



Annual Report 2012-2013

33RD ANNUAL GENERAL MEETING

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

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BOARD OF DIRECTORS

Shri Amul Mehta
(Chairman)

Shri Sudhir Jatia
(Managing Director)

Shri Shailesh Mehta

Shri Anujj Patodia

Shri Punkajj Lath

REGISTERED OFFICE :

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

FACTORY :

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

BANKERS :

Central Bank of India Limited
Axis Bank Limited

LEGAL ADVISORS:

ALMT Legal
Advocates & Solicitors

AUDITORS :

Bansi S. Mehta & Co.
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT :

Adroit Corporate Services Pvt. Ltd.
19, Jafarbhoy Industrial Estate, Makwana Road,
Marol Naka, Andheri (E), Mumbai - 400 059.
Tel.: 91-22-4227 0400, 2859 4060 / 6060
E-mail: investorgrievances@adroitcorporate.com

FINANCIAL HIGHLIGHTS

	2008-09	2009-10	2010-11	2011-12	(₹ '000) 2012-13
1 Gross Sales	659,027	655,912	767,819	703,091	1,037,744
2 Less: Excise	48,461	35,800	46,932	31,370	38,419
3 Less: Vat & CST	55,501	56,723	63,485	55,061	65,289
4 Net Sales	555,065	563,389	657,402	616,660	934,036
5 Other Income	2,347	5,999	11,088	3,910	7,155
6 Total Income	557,412	569,388	668,490	620,570	941,191
7 Total Expenditure	522,395	512,290	601,352	594,808	898,846
8 Gross Profit	35,017	57,098	67,138	25,762	42,345
9 Interest	25,938	22,264	25,097	28,309	30,572
10 Depreciation	6,240	4,293	3,616	4,002	4,323
11 Deferred Revenue Exp. W/off	1,403	5,985	-	-	-
12 Exceptional Items	-	-	-	-	18,872
13 Profit/(Loss) Before Tax	1,436	24,556	38,425	-6,549	-11,422
14 Provision for Tax & Deff. Tax	1,300	5,253	11,963	541	-5,196
15 Profit/(Loss) After Tax	136	19,303	26,462	-7,090	-6,226
16 Dividend & Dividend Tax	-	6,996	8,688	-	-
17 Retained Earnings	26,529	36,905	52,034	44,944	38,717
18 Share Capital	29,900	29,900	29,900	29,900	29,900
19 Reserves & Surplus	78,596	88,405	106,761	100,212	88,790
20 Shareholders' Funds	108,496	118,305	136,661	130,112	118,690
21 Loan Funds	135,441	103,762	156,635	179,948	248,793
22 Total Capital Employed	243,937	222,067	293,296	310,606	367,483
23 Gross Block	172,403	168,206	169,209	172,247	164,490
24 Net Block	29,614	25,315	30,623	29,659	40,747
25 Net Current Assets	208,338	196,752	262,673	280,401	326,736
26 Miscellaneous Expenditure	5,985	-	-	-	-
27 Total Assets	243,937	222,067	293,296	310,060	367,483
28 Gross Profit Margin %	6.28	10.03	10.04	4.15	4.50
29 Dividend %	-	20.00	25.00	-	-
30 Book Value Per Share (₹)	34.28	39.57	45.71	43.52	39.70
31 Cash Earning Per Share (₹)	2.60	9.89	10.06	-1.03	5.68
32 Earning Per Share (₹)	0.05	6.46	8.85	-2.37	-2.08
33 Return on Net Worth %	0.13	16.32	19.36	-5.45	-5.25
34 Return on Capital Employed %	14.35	25.71	22.89	8.31	11.52
35 Asset Turnover Ratio	22.25	25.91	25.07	23.71	25.47
36 Inventory Turnover Ratio	4.90	5.09	4.71	3.02	3.55
37 Debt Equity Ratio	1.32	0.88	1.15	1.38	2.10
38 Current Ratio	2.30	2.21	2.23	2.44	1.91

NOTICE

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

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shailesh Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Punkajj Lath, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and for the purpose, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

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

Dated : 13th May, 2013
Place : Mumbai

SUDHIR JATIA
Managing Director

NOTES:

- i. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.
- ii. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
- iii. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from 25th July, 2013 to 31st July, 2013 (both days inclusive).
- iv. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID number for easy identification for attendance at the Meeting.
- v. Members desirous of obtaining any information as regards accounts and operations of the Company are requested to write to the Company at least one week before the meeting to enable the Company to make available the required information at the Meeting.
- vi. Members are requested to intimate the change in their addresses, if any, immediately to the Company's Registrar and Share Transfer Agents.
- vii. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend declared by the Company which remains unpaid or unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund of the Central Government. Accordingly unclaimed dividend upto the financial year 2004-05 have been transferred to the Investor Education and Protection Fund of the Central Government of India.
- viii. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2010 or 31st March, 2011 are requested to make their claims to the office of the Registrar & Share Transfer Agent M/s. Adroit Corporate Services Pvt. Ltd. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claims shall lie in respect thereof.
- ix. Applicable Listing Fees for the financial year 2013-14 have been paid to the Bombay Stock Exchange Ltd up to date.
- x. Members are informed that in accordance with Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA), Government of India, companies are allowed to send documents like Notice of General Body Meetings, Audited Financial Statements, Directors' Reports, Auditor's Report etc. to the members in the electronic form by e-mail.

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

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

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

SUDHIR JATIA
Managing Director

Dated : 13th May, 2013
Place : Mumbai

DIRECTORS' REPORT

To

The Members,

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

1. FINANCIAL RESULTS

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

2. PERFORMANCE REVIEW

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

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

3. DIVIDEND

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

4. OUTLOOK FOR THE CURRENT YEAR

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

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

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

5. FIXED DEPOSITS

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

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

DIRECTORS' REPORT (contd..)

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

6. TRANSFER TO INVESTORS' EDUCATION AND PROTECTION FUND

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

7. DIRECTORS

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

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

The Directors hereby confirm :

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared the annual accounts on 'a going concern' basis.

9. COST AUDIT

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

The compliance certificate of the Cost Auditors in respect of Cost Accounting records for the year ended as on 31st March 2013 will be submitted to the Central Government in due course.

10. AUDITORS

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

11. COMMENT ON AUDITORS' REMARKS

Note No. 24 to 38 of the Accounts referred to in the Auditors' Report are self-explanatory and do not call for further explanations and may be treated as adequate compliance of Section 217 (3) of the Companies Act, 1956.

12. PARTICULARS OF EMPLOYEES

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

13. LISTING OF SHARES

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

DIRECTORS' REPORT (contd..)

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

14. CONSERVATION OF ENERGY, ETC.

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

15. ACKNOWLEDGEMENT

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

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

ON BEHALF OF THE BOARD OF DIRECTORS

SUDHIR JATIA Managing Director

ANUJJ PATODIA Director

Place: Mumbai

Dated : 13th May, 2013

DIRECTORS' REPORT (contd..)

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY :

(a) Energy conservation measures taken :

Power is not a major input in the Company's manufacturing process. Therefore no substantial conservation of energy is possible. However efforts have been made to install energy saving devices and greater awareness has been brought about among the employees to induce conservation of energy and in particular to avoid wastage.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Please refer to the explanation provided in (a) above.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Not applicable.

(d) Total energy consumption and energy consumption per unit of production
Form "A" of the annexure to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is not applicable to the Company.

(B) TECHNOLOGY ABSORPTION :

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

RESEARCH AND DEVELOPMENT (R & D) :

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

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

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

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

(iii) Future plan of action:

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

(iv) Expenditure on R & D:

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

(i) Efforts made towards technology absorption, adaptation and innovation :

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

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

(iii) Information regarding technology imported during the last five years:

Not applicable.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

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

	(₹ in lacs)
Used	3,177.63
Earned	Nil

ON BEHALF OF THE BOARD OF DIRECTORS

SUDHIR JATIA Managing Director

ANUJJ PATODIA Director

Place: Mumbai

Dated : 13th May, 2013

INDEPENDENT AUDITORS' REPORT

The Members,
SAFARI INDUSTRIES (INDIA) LIMITED.

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinion

4. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and Other Explanatory Information thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013,
- ii. In the case of the Statement of Profit & Loss, of the loss for the year ended on that date, and
- iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

5. As required by the Companies` (Auditor's Report) Order, 2003, as amended, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a Statement, on the basis of such checks as we considered appropriate and the information and explanations given to us, on the matters specified in paragraph 4 of the said Order.

6. As required by Section 227(3) of the Act, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
- iii. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. On the basis of the written representation received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

Mumbai
Dated : 13th May, 2013

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

Annexure referred to in paragraph 5 of the Auditors' Report of even date to the members of SAFARI INDUSTRIES (INDIA) LIMITED on the accounts for the year ended March 31, 2013.

- (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 disposed of substantial part of its Fixed Assets. However it has not affected the going concern status of the Company.
- (ii) (a) The 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 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 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, 2013.

(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, Income tax, Employees' State Insurance and other material statutory dues. There are undisputed arrears of Service tax amounting to ₹ 46,831 outstanding as at March 31, 2013 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, 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 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
Orissa Sales Tax Act, 1956	Sales Tax	17.37	2004-05	Sales Tax Tribunal
Bihar Value Added Tax Act, 2005	Int. 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	2.76	2009-10	Commercial Tax Tribunal

(x) There are no accumulated losses of the Company as on March 31, 2013. The Company has incurred cash losses during the financial year covered by our audit and the immediately 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 loans 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 : 13th May, 2013

BALANCE SHEET AS AT 31ST MARCH 2013

	NOTE NO.	₹	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
I. EQUITY AND LIABILITIES				
1. SHARE HOLDERS' FUNDS				
(a) Share Capital	2	29,900,000		29,900,000
(b) Reserves & Surplus	3	92,277,657		98,503,823
			122,177,657	128,403,823
2. NON-CURRENT LIABILITIES				
(a) Long-term borrowings	4	25,719,837		4,975,000
(b) Other Long Term Liabilities	5	922,249		790,065
			26,642,086	5,765,065
3. CURRENT LIABILITIES				
(a) Short Term Borrowings	6	189,417,663		161,158,004
(b) Trade Payables	7	313,945,901		157,226,952
(c) Other Current Liabilities	8	77,098,914		50,127,040
			580,462,478	368,511,996
TOTAL			729,282,221	502,680,884
II. ASSETS				
1. NON - CURRENT ASSETS				
(a) Fixed Assets:	9			
(i) Tangible Assets		38,307,520		29,383,582
(ii) Intangible Assets		2,439,707		275,498
(b) Deferred Tax Asset/ (Liability)	10	3,487,285		(1,708,747)
(c) Long Term loans & advances	11	22,893,678		9,148,004
			67,128,190	37,098,337
2. CURRENT ASSETS				
(a) Inventories	12	291,988,238		232,929,134
(b) Trade Receivables	13	317,584,975		203,124,801
(c) Cash and Bank Balances	14	32,648,848		17,832,986
(d) Short term loans and advances	15	19,510,345		10,866,363
(e) Other current assets	16	421,625		829,263
			662,154,031	465,582,547
TOTAL			729,282,221	502,680,884
Significant Accounting Policies	1			
Notes on Accounts	2 to 38			

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, Dated: 13th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
SUDHIR JATIA (Managing Director)
ANUJJ PATODIA (Director)
JIGNA PARIKH (Company Secretary)
Mumbai, Dated: 13th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	NOTE NO.	31.03.2013 ₹	31.03.2012 ₹
I. REVENUE FROM OPERATIONS			
Sales		1,037,744,314	703,091,355
Less :			
Excise Duty		38,419,391	31,369,515
VAT & CST		65,289,321	55,061,209
NET SALES		934,035,602	616,660,631
II. OTHER INCOME	17	7,155,414	3,910,256
III. TOTAL REVENUE (I+II)		941,191,016	620,570,887
EXPENSES:			
Cost of Materials Consumed	18	193,297,806	209,600,074
Purchase of Stock-in-Trade		410,239,393	246,513,054
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	(80,132,534)	(81,497,556)
Employee Benefit Expenses	20	120,890,061	73,754,374
Finance Cost	21	30,572,257	28,309,489
Depreciation and Amortization Expenses		4,323,233	4,002,369
Other Expenses	22	254,550,942	146,437,628
IV. TOTAL EXPENSES		933,741,158	627,119,432
V. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS & TAX		7,449,858	(6,548,545)
VI LESS : EXCEPTIONAL ITEMS	23	18,872,056	-
VII. PROFIT/(LOSS) BEFORE TAX		(11,422,198)	(6,548,545)
VIII. TAX EXPENSE:			
(1) Current tax		-	-
(2) Deferred tax		5,196,032	(541,425)
(3) Taxes of Earlier Years		-	-
IX. PROFIT/(LOSS) AFTER TAX		(6,226,166)	(7,089,970)
X. EARNING PER EQUITY SHARE:			
(1) Basic		(2.08)	(2.37)
(2) Diluted		(2.08)	(2.37)
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON ACCOUNTS	2 to 38		

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, Dated: 13th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
SUDHIR JATIA (Managing Director)
ANUJJ PATODIA (Director)
JIGNA PARIKH (Company Secretary)
Mumbai, Dated: 13th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

A. Cash Flow from Operating Activities	Current Year		Previous Year
	₹	₹	₹
Net Profit before tax and extraordinary items.		7,449,858	(6,548,545)
Adjustments for :			
Depreciation	4,323,233		4,002,369
Interest (Net)	29,693,215		27,509,892
(Profit) / Loss on sale of Fixed Assets	198,462		-
Adjustments for (Write Back) / Writeoff	(1,823,737)		(18,213)
Rent Received	(225,000)		(918,001)
		32,166,173	<u>30,576,047</u>
Operating profit before working capital changes		39,616,031	<u>24,027,502</u>
Adjustments for :			
Trade & other receivables	(134,256,157)		71,686,316
Inventories	(86,592,997)		(69,865,892)
Trade & other Payables	166,930,359		(3,031,265)
		(53,918,795)	<u>(1,210,841)</u>
Cash generated from operations		(14,302,764)	22,816,661
Direct taxes paid		(108,855)	(10,994,163)
Cash flow before extra ordinary items		(14,411,619)	<u>11,822,498</u>
Voluntary Retirement Scheme		(26,678,403)	-
Net cash from operating activities		(41,090,022)	<u>11,822,498</u>
B. Cash flow from investing activities			
Purchase of fixed assets	(22,845,281)		(3,038,739)
Sale of fixed assets	39,577,679		-
Proceeds from fixed deposit with bank	(1,983,658)		-
Interest received	834,098		896,549
Rent received	352,500		966,001
Net cash used in investing activities		15,935,338	<u>(1,176,189)</u>
C. Cash flow from financing activities			
Proceeds from Long Term borrowings	40,585,031		(4,082,000)
Proceeds from Short Term borrowings	28,259,659		27,595,356
Interest paid	(30,744,986)		(28,354,548)
Dividend paid	(112,816)		(8,516,617)
Net Cash used in financing activities		37,986,888	<u>(13,357,809)</u>
Net Increase/(Decrease) in cash & cash equivalents		12,832,204	<u>(2,711,500)</u>
Opening cash & cash equivalents		8,782,986	<u>11,494,486</u>
Closing cash & cash equivalents		21,615,190	<u>8,782,986</u>

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, Dated: 13th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUDHIR JATIA

(Managing Director)

ANUJJ PATODIA

(Director)

JIGNA PARIKH

(Company Secretary)

Mumbai, Dated: 13th May, 2013

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE NO. 1

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 prescribed by the Central Government under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent 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. Trademarks are carried at their cost of registration less amortisation.

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. 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.
- 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.

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd..)

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 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.

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 2013 (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 2013 (contd..)

	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
NOTE NO. 2		
SHARE CAPITAL		
AUTHORISED :		
10,000,000 Shares of ₹ 10/- each (4,000,000 Equity Shares and 6,000,000 Unclassified Shares) (Previous Year 3,000,000 Equity Shares of ₹ 10/- each.)	<u>100,000,000</u>	<u>30,000,000</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**

	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
Sudhir Mohanlal Jatia	1,801,240	60.24%	-	-
Safari Investments Pvt. Ltd.	454,693	15.21%	454,693	15.21%
Jagdish N. Sheth	-	-	195,000	6.52%
Shailesh J. Mehta	-	-	185,000	6.19%
SCB A/c Project Holiday (shares) Escrow*	-	-	856,108	28.63%
LIPL SIIL Open Offer Escrow Demat A/c**	-	-	508,483	17.01%

(* Pursuant to the Terms & Conditions of Share Purchase Agreement dated 6th September, 2011)

(** Pursuant to Open Offer made in accordance with the SAST Regulation, 2011)

	AS AT 31.03.2012 ₹	ADDITIONS /(DEDUCTIONS) DURING THE YEAR ₹	AS AT 31.03.2013 ₹
NOTE NO. 3			
RESERVES & SURPLUS			
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	<u>44,943,532</u>	<u>(6,226,166)</u>	<u>38,717,366</u>
TOTAL	<u>98,503,823</u>	<u>(6,226,166)</u>	<u>92,277,657</u>
SURPLUS IN STATEMENT OF PROFIT & LOSS			
Opening Balance	52,033,502		44,943,532
Add/(Less) : Profit/(Loss) after Tax	<u>(7,089,970)</u>		<u>(6,226,166)</u>
BALANCE AVAILABLE FOR APPROPRIATION	<u>44,943,532</u>		<u>38,717,366</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd..)

	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
NOTE NO. 4		
LONG TERM BORROWINGS		
Term Loan from Bank	16,875,000	-
Vehicle Loans from Bank	1,924,837	-
Fixed Deposits	6,920,000	4,975,000
TOTAL	<u>25,719,837</u>	<u>4,975,000</u>

REPAYMENTS OF TERM LOAN AND VEHICLE LOANS.

- Term Loan from Central Bank of India is repayable in 36 equal monthly installments beginning from October 2013.
- Vehicle Loans from Central Bank of India is repayable in 81 equal monthly installments beginning from April 2013.

INTEREST RATE & MATURITY PROFILE OF FIXED DEPOSITS

Interest Rate	Repayable in	
	2014-15	2015-16
12%	1,280,000	5,640,000

NOTE NO. 5**OTHER LONG TERM LIABILITIES**

Security Deposits	750,000	700,000
Interest accrued but not due on Fixed Deposit	172,249	90,065
TOTAL	<u>922,249</u>	<u>790,065</u>

NOTE NO. 6**SHORT TERM BORROWINGS (SECURED)**

Cash Credit facility from Central Bank of India	37,533,636	124,698,319
Cash Credit facility from Axis Bank Ltd	151,884,027	-
Book Debts facility from Central Bank of India	-	36,459,685
TOTAL	<u>189,417,663</u>	<u>161,158,004</u>

BILLS DISCOUNTING

Outstanding as at 31.03.2013 of ₹ Nil (P.Y. ₹ 448.30 Lacs)
has been adjusted from Trade Receivables (Refer note no. 13)

NOTE

All the above borrowings under short-term borrowings are secured by hypothecation of stocks of raw-materials, semi-finished goods, finished goods, packing materials, stores and spares, all book debts of the Company and further secured by an equitable mortgage on immovable properties of the company situated at Halol and personal guarantee of the Managing Director.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd..)

	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
NOTE NO. 7		
TRADE PAYABLES		
Acceptances	-	17,106,207
Creditors for Goods & Services	313,945,901	140,120,745
TOTAL	<u>313,945,901</u>	<u>157,226,952</u>
NOTE NO. 8		
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings	33,655,194	13,815,000
Interest accrued but not due on Fixed Deposits	340,474	145,822
Interest accrued and due on Fixed Deposits	-	449,565
Unpaid dividends	326,041	438,857
Unclaimed Matured deposits	200,000	200,000
Customs duty Payable	3,514,119	4,242,795
Excise Duty Payable	3,709,305	5,469,456
VAT/CST Payable	7,295,272	3,170,652
Gratuity Payable	1,103,426	4,110,897
Super Annuation Payable	805,622	1,149,499
Bonus / Ex-Gratia Payable	2,540,941	3,051,214
Other Payables	23,608,520	13,883,283
TOTAL	<u>77,098,914</u>	<u>50,127,040</u>

**NOTE NO. 9
FIXED ASSETS**

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	AS AT 01.04.2012	ADDITIONS	DEDU- CTIONS	AS AT 31.03.2013	AS AT 01.04.2012	FOR THE YEAR	ON DEDU- CTIONS	AS AT 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
A) TANGIBLE ASSETS										
Leasehold Land	949,908	-	-	949,908	242,373	9,082	-	251,455	698,453	707,535
Building	22,571,198	-	939,812	21,631,386	15,849,119	574,545	474,552	15,949,112	5,682,274	6,722,079
Plant and Equipment	118,759,532	2,945,597	23,085,287	98,619,842	104,696,940	1,812,506	21,931,023	84,578,423	14,041,419	14,062,592
Computers	6,778,431	3,186,429	-	9,964,860	5,234,354	560,576	-	5,794,930	4,169,930	1,544,077
Jigs, Tools & Dies	3,659,846	6,696	-	3,666,542	3,357,509	45,251	-	3,402,760	263,782	302,337
Furniture, Fixtures & Equipments	8,224,243	2,144,944	-	10,369,187	7,409,722	138,519	-	7,548,241	2,820,946	814,521
Electrical Installations	2,803,899	107,626	-	2,911,525	2,495,006	67,729	-	2,562,735	348,790	308,893
Office Equipment & Other Assets	3,606,968	1,304,552	-	4,911,520	2,497,025	144,092	-	2,641,117	2,270,403	1,109,943
Vehicles	4,610,250	7,700,740	3,579,762	8,731,228	798,645	684,445	763,385	719,705	8,011,523	3,811,605
A)	171,964,275	17,396,584	27,604,861	161,755,998	142,580,693	4,036,745	23,168,960	123,448,478	38,307,520	29,383,582
B) INTANGIBLE ASSETS										
Trademarks	-	28,000	-	28,000	-	5,600	-	5,600	22,400	-
Computer Software	283,040	2,422,697	-	2,705,737	7,542	280,888	-	288,430	2,417,307	275,498
B)	283,040	2,450,697	-	2,733,737	7,542	286,488	-	294,030	2,439,707	275,498
Total (A+B)	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
Previous Year	169,208,575	3,038,740	-	172,247,315	138,585,866	4,002,369	-	142,588,235	29,659,080	30,622,709

NOTE NO. 10**DEFERRED TAX ASSET / (LIABILITY)**

Deferred Tax Liabilities	(3,694,685)	(3,024,324)
Deferred Tax Assets	7,181,970	1,315,577
DEFERRED TAX ASSET / (LIABILITIES) NET	<u>3,487,285</u>	<u>(1,708,747)</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd..)

	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
NOTE NO. 11		
LONG TERM LOANS & ADVANCES		
Deposits for Premises & Others	15,133,784	6,127,538
Capital Advances	2,998,000	-
Deposit with Sales Tax Authorities	1,632,573	-
Income Tax refund receivable	3,129,321	3,020,466
TOTAL	<u>22,893,678</u>	<u>9,148,004</u>
NOTE NO. 12		
INVENTORIES		
Raw materials	30,897,194	23,794,175
Packing materials	3,198,890	2,317,503
Work in progress	6,309,629	4,424,794
Finished goods (including goods in transit CY ₹ 67.37 lacs, PY ₹ 67.53 lacs)	93,707,910	90,931,105
Stock in trade (including goods in transit CY ₹ 466.08 lacs, PY ₹ 292.71 lacs)	155,096,813	107,159,812
Stores and spares	2,777,802	4,301,745
TOTAL	<u>291,988,238</u>	<u>232,929,134</u>
NOTE NO. 13		
TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)		
Outstanding for a period exceeding six months from the due date for payments	30,744,090	2,360,760
Others	286,840,885	200,764,041
TOTAL	<u>317,584,975</u>	<u>203,124,801</u>
NOTE NO. 14		
CASH & BANK BALANCES		
CASH AND CASH EQUIVALENTS		
BALANCE WITH BANKS		
- In current accounts	19,650,487	8,050,673
- In Unclaimed Dividend Accounts	326,041	438,857
CASH IN HAND	<u>1,638,662</u>	<u>293,456</u>
SUB TOTAL (A)	<u>21,615,190</u>	<u>8,782,986</u>
OTHER BALANCES		
FIXED DEPOSIT WITH SCHEDULED BANK		
a) Pledged with the Bank - against Bank Guarantees	185,000	125,000
b) Pledged with the Bank - against Letter of Credits	8,648,658	5,800,000
c) Other Deposits - as Liquid Assets	2,200,000	3,125,000
SUB TOTAL (B)	<u>11,033,658</u>	<u>9,050,000</u>
TOTAL (A+B)	<u>32,648,848</u>	<u>17,832,986</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd.)

	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
	₹	₹
NOTE NO. 15		
SHORT TERM LOANS & ADVANCES		
OTHER LOANS AND ADVANCES - (UNSECURED, CONSIDERED GOOD)		
Loans & Advances to staff members	722,875	113,350
Deposits for Premises	-	795,000
Advances recoverable in cash or in kind or for value to be received.	5,874,382	873,552
Custom duty & other taxes receivable	12,325,750	9,012,632
Balance with Central Excise Collectorate	587,338	71,829
TOTAL	<u>19,510,345</u>	<u>10,866,363</u>
NOTE NO. 16		
OTHER CURRENT ASSETS		
Interest receivable on FDR	179,640	134,696
Rent Receivable	-	127,500
Claim Receivable	241,985	567,067
TOTAL	<u>421,625</u>	<u>829,263</u>
NOTE NO. 17		
OTHER INCOME		
Interest Income	879,042	799,597
Rent Received	225,000	918,001
Sale of Scrap	632,782	186,947
OTHER NON-OPERATING INCOME		
Profit on sale of fixed assets	1,047,179	-
Custom Duty Refund	-	1,508,082
Amounts Written Back	3,098,841	32,132
Miscellaneous Income	1,272,570	465,497
TOTAL	<u>7,155,414</u>	<u>3,910,256</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd..)

	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
NOTE NO. 18		
COST OF MATERIALS CONSUMED		
RAW MATERIAL CONSUMED		
Opening Stock	23,794,175	34,234,714
Add: Purchases	166,541,861	160,412,625
SUB-TOTAL	190,336,036	194,647,339
Less: Sales	466,022	2,366
Less: Closing Stock	30,897,194	23,794,175
BALANCE	158,972,820	170,850,798
Add: Processing Charges	22,741,347	26,584,441
TOTAL	181,714,167	197,435,239
Less: Components transferred for warranty claims	1,179,997	831,666
Net Consumption	180,534,170	196,603,573
PACKING MATERIALS CONSUMED		
TOTAL	193,297,806	209,600,074
NOTE NO. 19		
CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS AND STOCK IN TRADE		
OPENING STOCK		
Finished Goods	90,931,105	56,360,673
Stock-in-trade	107,159,812	57,749,643
Work in Progress	4,424,794	6,907,839
SUB-TOTAL	202,515,711	121,018,155
LESS: Stock Write down during the year (Refer Note No. 23)	27,533,893	-
	174,981,818	121,018,155
CLOSING 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
SUB-TOTAL	255,114,352	202,515,711
INCREASE	(80,132,534)	(81,497,556)
NOTE NO. 20		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus etc.	105,223,107	56,175,723
Contribution to Provident & other Funds	7,801,078	6,302,795
Welfare Expenses	6,348,438	5,815,460
Contribution to Gratuity & Super Annuation funds	1,517,438	5,460,396
TOTAL	120,890,061	73,754,374

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd..)

	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
NOTE NO. 21		
FINANCE COST		
Interest on:		
Term Loan	4,599,084	-
Cash Credits	18,835,955	12,240,733
Fixed Deposits	4,588,331	2,353,146
Bill Discounting & Interest on Others	2,548,887	13,715,610
TOTAL	30,572,257	28,309,489
NOTE NO. 22		
OTHER EXPENSES		
Consumption of Stores and Spares	2,460,538	2,142,641
Packing Materials for Traded Goods	5,450,401	3,416,596
Carriage Inwards	2,721,829	3,606,975
Excise Duty on Closing Stock	3,709,305	5,469,456
Power and Fuel	7,794,359	7,129,547
Repairs and Maintenance		
- Building	269,901	169,662
- Plant & Machinery	5,826,275	986,109
- Others	1,425,681	1,098,433
Rent	22,098,020	12,589,402
Rates and Taxes	3,118,090	1,558,703
Insurance	618,154	470,633
Directors' Fees	214,000	330,500
Postage, Telegram & Telephone Expenses	3,558,939	1,263,097
Legal & Professional Fees	9,235,991	3,309,714
Auditors' Remuneration	490,000	490,000
Amounts W/off	1,275,104	13,919
Bank Charges & Discount	4,904,862	3,814,829
Freight & Handling	77,353,352	61,315,658
Labour Charges	4,219,170	1,807,288
Octroi	2,202,857	1,308,853
Travelling & Conveyance	25,972,216	7,514,132
Advertisement & Sales Promotion	28,635,432	6,327,859
Discounts	15,439,481	-
Net Loss on Exchange Fluctuation	5,554,768	13,086,999
Warranty Claims	1,186,327	835,360
Loss on Sale of Fixed Assets	1,245,641	-
Miscellaneous Expenditure	17,570,249	6,381,263
TOTAL	254,550,942	146,437,628
NOTE NO. 23		
EXCEPTIONAL ITEMS		
VRS to Employees	26,678,403	-
Stock Write down	27,533,893	-
TOTAL	54,212,296	-
Less : Profit on Sale of Property	35,340,240	-
TOTAL	18,872,056	-

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd..)

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

25. Contingent Liabilities not provided for :		Current Year	Previous Year
Sr. No.	Particulars	(₹ in Lakhs)	(₹ in Lakhs)
(a)	Bills discounted with Central Bank of India	-	448.30
(b)	Counter Guarantees given by the Company	19.45	22.73
(c)	Claims / demands against the Company by employees, disputed / not acknowledged as debts :	Amount not ascertainable	Amount not ascertainable
(d)	Disputed Sales Tax liabilities	64.15	59.05

26. Segment Reporting :

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

27. 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 (w.e.f. 18th April, 2012)

Mr. A. S. Mehta Managing Director (upto 18th April, 2012)

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, 2013 :**

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

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	3.40	-	-
	(-)	(-)	(-)
Mr A. S. Mehta	8.26	-	-
	(37.05)	(-)	(-)
Sale of Moulded & Soft Luggage (Net of returns) to Safari Sales Private Limited	-	1,371.49	-
	(-)	(-)	(-)
Commission on Sales to Tarapur Vastra Udyog Private Limited	-	-	2.37
	(-)	(-)	(-)

(Figures in bracket relate to previous year)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd..)**28. Disclosure for operating lease under Accounting Standard 19 - "Leases"**

- a) 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	20.48	73.59
After 1 year but before 5 years	684.28	87.84
After 5 Years	118.45	Nil
TOTAL	823.21	161.43

(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.

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

Particulars	Current Year (₹ in lakhs)	Previous Year (₹ in lakhs)
Gross Block	9.40	9.40
Accumulated Depreciation	4.75	4.69
Depreciation recognized in the Statement of Profit & Loss for the year	0.06	0.15
<i>Lease Rent Receivable :</i>		
Within 1 Year	Nil	9.00
After 1 year but before 5 years	Nil	6.75
After 5 Years	Nil	Nil
TOTAL	Nil	15.75

The concerned asset was sold during the year.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd..)
29. 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
Gratuity (Funded)**

	Current Year ₹	Previous Year ₹
Obligation at period beginning (April 1, 2012)	26,904,380	21,794,537
Current service cost	1,088,722	1,117,570
Interest cost	2,286,872	1,798,048
Past Service Cost	-	-
Actuarial (gain) / loss	(1,413,776)	3,285,019
Benefits paid	(13,991,962)	(1,090,794)
Obligations at the year end (March 31, 2013)	14,874,236	26,904,380
Plan assets at period beginning, at fair value	22,591,878	17,995,863
Expected return on plan assets	1,920,310	1,484,659
Actuarial gain / (loss)	(658,505)	405,081
Contributions	4,192,030	3,797,069
Benefits paid	(13,991,962)	(1,090,794)
Plan assets at the year end, at fair value	14,053,751	22,591,878
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	14,053,751	22,591,878
Present value of the defined benefit obligations at the end of the year	14,874,236	26,904,380
Liability/(Asset) recognized in the Balance Sheet	820,485	4,312,502
COST FOR THE YEAR		
Current Service cost	1,088,722	1,117,570
Interest cost	2,286,872	1,798,048
Past Service Cost	-	-
Expected return on plan assets	(1,920,310)	(1,484,659)
Actuarial (gain)/loss	(755,271)	2,879,938
Net Cost recognized in the Statement of Profit and Loss	700,013	4,310,897
ASSUMPTIONS USED TO DETERMINE THE BENEFIT OBLIGATIONS:		
Interest rate	8.00%	8.50%
Estimated rate of return on plan assets	8.70%	8.50%
Expected rate of increase in salary	3.00%	5.00%
Actual return on plan assets	1,261,805	1,889,740

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd..)**30. Earnings Per Share :****Basic & Diluted Earnings Per Share as per Accounting Standard AS-20 is as under.**

	2012-13 (₹)	2011-12 (₹)
(a) Net Profit/(Loss) available for Equity Share holders	(6,226,166)	(7,089,970)
(b) Weighted Average No. of Equity shares	2,990,000	2,990,000
(c) Basic & Diluted Earnings per Share (Equity share of ₹ 10/- each)	(2.08)	(2.37)

31. 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 01.04.2012	(Charge)/ Credit for the year including reversal	Balance of Assets/(Liabilities) as on 31.03.2013
1. Depreciation	(3,024,324)	(670,361)	(3,694,685)
2. Deferred Revenue Expenditures	1,315,577	5,866,393	7,181,970
TOTAL	<u>(1,708,747)</u>	<u>5,196,032</u>	<u>3,487,285</u>

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

Balance at 01.04.2012	Additions during the year	Amount used/paid during the year	Balance as at 31.03.2013
17,934	1,186,327	1,179,997	24,264
(14,240)	(835,360)	(831,666)	(17,934)

*(Figures in bracket relate to previous year)***33. 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, 2013 have been identified as relating to the Micro, Small and Medium Enterprises referred to in the said Act.

34. Items / Adjustments relating to prior period:

Particulars	Note No.	CURRENT YEAR	PREVIOUS YEAR
Payment to & Provisions for Employees and Others	20	1.53	0.16
Operating, Administrative, Financial & other Expenses	22	0.15	0.70
TOTAL		<u>1.68</u>	<u>0.86</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013 (contd..)
35. Payments to Auditors :

	(₹ in lacs)	
	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
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
TOTAL*	<u>4.90</u>	<u>4.90</u>

* The above figures are excluding Service Tax

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

	(₹ in lacs)	
	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Salary	11.14	26.75
Contribution to Provident Fund & Superannuation Fund	0.52	7.22
Monetary value of perquisites	-	3.08
TOTAL	<u>11.66</u>	<u>37.05</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.

37. Balances of Trade receivables, Trade Payables and Advances/Deposits are subject to confirmation and subsequent reconciliation.

38. 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, Dated: 13th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUDHIR JATIA (Managing Director)

ANUJJ PATODIA (Director)

JIGNA PARIKH (Company Secretary)

Mumbai, Dated: 13th May, 2013

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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 (East), Mumbai 400059.

ATTENDANCE SLIP

33rd Annual General Meeting- 31st July 2013

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 33rd Annual General Meeting of the Company to be held on Wednesday, 31st day of July, 2013, at Kilachand Conference Room, 2nd Floor, IMC Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020 at 11.30 a.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.

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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 33rd ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 31st day of July, 2013, at Kilachand Conference Room, 2nd Floor, IMC Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020 at 11.30 a.m.

Signed this _____ day of _____ 2013

Reg. Folio/ID No. : _____

No. of shares : _____

Affix
One Rupee
Revenue
Stamp

Signature of member (s)

NOTE : 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.

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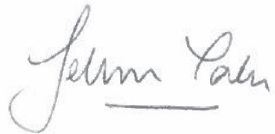


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Andheri (East), Mumbai 400059

FORM A

Format of covering letter of annual audit report to be filed with the stock exchanges

1.	Name of the Company :	Safari Industries (India) Limited
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit Observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period <i>NA</i>
5.	To be signed by –	
	- CEO/Managing Director	Mr. Sudhir Jatia –  (Managing Director)
	- CFO	Mr. Virendra Gandhi –  (Sr. Vice President Finance) <i>For Bansi S. Mehta & Co.</i>
	- Auditor of the company	H G Buch –  Membershi No - 033114 Bansi S Mehta & Co. Chartered Accountants Firm Registration No – 100991W
	- Audit Committee Chairman	N.A.