



Annual Report 2012-2013

33RD ANNUAL GENERAL MEETING

Wednesday, 31st July 2013
 at 11.30 a.m.
 at Kilachand Conference Room,
 2nd Floor, IMC Building,
 Indian Merchants' Chamber Marg,
 Churchgate, Mumbai 400 020.

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BOARD OF DIRECTORS

Shri Amul Mehta
 (Chairman)

Shri Sudhir Jatia
 (Managing Director)

Shri Shailesh Mehta

Shri Anuj Patodia

Shri Punkaj Lath

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@safari.in

FACTORY :

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

BANKERS :

Central Bank of India Limited
 Axis Bank Limited

LEGAL ADVISORS:

ALMT Legal
 Advocates & Solicitors

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.: 91-22-4227 0400, 2859 4060 / 6060
 E-mail: investorgrievances@adroitcorporate.com

FINANCIAL HIGHLIGHTS

	(₹ '000)				
	2008-09	2009-10	2010-11	2011-12	2012-13
1 Gross Sales	659,027	655,912	767,819	703,091	1,037,744
2 Less: Excise	48,461	35,800	46,932	31,370	38,419
3 Less: Vat & CST	55,501	56,723	63,485	55,061	65,289
4 Net Sales	555,065	563,389	657,402	616,660	934,036
5 Other Income	2,347	5,999	11,088	3,910	7,155
6 Total Income	557,412	569,388	668,490	620,570	941,191
7 Total Expenditure	522,395	512,290	601,352	594,808	898,846
8 Gross Profit	35,017	57,098	67,138	25,762	42,345
9 Interest	25,938	22,264	25,097	28,309	30,572
10 Depreciation	6,240	4,293	3,616	4,002	4,323
11 Deferred Revenue Exp. W/off	1,403	5,985	-	-	-
12 Exceptional Items	-	-	-	-	18,872
13 Profit/(Loss) Before Tax	1,436	24,556	38,425	-6,549	-11,422
14 Provision for Tax & Deff. Tax	1,300	5,253	11,963	541	-5,196
15 Profit/(Loss) After Tax	136	19,303	26,462	-7,090	-6,226
16 Dividend & Dividend Tax	-	6,996	8,688	-	-
17 Retained Earnings	26,529	36,905	52,034	44,944	38,717
18 Share Capital	29,900	29,900	29,900	29,900	29,900
19 Reserves & Surplus	78,596	88,405	106,761	100,212	88,790
20 Shareholders' Funds	108,496	118,305	136,661	130,112	118,690
21 Loan Funds	135,441	103,762	156,635	179,948	248,793
22 Total Capital Employed	243,937	222,067	293,296	310,606	367,483
23 Gross Block	172,403	168,206	169,209	172,247	164,490
24 Net Block	29,614	25,315	30,623	29,659	40,747
25 Net Current Assets	208,338	196,752	262,673	280,401	326,736
26 Miscellaneous Expenditure	5,985	-	-	-	-
27 Total Assets	243,937	222,067	293,296	310,606	367,483
28 Gross Profit Margin %	6.28	10.03	10.04	4.15	4.50
29 Dividend %	-	20.00	25.00	-	-
30 Book Value Per Share (₹)	34.28	39.57	45.71	43.52	39.70
31 Cash Earning Per Share (₹)	2.60	9.89	10.06	-1.03	5.68
32 Earning Per Share (₹)	0.05	6.46	8.85	-2.37	-2.08
33 Return on Net Worth %	0.13	16.32	19.36	-5.45	-5.25
34 Return on Capital Employed %	14.35	25.71	22.89	8.31	11.52
35 Asset Turnover Ratio	22.25	25.91	25.07	23.71	25.47
36 Inventory Turnover Ratio	4.90	5.09	4.71	3.02	3.55
37 Debt Equity Ratio	1.32	0.88	1.15	1.38	2.10
38 Current Ratio	2.30	2.21	2.23	2.44	1.91

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the members of Safari Industries (India) Limited will be held on Wednesday, 31st day of July, 2013, at Kilachand Conference Room, 2nd Floor, IMC Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020 at 11.30 am, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, 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. Shailesh Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Punkajj Lath, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 reappointed 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."

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

Dated : 13th May, 2013
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 25th July, 2013 to 31st July, 2013 (both days inclusive).
- iv. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID 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 Share Transfer Agents.
- vii. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend declared by the Company which remains unpaid or unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund of the Central Government. Accordingly unclaimed dividend upto the financial year 2004-05 have been transferred to the Investor Education and Protection Fund of the Central Government of India.
- viii. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2010 or 31st March, 2011 are requested to make their claims to the office of the Registrar & Share 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.
- ix. Applicable Listing Fees for the financial year 2013-14 have been paid to the Bombay Stock Exchange Ltd up to date.
- x. Members are informed that in accordance with Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA), Government of India, companies are allowed to send documents like Notice of General Body Meetings, Audited Financial Statements, Directors' Reports, Auditor's Report etc. to the members in the electronic form by e-mail.

Recognizing the spirit of these Circulars, the Company encourages its shareholders to help it reduce printing, paper, postage and environmental impacts and costs by opting to receive shareholder documents (including the Annual Report) electronically. We believe shareholders who receive these documents electronically receive information more quickly and simply.

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

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

SUDHIR JATIA
Managing Director

Dated : 13th May, 2013
Place : Mumbai

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the Thirty Third Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended as on 31st March, 2013.

1. FINANCIAL RESULTS

	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Revenue from Operations & Other Income	9,411.91	6,205.71
Gross Profit	423.45	257.62
Interest	305.72	283.09
Depreciation	43.23	40.02
Profit/ (Loss) before Tax and Exceptional Items	74.50	(65.49)
Less:Exceptional Items Expense/ (Income)	188.72	Nil
Profit / (Loss) from ordinary activities before tax	(114.22)	(65.49)
Tax Expenses:		
Current Tax	Nil	Nil
Deferred Tax	51.96	(5.41)
Profit/(Loss) after Tax	(62.26)	(70.90)
Profit brought forward from previous year	449.43	520.33
Profit available for appropriation	387.17	449.43

Appropriations:

Transfer to General Reserve	Nil	Nil
Proposed Dividend	Nil	Nil
Tax on Proposed Dividend	Nil	Nil
Balance Carried to B/Sheet	387.17	449.43

2. PERFORMANCE REVIEW

The Revenue from Operations and Other Income of the Company for the financial year 2012-13 stood at ₹ 9412 lacs as against last year's ₹ 6206 lacs. The Profit before exceptional items was ₹ 74 lacs as against a loss of ₹ 65 lacs of the previous year. The Net loss for the year stood

at ₹ 62 lacs as against the net loss of ₹ 71 lacs of the previous year.

3. DIVIDEND

In view of the losses for the year and also in order to conserve reserves for the future growth of the Company, the Board of Directors do not recommend any dividend on the equity shares of the Company for the year ended 31st March 2013.

4. OUTLOOK FOR THE CURRENT YEAR

In recent times the demand for luggage has grown significantly with the consumer trend shifting towards new and trendy designed products. The focus of the Company has always been on fulfilling the needs of the customers and hence keeping in mind the aforesaid trend, the Company is constantly working towards offering better products and value for money to its customers.

The Company is currently in the process of setting up a Poly Carbonate Plastic luggage project at its factory at Halol, Gujarat, which will facilitate manufacturing of Poly Carbonate Plastic luggage. Poly Carbonate Plastic luggage is the new trend in the luggage industry and is increasingly gaining popularity. Going forward, the Company also proposes to focus on introducing new product lines such as laptop bags, back packs, etc. which are fast selling items. The Company is also exploring various new channels of marketing and retail and has tied up with renowned hypermarket chains such as D'mart, Reliance Retail, Big Bazaar, Bharti Walmart, etc.

In view of the above, the outlook for the current year looks quite positive, excepting unfavourable impact, if any, on account of depreciation of rupee or other unforeseen circumstances.

5. FIXED DEPOSITS

During the year under review, the Company has invited fresh Fixed Deposits from its shareholders and general public. Fixed deposits accepted from the shareholders and public and outstanding as on 31st March 2013, aggregated to ₹ 366.05 Lacs.

As of 31st March 2013, all claimed deposits have been paid. Also, there is no default in payment of interest and repayment of matured deposits.

DIRECTORS' REPORT (contd..)

Unclaimed deposits as on 31st March 2013 were ₹ 2,00,000/- which have since date been paid.

6. TRANSFER TO INVESTORS' EDUCATION AND PROTECTION FUND

In accordance to the provisions of Section 205 C of the Companies Act, 1956, the Company has transferred the unclaimed dividend relating to the financial year 2004-05 to the Investor Education and Protection Fund.

7. DIRECTORS

In terms of the provisions of the Companies Act 1956 and the Articles of Association of the Company, Shri. Shailesh Mehta and Shri. Punkaj Lath retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

8. 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 have been followed along with proper explanation relating to material departures.
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments 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 have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared the annual accounts on 'a going concern' basis.

9. COST AUDIT

In accordance with the Cost Audit Branch Order dated 6th November 2012 read with Section 233B of the Companies Act, 1956 and the Companies (Cost Accounting Records) Rules, 2011, the Company is required to get its cost accounting records audited by a cost auditor in respect of financial year commencing on or after 1st January 2013. The Company will accordingly comply with the same. The compliance certificate of the Cost Auditors in respect of Cost Accounting records for the year ended as on 31st March 2013 will be submitted to the Central Government in due course.

10. AUDITORS

M/s. Bansi S. Mehta & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting. They have submitted a certificate in accordance with Section 224(1)(b) of the Companies Act, 1956, confirming their eligibility and willingness for re-appointment. The Directors recommend their reappointment by the Members at the forthcoming Annual General Meeting.

11. COMMENT ON AUDITORS' REMARKS

Note No. 24 to 38 of the Accounts 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.

12. PARTICULARS OF EMPLOYEES

During the year under review, there was no employee covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

13. LISTING OF SHARES

The equity shares of the Company are listed on the Bombay Stock Exchange, situated at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

DIRECTORS' REPORT (contd..)

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

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.

15. ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere thanks to all the employees of the Company for their

continuing commitment and dedication. Further, the Directors would also like to express their gratitude for the continued support of all the stakeholders such as banks, financial institutions, various State and Central Government authorities, customers, vendors and last but not the least our valued shareholders, for all their support and trust reposed in the Company.

ON BEHALF OF THE BOARD OF DIRECTORS

SUDHIR JATIA Managing Director

ANUJJ PATODIA Director

Place: Mumbai

Dated : 13th May, 2013

DIRECTORS' 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 Report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY :

(a) Energy conservation measures taken :

Power is not a major input in the Company's manufacturing process. Therefore no substantial conservation of energy is possible. However efforts have been made to install energy saving devices and greater awareness has been brought about among the employees 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 Report of the Board of Directors) Rules, 1988, is not applicable to the Company.

(B) TECHNOLOGY ABSORPTION :

(e) Efforts made in technology absorption as per Form B of the Rules, given below:

RESEARCH AND DEVELOPMENT (R & D) :

(i) Specific areas in which R&D is carried out by the Company:

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.

(ii) Benefits derived as a result of above R & D:

- Optimized mould loading, optimized cycle time, better and efficient machine performance and reduction in down time thereby leading to increased productivity
- Introduction of new and better models.

(iii) Future plan of action:

- Review of water cooling system in Injection moulding machines
- Perpetual oil cleaning process for moulding machines.

(iv) Expenditure on R & D:

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

(i) Efforts made towards technology absorption, adaptation and innovation : Company's manufacturing process is based mainly on indigenous technology.

(ii) Benefits derived as a result of the above efforts : Not applicable.

(iii) Information regarding technology imported during the last five years: Not applicable.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

(f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: None

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

	(₹ in lacs)
Used	3,177.63
Earned	Nil

ON BEHALF OF THE BOARD OF DIRECTORS

SUDHIR JATIA Managing Director
ANUJJ PATODIA Director

Place: Mumbai

Dated : 13th May, 2013

INDEPENDENT AUDITORS' REPORT

The Members,
SAFARI INDUSTRIES (INDIA) LIMITED.

Report on the Financial Statements

1. We have audited the accompanying financial statements of Safari Industries (India) Ltd., which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and Significant Accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

4. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and Other Explanatory Information thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013,
 - ii. In the case of the Statement of Profit & Loss, of the loss for the year ended on that date, and
 - iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

5. As required by the Companies' (Auditor's Report) Order, 2003, as amended, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a Statement, on the basis of such checks as we considered appropriate and the information and explanations given to us, on the matters specified in paragraph 4 of the said Order.
6. As required by Section 227(3) of the Act, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - iii. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. On the basis of the written representation received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For **BANSI S. MEHTA & CO.**

Chartered Accountants
(Firm Regn. No. 100991W)

H. G. Buch
Partner
(M. No. 33114)

Mumbai
Dated : 13th May, 2013