

SAFARI

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Annual Report 2008-2009

BOARD OF DIRECTORS

Shri Amul S. Mehta

(Chairman & Managing Director)

Shri Yogendra P. Trivedi (Upto 31st January 2009)

Shri Mulchand K. Sheth

Shri Yugesh S. Mehta

Dr. Jagdish N. Sheth

Dr. Shailesh J. Mehta

Shri Niraj Goyal

29th ANNUAL GENERAL MEETING

On Saturday, 25th July, 2009.

at 4.00 p.m.

at Walchand Hirachand Hall of Indian
Merchant Chambers, IMC Building,
Churchgate, Mumbai 400 020

REGISTERED OFFICE

7, Jayalaxmi Indl. Premises Co-op. Soc. Ltd.,
Khetani Textile Compound,
Kurla (West), Mumbai - 400 070.
Phone No. : 022-2503 3737

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HALOL PLANT

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

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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.

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FINANCIAL HIGHLIGHTS**(Rs.'000)**

	2004-05	2005-06	2006-07	2007-08	2008-09
1 Gross Sales	521,103	515,696	624,108	689,514	659,027
2 Less Excise	60,422	59,826	60,835	65,022	48,461
3 Net Sales	460,681	455,870	563,273	624,492	610,566
4 Other Income	3,827	6,416	8,089	4,515	2,347
5 Total Income	464,508	462,286	571,362	629,007	612,913
6 Total Expenditure	428,946	433,079	537,512	580,247	577,896
7 Operating Profit	35,562	29,207	33,850	48,760	35,017
8 Interest	17,918	17,002	19,320	21,868	25,938
9 Gross Profit	17,644	12,205	14,530	26,892	9,079
10 Depreciation	10,020	9,881	9,892	9,723	6,240
11 Deffered Revenue Exp.W/Off	2,556	3,458	2,095	1,495	1,403
12 Profit Before Tax	5,068	-1,134	2,543	15,674	1,436
13 Provision for Tax & Deff. Tax	1,005	715	1,254	6,344	1,300
14 Profit After Tax	4,063	-1,849	1,289	9,330	136
15 Dividend & Dividend Tax	2,940	0	0	0	0
16 Retained Earnings	17,623	15,774	17,063	26,392	26,529
17 Share Capital	26,000	26,000	29,900	29,900	29,900
18 Reserves & Surplus	74,728	71,368	80,845	79,750	78,596
19 Shareholders' Funds	100,728	97,368	110,745	109,650	108,496
20 Loan Funds	72,971	78,909	91,506	86,367	135,441
21 Total Capital Employed	173,699	176,277	202,251	196,017	243,937
22 Gross Block	169,891	170,736	166,727	171,898	172,403
23 Net Block	54,009	47,085	39,694	35,348	29,614
24 Net Current Assets	111,947	124,492	159,952	157,946	208,338
25 Miscellaneous Expenditure	7,743	4,700	2,605	2,723	5,985
26 Total Assets	173,699	176,277	202,251	196,017	243,937
27 Operating Profit Margin %	7.66	6.32	5.92	7.75	5.71
28 Gross Profit Margin %	3.80	2.64	2.54	4.28	1.48
29 Dividend %	10.00	0.00	0.00	0.00	0.00
30 Book Value Per Share (Rs.)	35.76	35.64	36.17	35.76	34.28
31 Cash Earning Per Share (Rs.)	6.40	4.42	4.44	6.87	2.60
32 Earning Per Share (Rs.)	1.56	-0.71	0.43	3.12	0.05
33 Return On Net Worth %	4.37	-2.00	1.19	8.73	0.13
34 Return On Capital Employed %	20.47	16.57	16.74	24.88	14.35
35 Assets Turnover Ratio	9.65	10.95	15.72	19.51	22.25
36 Inventory Turnover Ratio	4.43	3.73	4.25	4.27	4.08
37 Debt Equity Ratio	0.78	0.85	0.85	0.81	1.32
38 Current Ratio	1.74	1.84	2.05	1.85	2.30

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of Safari Industries (India) Limited will be convened on Saturday, 25th day of July, 2009, at Walchand Hirachand Hall of Indian Merchant Chambers, IMC Building, Churchgate, Mumbai 400 020. at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt Balance Sheet as at 31st March, 2009, 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 Niraj Goyal, who retires by rotation, but being eligible, offers himself for reappointment.
4. 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 : 30th May, 2009

BY ORDER OF THE BOARD OF DIRECTORS

A. S. MEHTA
Chairman

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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. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, 10th July, 2009 to Saturday, the 25th July, 2009 (both days inclusive) for the purpose of Annual General Meeting.
4. Members who hold shares in dematerialised form are requested to bring their clients 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 to enable the Company to make available the required information at the meeting.
6. Members are requested to intimate the change in their addresses, if any, immediately to the company's Registrar and Transfer Agents.
- 7.(a) 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.
8. Consequent upon the amendment of Section 205A of the Companies Act, 1956, and the insertion of Section 205C by the Companies (Amendment) Act, 1999, the amount remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund. Members who have not yet encashed their dividend warrants for the year 2004-2005 are requested to make their claims to the Company accordingly, without any delay.

BY ORDER OF THE BOARD OF THE DIRECTORS

MUMBAI
DATED : 30th May, 2009

A. S. MEHTA
Chairman

DIRECTOR'S REPORT

To

The Members,

Your Directors present the 29th Annual Report together with Audited Statement of Accounts of the company for the year ended 31st March, 2009.

1. FINANCIAL RESULTS

	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
	RUPEES	RUPEES
Gross Operating Profit	90,78,801	2,68,92,504
Less : Depreciation	62,39,704	97,23,349
Operating Profit for the year	28,39,097	1,71,69,155
Provision for Taxation :		
Current Tax	19,13,182	66,40,192
Fringe Benefit Tax	5,79,090	5,85,093
Deferred Tax	(12,90,085)	(15,44,116)
Taxes of earlier years	97,315	6,62,865
Deferred Revenue Expenditure	14,03,292	14,95,292
Profit after Taxes	1,36,303	93,29,829
Add: Profit brought forward from previous year	2,63,92,331	1,70,62,502
Balance carried to Balance sheet	2.65,28,634	2,63,92,331

2. DIVIDEND

In view of the need to plough back Profit for the Company's operation, your Directors do not recommend any dividend.

3. PERFORMANCE

Net Sales and other income has been stagnant at Rs.61.06 crores compared to Rs.62.45 crores in the previous year mainly due to slow down in the economy. Company has acquired exclusive distribution rights for Antler, a leading UK brand. This will enable the company to penetrate into the premium segment of the market.

Profitability was adversely affected due to unprecedented increase in the prices of all raw materials in the first half of the year and Rupee depreciation against the \$ affecting import cost, inventory losses resulting from decrease in prices due to reduction in excise duty.

The net profit is Rs.1.36 lakhs after providing depreciation of Rs.62.40 lakhs and provisions of tax including deferred tax liability of Rs.12.99 lakhs and deferred revenue expenditure of Rs.14.03 lakhs.

4. OUTLOOK FOR THE CURRENT YEAR

The Outlook is positive with lower raw material cost and appreciation of the Rupee against the \$. 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 2009, aggregated to Rs.241.00 lakhs. The Company has paid interest on all fixed deposits due and claimed. Fixed Deposit of Rs.0.45 lakhs has remained unclaimed as on 31.03.2009.

6. DIRECTORS

In accordance of provisions of the Companies Act, 1956, and Articles of Association of the Company, Shri Yugesh S. Mehta and Shri Niraj Goyal, Directors of the Company, retire by rotation at the ensuing Annual General Meeting, but being eligible, offer themselves for reappointment.

During the year Mr. Y. P. Trivedi resigned from Directorship of the Company due to his pre-occupation. Your Board appreciates the contribution made by Mr .Y. P. Trivedi during his term of office.

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.

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DIRECTOR'S REPORT (contd..)**9. SECRETARIAL COMPLIANCE CERTIFICATE**

Secretarial Compliance Certificate pursuant to Section 383A of the Companies Act, 1956, is attached herewith.

10. ACKNOWLEDGEMENT

Your Directors would like to thank the customers for their confidence in company's products and services, employees for their dedication and teamwork and Company's bankers for their co-operation and the trust reposed by them in the Company.

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.

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

Information as per Section 217(2A) of the Companies Act, 1956 ('the Act') read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report for the financial year ended 31.03.2009.

Employed throughout the year :-

Name	Mr. Amul S Mehta
Remuneration Received	Rs. 32,48,772/-
Nature of Employment	Contractual
Other Terms & Conditions	As per service rule of the Co.
Designation/ Nature of Duties	Chairman & Managing Director
Qualification & Experience	B.Sc. (Tech) - 35 Years
Date of Commencement of Employment	01.05.2008
Age (Years)	57 Years
Last Employment held	-

NOTES:

1. Gross Remuneration includes Salary, Allowances, Provident Fund and Superannuation scheme with LIC and value of perquisites.
2. All appointments are contractual and terminable by notice on either side.
3. Mr. Y.S. Mehta, Director of the Company is a relative of Mr.A.S.Mehta.

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.

The Company has paid necessary listing fees to the said The Bombay Stock Exchange as prescribed as per listing agreement.

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.

BY ORDER OF THE BOARD OF DIRECTORS

Mumbai
Dated : 30th May, 2009

A. S. MEHTA
Chairman

DIRECTOR'S REPORT (contd..)

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 install 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.

- (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 separately.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

- (a) Efforts taken for technology absorption and innovation :

Company's manufacturing process is based mainly on indigenous technology.

- (b) Benefits derived as a result of the above efforts :

Not applicable.

- (c) Information regarding technology imported during the last five years.

Not applicable.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- (a) Total foreign exchange used and earned during the year.

	(Rs. in lacs)
Used	748.58
Earned	Nil

ON BEHALF OF THE BOARD OF DIRECTORS

MUMBAI
DATED : 30th May, 2009.

A. S. MEHTA
Chairman

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COMPLIANCE CERTIFICATE

To,
The Members
SAFARI INDUSTRIES (INDIA) LIMITED
Mumbai

We have examined the necessary registers, records, books, papers, draft Audit Report of SAFARI INDUSTRIES (INDIA) LIMITED as required to be maintained under the Companies Act, 1956 ("the Act"), and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on 31st March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under, and wherever required all entries therein have been recorded.
2. Save and except filing of form 32 and 23 in respect of Reappointment of Managing Director w.e.f. 1st May, 2008 in the Board Meeting and filing of Copy of Agreement detailing terms of Managing Director which the Company is in process to file, the Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of the Companies, Mumbai, Maharashtra or such other authorities as required under the Act and the rules made there under with additional filing fees in case of delay.
3. The status of the Company being Public Limited Company, comments are not required.
4. The Board of Directors duly met 5 (Five) times on 26.04.2008, 31.05.2008, 26.07.2008, 31.10.2008 and 24.01.2009 respectively, in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed Register of Members from 11.07.2008 to 26.07.2008 (both days inclusive) and necessary compliance of Section 154 of the Companies Act, 1956 has been made in respect of the same.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 26th July, 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year under review.
8. The company has not advanced any loan to its directors and / or persons or firms or companies referred in Section 295 of the Act, during the financial year under review.
9. As explained to us, the Company has not entered into any contract in violation of the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. There are no appointments or contracts in respect of holding an office or place of profit by Directors within the meaning of Section 314 of the Act and accordingly the company was not required to obtain any approval from the Board of Directors, Members and the Central Government.
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates during the financial year under review.
13. During the financial year under review, the Company has :
 - (i) not issued or allotted any shares / debentures or other securities and hence the Company was not required to delivered any certificates in respect of the same. The Company has given effect of the valid transfer / transmission of Shares on lodgment there of within time provided under the Act and in accordance with the provisions of the Act.
 - (ii) not declared any dividend and hence the Company was not required to deposit any amount as unpaid dividend / interim dividend in a separate Bank Account.
 - (iii) not declared any dividend during the financial year and hence the Company was not required to pay / post warrants to any members of the Company.
 - (iv) transferred the amounts of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of Section 217 of the Act..
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies, during the financial year under review.

15. The company has during the year under review re-appointed the Managing Director. Save and Except filing of form 23, 32 and filing of Agreement defining terms of re-appointment, which as explained by the Company of having under process to file the same, the company has complied with the provisions of the Act in respect of the same.
16. The company has not appointed any sole-selling agents during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued / allotted any shares / securities during the financial year under review.
20. The company has not bought back any shares during the financial year under review.
21. The company has not issued any preference shares/debentures and consequently there is no redemption of preference shares/ debentures during the year under review.
22. There were no transactions necessitating the company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of the shares during the financial year under review.
23. The company has complied with the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 and the applicable directions issued by the Reserve Bank of India/ any other authority in respect of deposits accepted including unsecured loans taken, amounting to Rs. 68.65 Lacs and the company has filed the copy of Advertisement / necessary particulars as required with the Registrar of Companies, Mumbai on 31.05.2008 (for the year 2008-2009). The company has also filed return of deposit with the Registrar of Companies.
24. The amount borrowed by the Company from directors, public financial institutions and banks during the financial year ended 31st March, 2009 is within the borrowing limits of the Company.
25. The Company has not made loans or advances or made investments or given guarantees or provided securities to other bodies corporate and hence no comment is invited.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year under review.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the financial year under review.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year under review.
30. The company has not altered any provisions of its Articles of Association during the financial year under review.
31. As explained by the Company, there was no prosecution initiated against or show cause notices received by the company for alleged offences under the Act and no fines and penalties or any other punishment was imposed on the company during the financial year under review.
32. The Company has not received any money as security from its employees during the year under review.
33. The Company has deposited both employees and employer's contribution to provident fund with prescribed authorities pursuant to section 418 of the Act.

Place : Mumbai

Date : 30th May 2009

(NILESH G. SHAH)

Company Secretary

C.P.No.: 2631