appreciation for the co-operation extended by the officers, staff, and workers of the company.

#### 10. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm :

- a) that in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- b) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and

ANNUAL REPORT 2002-2003

# DIRECTOR'S REPORT (contd..)

prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) that the directors had prepared the annual accounts on a going concern basis.

# 11. STATEMENT U/S 217(2A) OF THE COMPANIES ACT, 1956.

The Company had no employee who was in receipt of remuneration amounting to Rs.24,00,000/- per annum or Rs. 2,00,000/- per month.

#### 12. LISTING OF SHARES

The Equity shares of the Company are listed on the Stock Exchange, Mumbai situated at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, and the Stock Exchange, Ahemdabad, situated at Kamdhenu Complex, Panjra Pole, Ahemdabad - 380 015.

The Company has paid the listing fees for the period 1st April 2003 to 31st March, 2004 to the respective Stock Exchange.

#### 13. CONSERVATION OF ENERGY, ETC.

As required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, etc., is given in the annexure forming part of this Report.

#### ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai Dated : 30th May, 2003 S.H.MEHTA Chairman

# **ANNEXURE TO THE DIRECTORS' REPORT**

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE BOARD OF DIRECTORS' REPORT) RULES, 1988.

#### (A) CONSERVATION OF ENERGY :

(a) Energy conservation measures taken :

Power is not a major input in the manufacturing process. Therefore, no substantial conservation of energy is possible. However, efforts have been made to instal energy saving devices and greater awareness have been brought about among the employees at the company's manufacturing unit to induce conservation of energy and in particular to avoide wastage.

(b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

Please refer to the explanation provided in (a) above.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. Not applicable.

(d) Total energy consumption and energy consumption per unit of production :

Form 'A' of the annexure to the Companies (Disclosure of particulars in the Board of Directors Report) Rules, 1988, is not applicable.

#### (B) TECHNOLOGY ABSORPTION :

#### 1. RESEARCH AND DEVELOPMENT (R & D) :

- (a) Exisiting products are continuously evaluated for possible improvement in their design, etc. The process of manufacture is under constant review for improvement in methods, quality and cost reduction.
- (b) Benefits derived as a result of above R & D : Introduction of new and better models.Improvement in Cycle Time, Machine Performance and reduction in down time.