

*Safari Industries (India) Ltd
Annual Report 2013-14*



34TH ANNUAL GENERAL MEETING

Monday, 28th July 2014
 at 12.30 p.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 Sudhir Jatia**

(Chairman & Managing Director)

Shri Shailesh Mehta**Shri Anuj Patodia****Shri Punkaj Lath**

Shri. Dalip Sehgal (wef 08.11.2013)

Shri. Amul Mehta (upto 24.07.2013)

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
 (T) +91-22-40381888
 (F) +91-22-40381850
 (E) investor@safari.in
 www.safari.in

CIN :

L25200MH1980PLC022812

FACTORY :

1701/2200/2201, GIDC Industrial Estate,
 Halol 389 350
 Dist Panchmahal (Gujarat)

BANKERS :

Central Bank of India
 Axis Bank Limited

AUDITORS :

M/s. Bansi S. Mehta & Co.
 Chartered Accountants

LEGAL ADVISORS:

M/s. ALMT Legal
 Advocates & Solicitors

REGISTRAR & SHARE TRANSFER AGENT :

Adroit Corporate Services Pvt. Ltd.
 19, Jafarbhoj 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)				
	2009-10	2010-11	2011-12	2012-13	2013-14
1 Gross Sales	655,912	767,819	703,091	1,037,744	1,827,284
2 Less: Excise Duty	35,800	46,932	31,370	38,419	48,090
3 Less: VAT & CST	56,723	63,485	55,061	65,289	114,534
4 Net Sales	563,389	657,402	616,660	934,036	1,664,660
5 Other Income	5,999	11,088	3,910	7,155	5,863
6 Total Income	569,388	668,490	620,570	941,191	1,670,523
7 Total Expenditure	512,290	601,352	594,808	898,846	1,599,519
8 Gross Profit	57,098	67,138	25,762	42,345	71,004
9 Interest	22,264	25,097	28,309	30,572	50,053
10 Depreciation	4,293	3,616	4,002	4,323	12,785
11 Deferred Revenue Exp. W/off	5,985	-	-	-	-
12 Exceptional Items	-	-	-	18,872	2,770
13 Profit/(Loss) Before Tax	24,556	38,425	(6,549)	(11,422)	5,397
14 Provision for Tax & Deff. Tax	5,253	11,963	541	(5,196)	4,236
15 Profit/(Loss) After Tax	19,303	26,462	(7,090)	(6,226)	1,161
16 Dividend & Dividend Tax	6,996	8,688	-	-	-
17 Retained Earnings	36,905	52,034	44,944	38,717	39,878
18 Share Capital	29,900	29,900	29,900	29,900	29,900
19 Reserves & Surplus	88,405	106,761	100,212	88,790	94,186
20 Shareholders' Funds	118,305	136,661	130,112	118,690	124,086
21 Loan Funds	103,762	156,635	179,948	373,408	542,783
22 Total Capital Employed	222,067	293,296	310,060	492,098	666,869
23 Gross Block	168,206	169,209	172,247	164,490	253,596
24 Net Block	25,315	30,623	29,659	40,747	121,462
25 Net Current Assets	196,752	262,673	280,401	451,351	545,407
26 Total Assets	222,067	293,296	310,060	492,098	666,869
27 Dividend %	20.00	25.00	-	-	-

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Members of Safari Industries (India) Limited will be held on Monday, 28th day of July, 2014, at Kilachand Conference Room, 2nd Floor, IMC Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020 at 12.30 pm, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss for the year ended as on that date and the Reports of the Board of Directors and Auditors thereon.
2. 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 this 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 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), 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.”

SPECIAL BUSINESS :

3. 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 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. Anuj Patodia (holding DIN No. 00026458), Director of the Company, who retires by rotation at this Annual General Meeting, in respect of whom a notice is received, in writing, from a member proposing his candidature for office of Director, be and is hereby appointed as a Non- Independent Non-Executive Director of the Company, whose term of office shall be subject to retirement by rotation at the Annual General Meetings of the Company.”

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Punkaj Lath (holding DIN No. 00172371), Director of the Company, who retires by rotation at this Annual General Meeting, in respect of whom a notice is received, in writing, from a member proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from 28th July 2014 upto 27th July 2019.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV of the Companies Act, 2013, Dr. Shailesh Mehta (holding DIN No. 01633893), Director of the Company, who retires by rotation at this Annual General Meeting, in respect of whom a notice is received, in writing, from a member proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from 28th July 2014 upto 27th July 2019.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provision, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Dalip Sehgal (holding DIN No. 00217255), whose term of office as an Additional Director of the Company, expires on the date of this Annual General Meeting and in respect of whom a notice is received, in writing, from a member proposing his candidature for office of Director, be and is hereby appointed as a Director, designated as an Independent Director of the Company to hold office for a term of five consecutive years with effect from 28th July 2014 upto 27th July 2019.”

7. 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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Y.R. Doshi & Co., Cost Accountants, appointed by the Board of Directors of the Company, to conduct audit of the cost records of the Company for the financial year ending 31st March 2015, be paid a remuneration of Rs. 45,000/- plus service tax, 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**

SUDHIR JATIA

Chairman & Managing Director

Date : 10th May, 2014

Place : Mumbai

NOTES :

- i. A statement pursuant to Section 102 of the Companies Act 2013 in respect of the Special Business to be transacted at the meeting is annexed hereto.
- ii. **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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the Company.
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. A proxy form for the Annual General Meeting is enclosed herewith.
- iii. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 22nd July, 2014 to 28th July, 2014 (both days inclusive).
- iv. Members who hold shares in dematerialized 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 205C of the Companies Act, 1956, 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. The 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 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 2014-15 have been paid to the Bombay Stock Exchange Ltd up to date.
- x. Electronic copy of the Annual Report for the financial year 2013-14 is being sent to all members whose email IDs are registered with the Company/ Depository participant for communication purpose unless a member has requested for hard copy of the same. For members who have not registered their email address, the Annual Report is being sent in the permitted mode.
- xi. 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.
- xii. Members to whom the above documents have been sent in email are entitled to receive the same in physical form, upon request. The request may be sent in writing to the Registrar & Share Transfer Agent of the Company or the Company at its Registered Office or on safari.gogreen@adroitcorporate.com or info@adroitcorporate.com.
- xiii. The Notice of the 34th Annual General Meeting & the Annual Report for the financial year 2013-14 are also available on the Company's website www.safari.in. The relevant documents referred in the Notice and Statement are available for inspection at the Registered Office of the Company during business hours (9.00 am to 5.00 pm) on all working days.

xiv. Voting through electronic means

In accordance to the provisions of Section 108 and Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to provide to its members facility to exercise their right to vote at the 34th Annual General Meeting of the Company by electronic means.

Process of electronic voting:

Members are requested to follow the instructions below to cast their vote through e-voting:

- In case of Members whose email IDs are registered with the Company/ Depository Participant, an email will be sent to the Members by NSDL containing the User ID & password for the e-voting process. On receiving the email, the following procedure is to be followed:
 - a) Open the email and download the pdf file with your Client ID or Folio No. as password. This file will contain your user ID & password for the e-voting process. This password is an initial password.
 - b) Launch the internet browser by typing www.evoting.nsdl.com.
 - c) Select shareholder login.
 - d) Enter the User ID & password as Initial password. Click login.
 - e) If you are logging in for the first time, the change password menu will appear. Change the password as per your choice. The password should contain minimum 8 digits/characters or combinations thereof. It is strongly recommended that you do not share your password with any person and take utmost care of its confidentiality.
 - f) The home page of the e-voting will open and you may click on e-voting: active voting cycles.
 - g) Select 'Even' of Safari Industries (India) Limited.
 - h) As the cast vote page opens, you are now ready to cast your vote.
 - i) You may cast your vote by selecting appropriate option and then click on 'submit' and then 'confirm' when prompted.
 - j) Upon confirmation, the message, 'vote cast successfully' will appear.

- k) Kindly note, votes once cast, cannot be modified.
- l) Institutional investors are required to send a scanned copy of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote, to the Scrutinizer through email to ramakant.kini@sterlingassociates.in.
- For members whose email ID is not registered with the Company or Depository Participant, they will receive a physical copy of the Notice of AGM and the User name & Initial password will be provided in the Annexure thereto as follows:

EVEN (E-voting Event No.)	USER ID	PASSWORD/PIN

The steps mentioned in (a) to (l) above are to be followed to cast the vote.

- In case of any queries, you may refer to the frequently asked questions (FAQs) for shareholders & e-voting user manual for shareholders, available under the Downloads section of www.evoting.nsdl.com.
- If you are already registered with NSDL for e-voting then you can use your existing use ID and password/PIN for casting your vote.
- You may also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
- The e-voting period commences on 21st July 2014 (9.00 am) and ends on 23rd July 2014 (6.00 pm).
- Once the vote on a particular resolution is cast by the shareholder, the shareholder will not be allowed to change the same.
- The shareholders holding shares in physical and dematerialized form, as on cut-off date 20th June 2014 may cast their vote electronically in proportion to their shares of the paid up equity share capital.
- Mr. Ramakant Kini, Advocate has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes cast in presence of atleast 2 witnesses who are not persons in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The Results of the e-voting process will be declared after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.safari.in and on the website of NSDL within 2 (two) working days of the passing of the resolutions at the Annual General Meeting of the Company and communicated to the Bombay Stock Exchange Ltd.

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

SUDHIR JATIA

Chairman & Managing Director

Date : 10th May, 2014

Place : Mumbai

Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting

Item no. 3

Mr. Anuj Patodia was appointed as a Director of the Company at the 32nd AGM of the Company held on 31st July 2012. He is a member of the Nomination and Remuneration Committee, Stakeholders' Relationship Committee and the Audit Committee of the Board of Directors of the Company.

Mr. Anuj Patodia has vast experience in the sphere of management and has been instrumental in the development of realty business. In the past, he has worked extensively in the textile sector with a special focus on apparel.

Mr. Patodia's other Directorships include Prime Urban Development India Limited, Purav Trading Limited, Aadarsh Jann Aawaash Limited, Pee Dee Yarn Processors Limited, ATL Textile Processors Limited, ATL-Selina Innerwear Pvt. Ltd., Anjana Syntex Company Limited, Pat Credit Limited, Prime Vista Power Generation Limited and Prime Team 3 Project Development International Pvt. Ltd. Mr. Patodia does not hold any shares of the Company.

In terms of Section 152 of the Companies Act 2013 and rules made thereunder it is proposed to appoint him as Non-Independent, Non-Executive Director of the Company eligible to retire by rotation. A notice has been received from a member proposing Mr. Patodia as a candidate for the office of Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Patodia as a Director of the Company.

The Board accordingly recommends the Ordinary Resolution set out in Item no. 3 of the accompanying Notice for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company including their relatives, except Mr. Anuj Patodia, are concerned or interested, financially or otherwise in the said Resolution.

Item no. 4

Mr. Punkaj Lath was appointed as a Director of the Company at the 32nd AGM of the Company held on 31st July 2012. He is the Chairman of the Stakeholders Relationship Committee and the Nomination and Remuneration Committee and a member of the Audit Committee of the Board of Directors of the Company.

Mr. Punkaj Lath is a commerce graduate from Mumbai University. He started his career with a company exporting fashion accessories to USA and other parts of the world and was instrumental in setting up marketing channels in various countries. 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, recognized 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. This Company has won many export awards from Government Export Promotion Councils.

Mr. Lath's other Directorships include Euro Vistaa (India) Limited, Euro Vistaa (Overseas) Private Limited, Punit Fibers Private Limited and Alliance Trading Co. Pvt. Ltd. Mr. Lath does not hold any shares of the Company.

In terms of Section 149, 150 & 152 of the Companies Act 2013 and rules made thereunder it is proposed to appoint him as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 28th July 2014 to 27th July 2019. A notice has been received from a member proposing Mr. Lath as a candidate for the office of Director of the Company.

The Board considers that Mr. Lath fulfills the conditions specified in the Companies Act 2013 and rules made thereunder and that he is independent of the management of the Company. His continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Lath as an Independent Director of the Company.

The Board accordingly recommends the Ordinary Resolution set out in Item no. 4 of the accompanying Notice for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company including their relatives, except Mr. Punkaj Lath, are concerned or interested, financially or otherwise in the said Resolution.

Item no. 5

Dr. Shailesh J. Mehta has been on the Company's Board since 2007. He is the Chairman of the Audit Committee and a member of the Stakeholders' Relationship Committee and the Nomination & Remuneration Committee of the Board.

Dr. Mehta has done his B. Tech - Mechanical Engineering from Indian Institute of Technology, Mumbai, M.S. Operations Research, Computer Science and Ph.D in Operations Research and Computer Science from Cleveland, USA. He also has honorary Ph.D. from California State University. He is the founder and managing general partner of Granite Hill Capital Partners, an India-focused private equity fund. He is the former Chairman & CEO of Providian Financial Corp. Dr. Mehta joined the founding team of Providian Financial and successfully built it to a Fortune 300 company with over US\$30 billion in assets and over 18 million customers. He has also been general partner with Invesco funds and operating general partner of Sequoia India.

Dr Mehta's other Directorships include Firstsource Solutions Limited, Manappuram Finance Limited, Aptus Value Housing Finance India Limited, Seed Infotech Limited, All Services Global Private Limited, G H Infotech Services Private Limited, ABP Realty Advisors Private Limited and Netafim Agricultural Financing Agency Private Limited. Dr. Mehta does not hold any shares of the Company.

In terms of Section 149, 150 & 152 of the Companies Act 2013 and rules made thereunder it is proposed to appoint him as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 28th July 2014 to 27th July 2019. A notice has been received from a member proposing Dr. Mehta as a candidate for the office of Director of the Company.

The Board considers that Dr. Mehta fulfills the conditions specified in the Companies Act 2013 and rules made thereunder and that he is independent of the management of the Company. His continued association would be of immense benefit to the Company and hence it is desirable to continue to avail services of Dr. Mehta as an Independent Director of the Company.

The Board accordingly recommends the Ordinary Resolution set out in Item no. 5 of the accompanying Notice for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company including their relatives, except Dr. Shailesh Mehta are concerned or interested, financially or otherwise in the said Resolution.

Item no. 6

Mr. Dalip Sehgal was appointed as an Additional Director by the Board of Directors of the Company on 8th November 2013.

Mr. Sehgal is a graduate in Economics with Honors from the University of Delhi and has also done his MBA with specialization in marketing from FMS, Delhi. He has over 32 years of experience in the corporate world and has been associated with companies such as Tatas in Forbes, Forbes & Campbell, Hindustan Lever and Unilever. During his 25 year tenure in Unilever, he has worked on various sales and marketing assignments across various businesses. In the past he has served on the Board of Godrej Hershey Ltd as Managing Director & CEO and Godrej Consumer Products, as Managing Director.

Mr. Sehgal's other Directorships include Graviss Hospitality Limited, Jephersons Communications Pvt. Ltd., Graviss Hotels & Resorts Ltd, Graviss Food Solutions Pvt. Ltd., Graviss Dairy Pvt Ltd., Mastroke Hospitality Pvt Ltd, Graviss Retail Pvt Ltd, Graviss Restaurants Pvt Ltd and Graviss Fast Foods Pvt Ltd. Mr. Sehgal does not hold any shares of the Company.

In terms of Section 149, 150 & 152 of the Companies Act 2013 and rules made thereunder it is proposed to appoint him as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 28th July 2014 to 27th July 2019. A notice has been received from a member proposing Mr. Sehgal as a candidate for the office of Director of the Company.

The Board considers that Mr. Sehgal fulfills the conditions specified in the Companies Act 2013 and rules made thereunder and that he is independent of the management of the Company. His continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sehgal as an Independent Director of the Company.

The Board accordingly recommends the Ordinary Resolution set out in Item no. 6 of the accompanying Notice for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company including their relatives, except Mr. Dalip Sehgal, are concerned or interested, financially or otherwise in the said Resolution.

Item no. 7

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Y.R. Doshi & Co., Cost Accountants to conduct audit of the cost records of the Company for the financial year ending 31st March 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item no. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2015.

None of the Directors and Key Managerial Personnel of the Company including their relatives, are in any way, concerned or interested, financially or otherwise in the said Resolution.

The Board accordingly recommends the Ordinary Resolution set out in Item no. 7 of the accompanying Notice for the approval of the Members.

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

Date : 10th May, 2014
Place : Mumbai

SUDHIR JATIA
Chairman & Managing Director

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the Thirty Fourth 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, 2014.

I. FINANCIAL RESULTS

	2013-14 ₹ in Lacs	2012-13 ₹ in Lacs
Total Revenue	16705.23	9411.91
Profit before Interest, Depreciation, Tax , exceptional items and exchange loss	1086.01	479.00
Exchange Loss	375.97	55.55
Interest	500.53	305.72
Depreciation	127.85	43.23
Profit before Tax and Exceptional Items	81.66	74.50
Less:Exceptional Items	27.70	188.72
Profit / (Loss) from ordinary activities before tax	53.96	(114.22)
Tax Expenses:		
Current Tax	Nil	Nil
Deferred Tax	(42.36)	51.96
Profit/(Loss) after Tax	11.60	(62.26)
Profit brought forward from previous year	387.17	449.43
Profit available for appropriation	398.78	387.17
Appropriations:		
Transfer to General Reserve	Nil	Nil
Proposed Dividend	Nil	Nil
Tax on Proposed Dividend	Nil	Nil
Balance Carried to B/Sheet	398.78	387.17

2. PERFORMANCE REVIEW

Total Revenue of the Company for the financial year 2013-14 stood at ₹16705.23 lakhs as against last year's ₹ 9411.91 lakhs. Profit before exchange loss is at ₹ 1086.01 lakhs as against ₹ 479.00 lakhs for the previous year. The Profit before

extraordinary and exceptional items was ₹ 81.66 lakhs as against ₹ 74.50 lakhs of the previous year. The Net Profit for the year stood at ₹ 11.60 lakhs as against the net loss of ₹ 62.26 lakhs of last year.

3. DIVIDEND

In view of marginal profit for the current year and 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 2014.

4. OUTLOOK FOR THE CURRENT YEAR

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

As planned, the Company has successfully launched the poly carbonate luggage range in the month of March, 2014. Poly Carbonate Plastic luggage is the new trend in the luggage industry and is increasingly gaining popularity. The Company also introduced new product lines such as laptop bags, back packs, etc. which are fast selling items. The Company is doing well in hyper markets through its tie ups with chains such as D'mart, Reliance Retail, Big Bazaar, Bharti Walmart, Aditya Birla Retail, etc.

Further it is also exploring various new channels for marketing its products.

The Company has also opened almost 50 exclusive retail stores and plans to add further in the years to come.

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

5. FIXED DEPOSITS

During the year under review, with effect from April 2013, the Company has stopped inviting fresh Fixed Deposits.

Fixed deposits outstanding from the shareholders and public as on 31st March 2014, aggregated to ₹ 59.55 lakhs.

As of 31st March 2014, all claimed deposits have been paid. Also, there is no default in payment of interest and repayment of matured deposits.

DIRECTORS' REPORT (contd..)

In accordance to the provisions of Section 73 of the Companies Act, 2013, the Company will repay the outstanding fixed deposits which were accepted before the commencement of the Companies Act, 2013 within one year from its commencement i.e. by 31st March 2015 or the due date of the fixed deposits, whichever is earlier.

6. DIRECTORS

In terms of the provisions of the Companies Act 2013, it is proposed to appoint Dr. Shailesh Mehta and Mr. Pankaj Lath, Directors of the Company and Mr. Dalip Sehgal, Additional Director of the Company, as Independent Directors for a term of 5 years w.e.f. 28th July 2014.

Further it is proposed to appoint Mr. Anuj Patodia, Director of the Company, as a Non-executive, Non-independent Director of the Company, subject to retirement by rotation.

The Directors recommend the aforesaid appointments at the ensuing Annual General Meeting.

During the year under review, Mr. Amul Mehta had tendered his resignation from the Directorship of the Company on account of his health issues.

The Board places on record their appreciation for the valuable service rendered by Mr. Amul Mehta during his tenure as Director of the Company.

7. 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 safe guard-

ing the assets of the Company and for preventing and detecting fraud and other irregularities.

- d) the Directors have prepared the annual accounts on a going concern basis.

8. COST AUDIT

The Board has appointed M/s. Y.R. Doshi & Co., Cost Accountants for conducting the audit of the cost records of the Company for the financial year 2013-14.

9. AUDITORS

M/s. Bansi S. Mehta & Co., Chartered Accountants, Mumbai, (Regn no. 100991W) the Statutory Auditors of the Company retire at the ensuing Annual General Meeting. They have submitted a certificate in accordance with the applicable provisions of the Companies Act 2013, confirming their eligibility and willingness for re-appointment.

The Directors recommend their reappointment by the Members at the forthcoming Annual General Meeting.

10. COMMENT ON AUDITORS' REMARKS

Note No. 2 to 40 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.

11. 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.

12. 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.

The Company has paid necessary listing fees to 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 re-

DIRECTORS' REPORT (contd..)

port on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, etc. is given in the annexure forming part of this Report.

14. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has formed a Committee to look into such cases as and when they arise.

During the period under review, no cases were filed with the Committee.

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

Place: Mumbai

Date : 10th May, 2014

SUDHIR JATIA

Chairman & Managing Director

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 manufacturing process. Therefore no substantial conservation of energy is possible. However efforts have been made to save energy by installing energy saving devices and greater awareness has been brought about among the employees to induce conservation of energy and in particular to avoid wastage. In the Powder Coating area, we have installed a PNG (Piped Natural Gas) fired oven in place of Diesel Fired oven. This has given energy cost reduction by around 20% in this area.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Refer 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:

- Cost reduction
- Improved aesthetics
- Ease of manufacturing
- Improved quality

(iii) Future plan of action:

- Design and development for new products under polycarbonate & ABS
- Cost reduction/optimization

(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	6,399.17
Earned	Nil

ON BEHALF OF THE BOARD OF DIRECTORS

SUDHIR JATIA

Place: Mumbai

Chairman & Managing Director

Date : 10th May, 2014

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED MARCH 31, 2014

The Members,
SAFARI INDUSTRIES (INDIA) LIMITED.

Report on the Financial Statements

1. We have audited the accompanying financial statements of Safari Industries (India) Ltd ("the Company") which comprise the Balance Sheet as at March 31, 2014, 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 principles generally accepted in India including Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and 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 Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a 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 aforesaid financial statements give the information required by the Act 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 Balance Sheet, of the state of affairs of the Company as at March 31, 2014
 - ii. In the case of the Statement of Profit & Loss, of the profit 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 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, 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 matters specified in the paragraphs 4 and 5 of the 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 purpose of our audit.
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those 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 notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- v. On the basis of the written representations received from the directors of the Company as on March 31, 2014, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

Mumbai
Date : 10th May, 2014

For **BANSI S. MEHTA & CO.**
Chartered Accountants
(Firm Regn. No. 100991W)
H. G. Buch
Partner
(M. No. 33114)

ANNEXURE TO INDEPENDENT AUDITORS' REPORT [Referred to in paragraph 5 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Safari Industries (India) Limited on the financial statements for the year ended March 31, 2014.]

On the basis of such checks, as we considered appropriate and in terms of information and explanations given to us, we report that:

- (i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, the management has physically verified fixed assets of significant value during the year and no material discrepancies were noticed on such verification. In case of fixed assets lying with third parties, confirmations have been obtained.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern.
- (ii) (a) Inventories have been physically verified by the management during the year, except material lying with third parties in respect of which confirmations are obtained. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the size of operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) As per the information furnished, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b),(c),(d) Accordingly, Clause (iii)(b) relating to the rate of interest and terms and conditions being prima facie prejudicial to the Company, Clause (iii)(c) relating to regularity of receipt of principal amount and interest and Clause (iii)(d) relating to steps taken for recovery of overdue principal and interest of more than rupees one lakh, are not applicable.
- (e) As per information furnished, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (f),(g) Accordingly, Clause (iii)(f) relating to the rate of interest and other terms and conditions being prima facie prejudicial to the interest of the Company and clause (iii)(g) relating to the repayment of such loans are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section; and
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder and the directives issued by the Reserve Bank of India, wherever applicable, with regard to the deposits accepted from the public.
- (vii) In our opinion and according to the explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Company has maintained the cost records prescribed under Section 209(1)(d) of the Companies Act, 1956 read with Notification dated 3rd June, 2011 issued by Ministry of Corporate Affairs prescribing The Companies (Cost Accounting Records) Rules, 2011. We are informed that the Company is in the process of updating such records for the financial year ended 31st March, 2014.
- (ix) (a) According to the information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues (except in respect of Profession Tax deposits in Andhra Pradesh, where there were delays) being Provident Fund, Investor Education and Protection Fund, Excise Duty,

Wealth tax, Customs Duty, Income tax, Employees' State Insurance and other material statutory dues. There are undisputed arrears of Service tax amounting to ₹ 1.75 lacs outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.

- (b) The disputed amounts that have not been deposited in respect of Sales Tax, Income Tax, Entry Tax and Value Added Tax are as under:

Name of the Statute	Nature of the dues	Amount ₹ in Lacs	Period to which it relates	Forum where dispute is pending
Orissa Sales Tax Act, 1956	Sales Tax	16.89	2002-03	Sales Tax Tribunal
Orissa Sales Tax Act, 1956	Sales Tax	20.52	2003-04	Sales Tax Tribunal
Orissa Sales Tax Act, 1956	Sales Tax	17.37	2004-05	Sales Tax Tribunal
Bihar Value Added Tax Act, 2005	Interest on Value Added Tax	1.26	2009-10	Commercial Tax Tribunal
Bihar Value Added Tax Act, 2005	Value Added Tax	1.98	2008-09	Commercial Tax Tribunal
Bihar Value Added Tax Act, 2005	Value Added Tax	2.26	2009-10	Commercial Tax Tribunal
Central Sales Tax Act, 1956	Additional CST & Interest	0.07	2009-10	Assistant Commissioner
Central Sales Tax Act, 1956	Additional CST & Interest	0.85	2010-11	Assistant Commissioner
Uttar Pradesh Value Added Tax, 2008	Interest on Value Added Tax	1.78	2007-08	Assistant Commissioner
Central Sales Tax Act, 1956	Penalty for non filing of CST return	0.60	2007-08	Sales Tax Officer
Central Sales Tax Act, 1956	Sales Tax	2.65	2009-10	Deputy Commissioner

- (x) There are no accumulated losses of the Company as on March 31, 2014. The Company has not incurred any cash loss during the financial year covered by our audit. However it has incurred cash loss in the immediate preceding financial year.
- (xi) As per the information and explanation given to us, the Company has not defaulted in the repayment of dues to the Bank during the year.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Clause (xiii) of the Order is not applicable to the Company as it is not a chit fund or nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence, the requirements of Clause 4(xiv) of the Order are not applicable to the Company.
- (xv) As per the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xvi) As per the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us, funds raised on short term basis have been used for long term investments to the extent of ₹ 750.24 lacs.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
- (xix) According to the information and explanations given to us, the Company has not issued any debentures and hence, the question of creating security or charges in respect thereof does not arise.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Chartered Accountants

(Firm Regn. No. 100991W)

H. G. Buch

Partner

(M. No. 33114)

Mumbai

Date : 10th May, 2014

BALANCE SHEET AS AT 31ST MARCH 2014

	NOTE NO.	₹	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
I. EQUITY AND LIABILITIES				
I. SHARE HOLDERS' FUNDS				
(a) Share Capital	2	29,900,000		29,900,000
(b) Reserves & Surplus	3	93,438,055		92,277,657
			123,338,055	122,177,657
2. NON-CURRENT LIABILITIES				
(a) Long Term Borrowings	4	34,259,006		25,719,837
(b) Other Long Term Liabilities	5	750,000		922,249
(c) Deferred Tax Liability/ (Asset)	6	748,331		(3,487,285)
			35,757,337	23,154,801
3. CURRENT LIABILITIES				
(a) Short Term Borrowings	7	483,113,530		314,032,881
(b) Trade Payables	8	302,497,476		189,330,683
(c) Other Current Liabilities	9	69,848,226		75,971,224
(d) Short Term provisions	10	2,604,481		1,127,690
			858,063,713	580,462,478
TOTAL			1,017,159,105	725,794,936
II. ASSETS				
I. NON - CURRENT ASSETS				
(a) Fixed Assets:	11			
(i) Tangible Assets		116,106,431		38,307,520
(ii) Intangible Assets		4,324,201		2,439,707
(iii) Capital Work in Progress		478,000		-
(iv) Intangible Assets under Development		553,652		-
(b) Long Term loans & advances	12	35,275,897		22,893,678
			156,738,181	63,640,905
2. CURRENT ASSETS				
(a) Inventories	13	463,873,609		291,988,238
(b) Trade Receivables	14	315,383,586		317,584,975
(c) Cash and Bank Balances	15	33,667,714		32,648,848
(d) Short term Loans and Advances	16	47,099,491		19,510,345
(e) Other Current Assets	17	396,524		421,625
			860,420,924	662,154,031
TOTAL			1,017,159,105	725,794,936
Significant Accounting Policies	I			
Notes on Accounts	2 to 40			

As per our Report of even date
For **BANSI S. MEHTA & CO.**

Chartered Accountants
(Firm Regn. No. 100991W)

H. G. BUCH

Partner
(M. No. 33114)

Mumbai, Date: 10th May, 2014

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUDHIR JATIA

(Chairman & Managing Director)

PUNKAJ LATH

(Director)

VIRENDRA N. GANDHI

(Chief Financial Officer)

JIGNA PARIKH

(Company Secretary)

Mumbai, Date: 10th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	NOTE NO.	31.03.2014 ₹	31.03.2013 ₹
I . REVENUE FROM OPERATIONS			
Sales		1,827,283,690	1,037,744,314
Less :			
Excise Duty		48,089,748	38,419,391
VAT & CST		114,534,420	65,289,321
NET SALES		1,664,659,522	934,035,602
II . OTHER INCOME	18	5,863,423	7,155,414
III . TOTAL REVENUE (I+II)		1,670,522,945	941,191,016
EXPENSES:			
Cost of Materials Consumed	19	256,189,621	193,297,806
Purchase of Stock-in-Trade		828,183,154	410,239,393
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	(163,733,208)	(80,132,534)
Employee Benefit Expenses	21	178,325,537	120,890,061
Finance Cost	22	50,052,922	30,572,257
Depreciation and Amortization Expenses		12,784,643	4,323,233
Other Expenses	23	500,554,025	254,550,942
IV. TOTAL EXPENSES		1,662,356,694	933,741,158
V. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS & TAX		8,166,251	7,449,858
VI LESS : EXCEPTIONAL ITEMS	24	2,770,237	18,872,056
VII. PROFIT/(LOSS) BEFORE TAX		5,396,014	(11,422,198)
VIII. TAX EXPENSE:			
(1) Current tax		-	-
(2) Deferred tax		(4,235,616)	5,196,032
IX. PROFIT/(LOSS) AFTER TAX		1,160,398	(6,226,166)
X. EARNING PER EQUITY SHARE:			
(1) Basic		0.39	(2.08)
(2) Diluted		0.39	(2.08)
SIGNIFICANT ACCOUNTING POLICIES	I		
NOTES ON ACCOUNTS	2 to 40		

As per our Report of even date
For **BANSI S. MEHTA & CO.**
Chartered Accountants
(Firm Regn. No. 100991W)
H. G. BUCH
Partner
(M. No. 33114)
Mumbai, Date: 10th May, 2014

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUDHIR JATIA
(Chairman & Managing Director)

PUNKAJ LATH
(Director)

VIRENDRA N. GANDHI
(Chief Financial Officer)

JIGNA PARIKH
(Company Secretary)

Mumbai, Date: 10th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**A. Cash Flow from Operating Activities**

	Current Year	Previous Year
	₹	₹
Net Profit before tax and extraordinary items.	8,166,251	7,449,858
Adjustments for :		
Depreciation	12,784,643	4,323,233
Interest (Net)	48,830,918	29,693,215
Loss on sale of Fixed Assets	357,970	198,462
Adjustments for (Write Back) / Writeoff	(267,454)	(1,823,737)
Adjustments for Exchange Loss	37,597,159	5,554,768
Rent Received	-	(225,000)
	<u>99,303,236</u>	<u>37,720,941</u>
Operating profit before working capital changes	107,469,487	45,170,799
Adjustments for :		
Trade & other receivables	(41,515,510)	(134,256,157)
Inventories	(174,655,608)	(86,592,997)
Trade & other Payables	79,968,839	161,375,591
	<u>(136,202,279)</u>	<u>(59,473,563)</u>
Cash generated from operations	(28,732,792)	(14,302,764)
Direct taxes paid	(121,914)	(108,855)
Cash flow before extra ordinary items	(28,854,706)	(14,411,619)
Voluntary Retirement Scheme	-	(26,678,403)
Net cash from operating activities	(28,854,706)	(41,090,022)

B. Cash flow from investing activities

Purchase of fixed assets	(91,496,396)	(22,845,281)
Sale of fixed assets	636,726	39,577,679
Proceeds from fixed deposit with bank	(3,346,317)	(1,983,658)
Interest received	1,187,588	834,098
Rent received	-	352,500
Net cash used in investing activities	(93,018,399)	15,935,338

C. Cash flow from financing activities

Proceeds from Long Term borrowings	294,542	40,585,031
Proceeds from Short Term borrowings	169,080,649	28,259,659
Interest paid	(49,827,187)	(30,744,986)
Dividend paid	(2,350)	(112,816)
Net Cash used in financing activities	119,545,654	37,986,888
Net Increase/(Decrease) in cash & cash equivalents	(2,327,451)	12,832,204
Opening cash & cash equivalents	21,615,190	8,782,986
Closing cash & cash equivalents	19,287,739	21,615,190

As per our Report of even date
For **BANSI S. MEHTA & CO.**

Chartered Accountants
(Firm Regn. No. 100991W)

H. G. BUCH

Partner
(M. No. 33114)

Mumbai, Date: 10th May, 2014

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUDHIR JATIA

(Chairman & Managing Director)

PUNKAJ LATH

(Director)

VIRENDRA N. GANDHI

(Chief Financial Officer)

JIGNA PARIKH

(Company Secretary)

Mumbai, Date: 10th May, 2014

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

NOTE NO. I

Significant accounting policies:

i) Basis of Preparation :

The financial statements are prepared on the basis of going concern, under historical cost convention and on accrual basis of accounting and in compliance with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the 1956 Act"), which have been prescribed by the Companies (Accounting Standards) Rules, 2006, [which continue to be applicable in respect of section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs], and the relevant provisions of the 1956 Act/2013 Act, as applicable. Claims against the company are recognized when finally accepted by the company.

ii) Use of Estimates:

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively.

iii) Classification of Assets and Liabilities :

Assets and Liabilities are classified as current/non-current, considering inter-alia, expected realization/settlement in the Company's normal operating cycle of six/seven months or a period of twelve months from the Balance sheet date.

iv) Fixed Assets :

Fixed Assets (Tangible & Intangible except trademarks) are carried at the cost of acquisition or at appropriate cost of fabrication (including excise duty wherever applicable) in case of in-house fabricated tangible assets, after reducing CENVAT credit thereon, wherever applicable, less accumulated depreciation and amortization.

Cost directly attributable to bringing the assets to their working condition for intended use, are capitalized. Such costs include appropriate cost of borrowing in respect of assets other than those which are ready for their intended use upon acquisition.

v) Depreciation and Amortisation :

(a) Leasehold Land

Premium on leasehold land is amortised over the period of lease.

(b) Other Assets

Depreciation has been provided as prescribed by Schedule XIV of the Companies Act, 1956 on Straight Line Method on Tangible Assets except on Items of Furniture & Fixtures capitalized at the retail stores which are depreciated at the rate of 50% on pro-rata basis. Intangible Assets are amortized over their estimated useful life.

Assets costing less than ₹ 5000/- each, acquired during the financial year, are being fully written off.

vi) Inventories :

- a) Raw materials, Stores and Spares and Packing materials are valued at the lower of cost and net realizable value on First In First Out basis.
- b) Finished goods (manufactured) and Work-in-progress are valued at the lower of cost and net realizable value on First In First Out basis. Cost includes direct materials cost, direct labour cost, other relevant overheads, including applicable duties and levies, incurred to bring such goods in their present location and condition.
- c) Finished goods (traded) are valued at the lower of cost and net realizable value on First In First Out basis. Cost includes freight, octroi and other costs incurred to bring such goods in their present location and condition.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014(contd..)**vii) Revenue Recognition :**

Local sales are recognized on dispatch of goods to the customers and are reflected in accounts at the gross realizable value, i.e. inclusive of excise duty, sales-tax and other levies, wherever applicable, less returns.

viii) Import Duty Benefits :

Goods imported for trading and eligible for refund of Special Additional Duty of Custom are accounted net of such benefit.

ix) Foreign Currency Transactions :

- a) Foreign currency transactions during the year are accounted at the spot rate prevailing on the date of respective transaction
- b) Difference between the spot rate prevailing on the date of transaction and the exchange rate at which the liability is settled is recognized in the Statement of Profit & Loss. Foreign currency monetary transactions outstanding at the close of the financial year are restated at the spot rate prevailing at the close of the financial year. Loss or gain due to such restatement is recognized in the Statement of Profit & Loss.
- c) In case of forward exchange contracts, the difference i.e. premium or discount, between the forward rate and exchange rate on the date of the transaction is recognized as expense or income over the life of the contract.

x) Taxation :**Current Tax :**

Provision for Current Tax is made on the basis of taxable income for the current year in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax :

Income tax expense is accrued in accordance with Accounting Standard 22 - Accounting for Taxes on Income, which includes current and deferred taxes. Deferred Income Taxes reflect the impact of timing differences between taxable income & accounting income for the year and reversal/restatement of timing differences of earlier years.

Deferred tax assets and liabilities are measured using the tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized for all reversible timing differences, carry forward of unused tax assets and unused tax losses subject to consideration of prudence. Carrying amount of deferred tax assets is reviewed at each balance sheet date on the same consideration.

xi) Employee Benefits :**a. Defined Contribution Plan**

Provident Fund, Family Pension Fund - Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

Superannuation - The Company's Superannuation Scheme is administered by Life Insurance Corporation of India (LIC). The company has made contributions towards the said scheme for certain employees of the company. The scheme has since then been discontinued.

b. Defined Benefit Plan

Gratuity - In accordance with applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The company has an employees' gratuity fund managed by the Life Insurance Corporation of India ("LIC"). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn basic salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent actuary. Actuarial gain or loss is recognized immediately in the Statement of Profit and loss as income or expense.

c. Compensated Absences

The employees are entitled to accumulate leave subject to certain limits, for the future availment. Encashment of leave is given as per the management discretion.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)**xii) Product Warranties :**

Product Warranty costs are provided in the year of sale based on past experience.

xiii) Voluntary Employees Separation Scheme :

Based on the effective acceptance of the application under "Voluntary Employees Separation Scheme" (VESS), payment of ex-gratia under VESS is charged to Statement of Profit & Loss.

xiv) Leases

Payments under operating leases are recognized in the Statement of Profit and Loss as Rent.

xv) Impairment of Assets :

If internal/external indications suggest that an asset of the company may be impaired, the recoverable amount of asset/cash generating unit is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of the asset/cash generating unit is reduced to the said recoverable amount. The recoverable amount is measured as the higher of net selling price and value in use of such assets/cash generating unit, which is determined by the present value of the estimated future Cash Flows.

xvi) Provisions, Contingent Liabilities and Contingent Assets :

- a) The Company recognizes as Provisions, the liabilities being present obligations arising out of past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
- b) Contingent Liability is disclosed, unless the possibility of an outflow of resources is remote.
- c) Contingent Assets are not recognized nor disclosed.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)

	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
NOTE NO. 2		
SHARE CAPITAL		
AUTHORISED :		
10,000,000 (Previous year 10,000,000) Shares of ₹ 10/- each (4,000,000 Equity Shares and 6,000,000 Unclassified Shares)	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED, SUBSCRIBED & PAID UP :		
2,990,000 (Previous year 2,990,000) Equity Shares of ₹ 10/- Each Fully Paid Up	<u>29,900,000</u>	<u>29,900,000</u>

Note:

**(i) RIGHTS, PREFERENCE AND RESTRICTION ATTACHING
TO VARIOUS CLASSES OF SHARES**

Each equity shareholder is entitled to one vote per share.

**(ii) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER
HOLDING MORE THAN 5% OF PAID UP CAPITAL**

Safari Investments Pvt. Ltd.

Sudhir Mohanlal Jatia

NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
454,693	15.21%	454,693	15.21%
1,787,500	59.78%	1,801,240	60.24%

NOTE NO. 3**RESERVES & SURPLUS**

	AS AT 31.03.2013 ₹	Additions /(deductions) During the year ₹	AS AT 31.03.2014 ₹
Capital Reserve	1,117,722	-	1,117,722
Securities Premium	9,750,000	-	9,750,000
General Reserve	42,692,569	-	42,692,569
Surplus in Statement of Profit & Loss	38,717,366	1,160,398	39,877,764
	<u>92,277,657</u>	<u>1,160,398</u>	<u>93,438,055</u>

SURPLUS IN STATEMENT OF PROFIT & LOSS

Opening Balance	44,943,532	38,717,366
Add/(Less) : Profit/(Loss) after Tax	(6,226,166)	1,160,398
BALANCE AVAILABLE FOR APPROPRIATION	<u>38,717,366</u>	<u>39,877,764</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)

	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
NOTE NO. 4		
LONG TERM BORROWINGS (SECURED)		
Term Loan from Bank - I	10,125,000	16,875,000
Term Loan from Bank - II	22,500,000	-
Vehicle Loans from Bank	1,634,006	1,924,837
	<u>34,259,006</u>	<u>18,799,837</u>
Repayments of Term Loan and Vehicle Loans.	Repayable in	
	2014-15	2015-16
Term Loan - I	6,750,000	3,375,000
Term Loan - II	11,250,000	11,250,000
<i>Vehicle Loan is repayable in 84 equal instalments, repayments have started in January 2013.</i>		
1. Term Loan I from Central Bank of India is secured by personal guarantee of Chairman cum Managing Director of the Company.		
2. Term Loan II from Central Bank of India is secured by exclusive first charge on the specific Asset & personal guarantee of Chairman cum Managing Director of the Company.		
3. Vehicle Loans from Central Bank of India are secured by a charge on the specific vehicles.		
4. Amounts falling due in respect of all the above loans upto 31.03.2015 have been grouped under "Current maturities of Long Term Borrowings" under Note No. 9		
LONG TERM BORROWINGS (UNSECURED)		
Fixed Deposits	-	6,920,000
Amounts falling due in respect of above Fixed Deposits upto 31.03.2015 have been grouped under "Current maturities of Long Term Borrowings" under Note No. 9		
	<u>34,259,006</u>	<u>25,719,837</u>
NOTE NO. 5		
OTHER LONG TERM LIABILITIES		
Security Deposits	750,000	750,000
Interest accrued but not due on Fixed Deposit	-	172,249
	<u>750,000</u>	<u>922,249</u>
NOTE NO. 6		
DEFERRED TAX LIABILITY / (ASSET) NET		
Deferred Tax Liabilities	5,991,081	3,694,685
Deferred Tax (Assets)	(5,242,750)	(7,181,970)
	<u>748,331</u>	<u>(3,487,285)</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)

	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
NOTE NO. 7		
SHORT TERM BORROWINGS (SECURED)		
Cash Credit facility from Central Bank of India	56,142,454	37,533,636
Cash Credit facility from Axis Bank Ltd.	11,802,709	151,884,027
Working Capital Demand Loan from Axis Bank Ltd.	141,516,028	-
Buyers line of credit	126,152,339	124,615,218
	<u>335,613,530</u>	<u>314,032,881</u>
All the above Short Term Borrowings are secured by ;		
1. Hypothecation of stocks of Raw-materials, Semi-finished goods, Finished goods, Packing materials, Stores & Spares and book debts of the company.		
2. First pari-passu charge on the movable Plant and Machinery lying at the company's Halol Plant.		
3. Equitable mortgage on the immovable properties situated at the Company's Halol plant..		
4. Personal guarantee of the Chairman cum Managing Director of the company.		
SHORT TERM BORROWINGS (UNSECURED)		
Intercompany Deposits	147,500,000	-
	<u>483,113,530</u>	<u>314,032,881</u>
NOTE NO. 8		
TRADE PAYABLES		
Creditors for Goods & Services (Refer Note No. 35 and Note No. 39)	302,497,476	189,330,683
	<u>302,497,476</u>	<u>189,330,683</u>
NOTE NO. 9		
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings	25,410,567	33,655,194
Interest accrued but not due on Fixed Deposits	738,458	340,474
Unpaid dividends	323,691	326,041
Unclaimed Matured deposits	-	200,000
Customs duty Payable	-	3,514,119
Excise Duty Payable	4,282,055	3,709,305
VAT/CST Payable	7,508,877	7,295,272
Super Annuation Payable	-	805,622
Bonus / Ex-Gratia Payable	3,384,207	2,540,941
Other Payables	28,200,371	23,584,256
	<u>69,848,226</u>	<u>75,971,224</u>
NOTE NO. 10		
SHORT TERM PROVISIONS		
Gratuity Payable	2,576,902	1,103,426
Provision for Warranty Claims	27,579	24,264
	<u>2,604,481</u>	<u>1,127,690</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)**NOTE NO. 11
FIXED ASSETS**

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	As at 01.04.2013	For the Year	On Deductions	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
A) TANGIBLE ASSETS										
Leasehold Land	949,908	-	-	949,908	251,455	9,082	-	260,537	689,371	698,453
Buildings	21,631,386	1,923,431	-	23,554,817	15,949,112	522,946	-	16,472,058	7,082,759	5,682,274
Plant and Machinery	98,619,842	56,020,660	3,421,820	151,218,682	84,578,423	4,138,095	3,250,730	85,465,788	65,752,894	14,041,419
Computers	9,964,860	5,406,962	-	15,371,822	5,794,930	1,252,010	-	7,046,940	8,324,882	4,169,930
Jigs, Tools & Dies	3,666,542	454,407	-	4,120,949	3,402,760	40,693	-	3,443,453	677,496	263,782
Furniture, Fixture and Equipments	10,369,187	19,348,345	-	29,717,532	7,548,241	4,849,682	-	12,397,923	17,319,609	2,820,946
Electrical Installation	2,911,525	3,139,108	-	6,050,633	2,562,735	101,004	-	2,663,739	3,386,894	348,790
Office Equipments & Other Assets	4,911,520	4,500,394	-	9,411,914	2,641,117	310,667	-	2,951,784	6,460,130	2,270,403
Vehicles	8,731,228	-	935,072	7,796,156	719,705	775,521	111,466	1,383,760	6,412,396	8,011,523
A)	161,755,998	90,793,307	4,356,892	248,192,413	123,448,478	11,999,700	3,362,196	132,085,982	116,106,431	38,307,520
B) INTANGIBLE ASSETS										
Trademarks	28,000	-	-	28,000	5,600	5,600	-	11,200	16,800	22,400
Computer Software	2,705,737	2,669,437	-	5,375,174	288,430	779,343	-	1,067,773	4,307,401	2,417,307
B)	2,733,737	2,669,437	-	5,403,174	294,030	784,943	-	1,078,973	4,324,201	2,439,707
Total (A+B)	164,489,735	93,462,744	4,356,892	253,595,587	123,742,508	12,784,643	3,362,196	133,164,955	120,430,632	40,747,227
Previous Year	172,247,315	19,847,281	27,604,861	164,489,735	142,588,235	4,323,233	23,168,960	123,742,508	40,747,227	29,659,080

NOTE NO. 12**LONG TERM LOANS & ADVANCES**

	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
Deposits for Premises & Others	30,342,089	15,133,784
Capital Advance	-	2,998,000
Deposit with Sales Tax Authorities	1,682,573	1,632,573
Income Tax Refund Receivable	3,129,321	3,129,321
Income Tax (TDS)	121,914	-
	<u>35,275,897</u>	<u>22,893,678</u>

NOTE NO. 13**INVENTORIES**

Raw Materials	39,215,122	30,897,194
Packing Materials	4,190,680	3,198,890
Work in Progress	9,683,099	6,309,629
Finished Goods	99,495,688	93,707,910
(including Goods in Transit CY ₹ 118.82 lacs, PY ₹ 67.37 lacs)		
Stock in trade	309,668,773	155,096,813
(including goods in transit CY ₹ 893.22 lacs, PY ₹ 466.08 lacs)		
Stores and spares	1,620,247	2,777,802
	<u>463,873,609</u>	<u>291,988,238</u>

NOTE NO. 14**TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)**

Outstanding for a period exceeding six months from the due date for payments	34,116,543	30,744,090
Others	281,267,043	286,840,885
	<u>315,383,586</u>	<u>317,584,975</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)

	YEAR ENDED 31.03.2014 ₹	YEAR ENDED 31.03.2013 ₹
NOTE NO. 15		
CASH & BANK BALANCES		
CASH AND CASH EQUIVALENTS		
BALANCE WITH BANKS		
- In current accounts	18,444,953	19,650,487
- In Unclaimed Dividend Accounts	323,691	326,041
CASH IN HAND	519,095	1,638,662
	<u>19,287,739</u>	<u>21,615,190</u>
OTHER BALANCES		
FIXED DEPOSIT WITH SCHEDULED BANK		
a) Pledged with the Bank - against Bank Guarantees	792,461	185,000
b) Pledged with the Bank - against Letter of Credits	9,087,514	8,648,658
c) Other Deposits - as Liquid Assets	4,500,000	2,200,000
	<u>14,379,975</u>	<u>11,033,658</u>
	<u>33,667,714</u>	<u>32,648,848</u>
NOTE NO. 16		
SHORT TERM LOANS & ADVANCES (Refer Note No. 39)		
OTHER LOANS AND ADVANCES - (UNSECURED, CONSIDERED GOOD)		
Loans & Advances to staff members	3,189,202	722,875
Advances recoverable in cash or in kind or for value to be received.	10,144,563	5,874,382
Custom duty & other taxes receivable	29,562,796	12,325,750
Balance with Central Excise Collectorate	4,202,930	587,338
	<u>47,099,491</u>	<u>19,510,345</u>
NOTE NO. 17		
OTHER CURRENT ASSETS		
Interest receivable on FDR	214,056	179,640
Claims Receivable	182,468	241,985
	<u>396,524</u>	<u>421,625</u>
NOTE NO. 18		
OTHER INCOME		
Interest Income	1,222,004	879,042
Rent Received	-	225,000
Sale of Scrap	2,012,388	632,782
Other Non-operating Income		
Profit on sale of fixed assets	144,809	1,047,179
Amounts Written Back	1,196,419	3,098,841
Miscellaneous Income	1,287,803	1,272,570
	<u>5,863,423</u>	<u>7,155,414</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)

	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
NOTE NO. 19		
COST OF MATERIALS CONSUMED		
RAW MATERIAL CONSUMED		
Opening Stock	30,897,194	23,794,175
Add: Purchases	209,365,855	166,541,861
	240,263,049	190,336,036
Less: Sales	2,660,448	466,022
Less: Closing Stock	39,215,122	30,897,194
	198,387,479	158,972,820
Add: Processing Charges	26,527,048	22,741,347
	224,914,527	181,714,167
Less: Components transferred for warranty claims	618,003	1,179,997
Less : Stock Write down during the year (Refer Note 24)	2,770,237	-
Net Consumption	221,526,287	180,534,170
PACKING MATERIALS CONSUMED	34,663,334	12,763,636
	256,189,621	193,297,806
NOTE NO. 20		
CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS AND STOCK IN TRADE		
OPENING STOCK		
Finished Goods	93,707,910	90,931,105
Stock-in-trade	155,096,813	107,159,812
Work in Progress	6,309,629	4,424,794
	255,114,352	202,515,711
LESS: Stock Write down during the year (Refer Note No. 24)	-	27,533,893
	255,114,352	174,981,818
CLOSING STOCK		
Finished Goods	99,495,688	93,707,910
Stock-in-trade	309,668,773	155,096,813
Work in Progress	9,683,099	6,309,629
	418,847,560	255,114,352
(INCREASE) / DECREASE	(163,733,208)	(80,132,534)
NOTE NO. 21		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus etc.	154,600,392	105,223,107
Contribution to Provident & other Funds	11,452,455	7,801,078
Welfare Expenses	9,695,788	6,348,438
Contribution to Gratuity & Super Annuation funds	2,576,902	1,517,438
	178,325,537	120,890,061

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014(contd..)

	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
NOTE NO. 22		
FINANCE COST		
Interest on:		
Term Loans	2,567,244	29,569
Cash Credits / WCDL / Buyer's Credit	30,801,433	23,405,470
Fixed Deposits	1,894,296	4,588,331
Interest on ICD & Others	14,789,949	2,548,887
	<u>50,052,922</u>	<u>30,572,257</u>
NOTE NO. 23		
OTHER EXPENSES		
Consumption of Stores and Spares	2,628,734	2,460,538
Packing Materials for Traded Goods	13,265,097	5,450,401
Carriage Inwards	3,964,576	2,721,829
Excise Duty on Closing Stock	4,282,055	3,709,305
Power and Fuel	8,047,074	5,941,254
Repairs and Maintenance		
- Building	323,655	269,901
- Plant & Machinery	2,306,737	5,826,275
- Others	2,860,330	1,425,681
Rent	54,928,229	22,098,020
Rates and Taxes	2,191,875	3,118,090
Insurance	1,357,149	618,154
Directors' Fees	140,500	214,000
Postage, Telegram & Telephone Expenses	6,867,637	3,558,939
Legal & Professional Fees	12,626,571	9,235,991
Auditors' Remuneration	490,000	490,000
Amounts W/off	928,965	1,275,104
Bank Charges & Discounting Charges	5,693,330	4,904,862
Freight & Handling	105,004,663	77,353,352
Contractual Labour - Mfg.	7,638,282	4,219,170
Contractual Labour - Sales outlets	21,896,813	-
Octroi	1,902,364	2,202,857
Travelling & Conveyance	42,915,675	25,972,216
Advertisement & Sales Promotion	68,673,832	28,635,432
Discounts	51,032,359	15,439,481
Net Loss on Exchange Fluctuation	37,597,159	5,554,768
Warranty Claims	621,318	1,186,327
Loss on Sale of Fixed Assets	502,779	1,245,641
Premium on Forward Contracts	4,796,923	-
Miscellaneous Expenditure	35,069,344	19,423,354
	<u>500,554,025</u>	<u>254,550,942</u>
NOTE NO. 24		
EXCEPTIONAL ITEMS		
VRS to Employees	-	26,678,403
Stock Write down	2,770,237	27,533,893
	<u>2,770,237</u>	<u>54,212,296</u>
Less : Profit on Sale of Property	-	35,340,240
	<u>2,770,237</u>	<u>18,872,056</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)

25. Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 6.68 Lacs (Net of advances) (Previous Year ₹ 20.96 Lacs)

26. Contingent Liabilities not provided for :		Current Year	Previous Year
Sr. No.	Particulars	(₹ in Lakhs)	(₹ in Lakhs)
(a)	Counter Guarantees given by the Company	50.72	19.45
(b)	Claims / demands against the Company by employees, disputed / not acknowledged as debts :	Amount not ascertainable	Amount not ascertainable
(c)	Disputed Sales Tax liabilities	66.23	64.15

27. Disclosure in respect of Derivative Instruments :

The Company uses forward exchange contracts to hedge its exposure in foreign currency. The information on derivative instrument is as follows:

(i) Foreign exchange contract outstanding :

Particulars	As at 31.03.2014		As at 31.03.2013	
	Amt in USD	₹ In lacs	Amt in USD	₹ In lacs
Buyer's Credit	1,988,806	1,214	Nil	Nil

(ii) Foreign currency exposures not covered by derivate instrument :

Particulars	As at 31.03.2014		As at 31.03.2013	
	Amt in USD	₹ In lacs	Amt in USD	₹ In lacs
Import Trade Payables	3,514,478	2,165	4,405,092	2,396

28. Segment Reporting :

The Company's activities pertain to a single reportable segment of travel goods as per Accounting Standard - 17 on Segment Reporting.

29. Related Party Disclosures :

Related Party Disclosures, as required by Accounting Standard - 18 :

i) Name of the related parties & description of relationship.

Safari Sales Private Limited	: Enterprise in which Key Management Personnel has significant influence
Safari Investments Private Limited	: Enterprise in which Key Management Personnel has significant influence
Tarapur Vastra Udyog Private Limited	: Enterprise in which relative of Key Management Personnel has significant influence

Key Management Personnel :

Mr. Sudhir Jatia : Managing Director

Relative of Key Management Personnel :

Mr. Mohanlal Jatia : Father of Mr Sudhir Jatia

ii) The following transactions were carried out with related parties

Balances as at the year ended March 31, 2014 :

Particulars	(₹ in Lakhs)
Receivable from Safari Sales Private Limited	93.18 (166.46)
Payable to Tarapur Vastra Udyog Private Limited	- (0.51)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)**Transactions with Related Parties :**

Nature of Transactions	Key Management Personnel	Enterprise in which Key Management Personnel had Significant influence	Enterprise in which relative of Key Management Personnel had Significant influence
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Remuneration paid to:			
Mr Sudhir Jatia	13.59 (3.40)	- (-)	- (-)
Mr A. S. Mehta	- (8.26)	- (-)	- (-)
Sale of Moulded & Soft Luggage (Net of returns) to Safari Sales Private Limited	- (-)	-9.56 (1,371.49)	- (-)
Commission on Sales to Tarapur Vastra Udyog Private Limited	- (-)	- (-)	5.90 (2.37)
Purchase of Fixed Assets from Safari Sales Private Limited	- (-)	45.56 (-)	- (-)
Rent paid to Safari Sales Private Limited	- (-)	40.45 (-)	- (-)

*(Figures in bracket relate to previous year)***30. Disclosure for operating lease under Accounting Standard 19 - "Leases"**

The Company has entered into agreements for taking on leave and license under operating lease for office Premises/warehouses, including furniture & fittings therein, as applicable. These agreements are not non-cancelable and are for tenures between 3 months & 10 years and are renewable by mutual consent on mutually agreeable terms. The specified disclosure in respect of these agreements is given below:

Lease Rent payable	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
Within 1 Year	551.93	20.48
After 1 year but before 5 years	1321.45	684.28
After 5 Years	373.50	118.45
TOTAL	2246.88	823.21

- (i) Under most of the agreements, refundable interest free deposits have been given.
- (ii) Most of the agreements provide for increase in rent.
- (iii) All the agreements provide for early termination by either party with a notice period which varies from 1 month to 3 months.
- (iv) Some of the agreements are under renewal.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)**31. Employee Benefits:**

Consequent upon adoption of Revised Accounting Standard 15 on "Employee Benefits" ("AS-15"), issued by the Institute of Chartered Accountants of India, as required by the Standard, the following disclosures are made :

Reconciliation of opening and closing balances of the present value of the defined benefit obligation :

	Current Year	Gratuity (Funded)
	₹	Previous Year
	₹	₹
Obligation at period beginning (April 1, 2013)	14,874,236	26,904,380
Current service cost	919,399	1,088,722
Interest cost	1,189,939	2,286,872
Past Service Cost	-	-
Actuarial (gain) / loss	(773,344)	(1,413,776)
Benefits paid	(1,205,350)	(13,991,962)
Obligations at the year end (March 31, 2014)	15,004,880	14,874,236
Plan assets at period beginning, at fair value	14,053,751	22,591,878
Expected return on plan assets	1,222,676	1,920,310
Actuarial gain / (loss)	(41,436)	(658,505)
Contributions	116,746	4,192,030
Benefits paid	(1,205,350)	(13,991,962)
Plan assets at the year end, at fair value	14,146,387	14,053,751
RECONCILIATIONS OF PRESENT VALUE OF THE OBLIGATION AND THE FAIR VALUE OF PLAN ASSETS		
Fair value of plan assets at the end of the year	14,146,387	14,053,751
Present value of the defined benefit obligations at the end of the year	15,004,880	14,874,236
Liability/(Asset) recognized in the Balance Sheet	858,493	820,485
COST FOR THE YEAR		
Current Service cost	919,399	1,088,722
Interest cost	1,189,939	2,286,872
Past Service Cost	-	-
Expected return on plan assets	(1,222,676)	(1,920,310)
Actuarial (gain)/loss	(731,908)	(755,271)
Net Cost recognized in the Statement of Profit and Loss	154,754	700,013
ASSUMPTIONS USED TO DETERMINE THE BENEFIT OBLIGATIONS :		
Interest rate	9.25%	8.00%
Estimated rate of return on plan assets	8.70%	8.70%
Expected rate of increase in salary	3.00%	3.00%
Actual return on plan assets	1,222,676	1,261,805

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)**32. Earnings Per Share :****Basic & Diluted Earnings Per Share as per Accounting Standard AS-20 is as under.**

	2013-14	2012-13
	(₹)	(₹)
(a) Net Profit/(Loss) available for Equity Share holders	1,160,398	(6,226,166)
(b) Weighted Average No. of Equity shares	2,990,000	2,990,000
(c) Basic & Diluted Earnings per Share (Equity share of ₹ 10/- each)	0.39	(2.08)

33. Deferred Taxation :

Deferred Taxes recognized/reversed in respect of items of timing differences between accounting income and taxable income in terms of Accounting Standard 22. (₹)

Item of timing difference	Balance of Assets/(Liabilities) as on 01.04.2013	(Charge)/Credit for the year including reversal	Balance of Assets/(Liabilities) as on 31.03.2014
1. Depreciation	(3,694,685)	(2,296,396)	(5,991,081)
2. Deferred Revenue Expenditures	7,181,970	(1,939,220)	5,242,750
	<u>3,487,285</u>	<u>(4,235,616)</u>	<u>(748,331)</u>

34. Provision for Warranty Claims in terms of Accounting Standard -29 :

Balance at 01.04.2013	Additions during the year	Amount used/paid during the year	Balance as at 31.03.2014
24,264	621,318	618,003	27,579
(17,934)	(1,186,327)	(1,179,997)	(24,264)

*(Figures in bracket relate to previous year)***35. Micro, Small and Medium Enterprises**

Based on the information in possession with the Company no supplier has been identified as being covered under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act").

Accordingly no amount of dues outstanding as at 31st March, 2014 have been identified as relating to the Micro, Small and Medium Enterprises referred to in the said Act.

36. Items / Adjustments relating to prior period:

Particulars	Current Year	(₹ in lacs) Previous Year
Payment to & Provisions for Employees and Others	-	1.53
Operating, Administrative, Financial & other Expenses	7.37	0.15
	<u>7.37</u>	<u>1.68</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (contd..)**37. Payments to Auditors :**

	(₹ in lacs)	
	Current Year	Previous Year
Audit Fees	3.00	3.00
For Taxation, Company Law etc	0.08	0.08
Tax Audit	0.60	0.60
For Certification and Others	1.22	1.22
	<u>4.90</u>	<u>4.90</u>

The above figures are excluding Service Tax

38. (a) Break-up of Managerial remuneration paid to Managing Director.

	(₹ in lacs)	
	Current Year	Previous Year
Salary	12.15	11.14
Contribution to Provident Fund	1.44	0.52
Monetary value of perquisites	-	-
	<u>13.59</u>	<u>11.66</u>

(b) No commission is payable to the Managing Director in terms of provisions of Section 198 read with Section 309(5) of the Companies Act, 1956.

39. Trade receivables, Trade Payables and Advances/Deposits balances are subject to confirmation and subsequent reconciliation.

40. Previous year figures have been regrouped or reclassified wherever necessary.

As per our Report of even date
For **BANSI S. MEHTA & CO.**

Chartered Accountants
(Firm Regn. No. 100991W)

H. G. BUCH

Partner
(M. No. 33114)

Mumbai, Date: 10th May, 2014

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUDHIR JATIA

(Chairman & Managing Director)

PUNKAJJ LATH

(Director)

VIRENDRA N. GANDHI

(Chief Financial Officer)

Mumbai, Date: 10th May, 2014

JIGNA PARIKH

(Company Secretary)

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SAFARI INDUSTRIES (INDIA) LTD.

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 (E), Mumbai 400 059,

CIN: L25200MH1980PLC022812 | (T): 91-22-4038 1888 | (F): 91-22-4038 1850

www.safari.in | Email id: investor@safari.in

ATTENDANCE SLIP

34th Annual General Meeting- 28th July 2014

Reg. Folio/ID No. _____

Name _____

I certify that I am a registered shareholder / proxy of registered shareholder of the Company.

I hereby record my presence at the 34th Annual General Meeting of the Company to be held on Monday, 28th day of July, 2014, at Kilachand Conference Room, 2nd Floor, IMC Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020 at 12.30 pm

If signed by Proxy, his name
should be written here in BLOCK letters,

Member's / Proxy's Signature

NOTE : Shareholder / Proxy holders are requested to bring this Attendance Slip to the Meeting and hand over the same at the entrance duly signed.

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PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of member(s):			
Registered address:			
Email id:			
Folio No./ Client id:		DP ID:	

I/We being a member(s) of _____ shares of the above named company, hereby appoint:

1	Name			
	Address			
	Email id:		Signature	

Or failing him:

2	Name			
	Address			
	Email id:		Signature	

Or failing him:

3	Name			
	Address			
	Email id:		Signature	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on the Monday 28th day of July 2014 at Kilachand Conference Room, 2nd Floor, IMC Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020 at 12.30 pm and at any adjournment thereof in respect of the such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
		For	Against
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss for the year ended as on that date and the Report of the Board of Directors and Auditors thereon		
2.	To appoint M/s. Bansilal S. Mehta & Co., Chartered Accountants, 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 to fix their remuneration		
3.	To appoint Mr. Anuj Patodia as a Non-Independent, Non-Executive Director of the Company.		

Resolution No.	Resolution	Vote	
		For	Against
4.	To appoint Mr. Punkajj Lath as an Independent Director of the Company.		
5.	To appoint Dr. Shailesh Mehta, as an Independent Director of the Company.		
6.	To appoint Mr. Dalip Sehgal as an Independent Director of the Company		
7.	To approve remuneration of the Cost Auditor.		

Signed this _____ day of _____ 2014

Affix a
Fifteen paise
revenue
stamp

Signature of member (s)

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Note:

- (1) The Proxy form, in order to be effective, should be completed, duly signed and stamped and must be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the aforesaid meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
- (4) Please indicate your option by putting an 'X' in the appropriate column against the resolutions indicated. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



**Reg. Off.:
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