

S A F A R I

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25th ANNUAL REPORT - 2004-2005



Sumatichandra H. Mehta

1925 - 2004



Your vision, foresight and achievements
will continue to inspire and guide us.



BOARD OF DIRECTORS

Shri Sumatichandra H. Mehta

(Chairman & Managing Director upto 23-11-2004)

Shri Amul S. Mehta

(Chairman & 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

7, Jayalaxmi Indl. Premises Co-op. Soc. Ltd.,

Khetani Textile Compound,

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.

25th ANNUAL GENERAL MEETING

On Saturday, 30th July, 2005.

at 4.00 p.m.

**at Indian Merchants' Chamber,
Conference Hall, Nr. Churchgate Station,
Mumbai - 400 020.**

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FINANCIAL HIGHLIGHTS

	(Rs.'000)				
	2000-01	2001-02	2002-03	2003-04	2004-05
1 Gross Sales	535427	388702	518931	520,043	521,103
2 Less Excise	62593	49352	64605	63,578	60,422
3 Net Sales	472834	339350	454326	456,465	460,681
4 Other Income	3886	2556	5533	3,310	3,827
5 Total Income	476720	341906	459859	459,775	464,508
6 Total Expenditure	451360	325150	413780	418,990	428,946
7 Operating Profit	25360	16756	46079	40,785	35,562
8 Interest	19041	20380	23966	19,226	17,918
9 Gross Profit	6319	(3624)	22113	21,559	17,644
10 Depreciation	8565	7961	10457	10,753	10,020
11 Deferred Revenue Expenditure w/off	0	0	1467	2,068	2,556
12 Profit Before Tax	(2246)	(11585)	10189	8,738	5,068
13 Provision for Tax & Deferred Tax	813	(477)	5063	1,083	1,005
14 Profit After Tax	(3059)	(11108)	5126	7,655	4,063
15 Dividend	2600	0	0	0	2,940
16 Retained Earnings	14826	3718	8844	16,500	17,623
17 Share Capital	26000	26000	26000	26,000	26,000
18 Reserves and Surplus	71339	59297	66534	73,740	74,728
19 Shareholders' Fund	97339	85297	92534	99,740	100,728
20 Loan Funds	94093	100182	97960	91,651	72,971
21 Total Capital Employed	191432	185479	190494	191,391	173,699
22 Gross Block	186850	191432	185479	169,575	169,891
23 Net Block	59192	68571	65850	60,334	54,009
24 Net Current Assets	132240	111040	117843	124,371	111,947
25 Miscellaneous Expenditure	0	5868	6801	6,686	7,743
26 Total Assets	191432	185479	190494	191,391	173,699
27 Operating Profit Margin %	5.32	4.90	10.02	8.87	7.66
28 Gross Profit Margin %	1.33	(1.06)	4.81	4.69	3.80
29 Dividend %	10.00	0.00	0.00	0.00	10.00
30 Book Value Per Share (Rs.)	37.44	32.81	35.59	38.36	38.74
31 Cash Earning Per Share (Rs.)	2.12	(1.21)	6.56	7.88	6.40
32 Earning Per Share (Rs.)	(1.18)	(4.27)	1.97	2.94	1.56
33 Return On Net Worth %	(3.14)	(13.02)	5.54	7.67	4.03
34 Return On Capital Employed %	13.25	9.03	24.19	21.31	20.47
35 Assets Turnover Ratio	9.05	5.67	7.88	8.62	9.65
36 Inventory Turnover Ratio	9.24	5.64	5.73	5.75	5.76
37 Debt Equity Ratio	0.97	1.17	1.06	0.92	0.72
38 Current Ratio	2.43	2.15	2.03	2.03	1.74

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Safari Industries (India) Limited will be held at Indian Merchant's Chamber Conference Hall, Near Churchgate Station, Mumbai 400 020, on Saturday, the 30th July, 2005 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt Balance Sheet as at 31st March, 2005, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
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.

REGISTERED OFFICE :

7, Jayalaxmi Indl. Premises Co-op Soc. Ltd.,
 Khetani Textile Compound,
 Kurla, Mumbai - 400 070.
 Dated : 31st May, 2005

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

A. S. 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 Friday, 15th July, 2005, to Saturday, the 30th July, 2005, (both days inclusive) for the purpose of Annual General Meeting & Dividend.
4. Any dividend that may be declared at the Annual General Meeting will be payable on or before 27th August, 2005, to the members registered in the Registrar of Members at the close of business on 30th July, 2005.
5. 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.
6. 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.
7. Members are requested to intimate the change in their addresses, if any, immediately to the company's Registrar and Transfer Agent.
- 8a. The unclaimed dividends upto the company's financial year 1994-95 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.
- 8b. The unclaimed dividends of the Company's financial year 1995-96 & 1996-97 have been transferred to Investor Education & Protection fund of the Central Government.

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9. Pursuant to the Provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 1998 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, 1998, 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 : 31st May, 2005

A. S. MEHTA

Chairman

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DIRECTOR'S REPORT

To the Members,

Your Directors present the 25th Annual Report together with Audited Statement of Accounts of the company for the year ended 31st March, 2005.

1. TRIBUTE

Your Directors place on record their deep regret on the sad demise of Shri Sumatichandra H. Mehta, Founder of the Company. He founded the Company as a Partnership firm in 1974 with practically no financial resources. He more than compensated for this with a fund of goodwill, rare courage, strong will and a resourceful and dedicated approach. His vision will continue to inspire and guide us.

2. FINANCIAL RESULTS

	YEAR ENDED 31.03.2005	YEAR ENDED 31.03.2004
	RUPEES	RUPEES
Gross Operating Profit	1,76,43,474	2,15,58,899
Less : Depreciation	1,00,20,126	1,07,52,977
Operating Profit for the year	76,23,348	1,08,05,922
Provision for Taxation :		
Current Tax	11,22,090	6,80,000
Deferred Tax	(1,36,943)	3,41,380
Taxes of earlier years	18,858	61,429
Deferred Revenue Expenditure	25,56,000	20,68,000
Profit after Taxes	40,63,343	76,55,113
Add: Profit brought forward from previous year	1,64,99,592	88,44,479
Profit available for Appropriation	2,05,62,935	1,64,99,592

APPROPRIATIONS

Transfer to General Reserve	-	-
Proposed Dividend	26,00,000	-
Tax on Proposed Dividend	3,39,820	-
Balance Carried to Balance Sheet	1,76,23,115	1,64,99,592
	2,05,62,935	1,64,99,592

3. DIVIDEND

Your Directors recommend dividend of Rs.1.00 per share for the year ended 31st March, 2005.

4. PERFORMANCE

The year under review has been turbulent with profitability being adversely affected due to sharp increase in cost of all major raw materials like Plastic, Aluminium, Steel, etc. Sales in the last quarter of the year has been further affected due to uncertainty created by implementation of VAT. Sales and other income have been more or less stagnant at Rs.5211.03 lakhs compared to Rs.5200.43 lakhs in the previous year. The net profit is Rs.40.63 lakhs after providing depreciation of Rs.100.20 lakhs and provision of tax including taxes of earlier years and deferred tax liability of Rs.10.04 lakhs and deferred revenue expenditure of Rs.25.56 lakhs.

5. CURRENT YEAR

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

6. FIXED DEPOSITS

Fixed Deposits from public and shareholders as on 31st March, 2005, aggregated to Rs. 238.01 Lakhs. The Company has paid interest and all fixed deposits due and claimed.

7. DIRECTORS

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

8. 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.

9. 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.

10. PERSONNEL

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

DIRECTOR'S REPORT (contd..)

11. 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 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.

12. 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.

13. 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.

14. 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 : 31st May, 2005

A. S. 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 avoid 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) Existing 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.