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# **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.

1

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

#### 24th ANNUAL GENERAL MEETING On Tuesday, 14th September, 2004. at 4.00 p.m. at Indian Merchants' Chamber, Conference Hall, Nr. Churchgate Stati

Conference Hall, Nr. Churchgate Station, Mumbai - 400 020.

#### CONTENTS

Board of Directorsl
Financial Highlights2
Notice
Directors' Report5-7
Auditors' Report8-9
Balance Sheet10
Profit & Loss Account11
Cash flow Statement12
Schedule to Balance Sheet and
Profit & Loss Account13-18
Notes to the Accounts19-24
Attendance Slip/Proxy Form25

Page No.

# ANNUAL REPORT 2003-2004

# FINANCIAL HIGHLIGHTS

		·			(Rs.'000)
	1999-00	2000-01	2001-02	2002-03	2003-04
l , Gross Sales	628893	535427	388702	518931	520,043
2 Less Excise	84976	62593	49352	64605	63,578
3 Net Sales	543917	472834	339350	454326	456,465
4 Other Income	4974	3886	2556	5533	3,310
5 Total Income	548891	476720	341906	459859	459,775
6 Total Expenditure	483093	451360	325150	413780	418,990
7 Operating Profit	65798	25360	16756	46079	40,785
8 Interest	17087	19041	20380	23966	19,226
9 Gross Profit	48711	6319	(3624)	22113	21,559
10 Depreciation	8645	8565	7961	10457	10,753
Deferred Revenue Expenditure w/off	637	0	0	1467	2,068
12 Profit Before Tax	39429	(2246)	(11585)	10189	8,738
13 Provision for Tax & Deferred Tax	12637	813	(477)	5063	1,083
4 Profit After Tax	26792	(3059)	(11108)	5126	7,655
15 Dividend	6500	2600	0	0	0
16 Retained Earnings	20751	14826	3718	8844	16,500
17 Share Capital	26000	26000	26000	26000	26,000
18 Reserves and Surplus	77263	71339	59297	66534	73,740
19 Shareholders' Fund	103263	97339	85297	92534	99,740
20 Loan Funds	83587	94093	100182	97960	91,651
21 Total Capital Employed	186850	191432	185479	190494	191,391
22 Gross Block	139165	148534	165455	172472	169,576
23 Net Block	57336	59192	68571	65850	60,334
24 Net Current Assets	129514	132240	111040	117843	124,371
25 Miscellaneous Expenditure	0	0	5868	6801	6,686
26 Total Assets	186850	191432	185479	190494	191,391
27 Operating Profit Margin %	11.99	5.32	4.90	10.02	8.87
28 Gross Profit Margin %	8.87	1.33	(1.06)	4.81	4.69
29 Dividend %	25.00	10.00	0.00	0.00	- 0.00
30 Book Value Per Share (Rs.)	39.72	37.44	32.81	35.59	38.36
31 Cash Earning Per Share (Rs.)	13.87	2.12	(1.21)	6.56	7.88
32 Earning Per Share (Rs.)	10.30	(1.18)	(4.27)	1.97	2.94
33 Return On Net Worth %	25.95	(3.14)	(13.02)	5.54	7.67
34 Return On Capital Employed %	35.21	13.25	9.03	24.19	21.31
5 Assets Turnover Ratio	10.97	9.05	5.67	7.88	8.62
6 Inventory Turnover Ratio	6.64	9.24	5.64	5.73	5.75
7 Debt Equity Ratio	0.81	0.97	1.17	1.06	0.92
8 Current Ratio	2.04	2.43	2.15	2.03	2.03

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2



# NOTICE

NOTICE is hereby given that the 24th 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 Tuesday, the 14th September, 2004, at 4.00 p.m. to transact the following business.

**ORDINARY BUSINESS:** 

**REGISTERED OFFICE :** 

Bazar Ward, Kurla,

Mumbai - 400 070. Dated : 29th July, 2004

107/0, Khetani Textile Compound,

- 1. To consider and adopt Balance Sheet as at 31st March, 2004, 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 Yugesh S. Mehta, who retires by rotation, but being eligible, offers himself for reappointment.
- 3. To appoint a Director in place of Shri Yogendra P. Trivedi, who retires by rotation, but being eligible, offers himself for reappointment.
- 4. To appoint Auditors and to fix their remuneration.

# 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 1st September, 2004, to Tuesday, the 14th September, 2004, (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.
- 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 up to 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.

3

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#### ANNUAL REPORT 2003-2004

8. Pursuant to the Provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 1997 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, 1997, 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.

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

MUMBAI DATED : 29th July, 2004 S. H. MEHTA Chairman



# **DIRECTOR'S REPORT**

#### To the Members,

Your Directors present the 24th Annual Report together with Audited Statement of Accounts of the company for the year ended 31st March, 2004.

## 1.FINANCIAL RESULTS

	YEAR ENDED Y	ÆAR ENDED
	31.03.2004	31.03.2003
·	RUPEES	RUPEES
Gross Operating Profit	2,15,58,899	2,21,12,446
Less : Depreciation	1,07,52,977	1,04,56,554
Operating Profit		
for the year	1,08,05,922	1,16,55,892
Provision for Taxation		
Current Tax	6,80,000	5,48,500
Deferred Tax	3,41,380	21,10,762
Taxes of earlier years	61,429	24,03,295
Deferred Revenue Expenditure	20,68,000	14,66,967
Profit after Taxes	76,55,113	51,26,368
Add:Profit brought forward		
from previous year	88,44,479	37,18,111
Balance carried to		
Balance Sheet	1,64,99,592	88,44,479

# 2. DIVIDEND

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

## 3. PERFORMANCE

The year under review has been a difficult one with profitability being adversely affected due to cost escalation of all major raw materials like Plastic, Aluminium and other inputs during the year which had been absorbed by the Company due to sluggish demand for Moulded luggage. The net profit is Rs. 76.55 lakhs after providing depreciation of Rs. 107.52 lakhs, tax provision of Rs. 6.80 lakhs and taxes of earlier years of Rs. 0.61 lakhs, deferred tax liability of Rs. 3.41 lakhs and deferred revenue expenditure of Rs. 20.68 lakhs.

## 4. CURRENT YEAR

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

# 5. FIXED DEPOSITS

Fixed Deposits from public and shareholders as on 31st March, 2004, aggregated to Rs. 198:75 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 Yugesh S. Mehta and Yogendra P. Trivedi, 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 prudent so as to give a true and fair view of the

#### ANNUAL REPORT 2003-2004

# **DIRECTOR'S REPORT (contd..)**

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.

#### 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	S.H.MEHTA
Dated : 23rd June, 2004	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:

N<mark>ot applic</mark>able.

(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.
- (c) Future plan of action :

Automation in Frame bending and Luggage Assembly.

(d) Expenditure on R & D :

Expenditure on normal R & D is insignificant. Hence not allocated separetely.