

SAFARI INDUSTRIES (INDIA) LIMITED

Regd. Off.: 4th 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.



Tel. No.: +91 -22-4038 1888 • **Fax No.:** + 91-22-4038 1850 • **CIN:** L25200MH1980PLC022812 • **Website:** www.safari.in • **Email:** investor@safari.in

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, for seeking the approval of the shareholders of Safari Industries (India) Limited (the "Company") for the proposals contained in the draft resolutions appended below by way of Postal Ballot.

The Special Resolutions and the Explanatory Statement, containing all material facts are being sent to you along with a postal ballot form (the "Form") and self-addressed, postage pre-paid envelope for your consideration and voting.

The Board of Directors of the Company (the "Board") has appointed Mr. Ninad Awachat, Practicing Company Secretary, as the scrutinizer (the "Scrutinizer") for conducting the postal ballot process in a fair and transparent manner.

Further the Board has also appointed Mr. Sudhir Jatia, Managing Director and Ms. Jigna Parikh, the Company Secretary of the Company as persons responsible for the entire Postal Ballot process.

Members are requested to carefully read the instructions printed in the Form and return the Form (no other form or photocopy is permitted) duly completed in the attached self-addressed, postage pre-paid envelope so as to reach the Scrutinizer by no later than the close of working hours at 6:00 pm on 24th March, 2015.

Forms received after this date will be strictly treated as if the reply from the concerned member has not been received. The postage will be borne and paid by the Company. It is, however, clarified that Members desiring to exercise their vote from outside of India will have to arrange for postage from the country where the ballot papers are dispatched to the Scrutinizer.

The Scrutinizer will submit his report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms received. The result of voting by the Postal Ballot will be announced by the Chairman of the Company on 27th March, 2015 at the registered office of the Company. Additionally, the result will be posted on Company's website, www.safari.in and will be communicated to the Stock Exchange where the equity shares (the "Shares") of the Company are listed.

Members may note that as per Clause 35B of the Listing Agreement, the Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility to the Members of the Company. Accordingly Members may cast their vote electronically instead of dispatching the Postal Ballot form.

PROPOSED RESOLUTIONS:

1. Adoption of new set of Articles of Association of the Company in conformity with the Companies Act 2013:

To consider and if thought fit, to assent or dissent to the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act 2013 read with the Companies (Incorporation) Rules 2014, including any statutory modification(s) or re-enactment thereof for the time in force, and subject to the approval(s) of the Registrar of Companies, Maharashtra, Mumbai and such other authorities, as may be applicable in this regards, and subject to such terms, conditions, amendments or modifications as may be required or suggested by such appropriate authorities which terms, conditions, amendments or modifications the Board of Directors of the Company is authorised to accept, as it may deem fit, the existing Articles of Association of the Company be and is hereby replaced with a new set of Articles of Association of the Company, in place of and in substitution and to the entire exclusion of the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, any of the Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to take such steps and to do all such other acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard including but not limited to filing requisite forms/applications/ reports, etc. with the statutory authorities."

2. **Alteration of the Main Objects of the Memorandum of Association of the Company:**

To consider and if thought fit, to assent or dissent to the following resolution as a **Special Resolution**:

“RESOLVED THAT subject to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules 2014, including any statutory modification(s) or re-enactment thereof for the time being in force and subject to the approval(s) of the Registrar of Companies, Maharashtra, Mumbai and such other authorities, as may be applicable in this regards, and subject to such terms, conditions, amendments or modifications as may be required or suggested by such appropriate authorities which terms, conditions, amendments or modifications the Board of Directors of the Company is authorised to accept, as it may deem fit, the existing Main Objects of the Company be altered by amendments in the following manner:

- i. Sub-clause 2 of Clause III A of the Memorandum of Association of the Company be and is hereby deleted and substituted for the following new clause:
 2. *To carry on the business as manufacturers, moulders, producers, refiners, fabricators, assemblers, suppliers, stationers, dealers, general merchants, traders, retailers, commission agents, importers & exporters, del credere agents of all kinds of consumer products, goods, and merchandise including but not limited to travelling cases, bags, suit cases, briefcases, trunks, vanity cases, articles of luggage and parts thereof, and to set-up show rooms, retail shops, distribution centres, discount shops; subject to necessary approvals, to own, create and manage online shopping e-commerce websites, portals, mobile applications and create a virtual shopping mall with online catalogue and provide a convenient shopping experience to its customers.*
- ii. Sub-clause 3 of Clause III A of the Memorandum of Association of the Company be and is hereby deleted
- iii. The existing sub-clause 4 to 40 of Clause III B be and is hereby renumbered as sub-clause 3 to 39
- iv. The existing sub-clause 41 and 41 A of Clause III C be and is hereby renumbered as sub-clause 40 and 41

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, any of the Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to take such steps and to do all such other acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard including but not limited to filing requisite forms/applications/ reports, etc. with the statutory authorities.”

3. **To re-appoint Mr. Sudhir Jatia (DIN 00031969) as the Managing Director of the Company:**

To consider and if thought fit, to assent or dissent to the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification (s) or re-enactment thereof for the time being in force, and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors at their meeting held on 30th January 2015, the approval of the Company be and is hereby accorded for the re-appointment of Mr. Sudhir Jatia (DIN No. 00031969) as the Managing Director of the Company to exercise substantial power of management subject to supervision, control and direction of the Board of Directors of the Company for a period of 3 years with effect from 18th April 2015 to 17th April 2018 at a remuneration not exceeding 5% of the net profits of the Company and on such other terms and conditions as are set out in explanatory statement and the draft Employment Agreement, to be entered between the Company and Mr. Sudhir Jatia, which Agreement is specifically approved and sanctioned with the authority to the Board of Directors, with power to the Board of Directors of the Company to alter and vary the terms and condition of the said re-appointment and/or Agreement so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 or any amendment thereto, as may be agreed to between the Board of Directors and Mr. Sudhir Jatia.”

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year, during Mr. Sudhir Jatia's tenure as Managing Director, he shall be entitled to receive remuneration, not exceeding ₹ 84 lakhs per annum, as per the monetary ceiling provided under Section II, Part II of Schedule V to the Companies Act, 2013.”

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

4. To borrow in excess of the limits laid down under Section 180 (1)(c) of the Companies Act 2013:

To consider and if thought fit, to assent or dissent to the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and in supersession of the Resolution passed at the General Meeting held on 31st July 2012, the Board of Directors of the Company (hereinafter called the “Board” which term shall be deemed to include person(s) authorized and/or committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and are hereby authorized to borrow from time to time any sum or sums of money on such terms and conditions and with or without security as the Board may think fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any point of time exceed the limit of ₹ 50 (Fifty) crores.”

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

**By Order of the Board of Directors
of Safari Industries (India) Limited**

Date : 30th January, 2015
Place : Mumbai

Jigna Parikh
Company Secretary

Notes:

- i. A statement pursuant to Section 102 of the Companies Act 2013 in respect of the Special Business to be transacted through Postal Ballot is annexed hereto.
- ii. The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (“NSDL”)/Central Depository Services (India) Limited (“CDSL”) as on Friday, 30th January 2015.
- iii. 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.
- iv. Members to whom the above documents have been sent in email are entitled to receive the same in physical form, upon request. The request may be sent in writing to the Registrar & Share Transfer Agent of the Company or the Company at its Registered Office or on safari.gogreen@adroitcorporate.com or info@adroitcorporate.com.
- v. The Documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company during business hours (11.00 am to 1.00 pm) upto the date of 24th March 2015, excluding public holidays and Saturday Sundays and also available for inspection on the website of the Company, www.safari.in.
- vi. Voting through electronic means:
In accordance with the provisions of Section 108 and Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to provide to its members facility to exercise their right to vote by electronic means.
 - Members whose email IDs are registered with the Company/ Depository Participant, an email will be sent to the Members by NSDL containing the User ID & password for the e-voting process. This password is an initial password.
 - For members whose email ID is not registered with the Company or Depository Participant, they will receive a physical copy of the Notice of Postal Ballot and the Username & Initial password will be provided in the Postal Ballot form thereto.

- In case of any queries, you may refer to the frequently asked questions (FAQs) for shareholders & e-voting user manual for shareholders, available under the Downloads section of www.evoting.nsdl.com.
 - If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - You may also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
 - The e-voting period commences on 23rd February 2015 (9.00 am) and end on 24th March 2015 (6.00 pm).
 - Once the vote on a particular resolution is cast by the shareholder, the shareholder will not be allowed to change the same.
 - The shareholders holding shares in physical and dematerialized form, as on cut-off date 30th January 2015 may cast their vote electronically in proportion to their shares of the paid up equity share capital.
- vii. A member can opt only for one mode of voting, i.e. either by post or e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case a Member casts his/her vote both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.
- viii. Mr. Ninad Awachat, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- ix. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes cast in presence of atleast 2 witnesses who are not persons in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- x. The Results of the e-voting process will be declared by the Chairman of the Company on 27th March, 2015 at the registered office of the Company. Additionally, the result will be posted on Company's website, www.safari.in and will be communicated to the Stock Exchange where the equity shares (the "Shares") of the Company are listed.

**By Order of the Board of Directors
of Safari Industries (India) Limited**

Date : 30th January 2015
Place : Mumbai

Jigna Parikh
Company Secretary

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE**

ITEM NO. 1:

With the enactment of the Companies Act, 2013, there are several articles in the Articles of Association (“AoA”) of the Company which are based on the provisions of the Companies Act 1956 and which require alteration/deletion. Hence it is proposed to adopt a new set of AoA to replace the existing AoA so that the same is in line with the provisions of the Companies Act 2013.

The draft AoA is available for inspection to the shareholders at the registered office of the Company on all working days except Saturday and Sunday from 11.00 am to 1.00 pm. till the last date for receipt of postal ballot forms without payment of any fees by the shareholders.

The Board of Directors recommends the resolution for approval of members of the Company at item No. 1 as a special resolution.

None of the Directors, any other Key Managerial Person(s) of the Company and their relatives are, in any way, concerned or interested in the said resolution.

ITEM NO. 2:

The Indian Economy is currently growing at a robust rate and there is a change in consumer behaviour and preferences from the traditional behaviour. The market presents several attractive opportunities in the luggage industry and in order to enable the Company to capitalize on such opportunities which may arise from time to time, the Board of Directors of your Company are of the view that the current Main Objects clause should be altered to enable the Company to tap these opportunities.

Accordingly it is proposed to amend the existing Object Clause of the Company by substituting sub-clause 2 of Clause III A and deleting sub-clause 3 thereof.

Consequent to the aforesaid amendments, the existing sub-clause 4 to 40 of Clause III B and sub-clause 41 and 41 A of Clause III C are proposed to be renumbered.

The Board, therefore, recommends the Special Resolution for your approval.

The members are, therefore, requested to accord their approval authorizing the Board of Directors for proceeding with the said alterations as set out in the resolution.

None of the Directors, any other Key Managerial Person(s) of the Company and their relatives are, in any way, concerned or interested in the said resolution.

ITEM NO. 3:

The members of the Company vide their resolution dated 31st July 2012 had approved the appointment of Mr. Sudhir Jatia as the Managing Director of the Company for a term of 3 years w.e.f. 18th April 2012. The said term will expire on 17th April 2015 and hence it is proposed to reappoint Mr. Jatia as the Managing Director of the Company for a further term of 3 years i.e. from 18th April 2015 to 17th April 2018.

The Board of Directors at its meeting held on 30th January 2015, on the recommendation of the Nomination and Remuneration Committee has approved the reappointment of Mr. Jatia along with the terms and conditions thereof and the draft Employment Agreement that will be executed between Mr. Sudhir Jatia and the Company.

The terms and conditions of the reappointment are mentioned herein below as proposed to be approved:

Remuneration Structure:

A. In case of adequate profits:

Not exceeding 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 and payable by way of salary/allowances/other perquisites/benefits and or commission, as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, from time to time.

B. In event of inadequate profits:

Where in any financial year during the currency of the tenure of the Managing Director, the Company does not have any profits or the profits are inadequate, the Managing Director shall be paid remuneration as under:

1. Remuneration payable not exceeding ₹ 84 lakhs per annum, the limit prescribed under Section II, Part II of Schedule V of the Companies Act, 2013, based on the effective capital of the Company and in accordance with the approval of the Nomination and Remuneration Committee and the Board of Directors of the Company.
2. Contributions to Provident Fund, Superannuation Fund or Annuity Fund to the extent singly or taken together are not taxable under the Income Tax Act, 1961;
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
4. Encashment of Leave at the end of the tenure.

A brief resume, nature of expertise in specific functional areas, names of companies in which Mr. Sudhir Jatia hold directorships and Memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are as below:

Mr. Sudhir Jatia is a commerce graduate from Mumbai University. He acquired Safari Industries (India) Limited in the year 2011 and was appointed as its Managing Director from 18th April 2012.

Mr. Jatia has over 22 years of experience in the Luggage Industry in India. He is a director of Safari Investments Pvt Ltd and Safari Lifestyles Ltd and a Member of the Stakeholders' Relationship Committee of Safari Industries (India) Limited. He holds 18,67,500 equity shares in the Company amounting to 47.88% of the paid-up share capital of the Company and 2,50,000 convertible share warrants. Except for his shareholding and the remuneration paid/payable, Mr. Sudhir Jatia, Managing Director does not have any other pecuniary relationship with the Company or with its managerial personnel.

Statement containing additional information as required in Schedule V of the Companies Act 2013:

I. General Information:

- 1) Nature of Industry:
The Company is engaged in the manufacture and marketing of luggage and luggage related accessories
- 2) Date or expected date of commencement of commercial production:
The Company was incorporated on 8th July 1980 and has since date commenced its business.
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus
Not applicable

- 4) Financial performance based on given indicators (Amount in ₹ in '000)

	2013-14	2012-13	2011-12
Gross Sales	1,827,284	1,037,744	703,091
Profit before tax	5,397	-11,422	-6,549
Profit after tax	1,161	-6,226	-7,090
Net worth	119,762	116,251	129,837

- 5) Foreign investments or collaborations, if any.

There is FII shareholding in the Company amounting to 21.28% and NRI shareholding amounting to 0.36% of the total paid up capital. The Company has one wholly owned subsidiary namely Safari Lifestyles Limited.

II. Information about Mr. Sudhir Jatia:

- 1) Background details: Mr. Sudhir Jatia is the Chairman and Managing Director of the Company.
- 2) Past remuneration: Mr. Jatia has drawn an annual remuneration of ₹ 13.59 Lacs for the financial year 2013-14.
- 3) Recognition or awards: –
- 4) Job profile and his suitability: Mr. Sudhir Jatia is the Managing Director of the Company since 18th April 2012. Under his guidance the Company has improved its performance both on operational parameters and financial parameters. He has a 22 year old association with the luggage industry.
- 5) Remuneration proposed: As mentioned herein above
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the positions and person (in case of expatriates the relevant details would be with respect to the country of his origin): The remuneration of the Managing Director was commensurate with the remuneration package of professionals appointed at CEO/MD levels in other Companies taking into account the size of the Company and the responsibilities of Mr. Sudhir Jatia as Managing Director.
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Besides the remuneration paid/payable and holding of 18,67,500 equity shares in the Company representing to 47.88% of the Paid-Up Share Capital of the Company and 2,50,000 convertible share warrants, Mr. Sudhir Jatia, Managing Director does not have any other pecuniary relationship with the Company or with its managerial personnel.

III. Other information:

- 1) Reasons of loss or inadequate profits: Certain restructuring activities, one time stock write down coupled with VRS payouts and impact on account of exchange losses are few of the major reasons for loss and inadequate profits.
- 2) Steps taken or proposed to be taken for improvement: The Company is taking marketing and brand building initiatives to strengthen the Company's base. Increase in the distribution network and introduction of new products with better aesthetic values and margins are some of the major initiatives in this regards.
- 3) Expected increase in productivity and profits in measurable terms: The above steps taken/proposed to be taken by the Company are expected to increase the overall profitability of the Company.

The re-appointment and the remuneration proposed fulfill the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Government of India is not required.

The Board of Directors recommends the resolution set out in Item no. 3 of this Postal Ballot notice for approval of the members of the Company as a Special Resolution.

Except for Mr. Sudhir Jatia, Managing Director of the Company, none of the other Directors, any other Key Managerial Person(s) of the Company and their relatives are in any way, concerned or interested in the said resolution.

ITEM NO. 4:

The Members of the Company, at the Annual General Meeting held on 31st July 2012, had passed an Ordinary Resolution permitting the Board of Directors of the Company to borrow money/moneys upto an amount of ₹ 50 crores under Section 293(1)(d) of the Companies Act, 1956.

With the introduction of the Companies Act, 2013, Section 180 (1)© of the said Act entitles the Board of Directors of the Company to borrow in excess of the paid up capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, provided that the same has been approved by the members of the Company by way of a special resolution.

Hence in order to comply with the provisions of the said Section, it is proposed to take approval of the Members by way of a Special Resolution to enable the Board of Directors of the Company to borrow upto an amount of ₹ 50 crores.

Your Directors recommend the special resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

**By Order of the Board of Directors
of Safari Industries (India) Limited**

Date : 30th January, 2015
Place : Mumbai

Jigna Parikh
Company Secretary