

BOARD OF DIRECTORS

Shri Amul S. Mehta

(Chairman & Managing Director)

Shri Mulchand K. Sheth

Shri Yugesh S. Mehta

Dr. Jagdish N. Sheth

Dr. Shailesh J. Mehta

Shri Niraj Goyal

**31st ANNUAL GENERAL MEETING
On Saturday, 30th July, 2011.
at 4.00 p.m.
at Walchand Hirachand Hall,
Indian Merchant Chambers,
IMC Building, Churchgate,
Mumbai 400 020**

REGISTERED OFFICE :

7, Jayalaxmi Industrial Premises Co-op. Soc.
Ltd., Khetani Textile Compound,
Kurla (West), Mumbai - 400 070.
Phone No. : 022-2503 3737 / 4366
E-mail: safarial@vsnl.net

HALOL PLANT :

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

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BANKER :

Central Bank of India

AUDITORS :

Bansi S. Mehta & Co.
Chartered Accountants

SHARE DEPARTMENT :

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

FINANCIAL HIGHLIGHTS

	2006-07	2007-08	2008-09	2009-10	(Rs.'000) 2010-11
1 Gross Sales	624,108	689,514	659,027	655,912	767,819
2 Less Excise	60,835	65,022	48,461	35,800	46,932
3 Net Sales	563,273	624,492	610,566	620,112	720,887
4 Other Income	8,089	4,515	2,347	5,999	11,088
5 Total Income	571,362	629,007	612,913	626,111	731,975
6 Total Expenditure	537,512	580,247	577,896	569,013	664,837
7 Operating Profit	33,850	48,760	35,017	57,098	67,138
8 Interest	19,320	21,868	25,938	22,264	25,097
9 Gross Profit	14,530	26,892	9,079	34,834	42,041
10 Depreciation	9,892	9,723	6,240	4,293	3,616
11 Deffered Revenue Exp.W/Off	2,095	1,495	1,403	5,985	0
12 Profit Before Tax	2,543	15,674	1,436	24,556	38,425
13 Provision for Tax & Deff. Tax	1,254	6,344	1,300	5,253	11,963
14 Profit After Tax	1,289	9,330	136	19,303	26,462
15 Dividend & Dividend Tax	0	0	0	6,996	8,688
16 Retained Earnings	17,063	26,392	26,529	36,905	52,034
17 Share Capital	29,900	29,900	29,900	29,900	29,900
18 Reserves & Surplus	80,845	79,750	78,596	88,405	106,761
19 Shareholders' Funds	110,745	109,650	108,496	118,305	136,661
20 Loan Funds	91,506	86,367	135,441	103,762	156,635
21 Total Capital Employed	202,251	196,017	243,937	222,067	293,296
22 Gross Block	166,727	171,898	172,403	168,206	169,209
23 Net Block	39,694	35,348	29,614	25,315	30,623
24 Net Current Assets	159,952	157,946	208,338	196,752	262,673
25 Miscellaneous Expenditure	2,605	2,723	5,985	0	0
26 Total Assets	202,251	196,017	243,937	222,067	293,296
27 Operating Profit Margin %	5.92	7.75	5.71	9.12	9.17
28 Gross Profit Margin %	2.54	4.28	1.48	5.56	5.74
29 Dividend %	0.00	0.00	0.00	20.00	25.00
30 Book Value Per Share (Rs.)	36.17	35.76	34.28	39.57	45.71
31 Cash Earning Per Share (Rs.)	4.44	6.87	2.60	9.89	10.06
32 Earning Per Share (Rs.)	0.43	3.12	0.05	6.46	8.85
33 Return On Net Worth %	1.19	8.73	0.13	16.32	19.36
34 Return On Capital Employed %	16.74	24.88	14.35	25.71	22.89
35 Assets Turnover Ratio	15.72	19.51	22.25	25.91	25.07
36 Inventory Turnover Ratio	4.25	4.27	4.90	5.09	4.71
37 Debt Equity Ratio	0.85	0.81	1.32	0.88	1.15
38 Current Ratio	2.05	1.85	2.30	2.21	2.23

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of Safari Industries (India) Limited will be convened on Saturday, 30th day of July, 2011, at Walchand Hirachand Hall, 4th Floor,, Indian Merchants' Chambers, IMC Building, IMC Marg, Churchgate, Mumbai 400-020 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Mulchand K. Sheth , who retires by rotation, but being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Niraj Goyal, who retires by rotation, but being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification, the following Resolution, as Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 310 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the reappointment of Shri A.S. Mehta as Chairman & Managing Director of the Company (designated as 'Chairman') for a further period of 3 years with effect from 1.05.2011 to 30.04.2014, upon the terms and conditions, as set out in the draft agreement to be entered into between the Company of one part and Shri A.S. Mehta of the other part, placed before the meeting and initialed by the Director for the purpose of identification, which agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said reappointment and/or agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, or any amendment thereto as may be agreed to between the Board of Directors and Shri A.S. Mehta."
"FURTHER RESOLVED THAT notwithstanding anything herein contained, where in any financial year during the currency of the tenure of the appointee, the company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and any other allowances with provisions of Schedule XIII of the Companies Act, 1956, as may be in force from time to time."
"FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to take such steps as may be necessary to give effect to this Resolution."

REGISTERED OFFICE :
7, Jayalaxmi Industrial Premises Co-op Soc. Ltd.,
Khetani Textile Compound,
Kurla, Mumbai - 400 070.
Dated : 30th May, 2011

BY ORDER OF THE BOARD OF DIRECTORS

A. S. MEHTA
Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective should be duly completed, stamped and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from 17th July,2011 to 30th July, 2011 (both days inclusive).
4. Members who hold shares in dematerialised form are requested to bring their clients ID and DPID number for easy identification for attendance at the meeting.
5. Members desirous of obtaining any information as regards Accounts and operations of the Company are requested to write to the Company at least one week before the meeting to enable the Company to make available the required information at the meeting.
6. Members are requested to intimate the change in their addresses, if any, immediately to the company's Registrar and Transfer Agents.
7. (a) The unclaimed dividends up to the company's financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.
(b) The unclaimed dividends of the Company's financial year up to 2000-2001 have been transferred to Investor Education & Protection Fund of the Central Government.
8. Pursuant to the Provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March,2005, and thereafter which remains unpaid or unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2001, or any subsequent financial years are requested to make their claims to the office of the Registrar & Transfer Agent M/s. Adroit Corporate Services Pvt. Ltd. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claims shall lie in respect thereof.
9. Consequent upon the amendment of Section 205A of the Companies Act, 1956, and the insertion of Section 205C by the Companies (Amendment) Act, 1999, the amount remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund. Members who have not yet encashed their dividend warrants for the years 2004-2005 and 2009-2010 are requested to make their claims to the Company accordingly, without any delay.
10. Members are informed that in accordance with Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by Ministry of Corporate Affairs, Government of India, henceforth, the Company is proposing to send documents like Notice of General Body Meetings, Audited Financial Statements, Director's Reports, Auditors Report and other documents / communications to the Members in the electronic form by e-mail.

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

BY ORDER OF THE BOARD OF THE DIRECTORS

MUMBAI
DATED : 30th May, 2011

A. S. MEHTA
Chairman

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.5 :

The Board of Directors at their meeting held on 29th April, 2011 have, subject to the shareholders' approval and provisions of the articles of association of the company, reappointed Shri Amul S. Mehta as Chairman and Managing Director ("CMD") for three years with effect from 01.05.2011.

The Remuneration proposed to be paid to Shri Amul S. Mehta has been considered by the Remuneration Committee at its meeting held on 29th April, 2011 and the details of the remuneration as recommended by them for the consideration of the members. The necessary details required to be disclosed under clause (iv) of proviso to paragraph 1(B) of section II of part II of Schedule XIII to the Companies Act, 1956 are furnished hereunder.

1. General Information:

The Company is engaged in the business of manufacture and sale of travel goods. The company is an existing company.

2. Financial Performances based on given indicators :

Particulars	Year ended 31.03.2009	Year ended 31.03.2010	(Rs.in Lakhs)
			Year ended 31.03.2011
Sales	6590.26	6559.12	7678.19
PBDIT	350.17	511.13	671.38
PBIT	287.77	468.19	635.22
Net Profit before Tax	14.36	245.56	384.25

3. The company does not have any exports, however, prospects for the same are being explored. There is no foreign investment or collaboration.

4. Information about the appointee :

1. Background details
Mr. Amul S. Mehta, aged 59 years and is a graduate in Plastic Technology. He is a Promoter and Director on the Board since the Company's inception.
Mr.Mehta has been guiding the company and has been responsible for its progress ever since its inception.
2. Past Remuneration for the Financial year 2010-11.
Rs.2,00,000/- per month plus perquisites.
3. Recognition or awards/ Job profile and suitability.
Actively associated for several years with various industry and management bodies.
4. Remuneration Proposed :
As per Annexure-1 enclosed.
5. Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person.
The remuneration proposed to be paid is consistent with the responsibility of the position and is comparable with the remuneration in similar industries in the same segment of business.
6. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any.
Mr. Amul S Mehta is a relative of Mr. Yugesh S Mehta

ANNEXURE 1

REMUNERATION PROPOSED
MR. AMUL S. MEHTA

S. NO.	DESCRIPTION	PARTICULARS
1.	Salary	Rs. 2,25,000/- per month.
2.	Perquisites	LTA, Medical Reimbursement for self and family, Insurance, Club Fees, etc. as per Company's rules subject to an overall ceiling of Rs.3/- lakhs per annum.
3.	Retirement Benefits	Contribution to Provident Fund / Superannuation Fund and Gratuity as per the approved Scheme of the Company in force from time to time.
4.	General	a. Provision of telephone at residence and expenses on account of car for official use shall not be reckoned as perquisites. b. Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes), the perquisites shall be valued as per income tax rules. c. Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business.
5.	The terms and conditions set out for reappointment and/or Agreement may be altered and varied from time to time by the Board as it may, at its discretion, deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, or any other amendments made thereafter in this regard.	
6.	The agreement may be terminated by either party by giving the other party three months notice or as may be mutually agreed between the parties.	
7.	If at any time the appointee ceases to be a Director of the company from any cause whatsoever, he shall cease to be the Chairman & Managing Director in terms of the agreement and the agreement shall forthwith terminate.	
8.	The appointee undertakes not to become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the company in future without the prior approval of the Central Government and the agreement shall cease and determine upon the contravention of this undertaking. The appointee shall not be entitled to supplement his earnings under the agreement with any buying or selling commissions nor shall he be entitled to fees payable to Directors for attendance at Board Meetings and Meetings of all Committees appointed by the Board.	
9.	Shri A. S. Mehta will have substantial power as may be entrusted to him subject to the supervision and control of the Board of Directors and he will also perform such other duties and service as shall from time to time be entrusted to him by the Board of Director.	
10.	Shri A. S. Mehta is not liable to retire by rotation. The draft agreement between the company and Shri A. S. Mehta is available for inspection by the members of the company at its Registered Office between 10.00 a.m. and 12.30 p.m. on all working days (except Sunday & public holidays) of the company up to and including the day of the meeting. The above may also be treated as an abstract of the draft agreement between the company and Shri A. S. Mehta pursuant to Section 302 of the Companies Act, 1956.	
11.	In case of inadequacy of profit, remuneration will be payable as per schedule XIII of the Companies Act, 1956. MEMORANDUM OF INTEREST : Shri A. S Mehta, Chairman & Managing Director is deemed to be concerned or interested in the resolution in respect of reappointment and remuneration payable to him. Shri Yugesh S Mehta may be deemed to be concerned or interested in the resolution as he is related to Shri A. S. Mehta. None of the other Directors of the company is, in any way, concerned or interested in the resolution.	

REGISTERED OFFICE :
7, Jayalaxmi Indl. Premises Co-op Soc. Ltd.,
Khetani Textile Compound,
Kurla, Mumbai - 400 070.
Dated : 30th May, 2011

BY ORDER OF THE BOARD OF DIRECTORS

A. S. MEHTA
Chairman

DIRECTOR'S REPORT

To

The Members,

Your Directors present the 31st Annual Report together with Audited Statement of Accounts of the company for the year ended 31st March, 2011.

1. FINANCIAL RESULTS

	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
	RUPEES	RUPEES
Gross Operating Profit	4,27,99,896	4,00,31,379
Less : Depreciation	36,15,831	42,93,618
Less VRS Expenses of the Current Year	7,59,208	51,97,292
Operating Profit for the year	<u>3,84,24,857</u>	<u>3,05,40,469</u>
Less Deferred Revenue Expenditure of earlier years w/off	--	59,84,865
Profit Before Tax	<u>3,84,24,857</u>	<u>2,45,55,604</u>
Provision for Taxation :		
Current Tax	1,09,90,829	81,80,467
Deferred Tax	5,81,527	(24,98,342)
Taxes of earlier years	3,90,084	4,29,647
Profit after Taxes	<u>2,64,62,417</u>	<u>1,93,03,126</u>
Profit brought forward from previous year	3,69,05,146	2,65,28,634
Profit available for Appropriation	<u><u>6,33,67,563</u></u>	<u><u>4,58,31,760</u></u>
APPROPRIATIONS:		
Transfer to General Reserve	26,46,242	19,30,313
Proposed Dividend	74,75,000	59,80,000
Tax on Proposed Dividend	12,12,819	10,16,301
Balance Carried to B/Sheet	<u>5,20,33,502</u>	<u>3,69,05,146</u>
Total	<u><u>6,33,67,563</u></u>	<u><u>4,58,31,760</u></u>

2. DIVIDEND

Directors recommend a dividend of Rs.2.50 per share of Rs.10/-each for the year ended 31.03.2011, subject to approval of the share holders at the forth coming Annual General Meeting.

3. PERFORMANCE

Sales and other income increased by robust 17.68% from Rs.6619.11 lakhs to Rs.7789.07 lakhs in the previous year. The Company has reported an increase in sales in both Moulded and Soft Luggage. The net profit is Rs.264.62 lakhs after providing depreciation of Rs.36.16 lakhs and provisions of tax including deferred tax liability of Rs.119.63 lakhs. There has been substantial improvement in the profitability during the year under review, despite significant increase in raw material cost in the last six months due to rising commodity prices.

4. OUTLOOK FOR THE CURRENT YEAR

The Outlook is positive as demand for travel goods remains robust. The Company hopes to achieve improvement in Production, Sales and Profitability in the current year, barring unforeseen circumstances.

5. FIXED DEPOSITS

Fixed Deposits from public and shareholders as on 31st March 2011, aggregated to Rs.230.72 lakhs. The Company has paid interest on all fixed deposits due and claimed.

6. DIRECTORS

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

7. AUDITORS

M/s. Bansi S. Mehta & Co., Chartered Accountants, Mumbai, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received certificate from Auditors to the effect that their reappointment, if made, would be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956.

8. COMMENT ON AUDITORS' REMARKS

Notes contained in Schedule No.13 of the Accounts and referred to in the Auditors' Report are self explanatory and do not call for further explanations and may be treated as adequate compliance of Section 217 (3) of the Companies Act, 1956.

DIRECTOR'S REPORT (contd..)

9. SECRETARIAL COMPLIANCE CERTIFICATE

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

10. ACKNOWLEDGEMENT

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

11. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm :

- a) that in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- b) that the directors had selected such accounting policies and applied them consistently and made 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 had taken proper and sufficient care

for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.

- d) that the directors had prepared the annual accounts on a going concern basis.

12. 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 said The Bombay Stock Exchange as prescribed as per listing agreement.

13. CONSERVATION OF ENERGY, ETC.

As required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, etc. Is given in the annexure forming part of this Report.

BY ORDER OF THE BOARD OF DIRECTORS

Mumbai
Dated : 30th May, 2011

A. S. MEHTA
Chairman

DIRECTOR'S REPORT (contd..)

ANNEXURE TO THE DIRECTORS' REPORT

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE BOARD OF DIRECTORS' REPORT) RULES, 1988.

(A) CONSERVATION OF ENERGY :

- (a) Energy conservation measures taken :
Power is not a major input in the manufacturing process. Therefore, no substantial conservation of energy is possible. However, efforts have been made to install energy saving devices and greater awareness have been brought about among the employees at the company's manufacturing unit to induce conservation of energy and in particular to avoid wastage.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy. Please refer to the explanation provided in (a) above.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
Not applicable.
- (d) Total energy consumption and energy consumption per unit of production
Form "A" of the annexure to the Companies (Disclosure of particulars in the Board of Directors Report) Rules, 1988 , is not applicable.

(B) TECHNOLOGY ABSORPTION :

1. RESEARCH AND DEVELOPMENT (R & D) :

- (a) Existing products are continuously evaluated for possible improvement in their design, etc. The process of manufacture is under constant review for improvement in methods, quality and cost reduction.

- (b) Benefits derived as a result of above R & D :
Introduction of new and better models.
Improvement in Cycle Time, Machine Performance and reduction in down time.
- (c) Future plan of action :
Automation in Frame bending and Luggage Assembly.
- (d) Expenditure on R & D :
Expenditure on normal R & D is insignificant. Hence not allocated separately.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

- (a) Efforts taken for technology absorption and innovation :
Company's manufacturing process is based mainly on indigenous technology.
- (b) Benefits derived as a result of the above efforts :
Not applicable.
- (c) Information regarding technology imported during the last five years.
Not applicable.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

	(Rs. in lacs)
Used	1214.04
Earned	Nil

ON BEHALF OF THE BOARD OF DIRECTORS

MUMBAI
Dated : 30th May, 2011

A. S. MEHTA
Chairman

COMPLIANCE CERTIFICATE

To,
The Members
SAFARI INDUSTRIES (INDIA) LIMITED
Mumbai

We have examined the necessary registers, records, books, papers of SAFARI INDUSTRIES (INDIA) LIMITED as required to be maintained under the Companies Act, 1956 ("the Act"), and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on 31st March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under, and wherever required all entries therein have been recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of the Companies, Mumbai, Maharashtra or such other authorities as required under the Act and the rules made there under with additional filing fees in case of delay (Subject to notes mentioned).
3. The status of the Company being Public Limited Company, comments are not required.
4. The Board of Directors duly met 4 (Four) times for meetings held on 15.05.2010, 26.07.2010, 23.10.2010 and 23.01.2011 respectively, in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members and Share Transfer of Register from 13.07.2010 to 26.07.2010 (both days inclusive) and necessary compliance of Section 154 of the Companies Act, 1956 has been made in respect of the same.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 26th July, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loan to its directors and / or persons or firms or companies referred in Section 295 of the Act, during the financial year under review.
9. As explained to us, the Company has not entered into any contract in violation of the provisions of Section 297 of the Act in respect of contracts specified in the said Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. There are no appointments or contracts in respect of holding an office or place of profit by Directors within the meaning of Section 314 of the Act and accordingly, the Company was not required to obtain any approval from the Board of Directors, Members and the Central Government.
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates during the financial period under review.
13. During the financial year under review, the Company has :
 - (i) not issued or allotted any shares / debentures or other securities and hence, the Company was not required to delivered any certificates in respect of the same. The Company has given effect of the valid transfer / transmission of shares on lodgment there of within time provided and in accordance with the provisions of the Act except for 4 cases of transfer of shares;
 - (ii) deposited the amount of dividend declared including in a separate Bank Account within 5 days from the declaration of such dividend;
 - (iii) paid / posted warrants for dividends to all the members within a period of 30 (thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company;
 - (iv) the Company has not transferred any amounts to the Investors Education and Protection Fund since there were no unpaid dividends, application money due for refund, matured deposits, matured Debentures and the interest accrued thereon, outstanding for a period of seven years;
 - (v) duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies, during the financial year under review.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year under review.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued / allotted any shares / securities during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. The Company has not issued any preference shares / debentures and consequently there is no redemption of preference shares / debentures during the year under review.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of the shares during the financial year under review.
23. The Company has complied with the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 and directives issued by the Reserve Bank of India, wherever applicable, with regard to the deposits accepted from the public, save and except maintaining liquid assets, in terms of Rule 3A of Companies (Acceptance of Deposit) Rules, 1975, to the extent of Rs. 0.83 Lakhs (out of total liquid assets requirement of Rs. 31.08 Lakhs) which was placed in Fixed Deposit on June 18, 2010 instead of before April 30, 2010.
24. The amount borrowed by the Company during the financial year ended 31st March, 2011 is within the borrowing limits of the Company.
25. The Company has not made loans or advances or made investments or given guarantees or provided securities to other bodies corporate and hence no comment is invited.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the financial year under review.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year under review.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under review.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year under review.
30. The Company has not altered any provisions of its Articles of Association during the financial year under review.
31. As explained by the Company, there was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and no fines and penalties or any other punishment was imposed on the Company during the financial year under review.
32. As explained by the management of the Company, the Company has not received any money as security from its employees during the year under review.
33. As explained by the management of the Company, the Company has no outstanding amount to be deposited with prescribed authorities pursuant to Section 418 of the Act.

FOR KEYUL M. DEDHIA & ASSOCIATES

Company Secretaries

Keyul M Dedhia

Proprietor

(A.C.S. No. 22761) (C. P. No : 8618)

Mumbai

Dated : 30th May, 2011

ANNEXURE A

Sr. No.	Registers maintained by the Company	Under Section
1	Register of Charges	143
2	Register of Members	150
3	Register of Index of Members	151
4	Minutes Books of proceedings of : 1. Meetings of the Board of Directors 2. General Meetings 3. Meeting of the Committees	193
5	Register of Contracts, Companies and firms in which Directors are interested	301
6	Register of Directors, Managers and Secretary	303
7	Register of Directors Shareholding	307
8	Register of Deposit	Companies (Acceptance of Deposit) Rules, 1975
9	Register of Renewed and Duplicate Share Certificates	Companies (Issue of Share Certificate) Rules, 1960
10	Register of Share Applications and Allotments	Voluntary
11	Register of Share Transfer	Voluntary
12	Register of Directors Attendance	A/A.
13	Register of Members Attendance	A/A.
14	Register of Proxy	Voluntary

ANNEXURE B

Sr.No.	Form No.	Section	Purpose	SRN and Date of Filing
1	Form 17 Dtd : 25.03.2010	138	Satisfaction of Charge (Charge ID No. 10137084)	A82674789 12.04.2010
2.	Form 8 Modification dt. 13.04.2010	125 / 135	Creation / Modification of Charge	A83741355 27.04.2010
3.	Form 62 Dtd : 15.05.2010	58A Read with Acceptance of Deposits Rules	Statement of Advertisement as required under the provisions of Acceptance of Deposit Rules	A85224582 17.05.2010
4.	Form 62 Return of Deposit Dtd : 31.03.2010	58A Read with Acceptance of Deposits Rules	Companies (Acceptance of Deposit) Rules, 1975	A87649786 23.06.2010
5.	Form 66 (Compliance Certificate for the financial year ended 31/03/2010)	383A	As required under Companies (Issuance of Compliance Certificate Rules `) 2001	P49948862 21.08.2010
6.	Form 23AC/23ACA Annual Accounts dt. 31.03.2010	220	As per requirement of the Act	P49949654 21.08.2010
7.	* Form 20B Annual Return dt. 26.07.2010	159, 161	As per requirement of the Act	P52070604 09.09.2010
8.	Form 8 Modification dt. 06.10.2010	125 / 135	Creation / Modification of Charge	A97125884 30.10.2010
9.	**Form 8 Modification dt. 22.02.2011	125 / 135	Creation / Modification of Charge	B06431944 25.02.2011

* Form 20B shows total no of Shareholders as on 26.07.2010 i.e. Annual General Meeting as 3927 but shareholding pattern as on said date shows total no of shareholders as 3947.

** At point no 12(a) of the said Form, the Company mentioned Rs. 2 Crores as amount secured by Charge after considering Modification instead of Rs. 2771 Lacs.

FOR KEYUL M. DEDHIA & ASSOCIATES

Company Secretaries

Keyul M Dedhia

Proprietor

(A.C.S. No. 22761) (C. P. No : 8618)

Mumbai

Dated : 30th May, 2011

AUDITORS' REPORT

The Members,

SAFARI INDUSTRIES (INDIA) LIMITED.

1. We have audited the attached Balance Sheet of Safari Industries (India) Ltd., as at March 31, 2011 and the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies` (Auditor's Report) Order, 2003, as amended, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a Statement, on the basis of such checks as we considered appropriate and the information and explanations given to us, on the matters specified in paragraph 4 of the said Order.
4. Further to our comments in Annexure referred to in paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. On the basis of the written representation received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2011,
 - ii. In the case of the Profit & Loss Account 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.

Mumbai
Dated : 30th May, 2011

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

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of SAFARI INDUSTRIES (INDIA) LIMITED on the accounts for the year ended March 31, 2011.

- (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) During the year, the Company has not disposed off any substantial part of its fixed assets.
- (ii) (a) The inventories have been physically verified by the management during the year, except material lying with third parties and at depots, 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) 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) 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 system 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 and services. 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 the 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, *save and except maintaining minimum liquid assets, in terms of Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975, to the extent of Rs. 0.83 Lakhs (out of total liquid assets requirement of Rs. 31.08 Lakhs) which was placed in fixed deposit on June 18, 2010 instead of (on or before) April 30, 2010.*
- (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) We have been informed that maintenance of cost records has not been prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956.

- (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 being provident fund, investor education and protection fund, excise duty wealth tax, customs duty, and other material statutory dues, wherever applicable, except in respect of employees' state insurance, income tax, sales tax, service tax, cess, wherein there have been delays. There are no undisputed arrears of abovementioned statutory dues outstanding as at March 31, 2011 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there were no disputed dues of income-tax, customs duty, wealth tax, service tax, excise duty and cess.

The disputed amounts that have not been deposited in respect of Sales Tax, Income Tax and Entry Tax are as under:

Name of the Statute	Nature of the dues	Amount Rs.Lacs	Period to which it relates	Forum where dispute is pending
Gujarat Sales Tax Act, 1969	Sales Tax	15.76	2003-04	Sales Tax Tribunal
Gujarat Sales Tax Act, 1969	Sales Tax	25.42	2004-05	Sales Tax Tribunal
Gujarat Sales Tax Act, 1969	Sales Tax	33.43	2005-06	Sales Tax Tribunal
Orissa Sales Tax Act, 1956	Sales Tax	16.62	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
Orissa Entry Tax Act, 1999	Entry Tax	1.17	2002-03	Sales Tax Tribunal
Orissa Entry Tax Act, 1999	Entry Tax	1.95	2003-04	Sales Tax Tribunal
Orissa Entry Tax Act, 1999	Entry Tax	1.42	2004-05	Sales Tax Tribunal
Gujarat Sales Tax Act, 1969	Sales Tax	28.52	2002-03	Sales Tax Tribunal

- (x) There are no accumulated losses of the Company as on March 31, 2011 and the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion, 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 not been used for long term investments.
- (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

Dated : 30th May, 2011

BALANCE SHEET AS AT 31ST MARCH 2011

	SCHEDULE NO.	RUPEES	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
I. SOURCES OF FUNDS				
SHARE HOLDERS' FUNDS				
SHARE CAPITAL	1	29,900,000		29,900,000
RESERVES & SURPLUS	2	105,593,793		87,819,195
			135,493,793	117,719,195
LOAN FUNDS				
SECURED LOANS	3	133,562,648		69,182,346
UNSECURED LOANS	4	23,072,000		34,580,000
			156,634,648	103,762,346
DEFERRED TAX LIABILITY (Net) [Refer note no. 8 of Schedule 13(B)]			1,167,322	585,795
TOTAL			293,295,763	222,067,336
II. APPLICATION OF FUNDS				
FIXED ASSETS	5			
GROSS BLOCK		169,208,575		168,205,609
LESS: DEPRECIATION		138,585,866		142,890,546
NET BLOCK			30,622,709	25,315,063
CURRENT ASSETS, LOANS & ADVANCES	6			
INVENTORIES		163,063,242		128,874,418
SUNDRY DEBTORS		285,408,408		211,870,606
CASH & BANK BALANCES		20,544,486		11,705,861
LOANS AND ADVANCES		7,707,761		7,469,964
SUB TOTAL		476,723,897		359,920,849
LESS:				
CURRENT LIABILITIES & PROVISIONS	7			
CURRENT LIABILITIES		193,343,448		153,200,693
PROVISIONS		20,707,395		9,967,883
SUB TOTAL		214,050,843		163,168,576
NET CURRENT ASSETS			262,673,054	196,752,273
TOTAL			293,295,763	222,067,336
Significant Accounting Policies and Notes on Accounts Schedules referred to above and notes thereon form an integral part of the Balance-Sheet	13			

As per our Report of even date
FOR BANSI S. MEHTA & CO.
Chartered Accountants
H. G. BUCH
Partner
(M. No. 33114)
Mumbai, Dated: 30th May, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
AMUL S. MEHTA (Chairman & Managing Director)
M. K. SHETH (Director)
Mumbai, Dated: 30th May, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	SCHEDULE NO.	31.03.2011 RUPEES	31.03.2010 RUPEES
INCOME			
SALES		767,818,897	655,911,710
LESS : EXCISE DUTY		46,931,687	35,799,782
NET SALES		720,887,210	620,111,928
OTHER INCOME	8	11,088,319	5,998,997
INCREASE/ (DECREASE) IN STOCKS	9	32,181,392	(10,353,700)
TOTAL INCOME		764,156,921	615,757,225
EXPENDITURE			
COST OF MATERIALS	10	253,791,787	204,764,209
PURCHASE OF TRADING GOODS		171,666,996	113,155,479
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES	11	74,538,661	67,609,344
OPERATING, ADMINISTRATIVE, FINANCIAL & OTHER EXPENSES	12	222,118,789	195,394,106
DEPRECIATION [Refer note no. 11 of Schedule 13(B)]		3,615,831	4,293,618
TOTAL EXPENDITURE		725,732,064	585,216,756
PROFIT FOR THE YEAR		38,424,857	30,540,469
LESS : DEFERRED REVENUE EXPENDITURE [Refer note no. 13 of Schedule 13(B)]		-	5,984,865
PROFIT BEFORE TAXES		38,424,857	24,555,604
PROVISION FOR TAXATION			
CURRENT TAX		10,990,829	8,180,467
DEFERRED TAX [Refer note no. 8 of Schedule 13(B)]		581,527	(2,498,342)
TAXES FOR EARLIER YEARS		390,084	429,647
PROFIT AFTER TAXES		26,462,417	19,303,126
ADD: BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		36,905,146	26,528,634
TOTAL		63,367,563	45,831,760
APPROPRIATION			
TRANSFER TO GENERAL RESERVE		2,646,242	1,930,313
PROPOSED DIVIDEND		7,475,000	5,980,000
TAX ON PROPOSED DIVIDEND		1,212,819	1,016,301
BALANCE CARRIED TO BALANCE SHEET		52,033,502	36,905,146
		63,367,563	45,831,760
Basic & Diluted Earning Per share of Rs. 10/- Each [Refer note no. 7 of Schedule 13(B)]		8.85	6.46
Significant Accounting Policies and Notes on Accounts Schedules referred to above and the notes thereon form an integral part of the Profit & Loss account	13		

As per our Report of even date
FOR BANSI S. MEHTA & CO.
Chartered Accountants
H. G. BUCH
Partner
(M. No. 33114)
Mumbai, Dated: 30th May, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
AMUL S. MEHTA (Chairman & Managing Director)
M. K. SHETH (Director)
Mumbai, Dated: 30th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

A. Cash Flow from Operating Activities	CURRENT YEAR		PREVIOUS YEAR	
	RUPEES	RUPEES	RUPEES	RUPEES
Net Profit before tax and extra ordinary items.		38,424,857		30,540,469
Adjustments for :				
Depreciation	3,615,831		4,293,618	
Interest (Net)	24,582,765		21,672,439	
(Profit)/Loss on sale of Fixed Assets	(460,181)		216,552	
Rent received	(841,500)		(627,840)	
		26,896,915		25,554,769
Operating profit before working capital changes		65,321,772		56,095,238
Adjustments for :				
Trade & other receivables	(48,819,350)		2,961,532	
Inventories	(34,188,824)		5,489,515	
Trade & other payable	43,695,710		(4,207,184)	
		(39,312,464)		4,243,863
Cash generated from operations		26,009,308		60,339,101
Direct taxes paid		(7,058,165)		(7,081,812)
Cash flow before extra ordinary items		18,951,143		53,257,289
Extra ordinary items		(8,308,649)		104,193
Net cash from operating activities		10,642,494		53,361,482
B. Cash flow from investing activities				
Purchase of fixed assets	(10,288,580)		(315,383)	
Sale of fixed assets	10,133,935		-	
Proceeds of fixed deposit with bank	(1,829,262)		(500,000)	
Interest received	513,985		591,954	
Rent received	841,500		627,840	
Net cash used in investing activities		(628,422)		404,411
C. Cash flow from financing activities				
Proceeds from Long Terms borrowing	(13,647,200)		726,348	
Proceeds from Short Terms borrowing	41,563,253		(36,695,563)	
Interest paid	(25,096,750)		(22,264,393)	
Dividend paid	(5,824,012)		-	
Net Cash used in financing activities		(3,004,709)		(58,233,608)
Net Increase/(Decrease) in cash & cash equivalents		7,009,363		(4,467,715)
Opening cash & cash equivalents		4,217,468		8,685,183
Closing cash & cash equivalents		11,226,831		4,217,468

As per our Report of even date

FOR BANSI S. MEHTA & CO.

Chartered Accountants

H. G. BUCH

Partner

(M. No. 33114)

Mumbai, Dated: 30th May, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AMUL S. MEHTA*(Chairman & Managing Director)***M. K. SHETH***(Director)*

Mumbai, Dated: 30th May, 2011

SCHEDULES FORMING PART OF THE ACCOUNTS

	RUPESS	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
SCHEDULE 1			
SHARE CAPITAL			
AUTHORISED :			
30,00,000 EQUITY SHARES OF RS. 10/- EACH		<u>30,000,000</u>	<u>30,000,000</u>
ISSUED, SUBSCRIBED & PAID UP :			
29,90,000 EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP		<u>29,900,000</u>	<u>29,900,000</u>
NOTES: OF THE ABOVE SHARES :			
1. 2,20,000 Equity Shares of Rs. 10/- each allotted as fully paid shares, pursuant to contracts without payment being received in cash			
2. 8,50,000 Equity Shares of Rs. 10/- each allotted as fully paid Bonus Shares by way of capitalisation of General Reserve			
SCHEDULE 2			
RESERVES & SURPLUS			
CAPITAL RESERVE :			
BALANCE AS PER LAST BALANCE SHEET		1,117,722	<u>1,117,722</u>
SHARE PREMIUM :			
BALANCE AS PER LAST BALANCE SHEET		9,750,000	<u>9,750,000</u>
GENERAL RESERVE :			
BALANCE AS PER LAST BALANCE SHEET	40,046,327		38,116,014
TRANSFER FROM P& L ACCOUNT	<u>2,646,242</u>		<u>1,930,313</u>
TOTAL		42,692,569	<u>40,046,327</u>
PROFIT & LOSS ACCOUNT			
TOTAL		<u>52,033,502</u>	36,905,146
		<u>105,593,793</u>	<u>87,819,195</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	NOTE NO.	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
SCHEDULE 3			
SECURED LOANS			
A. TERM LOANS :			
FROM CENTRAL BANK OF INDIA :			
TERM LOAN FOR FIXED ASSETS	1	-	1,362,868
TERM LOAN FOR V. E. S. S.	2	-	741,776
INTEREST ACCRUED & DUE		-	34,556
		-	<u>2,139,200</u>
B. WORKING CAPITAL :			
FROM CENTRAL BANK OF INDIA :			
CASH CREDIT FACILITIES	3	97,549,361	67,043,146
BOOK DEBT FACILITIES	4	36,013,287	-
TOTAL		<u>133,562,648</u>	<u>69,182,346</u>

NOTES :

1. Secured by hypothecation of stock of raw-materials, semi-finished goods, finished goods and first charge on assets acquired under term loan. Instalments falling due within one year Rs. NIL. (Previous Year Rs. 13.62 lakhs).
2. Secured by hypothecation of existing and future plant & machinery. Instalments falling due within one year Rs. NIL (Previous year Rs. 7.42 lakhs)
3. Secured by hypothecation of stocks of raw-materials, semi-finished goods, finished goods, packing materials, stores and spares, and further secured by an equitable mortgage of immovable properties of the Company situated at Mumbai and Halol and Fixed Deposit Receipt.
4. Secured by hypothecation of Book Debts of Canteen Stores Department.

SCHEDULE 4**UNSECURED LOANS:**

FIXED DEPOSITS	23,072,000	28,080,000
INTER-CORPORATE DEPOSITS	-	6,500,000
TOTAL	<u>23,072,000</u>	<u>34,580,000</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 5	FIXED ASSETS										(RUPEES)
PARTICULARS	GROSS BLOCK					DEPRECIATION			NET BLOCK		
	AS AT 01.04.2010	ADDITIONS	SALE/ TRF.	AS AT 31.03.2011	AS AT 01.04.2010	FOR THE YEAR	SALE/ TRF.	AS AT 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010	
LEASE HOLD LAND	1,218,708	-	268,800	949,908	300,388	10,352	77,449	233,291	716,617	918,320	
BUILDINGS	22,571,198	-	-	22,571,198	14,574,964	673,037	-	15,248,001	7,323,197	7,996,234	
PLANT AND MACHINERY	115,362,896	7,739,048	4,436,192	118,665,752	104,952,731	1,730,895	4,214,382	102,469,244	16,196,508	10,410,165	
COMPUTERS	7,996,044	398,384	2,231,656	6,162,772	6,526,563	420,127	2,120,073	4,826,617	1,336,155	1,469,481	
JIGS TOOLS & DIES	3,659,846	-	-	3,659,846	3,199,451	93,249	-	3,292,700	367,146	460,395	
FURNITURES & FIXTURES	8,211,418	-	-	8,211,418	7,035,498	219,696	-	7,255,194	956,224	1,175,920	
ELECTRICAL FITTINGS	2,735,869	-	-	2,735,869	2,379,884	55,684	-	2,435,568	300,301	355,985	
OFFICE EQUIPMENT & OTHER ASSETS	3,505,033	38,535	-	3,543,568	2,255,378	131,362	-	2,386,740	1,156,828	1,249,655	
VEHICLES	2,944,597	2,112,613	2,348,966	2,708,244	1,665,689	281,429	1,508,607	438,511	2,269,733	1,278,908	
TOTAL	168,205,609	10,288,580	9,285,614	169,208,575	142,890,546	3,615,831	7,920,511	138,585,866	30,622,709	25,315,063	
PREVIOUS YEAR	172,403,477	315,383	4,513,251	168,205,609	142,789,434	4,293,618	4,192,506	142,890,546	25,315,063	29,614,043	

NOTES :- 1. Cost of building includes Rs.500/-, in respect of cost of Shares in a Co-Op Society.

	AS AT 31.03.2011	AS AT 31.03.2010
	RUPEES	RUPEES
SCHEDULE 6		
CURRENT ASSETS, LOANS & ADVANCES :		
INVENTORIES :		
(As taken, valued and certified by the management)		
RAW MATERIALS & COMPONENTS	34,234,714	32,873,241
PACKING MATERIALS	3,161,333	2,728,495
STORES & SPARES	4,649,040	4,435,919
WORK-IN-PROGRESS	6,907,839	5,348,983
FINISHED GOODS	114,110,316	83,487,780
SUB TOTAL	<u>163,063,242</u>	<u>128,874,418</u>
SUNDRY DEBTORS :		
[Refer note no. 15 of Schedule 13(B)]		
(UNSECURED, CONSIDERED GOOD)		
OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	838,264	984,570
OTHER DEBTS	284,570,144	210,886,036
SUB TOTAL	<u>285,408,408</u>	<u>211,870,606</u>
CASH & BANK BALANCES :		
CASH ON HAND	54,172	62,954
IN CURRENT ACCOUNTS WITH SCHEDULED BANKS	11,172,659	4,154,514
FIXED DEPOSIT WITH SCHEDULED BANK		
a) Pledged with the Bank - against Bank Guarantee	125,000	76,726
b) Pledged with the Bank - against Letter of Credit	4,000,000	4,000,000
c) Pledged with the Bank - against Bank Facilities	1,800,000	800,000
d) Other Fixed Deposits	3,125,000	2,500,000
UNCLAIMED DIVIDEND BANK ACCOUNT	267,655	111,667
SUB TOTAL	<u>20,544,486</u>	<u>11,705,861</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	3,755,996	3,798,627
LOANS TO EMPLOYEES	194,862	150,066
DEPOSITS	3,561,631	2,489,720
BALANCE WITH CENTRAL EXCISE COLLECTORATE	195,272	1,031,551
SUB TOTAL	<u>7,707,761</u>	<u>7,469,964</u>
TOTAL OF CURRENT ASSETS, LOANS & ADVANCES	<u>476,723,897</u>	<u>359,920,849</u>
SCHEDULE 7		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES :		
ACCEPTANCES	38,823,911	21,898,484
SUNDRY CREDITORS [Refer note no. 10 & 15 of Schedule 13(B)]	125,224,636	106,055,131
OTHER LIABILITIES	28,327,246	25,135,411
SECURITY DEPOSITS	700,000	-
UNCLAIMED DIVIDEND [This does not include any amount due and outstanding to be credited to Investors Education & Protection Fund]	267,655	111,667
SUB TOTAL	<u>193,343,448</u>	<u>153,200,693</u>
PROVISIONS :		
PROVISION FOR TAX (NET OF TAXES PAID)	8,310,633	2,971,582
PROVISION FOR GRATUITY	3,708,943	-
PROPOSED DIVIDEND	7,475,000	5,980,000
TAX ON PROPOSED DIVIDEND	1,212,819	1,016,301
SUB-TOTAL	<u>20,707,395</u>	<u>9,967,883</u>
TOTAL OF CURRENT LIABILITIES & PROVISIONS	<u>214,050,843</u>	<u>163,168,576</u>
SCHEDULE 8		
OTHER INCOME		
SALE OF SCRAP	208,748	211,188
RENT RECEIVED [T.D.S. RS. 91,500(PREVIOUS YEAR RS.1,10,160)]	933,000	738,000
INTEREST [T.D.S. RS. 88,696(PREVIOUS YEAR RS.42,189)]	513,985	591,954
AMOUNTS WRITTEN BACK	116,398	-
PROFIT IN SALE OF FIXED ASSETS	9,118,772	1,547,007
NET GAIN ON EXCHANGE FLUCTUATION	61,414	1,981,870
MISCELLANEOUS RECEIPTS	136,002	928,978
TOTAL	<u>11,088,319</u>	<u>5,998,997</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	YEAR ENDED 31.03.2011 RUPEES	YEAR ENDED 31.03.2010 RUPEES
SCHEDULE 9		
(INCREASE) / DECREASE IN STOCK :		
OPENING STOCK		
FINISHED GOODS	49,425,740	48,025,873
TRADING GOODS	34,062,040	45,376,483
WORK-IN-PROGRESS	5,348,983	5,788,107
SUB-TOTAL	<u>88,836,763</u>	<u>99,190,463</u>
CLOSING STOCK		
FINISHED GOODS	56,360,673	49,425,740
TRADING GOODS	57,749,643	34,062,040
WORK-IN-PROGRESS	6,907,839	5,348,983
SUB-TOTAL	<u>121,018,155</u>	<u>88,836,763</u>
NET INCREASE/(DECREASE)	<u><u>32,181,392</u></u>	<u><u>(10,353,700)</u></u>
SCHEDULE 10		
COST OF MATERIAL :		
RAW MATERIALS & COMPONENTS		
OPENING STOCK	32,873,241	27,998,190
PURCHASES	218,740,725	176,583,323
TOTAL	251,613,966	204,581,513
LESS : SALES	106,375	515,828
LESS : CLOSING STOCK	34,234,714	32,873,241
	<u>217,272,877</u>	<u>171,192,444</u>
ADD: PROCESSING CHARGES	37,158,930	34,335,187
SUB TOTAL	254,431,807	205,527,631
LESS:COMPONENTS TRANSFERRED FOR WARRANTY CLAIMS	640,020	763,422
NET CONSUMPTION	<u><u>253,791,787</u></u>	<u><u>204,764,209</u></u>
SCHEDULE 11		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES AND OTHERS :		
[Refer note no. 13 & 14 of Schedule 13(B)]		
SALARIES, WAGES, BONUS, ETC.	54,484,739	51,278,605
CONTRIBUTION TO PROVIDENT & OTHER FUNDS	5,857,822	5,052,822
LABOUR CHARGES	3,888,219	1,863,092
WELFARE EXPENSES	5,558,316	5,614,947
CONTRIBUTION TO GRATUITY & SUPER ANNUATION FUND	4,749,565	3,799,878
TOTAL	<u><u>74,538,661</u></u>	<u><u>67,609,344</u></u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	YEAR ENDED 31.03.2011 RUPEES	YEAR ENDED 31.03.2010 RUPEES
SCHEDULE 12		
OPERATING, ADMINISTRATIVE, FINANCIAL AND OTHER EXPENSES		
[Refer note no. 11 of Schedule 13(B)]		
STORES, SPARES CONSUMED	3,187,392	2,583,219
PACKING MATERIALS CONSUMED	16,886,132	12,575,676
CARRIAGE INWARD	5,765,965	5,149,610
OIL, POWER AND FUEL	10,810,311	10,404,045
REPAIRS TO BUILDINGS	138,487	89,227
REPAIRS TO MACHINERY	748,097	669,873
REPAIRS TO OTHERS	773,974	577,203
RENT	9,735,262	8,743,846
RATES ,TAXES & OTHERS	901,271	313,317
INSURANCE	584,489	652,619
DIRECTORS' FEES	317,000	282,500
COMMUNICATION EXPENSES	1,711,814	1,285,114
LEGAL & PROFESSIONAL FEES	2,032,121	2,380,305
PAYMENTS TO AUDITORS	392,500	415,000
[Refer note no.12 of Schedule 13 (B)]		
LOSS ON SALE OF FIXED ASSETS	349,942	216,552
AMOUNTS W/OFF (NET)	96,327	174,011
BANK & DISCOUNT CHARGES	3,931,183	3,921,218
SALES TAX & VAT	63,485,491	56,722,607
FREIGHT & HANDLING CHARGES	54,600,138	43,613,273
OCTROI	1,347,824	1,196,079
TRAVELLING & CONVEYANCE	7,215,343	6,439,023
ADVERTISEMENT & SALES PROMOTION	4,689,401	7,729,521
WARRANTY CLAIMS	638,998	764,404
MISCELLANEOUS EXPENSES	6,682,577	6,231,471
SUB-TOTAL	<u>197,022,039</u>	<u>173,129,713</u>
INTEREST		
ON TERM LOAN	95,659	427,614
ON CASH CREDIT FROM BANK	9,243,441	7,824,726
ON FIXED DEPOSIT	2,871,593	2,855,607
ON BILLS DISCOUNTING & OTHER INTEREST	12,886,057	11,156,446
SUB-TOTAL	<u>25,096,750</u>	<u>22,264,393</u>
TOTAL	<u>222,118,789</u>	<u>195,394,106</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 13

NOTES TO THE ACCOUNTS

(A) ACCOUNTING POLICIES

Significant accounting Policies:

i) Basis of accounting :

The financial statements are prepared on the basis of going concern, under historical cost convention and on accrual basis of accounting. Claims raised against the company are accounted as and when the claims are finally accepted by the company after due verification.

ii) Fixed Assets :

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

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.

iii) Depreciation and Amortisation (Except Freehold land) :

(a) Leasehold Land

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

(b) Other Assets

Depreciation on assets acquired prior to 2nd April, 1987 is provided at the rates corresponding to the rates applicable under the Income-tax Rules in force at the time of acquisition/purchase of assets.

Depreciation on assets acquired after 2nd April, 1987 but before 16th December, 1993 is provided on straight line method as per Section 205 (2)(b) of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 prevailing at that time.

Depreciation on addition of items of assets, specified in Notification No. GSR 756 (E) dated 16th December, 1993, and Circular No. 14/93 (No. 1/12/92-CL.V) dated 20th December, 1993 issued by the Ministry of Law, Justice and Company Affairs, Department of Company Affairs, and acquired on or after 16th December, 1993, is being provided on straight line method as per Section 205 (2) (b) of the Companies Act, 1956 at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956, read with the Notification and Circular.

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

iv) 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. Cost also includes applicable duties and levies.

c) Finished goods (traded) are valued at the lower of cost (inclusive of freight and octroi) and net realizable value on First In First Out basis.

v) Sales :

a) 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.

b) Job work charges are recognized upon completion of relative jobs.

vi) 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 Profit & Loss Account. Foreign currency 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 are recognized in the Profit & Loss Account.

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.

SCHEDULES FORMING PART OF THE ACCOUNTS

vii) 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.

viii) 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.

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 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.

ix) Product Warranties :

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

x) 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 Profit & Loss Account.

xi) Leases

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

xii) 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.

xiii) 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.

SCHEDULES FORMING PART OF THE ACCOUNTS

(B) NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. Nil (Previous Year Rs. Nil).

2. Contingent Liabilities not provided for :		Current Year	Previous Year
Sr. No.	Particulars	(Rs. in Lakhs)	(Rs. in Lakhs)
(a)	Bills discounted with Central Bank of India	448.41	698.97
(b)	Counter Guarantees given by the Company	17.84	21.62
(c)	Claims / demands against the Company by employees, disputed / not acknowledged as debts :	amount not ascertainable	amount not ascertainable
(d)	Disputed Sales Tax and Income-Tax liabilities	162.18	163.01

3. Segment Reporting :

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

4. Related Party Disclosures :

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

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

Key Management Personnel :

Mr. A. S. Mehta Managing Director

Relatives of Key Management Personnel :

Miss Maitri A. Mehta Daughter of Mr. A. S. Mehta

Miss Rachana A. Mehta Daughter of Mr. A. S. Mehta

Nature of Transactions	Key Management Personnel (Rs. in Lakhs)	Relatives of Key Management Personnel (Rs. in Lakhs)
ii) Transactions with Related Parties :		
Remuneration	33.48 (33.48)	- (-)
Interest on Deposits	- (-)	0.41 (3.25)
iii) Amounts Outstanding as on March 31, 2011		
Fixed Deposits	- (-)	- (5.00)

5. Disclosure for operating lease under Accounting Standard 19 - "Leases"

a. The Company has entered into agreement 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 11 months & 5 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 (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Within 1 year	104.39	55.83
After 1 year but before 5 years	126.13	65.05
After 5 years	Nil	Nil
TOTAL	230.52	120.88

(i) under some of the agreements, refundable interest free deposits have been given.

(ii) Some 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.

b. Details of Asset (Godown) given on Operating Lease :

Particulars	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
Gross Block	9.40	9.40
Accumulated Depreciation	4.54	4.38
Depreciation recognised in the statement of Profit & Loss for the year	0.15	0.15
Lease Rent Receivable		
Within 1 year	15.00	9.00
After 1 year but before 5 years	30.00	18.00
After 5 years	Nil	Nil
TOTAL	45.00	27.00

The agreement provides for early termination by either party with a notice period of 3 months.

SCHEDULES FORMING PART OF THE ACCOUNTS

6. 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 RUPEES	Gratuity (Funded) Previous Year RUPEES
Obligation at period beginning (April 1, 2010)	1,74,89,453	1,63,41,519
Current service cost	9,93,464	9,75,013
Interest cost	13,99,156	13,07,322
Past Service Cost	11,60,172	-
Actuarial (gain) / loss	16,10,450	9,20,969
Benefits paid	<u>(8,58,158)</u>	<u>(20,55,370)</u>
Obligations at the year end (March 31, 2011)	2,17,94,537	1,74,89,453
Plan assets at period beginning, at fair value	1,74,89,451	53,62,888
Expected return on plan assets	6,51,940	4,29,031
Actuarial gain / (loss)	8,02,361	80,419
Contributions	-	1,36,72,483
Benefits paid	<u>(8,58,158)</u>	<u>(20,55,370)</u>
Plan assets at the year end, at fair value	1,80,85,594	1,74,89,451
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	1,80,85,594	1,74,89,451
Present value of the defined benefit obligations at the end of the year	<u>2,17,94,537</u>	<u>1,74,89,451</u>
Liability/(Asset) recognized in the Balance Sheet	37,08,943	-
COST FOR THE YEAR		
Current Service cost	9,93,464	9,75,013
Interest cost	13,99,156	13,07,322
Past Service Cost	11,60,172	-
Expected return on plan assets	<u>(6,51,940)</u>	<u>(4,29,031)</u>
Actuarial (gain)/loss	<u>8,08,091</u>	<u>8,40,550</u>
Net Cost recognized in the Profit and Loss Account	37,08,943	26,93,853
ASSUMPTIONS USED TO DETERMINE THE BENEFIT OBLIGATIONS :		
Interest rate	8.00%	8.00%
Estimated rate of return on plan assets	8.00%	8.00%
Expected rate of increase in salary	<u>4.00%</u>	<u>5.00%</u>
Actual return on plan assets	14,54,299	5,09,450

7. Earning Per Share :

Basic & Diluted Earning Per Share as per Accounting Standard AS-20 is as under.

	2010-11 Rupees	2009-10 Rupees
(a) Net Profit available for Equity Share holders	2,64,62,417	1,93,03,126
(b) Weighted Average No.of Equity shares	29,90,000	29,90,000
(c) Basic & Diluted Earning per Share (Equity share of Rs. 10/- each)	8.85	6.46

SCHEDULES FORMING PART OF THE ACCOUNTS

8. Deferred Taxation :

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

Item of timing difference	Balance of Assets/(Liabilities) as on 01.04.2010	(Charge)/Credit for the year including reversal	Balance Assets/(Liabilities) as on 31.03.2011
1. Depreciation	(34,62,145)	83,454	33,78,691
2. Deferred Revenue Expenditures	28,76,350	(6,64,981)	22,11,369
TOTAL	(5,85,795)	5,81,527	11,67,322

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

(RUPEES)

Balance as at 31.03.2011

Balance at 01.04.2010	Additions during the year	Amount used/paid during the year	Balance as at 31.03.2011
15,262	6,38,998	6,40,020	14,240
P.Y. (14,280)	(7,64,404)	(7,63,422)	(15,262)

10. 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, 2011 have been identified as relating to the Micro and Small Enterprise referred to in the said Act.

11. Items / Adjustments relating to prior period:

Particulars	Schedule No.	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Payment to & Provisions for Employees and Others	11	-	0.51
Operating, Administrative, Financial & other Expenses	12	0.69	-
Depreciation	5	0.78	-
TOTAL		1.47	0.51

12. Payments to Auditors :

	(Rs. in Lakhs)	(Rs. In Lakhs)
Audit Fees	2.50	2.25
For Taxation, Company Law etc	0.08	0.30
Tax Audit	0.60	0.50
For Certification and Others	0.75	1.10
TOTAL	3.93	4.15

13. As per the revised Accounting Standard-15, on "Employee Benefits", expenditure under Voluntary Employees Separation Schemes ("VESS") incurred up to 31st March, 2009 could be deferred only up to 31st March, 2010. Accordingly, the company has charged to the Profit and Loss Account for the year 2009-10, the entire deferred expenditure carried under the head "Deferred Revenue Expenditure".

The Deferred Revenue Expenditure charged during the year includes Rs. Nil (P. Year .Rs. 22.87 Lacs) pertaining to prior periods.

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

	(Rs. in Lakhs)	(Rs. in Lakhs)
Salary	24.00	24.00
Contribution to Provident Fund & Superannuation Fund	6.48	6.48
Monetary value of perquisites	3.00	3.00
TOTAL	33.48	33.48

(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.

15. Sundry Debtors', Creditors' and Advances/Deposits balances are subject to confirmation and subsequent reconciliation.

16. Figures for the previous year have been regrouped, rearranged and recast, wherever considered necessary.

SCHEDULES FORMING PART OF THE ACCOUNTS

17. ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF THE PARAGRAPHS 3 (i)(a) and (ii), 4C AND 4D, OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

(a) Licenced and installed Capacity	Unit	Licenced	Installed (as certified by Management)
CLASS OF GOODS			
i) Injection Moduled Plastic Articles	Tonnes	3000 (3000)	2385 (2250)
ii) Vacuum Formed Plastic Articles	Tonnes	250 (250)	250 (250)

Figures in brackets indicate corresponding figures of Previous Year

(b) Opening and Closing Stock, Production, Turnover and Purchase for Resale of Finished Goods.

Items	Opening Stock		Production	Purchase for Resale		Turnover*		Closing Stock	
	Quantity in Nos.	Value Rs. in Lakhs	Quantity in Nos.	Quantity in Nos	Value Rs. in Lakhs	Quantity in Nos.	Value Rs. in Lakhs	Quantity in Nos.	Value Rs. in Lakhs
Moulded Luggage	1,00950 (99,345)	494.26 (480.26)	7,87,882 (7,40,286)	-	-	7,88,266 (7,38,681)	5288.51 (4689.75)	1,00,566 (1,00,950)	563.60 (494.26)
Purchase for Resale	54,421 (64,336)	340.62 (453.76)	-	2,43,027 (1,31,826)	1716.17 (1,131.55)	2,23,924 (141,741)	2389.68 (1868.73)	73,524 (54,421)	577.49 (340.62)

Figures in brackets indicate corresponding figures of Previous Year.

NOTE : Though the licenced and installed capacities for Plastic Injection Moduled and Vacuum Formed goods are expressed in tonnes, Opening and closing Stock, Production and Turnover are shown in numbers as it is not practicable to show in Tonnes.

*Includes pieces scrapped, issued as complimentary and for sales promotion.

	FOR THE YEAR		PREVIOUS YEAR	
	QUANTITY (In kgs)	VALUE (Rs. in lakhs)	QUANTITY (In kgs)	VALUE (Rs. in lakhs)
(c) Raw Materials and Components consumed.				
a) Aluminium Ingots & Sections	3,79,592	516.34	3,40,386	392.17
b) Polypropylene	10,50,301	922.44	25,008	17.34
c) HDPE	84,619	59.47	10,61,702	629.08
d) Processing charges		276.24		259.73
e) Other Raw Materials & Components		763.43		749.32
TOTAL		2537.92		2047.64
(d) Value of Imports on CIF/FOB				
i) Raw Materials		539.59		439.17
ii) Travel Goods		1716.67		1131.55
iii) Capital Goods		77.01		-
TOTAL		2333.27		1570.72
(e) Value of Raw Materials consumed	(Rs. in lakhs)	%	(Rs. in lakhs)	%
i) Imported	485.38	19.13	466.70	22.79
ii) Indigenous	2052.54	80.87	1580.94	77.21
TOTAL	2537.92	100.00	2047.64	100.00
(f) Value of Stores & Spares Consumed :				
i) Imported	0.20	0.62	0.13	0.50
ii) Indigenous	31.67	99.38	25.70	99.50
TOTAL	31.87	100.00	25.83	100.00
(g) Expenditure in Foreign Currency				
i) Purchases of		1133.22		767.67
ii) Foreign Bank Charges & Interest		13.13		24.04
iii) Capital Goods		67.69		-
TOTAL		1214.04		791.71
(h) Earnings in Foreign Currency				
i) Exports (on FOB basis)		-		-
ii) Others		-		-
TOTAL		-		-

Signature to Schedule 1 to 12

As per our Report of even date

FOR BANSI S. MEHTA & CO.

Chartered Accountants

H. G. BUCH

Partner

(M. No. 33114)

Mumbai, Dated: 30th May, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AMUL S. MEHTA

(Chairman & Managing Director)

M. K. SHETH

(Director)

Mumbai, Dated: 30th May, 2011

SCHEDULES FORMING PART OF THE ACCOUNTS

18. ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956, IN TERMS OF NOTIFICATION NO. GSR 388(E), DATED 15TH MAY, 1995, ISSUED BY THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS, DEPARTMENT OF COMPANY AFFAIRS.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : L25200MH1980PLC022812
Balance Sheet Date : 31.03.2011

State Code : 11

II. Capital raised during the year : (Amount in Thousands)

Public Issue : nil
Bonus Issue : nil

Rights Issue : nil
Private Placement : nil

III. Position of Mobilisation and Deployment of Funds : (Amount In Thousands)

Total Liabilities : 507347
Sources of Funds :
Paid-up Capital : 29900
Secured Loans : 133563
Def. Tax Liability : 1167

Total Assets: 507347

Application of Funds :
Net Fixed Assets : 30623
Current Assets : 476724
Accumulated Losses : nil

Reserves & Surplus: 105594
Unsecured Loans: 23072
Current Liabilities: 214051

Investments : nil
Misc. Expenditure: nil

IV. Performance of Company : (Amount in Thousands)

Turnover/Income : 764157
Extra ordinary Item : 0
Profit/(Loss) Before Tax : 38425
Earning per Share : Rs. 8.85

Total Expenditure : 725732

Profit/(Loss) After Tax : 26462
Dividend rate : 25.00%

V. Generic Names of Principal Products, Services of the Company

	<u>Item Code No.</u>	<u>Product Description</u>
1)	420212.04	Plastic Moulded suitcases
2)	420212.05	Plastic Moulded briefcases
3)	420212.00	Vanity Cases

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SAFARI INDUSTRIES (INDIA) LIMITED

Registered Office : 7, Jayalaxmi Industrial Premises Co-op. Society Ltd., Khetani Textile Comp., Kurla, Mumbai - 400 070.

ATTENDANCE SLIP

31st Annual General Meeting - 30th July, 2011

Reg. Folio/ID No. _____

Name _____

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

I hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company to be held at Walchand Hirachand Hall of Indian Merchant Chambers, IMC Building, Churchgate, Mumbai 400 020, on Saturday, 30th July, 2011, at 4.00 p.m.

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.



SAFARI INDUSTRIES (INDIA) LIMITED

Registered Office : 7, Jayalaxmi Industrial Premises Co-op. Society Ltd., Khetani Textile Comp., Kurla, Mumbai - 400 070.

PROXY FORM

I/We _____

of _____ being a member / members of SAFARI INDUSTRIES (INDIA) LIMITED hereby

appoint _____ of _____ or failing him / her

_____ of _____ as my / our proxy to attend

and vote for me / us on my / our behalf at the 31st ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 30th July, 2011

As witness my / our hand(s) this _____ day of _____ 2011.

Signed by the said _____

Affix
One Rupee
Revenue
Stamp

Reg. Folio/ID No. _____

No. of shares : _____

NOTE : The proxy form must be returned so as to reach the Registered Office of the Company at 7, Jayalaxmi Industrial Premises Co-op. Society Ltd., Khetani Textile Comp., Kurla, Mumbai - 400 070. not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.

BOOK POST

If undelivered please return to :

SAFARI INDUSTRIES (INDIA) LTD.

7, Jayalaxmi Industrial Premises Co-op. Society Ltd.,
Khetani Textile Comp., Kurla, Mumbai - 400 070.