

BOARD OF DIRECTORS

Shri Amul S. Mehta

(Chairman)

Shri Sudhir Jatia

(Managing Director)

(w.e.f. 18-04-2012)

Dr. Shailesh J. Mehta

Shri Anuj Kumar Patodia

(w.e.f. 18-04-2012)

Shri Pankaj Lath

(w.e.f. 18-04-2012)

Shri Mulchand K. Sheth

(upto 18-04-2012)

Shri Yugesh S. Mehta

(upto 18-04-2012)

Dr. Jagdish N. Sheth

(upto 01-05-2012)

Shri Niraj Goyal

(upto 31-03-2012)

**32nd ANNUAL GENERAL MEETING
On Tuesday, 31st July, 2012.
at 11.00 a.m.
at Walchand Hirachand Hall,
Indian Merchant Chambers,
IMC Building, Churchgate,
Mumbai 400 020**

REGISTERED OFFICE :

**8th Floor, A Wing, THE QUBE, CTS No. 1498,
A/2, M. V. Road, Behind Taj Flight Kitchen,
Near International Airport,
Marol, Andheri (East), Mumbai 400059
E-mail: investor@siil.in**

FACTORY :

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

BANKERS :

Central Bank of India

AUDITORS :

**Bansi S. Mehta & Co.
Chartered Accountants**

REGISTRAR & SHARE TRANSFER AGENT :

**Adroit Corporate Services Pvt. Ltd.
19, Jafarbhoy Industrial Estate, Makwana Road,
Marol Naka, Andheri (E), Mumbai - 400 059.
Tel.: 91-22-2859 4060 / 6060
E-mail: investorgrievances@adroitcorporate.com**

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FINANCIAL HIGHLIGHTS

					(Rs.'000)
	2007-08	2008-09	2009-10	2010-11	2011-12
1 Gross Sales	689,514	659,027	655,912	767,819	703,091
2 Less Excise	65,022	48,461	35,800	46,932	31,370
3 Net Sales	624,492	610,566	620,112	720,887	671,721
4 Other Income	4,515	2,347	5,999	11,088	3,910
5 Total Income	629,007	612,913	626,111	731,975	675,631
6 Total Expenditure	580,247	577,896	569,013	664,837	649,869
7 Operating Profit	48,760	35,017	57,098	67,138	25,762
8 Interest	21,868	25,938	22,264	25,097	28,309
9 Gross Profit	26,892	9,079	34,834	42,041	-2,547
10 Depreciation	9,723	6,240	4,293	3,616	4,002
11 Deffered Revenue Exp.W/Off	1,495	1,403	5,985	0	0
12 Profit Before Tax	15,674	1,436	24,556	38,425	-6,549
13 Provision for Tax & Deff. Tax	6,344	1,300	5,253	11,963	541
14 Profit After Tax	9,330	136	19,303	26,462	-7,090
15 Dividend & Dividend Tax	0	0	6,996	8,688	0
16 Retained Earnings	26,392	26,529	36,905	52,034	44,944
17 Share Capital	29,900	29,900	29,900	29,900	29,900
18 Reserves & Surplus	79,750	78,596	88,405	106,761	100,212
19 Shareholders' Funds	109,650	108,496	118,305	136,661	130,112
20 Loan Funds	86,367	135,441	103,762	156,635	180,148
21 Total Capital Employed	196,017	243,937	222,067	293,296	310,260
22 Gross Block	171,898	172,403	168,206	169,209	172,247
23 Net Block	35,348	29,614	25,315	30,623	29,659
24 Net Current Assets	157,946	208,338	196,752	262,673	280,601
25 Miscellaneous Expenditure	2,723	5,985	0	0	0
26 Total Assets	196,017	243,937	222,067	293,296	310,260
27 Operating Profit Margin %	7.75	5.71	9.12	9.17	3.81
28 Gross Profit Margin %	4.28	1.48	5.56	5.74	-0.38
29 Dividend %	0.00	0.00	20.00	25.00	0.00
30 Book Value Per Share (Rs.)	35.76	34.28	39.57	45.71	43.52
31 Cash Earning Per Share (Rs.)	6.87	2.60	9.89	10.06	-1.03
32 Earning Per Share (Rs.)	3.12	0.05	6.46	8.85	-2.37
33 Return On Net Worth %	8.73	0.13	16.32	19.36	-5.45
34 Return On Capital Employed %	24.88	14.35	25.71	22.89	8.30
35 Assets Turnover Ratio	19.51	22.25	25.91	25.07	23.71
36 Inventory Turnover Ratio	4.27	4.90	5.09	4.71	3.02
37 Debt Equity Ratio	0.81	1.32	0.88	1.15	1.38
38 Current Ratio	1.85	2.30	2.21	2.23	2.45

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of Safari Industries (India) Limited will be held on Tuesday, 31st day of July, 2012, at Walchand Hirachand Hall, Indian Merchant Chambers, IMC Building, Churchgate, Mumbai 400 020 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt Balance Sheet as at 31st March, 2012, statement of Profit & Loss 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 Mr. Amul Mehta who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and for the purpose, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and all other applicable provisions, if any, of the Companies Act, 1956, M/s. Bansi S. Mehta & Co, Chartered Accountants, having Registration No. 100991W, the retiring Auditors, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period in addition to the reimbursement of actual out of pocket expenses as may be incurred by them in the performance of their duties."

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification, the following Resolution, as an Ordinary Resolution:
"RESOLVED THAT Mr. Sudhir Jatia, whose term of Office as an Additional Director pursuant to Section 260 of the Companies Act, 1956 expires on the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 from one of the members proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modification, the following Resolution, as an Ordinary Resolution:
"RESOLVED THAT Mr. Anujkumar Patodia whose term of Office as an Additional Director pursuant to Section 260 of the Companies Act, 1956 expires on the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 from one of the members proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification, the following Resolution, as an Ordinary Resolution:
"RESOLVED THAT Mr. Punkajj Lath whose term of Office as an Additional Director pursuant to Section 260 of the Companies Act, 1956 expires on the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 from one of the members proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification, the following Resolution, as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309, read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the appointment of Mr. Sudhir Jatia as the Managing Director of the Company to exercise substantial power of management subject to supervision, control & Direction of Board of Directors of the Company for a period of 3 years with effect from 18th April 2012 to 17th April 2015 on the terms and conditions as set out in explanatory statement and in the draft Agreement

to be entered between the Company and Mr. Sudhir Jatia ,as placed before this meeting and initialed by the Chairman for the purpose of identification, which Agreement is specifically approved and sanctioned with the authority to the Board of Directors to alter and vary the terms and conditions of the said appointment 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 Mr. Sudhir Jatia."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year, during the tenure of Mr. Sudhir Jatia as Managing Director, he shall be entitled to receive remuneration as per the monetary ceiling provided under Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof) the Authorised Share Capital of the Company be increased from Rs.30,000,000 (Rupees three Crores) divided into 30,00,000 (Thirty lacs) Equity Shares of Rs.10/- each, to Rs.10,00,00,000 (Rupees Ten Cores) divided into 40,00,000 (Forty Lacs) equity shares of Rs.10/- each, and 60,00,000 (Sixty Lacs) Unclassified Shares of Rs. 10 each ranking pari pasu with existing shares; with the power to the Board to to classify and re-classify from time to time such shares into any class of shares in accordance with applicable law."

"RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V.

Clause V of Memorandum of Association of the Company

The Authorised Share Capital of the Company is Rs.100, 000,000 (Rupees Ten Crores) divided into 40, 00,000 (Forty Lacs) Equity Shares of Rs.10/- each, and 60, 00,000 (Sixty Lacs) Unclassified Shares of Rs. 10 each ranking pari pasu with existing shares; with the power to the Board to decide on the extent of variation in such rights and to classify and re-classify the shares from time to time into any class of shares and power to increase or reduce the capital of the Company and/or the nominal value of the shares and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights as may be determined by or in accordance with the Articles of Association of the Company and in conformity with the provisions of the Act and to vary, modify, or abrogate any such rights, privileges or conditions and to consolidate or sub-divide the shares and issue shares of higher or lower denominations in such manner as may for the time being be provided by the Articles of Association of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate."

9. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by substituting the existing Article No. 3 by the following new Article No.3:

The Authorised Share Capital of the Company is Rs.100, 000,000 (Rupees Ten Crores) divided into 40,00,000 (Forty Lacs) Equity Shares of Rs.10/- each, and 60,00,000 (Sixty Lacs) Unclassified Shares of Rs. 10 each ranking pari pasu with existing shares; with the power to the Board to decide on the extent of variation in such rights and to classify and re-classify the shares from time to time into any class of shares and power to increase or reduce the capital of the

Company and/or the nominal value of the shares and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights as may be determined by or in accordance with the Articles of Association of the Company and in conformity with the provisions of the Act and to vary, modify, or abrogate any such rights, privileges or conditions and to consolidate or sub-divide the shares and issue shares of higher or lower denominations in such manner as may for the time being be provided by the Articles of Association of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate."

10. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the Resolution passed at the General Meeting held on 22.09.1993, the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include person(s) authorized and/or committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and is hereby authorized to borrow from time to time any sum or sums of money on such terms and conditions and with or without security as the Board may think fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any point of time exceed the limit of Rs. 50 (Fifty) crores."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, if any required, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

**ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED**

Dated : 29th May, 2012
Place : Mumbai

SUDHIR JATIA
Managing Director

NOTES:

- i. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.
- ii. 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.
- iii. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from 18th July, 2012 to 31st July, 2012 (both days inclusive).
- iv. Members who hold shares in dematerialised form are requested to bring their clientID and DPID number for easy identification for attendance at the meeting.
- v. 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.
- vi. Members are requested to intimate the change in their addresses, if any, immediately to the company's Registrar and Transfer Agents.
- vii. Pursuant to the Provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 2005, 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, 2005, 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.
- viii. Members are informed that in accordance with Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by Ministry of Corporate Affairs (MCA), Government of India, recognizing the spirit of the Circular issued by the MCA, henceforth the Company is proposing to send documents like Notice of General Body Meetings, Audited Financial Statements, Directors' Reports, Auditors' Reports etc. to the Members in the electronic form by e-mail. You are therefore requested to update your email address so that the annual report and other documents reach you on your preferred mail account.

Members holding shares in the dematerialize form are requested to register/update the e-mail address with the concerned Depository Participant. Members holding shares in physical form are requested to register/update their e-mail address with Registrar and Transfer Agent of the Company M/s. Adroit Corporate Services Pvt. Ltd. Alternatively members may intimate the e-mail address along with their respective Client ID and DP ID/Folio No. by Letter / e-mail to the Company on investor@siil.in.

**ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED**

Dated : 29th May, 2012
Place : Mumbai

SUDHIR JATIA
Managing Director

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT REQUIRED BY SECTION 173 (2) OF THE COMPANIES ACT, 1956 RELATING TO THE AFORESAID RESOLUTIONS

ITEM No. 4

The Board of Directors of the Company, at their meeting held on 18/04/2012, had appointed Mr. Sudhir Jatia, as Additional Director of the Company with effect from 18th April 2012.

As per the provisions of Section 260 of the Companies Act, 1956, he will hold office only upto the date of this Annual General Meeting of the Company, and is eligible for appointment as Director.

The Company has received Notice under Section 257 of the Companies Act, 1956 from one of the members of the Company along with the requisite deposit amount, proposing appointment of Mr. Sudhir Jatia as Director of the Company.

Mr. Sudhir Jatia is a Commerce graduate from Mumbai University. He began his business career in 1993, as a whole time Director with Universal Luggage Ltd. manufacturer of Aristocrat Brand which was the second largest brand at that time. He was appointed as a Managing Director of Blowplast Ltd. in 2003. In the year 2007 Blowplast Ltd. and VIP Industries Ltd. were merged. Aristocrat Luggage Limited (erstwhile universal luggage limited) was merged with VIP Industries Ltd. in the year 2008 and Mr. Jatia continued to be the Managing Director of VIP Industries Ltd. from February 01, 2007 till April 30, 2010. Further, he continued to serve as a Director on the board of VIP Industries Ltd. until May 2011. He has an experience of 18 years in the luggage industry.

The Board accordingly recommends the Ordinary Resolution set out at item no.4, of the accompanying Notice for the approval of the Members.

None of the Directors of the Company except Mr. Sudhir Jatia is or is deemed to be interested in the Resolution.

ITEM No. 5

The Board of Directors of the Company, at their meeting held on 18/04/2012, had appointed Mr. Pankaj Lath, as Additional Director of the Company with effect from 18th April 2012.

As per the provisions of Section 260 of the Companies Act, 1956, he will hold office only upto the date of this Annual General Meeting of the Company, and is eligible for appointment as Director.

The Company has received Notice under Section 257 of the Companies Act, 1956 from one of the members of the Company along with the requisite deposit amount, proposing appointment of Mr. Pankaj Lath as Director of the Company.

Mr. Pankaj Lath is a Commerce graduate from Mumbai University. He started his career with a Company exporting Fashion Accessories to U.S.A. and other parts of the world and was instrumental in setting up marketing channels in various countries. In U.S.A. the Company's products were successfully introduced to the leading departmental stores.

From the year 1990, he joined his family company - EURO VISTAA (INDIA) LTD. of which he is now, the Managing Director. This company is a Trading House, recognised by the Government of India and is one of the largest exporters of textile yarn from India with a presence in more than 50 countries. The company has won many export awards from Government Export Promotion Councils.

The Board accordingly recommends the Ordinary Resolution set out at item no.5, of the accompanying Notice for the approval of the Members.

None of the Directors of the Company except Mr. Pankaj Lath is or is deemed to be interested in the Resolution.

ITEM No. 6

The Board of Directors of the Company, at their meeting held on 18/04/2012, had appointed Mr. Anuj Patodia, as Additional Director of the Company with effect from 18th April 2012.

As per the provisions of Section 260 of the Companies Act, 1956, he will hold office only upto the date of this Annual General Meeting of the Company, and is eligible for appointment as Director.

The Company has received Notice under Section 257 of the Companies Act, 1956 from one of the members of the Company along with the requisite deposit amount, proposing appointment of Mr. Anuj Patodia as Director of the Company.

Mr. Anuj Patodia has a vast experience in the sphere of Management. He has worked extensively in the textile sector with a special focus on Apparel and has been instrumental in the development of various business.

The Board accordingly recommends the Ordinary Resolution set out at item no.6, of the accompanying Notice for the approval of the Members.

None of the Directors of the Company except Mr. Anuj Patodia is or is deemed to be interested in the Resolution.

ITEM No. 7

The Board of Directors of the Company at its Meeting held on 18th April, 2012, appointed Mr. Sudhir Jatia, as the Managing Director of the Company for a period of 3 years with effect from 18th April 2012 upto and including 17 April, 2015, subject to the approval of the members in the Annual General Meeting. Subsequently the Board at its meeting held on 29th May 2012 approved recommendation of Remuneration Committee with respect to Draft Employment Agreement to be executed between the Company and Mr. Sudhir Jatia and remuneration payable to him as Managing Director on following terms and conditions:

1. Salary: Rs. 1,00,000/- per month.
2. In addition to salary above, the Managing Director will be allowed the following perquisites subject to a ceiling of Rs.3,00,000/- per annum.
 - i. Medical Reimbursement:
Reimbursement of actual expenses for self and family as per rules of the Company, not exceeding one month's salary in a year.
 - ii. Leave Travel Concession:
For self and family once in a year as per rules of the company.
 - iii. Personal Accident Insurance:
Personal Accident Insurance of an amount, the annual premium of which shall be paid as per the Rules of the Company.
 - iv. Provident Fund
The Company's contribution not to exceed 12% of basic salary.
 - v. Superannuation fund
The Company's contribution not to exceed 15% of basic salary.
 - vi. Gratuity
As per the rules of the Company.
 - vii. Earned / Privilege leave
As per the rules of the Company.

Allowance not forming part of perquisites:

- a. Car: The Company shall provide a car for the Company's business and, if no car is provided reimbursement of the conveyance shall be made on actual basis.
- b. Telephone: Free use of telephone at his residence for official use, provided that personal long distance calls on the telephone shall be billed by the Company to the Managing Director.
- c. Reimbursement of Expenses: The Managing Director shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business.

In case of inadequacy of profits the appointee shall be eligible to the following perquisites which shall not be included in the computation of the remuneration 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.

Other salient features of terms of appointment inter alia are as under:

- i. The Managing Director shall not be liable to retire by rotation.
- ii. The Managing Director shall not be paid any sitting fees for attending any meeting of the Board/ Committee(s)/ General Meeting(s)
- iii. 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.
- iv. The Agreement may be terminated by either party by giving the other party six months notice.

- v. If at any time the appointee ceases to be a Director of the company for any cause whatsoever, he shall cease to be the Managing Director in terms of the Agreement and the Agreement shall forthwith terminate.
- vi. The Managing Director 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 services as shall from time to time be entrusted to him by the Board of Directors.

Part III, of Schedule XIII of the Companies Act, 1956, provides that the appointment and remuneration of Managing Directors and Whole-time Directors in accordance with Part I and Part II of the Schedule shall be subject to approval by resolution of the shareholders in a General Meeting.

Accordingly, the Resolution as set out in Item No. 7 is proposed for approval of the members for appointment of Mr. Sudhir Jatia, as the Managing Director as contemplated by Part III of Schedule XIII of the Companies Act, 1956, and all other applicable provisions, if any.

The Board recommends approval of the above resolution for appointment of Mr. Sudhir Jatia, as Managing Director of the Company.

None of the Directors, except Mr. Sudhir Jatia, being the appointee himself, is interested in the proposed resolution.

The Draft Agreement to be entered into with Mr. Sudhir Jatia will be open for inspection by members at the Registered Office of the Company on all working days [except Saturdays, Sundays and public holidays] between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

This explanation together with the accompanying Notice is and should be treated as an abstract of the terms of appointment of Mr. Sudhir Jatia, as the Managing Director of the Company under Section 302 of the Companies Act, 1956.

ITEM No. 8 & 9

The Company is in the process of exploring various growth opportunities. In order to enable the Board to grab any future growth opportunities, it is deemed appropriate to increase the Authorised Share Capital of the Company from Rs. 3 crores to Rs.10 crores and for that purpose, the Memorandum of Association and the Articles of Association of the Company are proposed to be suitably altered as set out at item Nos. 8 and 9 of the accompanying Notice and the resolutions to be passed are enabling resolutions.

The provisions of the Companies Act, 1956 require the Company to seek the approval of the Members for increasing the Authorised Share Capital and for the alteration of capital clause of the Memorandum of Association and the Articles of Association of the Company.

The said resolutions are being recommended for the approval of members.

None of the directors of the Company is directly or indirectly concerned or interested in this Resolution.

ITEM No. 10

The Company is exploring various opportunities for its all round growth through rationalisation of its operations entailing outlay of funds. The increasing business operations and future growth plans would necessitate requirement for funds.

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the approval of the shareholders is required for authorizing the Board of Directors to borrow money/moneys, where the amount to be borrowed together with the amount already borrowed by the company exceeds the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose. The shareholders of the Company have already accorded their approval to the Board of Directors of the Company to borrow money/moneys upto an amount of Rs 20 Crores by passing an Ordinary Resolution at the General Meeting held on 22.09.1993. It is proposed to enhance the said borrowing limit from Rs. 20 Crores to Rs. 50 Crores.

The said Ordinary Resolution is being recommended for the approval of members.

None of the directors of the Company is directly or indirectly concerned or interested in this Resolution.

ON BEHALF OF THE BOARD OF DIRECTORS
For SAFARI INDUSTRIES (INDIA) LIMITED

Dated : 29th May, 2012
Place : Mumbai

SUDHIR JATIA
Managing Director

DIRECTORS' REPORT

To

The Members,

Your Directors present the 32nd Annual Report together with Audited Statement of Accounts of the company for the year ended 31st March, 2012.

1. FINANCIAL RESULTS

	YEAR ENDED 31.03.2012 RS. LACS	YEAR ENDED 31.03.2011 RS. LACS
Sales, Income from Operations & Other Income	6205.71	6711.10
Gross profit	257.62	671.38
Interest	283.09	250.97
Depreciation	40.02	36.16
Profit/ (Loss) before Tax	(65.49)	384.25
Less: Tax provisions		
Current Tax	-	(109.91)
Deferred tax	(5.41)	(5.82)
Taxes of earlier years	-	(3.90)
Profit/(Loss) after Tax	(70.90)	264.62
Profit brought forward from previous year	520.34	369.05
Profit available for appropriation	449.44	633.67

APPROPRIATIONS:

Transfer to General Reserve	-	26.46
Proposed Dividend	-	74.75
Tax on Proposed Dividend	-	12.13
Balance Carried to B/Sheet	449.44	520.33

2. DIVIDEND

In view of losses for the year your directors do not recommend any dividend for the year under review.

3. PERFORMANCE

Sales and other income decreased by 7.52% from Rs. 6711.10 lakhs of the previous year to Rs.6205.71 lakhs. The drop in sales is mainly on account of 30% degrowth in sales of Hard Luggage due to falling demand. However, the encouraging part is that the Company has reported a growth of more than 40% in soft luggage sales over previous year.

The company made a gross profit of Rs 257.62 lacs as against Rs.671.38 lacs in the previous year and incurred a net loss of Rs. 70.90 lacs for the current year as against profit of Rs.264.62 lacs in the previous year. The loss for the year is mainly on account of exchange loss of Rs.130.87 lacs and significant increase in raw material cost due to rising commodity prices. As on 31st March, 2012, the Reserves and Surplus of your Company are at Rs.985.04 lacs.

4. OUTLOOK FOR THE CURRENT YEAR

The outlook is positive as demand for Travel Goods remains strong. However, margins are likely to be under pressure due to steep depreciation of the Rupee. Barring unforeseen circumstances, the Company hopes to achieve improvement in Sales and Profitability as there is an increasing demand for soft luggage and your company is well equipped to grab huge potential in this area by maximizing its share of this growth.

5. FIXED DEPOSITS

Fixed Deposits from public and shareholders as on 31st March 2012, aggregated to Rs.189.90 lakhs. The Company has paid interest on all fixed deposits due and claimed.

6. DIRECTORS

Pursuant to execution of share purchase agreement and completion of open offer made as per SAST, 2011 Mr. Sudhir M. Jatia (Promoter) and Mrs. Neeti S. Jatia (PAC) have directly and indirectly acquired, on 18th April, 2012, 22,95,933 equity shares of the company, aggregating to 76.79% of the paid up capital of the Company.

Shri Niraj Goyal, Shri Mulchand K. Sheth, Shri Yugesh S. Mehta and Dr. Jagdish N. Sheth have resigned due to their pre-occupation.

Your Directors place on record their appreciation of valuable services rendered and guidance given by them during their tenure as Directors of the Company.

Mr. Sudhir Jatia, Mr. Anuj Patodia and Mr. Punkaj Lath were appointed as Additional Directors.

Mr. Amul S. Mehta relinquished his position as Managing Director and Mr. Sudhir Jatia has been appointed as Managing Director of the Company.