



SAFFRON INDUSTRIES LIMITED

22ND ANNUAL REPORT 2014-2015





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SAFFRON INDUSTRIES LIMITED



SAFFRON INDUSTRIES LIMITED

BOARD OF DIRECTORS:

SHRI VINOD MAHESHWARI	-	Chairman
SHRI NIMISH V. MAHESHWARI	-	Managing Director
SHRI VINAY PANSARI	-	Director
SHRI ANANTRAI RAWELL	-	Director
SMT. MANJULIKA BAJPAI	-	Additional Director

AUDITORS : M/S.KHATRI & IYER,
Chartered Accountants
117, Zal Complex,
Residency Road, Sadar
NAGPUR - 440 001.

REGD. OFFICE : NAVA-BHARAT BHAWAN,
Chhatrapati Square,
Wardha Road,
NAGPUR - 440 015
PH : 2284013, 2284014 FAX : 0712-2284015

PLANT : Village : Manegaon
Taluka : Saoner,
Dist. : NAGPUR
PH : 07113-232398, 232401 FAX : 07113-232400

CORPORATE IDENTITY NO. :- L21010MH1993PLC071683



NOTICE TO MEMBERS

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of SAFFRON INDUSTRIES LIMITED will be held on Wednesday, the 30th Day of September, 2015 at 10.00 A.M. at Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur - 440 015, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March 2015 and the Audited Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vinod Maheshwari (holding DIN No.-00340953) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an *Ordinary Resolution*:

"RESOLVED THAT M/s Khatri & Iyer, Chartered Accountants, Nagpur, (Firm Registration No.-113433W) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the company."

SPECIAL BUSINESS:

4. To Re-appoint Shri Nimish V. Maheshwari (holding DIN-00340881) as Managing Director of the company and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an *Ordinary Resolution*:

"RESOLVED THAT pursuant to Sections 196, 197, 198 and 203 read with Schedule V to the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules made thereunder, and other applicable enactments, as amended from time to time, consent and approval of members of the Company be and is hereby accorded for the reappointment of Shri Nimish V. Maheshwari (holding DIN: 00340881) as Managing Director of the Company for a further period of five years and on a remuneration by way of salary on a remuneration by way of salary of Rs. 50,000/- per month with liberty to the Board of Directors of the Company to review the same annually based on the recommendations of the Nomination and Remuneration Committee."

SAFFRON INDUSTRIES LIMITED



5. To appoint Smt. Manjulika Bajpai, Additional Director (holding DIN: 07143934) as a Director of the company and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an *Ordinary Resolution*:

"RESOLVED THAT Smt. Manjulika Bajpai (DIN: 07143934), who was appointed as an Additional Director of the Company with effect from 31st March 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

6. To authorize the Board of Directors to Borrow Money from time to time upto maximum limit of Rs. Thirty Five Crore and in this regard, to consider and if thought fit, to pass with or without modification, the following resolution as a *Special Resolution*:

"RESOLVED that in suppression of Resolution passed at the Extraordinary General Meeting of the Company held on 4th May, 2000 and pursuant to 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, for borrowing from time to time, any sum or sums of moneys 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 moneys so borrowed by the Board shall not at any time exceed Rs. 35.00 Crore (Rupees Thirty Five Crore)".

RESOLVED FURTHER THAT the Board of Directors may do all such acts, deeds and things as may be necessary in this regard."

Registered Office:
Nava Bharat Bhavan,
Chhatrapati Square,
Wardha Road,
NAGPUR - 440 015

By Order of the Board,

Nimish V. Maheshwari
Managing Director

Dated : August 10, 2015



NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company.
3. A member holding more than ten percent of the total share capital of the company may appoint a single person as Proxy provided that such person shall not act as a Proxy for any other member.
4. The instrument appointing the Proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting. Proxies submitted on behalf of the companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.
5. The statement pursuant to Section 102 of the companies Act, 2013, setting out, of material facts concerning each item of special business specified above is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2015 to 30th September, 2015 both days inclusive.
7. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company together with the attendance slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/Registrar and Share Transfer Agent (RTA) of the company/ Depository Participants. For members who have not registered their email address with the Company/ RTA of the company /Depository Participants, physical copies of the above documents are being sent in the permitted mode.
8. Members holding shares in physical form are requested to notify immediately any change in their address/ E-mail address to the Company/ its RTA, Members holding shares in electronic form are requested to advice change of address/ Email address to their Depository Participants.
9. Members who have multiple folios with identical order of names are requested to intimate the same to the Company so as to enable it to consolidate all shareholdings into one folio.
10. Shareholders requiring information about Accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance from the date of Meeting.
11. Members are requested to bring their copies of the Annual Report to the Meeting.
12. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting. The Members holding shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.

13. Members may note that the Notice of the Annual General Meeting and the Annual Report will be available on the Company's website www.saffronindustries.in. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal working days. Members are also entitled to receive the physical copy upon making specific request.
14. As per the provisions of Companies act, 2013, nomination facility is available for members. The nomination forms can be obtained from the Company's Share Transfer Agents by the members holding share in physical form, in respect of members holding shares in electronic form the forms may be obtained from the Depository Participants with whom they are maintaining their demat account.
15. Members are requested to make all correspondence relating to share transfer (both in Physical & Demat form) to our Share Transfer Agent, M/s. Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai - 400 059.

16. Remote E voting facility:

- a) In compliance with Clause 35B of Listing Agreement and the Provisions of Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014, the Company offers voting by electronic means through e-voting services provided by Central Depository Services Limited (CDSL).
- b) Voting rights are reckoned on the basis of the shares registered in the names of the members/beneficial owners as on the cut off date fixed for this purpose, viz., 23rd September, 2015.
- c) The Company has appointed Shri Sunil Zore of SPZ & Associates, Practicing Company Secretary, A-wing 202, Kolshet Road, Dhokali Naka, Cosmos Nest, Thane (W)-400607, as the scrutinizer for conducting the e-voting and physical ballot process in a fair and transparent manner.
- d) The instruction for e-voting are as under:

I. Members receiving e-mails from CDSL (for members who have registered their email IDs with the Company/Depository Participants)

- i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- ii) Click on Shareholder- Tab.
- iii) Now Enter your User Id (For CDSL -16 digit beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID), Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code/ Image Verification Code as displayed and Click on Login.



iv). If you are holding shares in Demat form and had logged on to www.evotingindia.co.in and casted your vote earlier for any company, then your existing password is to be used

v) If you are a first time user follow the steps given below:
In case of members receiving e-mail:

For Members holding shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department
(Applicable for both demat shareholders as well as physical shareholders).

Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number provided at the attendance slip enclosed herewith in the PAN field.

Enter your at least one detail amongst Bank Account Number and DOB or Date of Incorporation in dd/mm/yyyy format has to be mentioned. Kindly provide your details as available on the demat account / folio number provided, then click on submit

vi) Members holding shares in physical form will then reach directly the "Saffron Industries Limited" screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field, confirm password and then click on 'SUBMIT'. Please note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

viii) Click on "EVSN" of Saffron Industries Limited.

ix) On the voting page, you will see Resolution Description and against the same the Choice option "YES/NO" for voting.

Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(x) Click on the "Resolutions File Link" if you wish to view the entire Resolution

xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote

xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xiv)) If Demat account holder has forgotten the changed password then Enter the User ID and Image verification Code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

II. In case of members receiving the physical copy :

(A) Please follow all steps from Sl. No. (i) to Sl. No. (xiv) above to cast vote.

(B) The voting period begins on 24th September, 2015 at 9.00 a.m and ends on 26th September, 2015 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 23rd September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

III. In case of members desiring to exercise vote by Postal Ballot:

A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed business reply envelope properly sealed.



Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.

(i) the Scrutiniser shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and prepare a Scrutiniser's Report and submit the report to the Chairman of the company.

(j) The result shall be declared at the Annual General Meeting of the Company. The results declared along with the Scrutiniser's Report will be posted on the Company's website www.saffronindustries.in and on the website of CSDL within two days of passing of the resolution at the AGM and communicated to the stock exchanges.

(k) All relevant documents referred to in the accompanying Notice and Statement of material facts will be open for inspection at the Registered office of the Company during normal working days upto and including the date of the AGM.

Statement of material facts pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business mentioned in the accompanying Notice :

Item No. 4

The term of 5 years of the office of Shri Nimish V. Maheshwari, Managing Director has expired on 31st March 2015. The Board of Directors, at their meeting held on 31st March, 2015 approved his reappointment subject to approval of the members in the General Meeting, for a further period of five years effective from 1st April, 2015.

The Nomination and Remuneration Committee has approved the re-appointment of Shri Nimish V. Maheshwari at its meeting held on 31st March 2015.

The remuneration payable to Shri Nimish Maheshwari is in conformity with the applicable provisions and Schedule V of the Companies Act, 2013. Nimish V. Maheshwari would be a non-rotational Director under Article 104 of the Articles of Association of the Company.

The Board recommends the resolution for approval of the members.

Shri Nimish V. Maheshwari and Shri Vinod Maheshwari are interested in the said resolution.

Item no. 5

Smt. Manjulika A. Bajpai (DIN-07143934) was appointed as an Additional Director of the company by the Board of Directors with effect from 31st March 2015.

The Board of Directors has appointed Smt. Manjulika A. Bajpai (DIN-07143934) to comply with the provision of Section 149, in respect of appointment of woman director by the listed company on its Board of Directors.



In terms of Section 161 (1) of the Companies Act, 2013, she holds office as Additional Director upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director.

Notice under Section 160 of the Companies Act, 2013 has been received from a member intending to propose the appointment of Smt. Manjulika Bajpai as a Director at the ensuing annual General Meeting.

Her brief resume together with other details as required under Clause 49 of the Listing Agreement forms part of the Notice annexed hereto. Smt. Manjulika Bajpai holds 41,319 equity share in the company. Board recommends the resolution for member's approval.

None of the Directors except Smt. Majulika Bajpai has any concern or interest in the said resolution.

Item no. 6

The company had earlier on 04th May 2000 passed the Ordinary Resolution under Section 293 (1) (d) of the Companies Act, 1956 for borrowing money in excess of the aggregate of the paid up Share Capital and Free Reserves upto a maximum limit of Rs. 35.00 Crore.

However, with the enactment of Companies Act, 2013 and rules made there under as per the provisions of Section 180 (1) (c) of the Companies Act, 2013 and Rules framed there under (corresponding to provisions of Section 293 (1) (d) of the Companies Act, 1956 with respect to borrow money in excess of the aggregate of the paid-up share capital of the company and its free reserves respectively, approval of shareholders need to be obtained by way of Special Resolution, in spite of the Resolution dated 04th May 2000 passed under Section 293 (1) (d) under the Companies Act, 1956.

Accordingly, the approval of the members by way of Special Resolutions is sought under Section 180 (1) (c) of the Companies Act, 2013 to enable the Board of Directors to borrow moneys to the extent Rs. 35 (Rupees Thirty Five Crore)

Your Directors recommend the resolution as set out under item no. 6 in this Notice for your approval.

None of the Directors of the Company are in any way interested in the said resolution.

Registered Office:
Nava Bharat Bhavan,
Chhatrapati Square,
Wardha Road,
NAGPUR - 440 015

By Order of the Board,

Nimish V. Maheshwari
Managing Director

Dated : August 10, 2015



Information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/re-appointment in Annual General Meeting.

Name of Director	Shri Vinod Maheshwari
Date of Birth	17.10.1944
Date of Appointment	20.04.1993
Expertise in specific functional areas	Shri Vinod Maheshwari is the Chairman of Saffron Industries Ltd. He is also Managing Editor of "Nava Bharat" the renowned Hindi Daily Newspaper, covering three major states namely Maharashtra, Madhya Pradesh & Chhatisgarh. The activities related to printing & publishing of Newspaper "Nava Bharat" for Nagpur & Mumbai editions are handled by Shri Vinod Maheshwari. He is a dynamic & intelligent Industrialist possessing rich experience of over 45 years in the Newspaper Industry.
Directorships of other Public Limited Companies as on 31 st March, 2015	1) Nava Bharat Press Ltd. 2) Madhyadesh Global Network Ltd. 3) Madhyadesh Industries Ltd. 4) Dhoot Compack Ltd.
Chairman/Member of the Committees of other Companies as on 31 st March, 2015	Nil
No. of shares held	17,82,400



Information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/re-appointment in Annual General Meeting.

Name of Director	Shri Nimish Maheshwari
Date of Birth	05.10.1968
Date of Appointment	20.04.1993
Expertise in specific functional areas	Shri Nimish Maheshwari the Managing Director of Saffron Industries Ltd. He is son of Shri Vinod Maheshwari the Chairman of the company. He is an industrialist, possessing 20 years of rich experience in Paper Industry. He is also associated with "Nava Bharat" the Hindi Daily Newspaper at Nagpur since last 25 years.
Directorships of other Public Limited Companies as on 31 st March, 2015	1) Navabharat News Media Ltd. 2) Navabharat Infraventures Ltd.
Chairman/Member of the Committees of other Companies as on 31 st March, 2015	Nil
No. of shares held	13,17,817

Information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/re-appointment in Annual General Meeting.

Name of Director	Smt. Manjulika A. Bajpai
Date of Birth	11.06.1960
Date of Appointment	31.03.2015
Directorships of other Public Limited Companies as on 31 st March, 2015	Nil
Chairman/Member of the Committees of other Companies as on 31 st March, 2015	Nil
No. of shares held	41,319

DIRECTORS' REPORT

To the Members of 'SAFFRON INDUSTRIES LIMITED'

Your Directors have pleasure in presenting their Twenty Second Annual Report and Audited Statement of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS:

		(RUPEES)
SALES AND OTHER INCOME		<u>50,56,21,543</u>
Profit/(Loss) before Finance Cost & Depreciation		3,31,06,016
Less : Finance Cost	92,94,737	
Depreciation	1,39,71,412	
	<hr/>	-23266149
Profit/(Loss) Before Tax and Exceptional items		<hr/> 98,39,867
Less : Provision For Taxation		NIL
Profit/(Loss) after Tax		98,39,867
Prior year adjustments		NIL
Profit/(Loss) for the year		<hr/> 98,39,867
Add: Profit/(Loss) Balance brought forward from pervious year Balance Sheet		<hr/> (16,68,95,818)
Balance carried forward		<hr/> <hr/> (15,70,55,951)

REVIEW OF OPERATIONS :

During the year under review the Sales Turnover of your company was Rs. 50.45 Crore as against Sales Turnover of Rs. 61.95 Crore in the previous financial year. The high cost and scarce availability of raw material in the market continued this year also, resulting into reduction in sales turnover during the period under review as compare to last year. The profit incurred during the year under review Rs. 98.39 Lac as compared to profit for the previous year of Rs. 34.75 Lac.



Your company is using various efforts to reduce the overall cost and to increase its sustainability by planning for better prospects of the company using various new avenues to avail the low cost raw material and by trying for better price gains for its products in the market and by continuing efforts for its growth as well.

FUTURE OUTLOOK:

In this scenario of high material cost market, you will appreciate the hardship the company is facing. However, we are hopeful for change in this scenario soon and also hope that the domestic paper market shall buoyant further and also hopeful for better sales realisations and profitability, which will take care of company's subsistence and growth in the market.

DIVIDEND:

Due to inadequate profits the Directors have not recommended any dividend for the year under review.

DIRECTORS:

Shri Vinod Maheshwari (DIN-00340953), who retires by rotation and being eligible, offer himself for re-appointment.

The tenure of Shri Nimish V. Maheshwari as a Managing Director was completed on 31st March 2015. Shri Nimish V. Maheshwari (DIN-00340991) was reappointed as Managing Director of the company for a further period of 5 years with effect from 01st April 2015.

Pursuant to the provisions of the Companies Act, 2013, Shri Vinay Pansari (DIN- 01904296) and Shri Anantrai Rawell (DIN-02559329) were appointed as Independent Directors in the 21st Annual General Meeting, who were not liable to retire by rotation.

Smt. Manjulika Bajpai was appointed during the year under review as an Additional Director of the company pursuant to the provision of Companies Act, 2013 requiring appointment of at least one woman director on the board of directors by all the listed companies. She is eligible for being appointed as a Director in the ensuing Annual General Meeting.

AUDIT COMMITTEE:

The Company has already constituted an Audit Committee of its Board of Directors with specified terms of reference. Shri Vinay Pansari is the Chairman of the Audit Committee. Shri Vinod Maheshwari and Shri Anantrai Rawell are the other members of the Audit Committee.

As provided in Section 177 of the Companies Act, 2013, additional powers were vested with the Audit Committee at the Board Meeting held on 10th August, 2015.

**DEMATERIALISATION OF SHAREHOLDING:**

The Company has already established electronic connectivity with both the depositories viz. National Depository Securities Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrar and Transfer Agent, M/s. Adroit Corporate Services Pvt. Ltd. As such, the shares of the Company are available for dematerialisation with both the Depositories.

LISTING OF SECURITIES:

The shares of the Company are presently listed on the Stock Exchange, Mumbai and the Stock Exchange, Ahmedabad.

CORPORATE GOVERNANCE:

A report on corporate governance including Auditors' Certificate on compliance with the conditions of corporate governance under clause 49 of the Listing Agreement is appended to this report as Annexure "E".

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by section 134 (5) of the Companies Act, 2013 the Director hereby state :

- i) That the preparation of the annual accounts for the financial year ended on 31st March 2015, the applicable accounting standards have been followed and that there were no material departures;
- ii) That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2015 and of the profits of the Company for the year under review;
- iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That they had prepared the annual accounts for the year ended 31st March 2015 on a "going concern" basis;
- v) That they had laid down internal financial controls to be followed by the Company and such internal financial control are adequate and were operating effectively;
- vi) That they had devised proper systems to ensure compliance with the provision of all applicable laws and that systems were adequate and operating effectively.

STATUTORY AUDITORS:

M/s. Khatri & Iyer, Chartered Accountants, Nagpur will retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.



SECRETARIAL AUDITOR:

M/s Siddharth Sipani & Associates, Practicing Company Secretaries, Nagpur, were appointed as Secretarial Auditor and their report on Secretarial Audit in Form MR 3 under Section 204 of the Companies Act, 2013 for the financial year 2014-15 is attached as Annexure-'C' and forms part of this report.

PERSONNEL AND RELATED INFORMATION:

None of the employees has received salary of Rs. 60 Lac per annum or Rs. 5.00 Lac per month or more during the financial year 2014-15. Accordingly, no particulars of employees are to be given pursuant to the provision of Section 197 of the Companies Act, 2013 read with respective rules.

Since the company has no any subsidiary or holding company, no particulars are required to be given pursuant to the provisions of Section 197 (14) of the Companies Act, 2013.

NOMINATION AND REMUNERATION POLICY :

The company's approved policy relating to appointment of Directors, qualifications, Independent Directors and matter related there with as provided under Section 178 (3) and (4) of the Companies Act 2013, is attached herewith in 'Annexure-D'.

EXTRACT OF ANNUAL RETURN:

The extracts of Annual Return pursuant to the provision of Section 134 (3) (a) of the Companies Act, 2013 is furnished in 'Annexure -B'.

OTHER PARTICULARS:

Information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed hereto (Annexure 'A') and forms part of this report.

ACKNOWLEDGEMENTS:

Your Directors are pleased to place on record their sincere gratitude to the State Bank of India, Government Authorities, Suppliers, Customers and Shareholders for their continued support and co-operation extended to the Company during the year.

Your Directors also express their deep appreciation for the sincere and devoted services rendered during the year by the workers, staff and executives at all levels of operations of the Company.

For and on behalf of the Board,

Place : Nagpur
Date : August 10, 2015

Vinod Maheshwari
Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo.

1) CONSERVATION OF ENERGY :

The basic philosophy of the Company is to achieve economy in operations at all levels and ensure optimum use of resources and minimisation of energy wastes. This objective is achieved through a proper & continuous system of monitoring and maintenance adopted by the Company. The Co-generation Power Plant is contributing consistently in bringing down the energy costs of the Company with minimal wastes and is also ensuring supply of uninterrupted power & steam to the Paper Plant thus enabling the company to achieve its optimum production capacity.

Total Energy Consumption and energy conservation per unit of production is given below :

A) POWER CONSUMPTION	2014-2015	2013-2014
ELECTRICITY:		
Own Generation :		
Units (in KWH)	1,96,25,720	1,86,70,600
Total Amount (in Rs. lacs)	887.13	879.38
Rate per Unit (in Rs.)	4.52	4.71
B) CONSUMPTION PER UNIT OF PRODUCTION		
Machine Production (MT)	18,124	23,021
Electricity (KWH/MT)	1,082	811
Finished Production (MT)	17,286	22,216
Electricity (KWH/MT)	1,135	840

2) TECHNOLOGY ABSORPTION: RESEARCH AND DEVELOPMENT

The technology used for the existing project is fully indigenous. The production department of the Company is constantly engaged in the process of evaluating new ways and better methods to improve the performance, quality and cost effectiveness of its products.

Great emphasis is given on upgradation of technology as suggested by the Production Department. The Company does not have a separate Research and Development activity.



3) FOREIGN EXCHANGE EARNING AND OUTGO :

There was no income in foreign exchange, however the expenditure of Rs. 3,08,97,138/- incurred in foreign exchange during the year under review.

For and on behalf of the Board,

Place : Nagpur
Date : August 10, 2015

Vinod Maheshwari
Chairman

SAFFRON INDUSTRIES LIMITED**ANNEXURE 'B' TO THE DIRECTORS' REPORT**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
As on The Financial Year Ended on 31st March 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L21010MH1993PLC071683
ii.	Registration Date	20/04/1993
iii.	Name of the Company	SAFFRON INDUSTRIES LTD.
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Adroit Corporate Services Pvt. Ltd., 19/20, Jaferbhoy Industrial Estate, 1 st Floor, Makwana Road, Marol Naka, Mumbai-400 059

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing Newsprint	17012	66%
2	Manufacturing Kraft Paper	17014	34%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Not Applicable	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	
d) Bodies Corp	963100	99700	1062800	14.79	963100	99700	1062800	14.79	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	
f) Any Other									
f) i) Director's Relatives	108233	75300	183533	2.55	108233	75300	183533	2.55	0
f) ii)	1449156	1641100	3090256	43.01	1459117	1641100	3100217	43.15	0.14
Sub-total(A){1):-	2520489	1816100	4336589	60.35	2530450	1816100	4346550	60.49	0.14

SAFFRON INDUSTRIES LIMITED



2) Foreign									
g) NRIs- Individuals	0	0	0	0	0	0	0	0	
h) Other- Individuals	0	0	0	0	0	0	0	0	
i) Bodies Corp.	0	0	0	0	0	0	0	0	
j) Banks / FI	0	0	0	0	0	0	0	0	
k) Any Other...	0	0	0	0	0	0	0	0	
Sub-total	0	0	0	0	0	0	0	0	
(A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	7600	7600	0.11	0	7600	7600	0.11	0
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venturecapita l Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	686	0	686	0.01	0.01
h) ForeignVentu re Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	0	7600	7600	0.11	686	7600	8286	0.12	0.01
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) overseas	163804	6200	170004	2.37	186658	6200	192858	2.68	0.31
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	917439	630310	1547749	21.54	974624	625610	1600234	22.27	0.73
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1094712	23000	1117712	15.56	1008726	23000	1031726	14.36	1.20
c) Others(NRIs)	5546	0	5546	0.08	5546	0	5546	0.08	0
Sub-total (B)(2)	2181501	659510	2841011	39.54	2175554	654810	2830364	39.39	0.15
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2181501	667110	2848611	39.65	2176240	662410	2838650	39.51	0.14
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4701990	2483210	7185200	100	4706690	2478510	7185200	100	0

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Shri Vinod Maheshwari	1782400	24.81	N.A.	1782400	24.81	N.A.	
2.	Shri Nimish V. Maheshwari	1307856	18.20	N.A.	1317817	18.34	N.A.	0.14
3.	Smt. Shiranga V. Maheshwari	74195	1.03	N.A.	74195	1.03	N.A.	
4.	Smt. Anupama N. Maheshwari	94060	1.31	N.A.	94060	1.31	N.A.	
5.	Navabharat Real Estates Pvt. Ltd. (Formerly- Madhyadesh Construction & Finance Pvt. Ltd.)	456500	6.35	N.A.	456500	6.35	N.A.	
6.	Nava Bharat Press Ltd.	100400	1.40	N.A.	100400	1.40	N.A.	
7.	Madhyadesh Press Pvt. Ltd.	1000	0.01	N.A.	1000	0.01	N.A.	
8.	Nava Bharat Press (Nagpur) Pvt. Ltd.	371200	5.17	N.A.	371200	5.17	N.A.	
9.	Madhyadesh Holdings Pvt. Ltd.	133700	1.86	N.A.	133700	1.86	N.A.	
10.	Shri Nilesh Maheshwari	3400	0.05	N.A.	3400	0.05	N.A.	
11.	Shubha Maheshwari	400	0.01	N.A.	400	0.01	N.A.	
12.	Vaibhav Maheshwari	2500	0.04	N.A.	2500	0.04	N.A.	
13.	Vineeta Jaju	8978	0.13	N.A.	8978	0.13	N.A.	
	Total	4336589	60.35	N.A.	4346550	60.49	N.A.	



iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr no	Shareholding at the beginning of the year	Cumulative Shareholding during the year			
		No. of shares	% of total shares of the company		
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	At the beginning of the year	4336589	60.35	4336589	60.35
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc). Shri Nimish V. Maheshwarl- Dt. 07/01/2015 and 12/01/2015				
	For investment	9656	0.13%	4346245	60.48
		305	0.01%	4346550	60.49
	At the End of the year	4346550	60.49	4346550	60.49

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1562.30	1470.63	NIL	3032.93
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1562.30	1470.63	NIL	3032.93
Change in Indebtedness during the financial year				
- Addition	-	650.68	-	650.68
- Reduction	(1562.30)	-	-	(1562.30)
Net Change	(1562.30)	650.68	NIL	(911.62)
Indebtedness at the end of the financial year				
i) Principal Amount	-	2121.31	-	2121.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	2121.31	NIL	2121.31



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
1.	Stock Option	-	-	-	-	-
2.	Sweat Equity	-	-	-	-	-
3.	Commission - as % of profit - others, specify...	-	-	-	-	-
4.	Others, please specify	-	-	-	-	-
5.	Total (A)	NIL	NIL	NIL	NIL	NIL
	Ceiling as per the Act					5% of the net profit

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act					11% of the net profit

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify				
6.	Total	NIL	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers In Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



ANNEXURE 'C' TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

(Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
**THE MEMBERS,
SAFFRON INDUSTRIES LIMITED
CIN- L21010MH1993PLC071683
NAVA-BHARAT BHAWAN,
CHATRAPATI SQUARE, WARDHA ROAD,
NAGPUR-15**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAFFRON INDUSTRIES LIMITED**. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the **SAFFRON INDUSTRIES LIMITED'S** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SAFFRON INDUSTRIES LIMITED**. ("the Company") for the financial year ended on 31st March, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period);**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period);**
- (vi) Other laws applicable to the Company as per the representations made by the Management.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- i) The company has not duly complied the provision with respect to appointment of Key Managerial Personal as applicable under Companies Act, 2013 & in Listing Agreement.
- ii) The Company has filled requisite E- forms as applicable under Companies Act, 2013 within and after the time prescribed except few forms.
- iii) Promoter shareholding are not fully Dematerialize.
- iv) The company has been declared as Sick Company by Board for Industrial and Financial Reconstruction under the provision of Sick Industrial Companies Act, 1985 vide BIRF dated 13/09/2013.

We further report that, The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairman, The Decisions of the board were unanimous and no dissenting views have been recorded,

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc, having major bearing on the companies affairs.

Date : 10th August, 2015
Place: Nagpur

For Siddharth Sipani & Associates
Company Secretaries

Siddharth Sipani
(Proprietor)
Memb. No. 28650, CP. No. 11193

'ANNEXURE A'

To,
THE MEMBERS,
SAFFRON INDUSTRIES LIMITED
NAGPUR

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date : 10th August, 2015
Place: Nagpur

For Siddharth Sipani & Associates
Company Secretaries

Siddharth Sipani
(Proprietor)
Memb. No. 28650, CP. No. 11193

**ANNEXURE 'D' TO THE DIRECTORS' REPORT
NOMINATION AND REMUNERATION POLICY OF
SAFFRON INDUSTRIES LTD.**

(U/s 178 of the Companies Act 2013 and Clause 49 (IV) of the Listing Agreement)

1. PREFACE :

In terms of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, this policy on Nomination and Remuneration Director and Senior Management has been formulated by the Committee and approved by the Board of Directors.

The Nomination and Remuneration Policy is as under :

2 ROLE OF THE COMMITTEE:

- a) To identify persons who are qualified to become Director and who may be appointed in Senior management in accordance with the criteria laid down and recommend to Board their appointment and removal.
- b) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- c) To recommend to the Board remuneration policy related to remuneration of Director (whole time directors, Executive Directors etc.) Key Managerial Personnel and other employees while ensuring the following:
 - i) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and the quality required to run the company successfully.
 - ii) That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - iii) That remuneration to directors, key managerial persons and senior management involves a balance between fixed and incentive pay reflecting short and long term performance object appropriate to the working of the company and its goals.
- d) To formulate criteria for evaluation of Directors and the Board.
- e) To devise as policy on Board diversity.

3 MEMBERSHIP :

- a) The committee shall consist of a minimum 3 non executive directors, majority of them being independent.
- b) Minimum two member's shall constitute a quorum for the committee meeting.
- c) Membership of the committee shall be disclosed in the Annual Report.
- d) Term of the committee shall be continued unless terminated by the Board of Directors.



4 CHAIRMAN :

- a) The Chairman of the Committee shall be an independent director
- b) Chairman of the company may be appointed as a member of the committee but shall not be a Chairman of the Committee.
- c) In absence of the Chairman the members of the committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration committee meeting could be present at the Annual General Meeting or nominate some other member to answer the shareholders queries.

5. FREQUENCY OF THE MEETING :

The meetings of the committee shall be held at such regular intervals as may be required.

6 COMMITTEE MEMBERS INTEREST:

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated
- b) The committee may invite such executives as it considers appropriate, to be present at the meeting of the committee.

7 SECRETARY:

The Company Secretary or any other person as may be decided by the committee shall act as a Secretary to the committee.

8. VOTING :

- a) Decisions of the Committee shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

9. MINUTES OF COMMITTEE MEETING :

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting.

**ANNEXURE - E TO THE DIRECTORS' REPORT****REPORT ON CORPORATE GOVERNANCE :****1. Company's Philosophy on code of Corporate Governance :**

The Company's philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all the facets of its operations, and all its interactions with the stakeholders including shareholders, employees, customers, government, suppliers and lenders and to build the confidence of the society in general.

2. Board of Directors :

Your Board comprises of an optimal composition of Executive and Non-executive Directors having in-depth knowledge of Paper Industry. During the financial year under review, the Board consisted of Three Non Executive Directors out of which two were Independent Directors and one Executive Director. The Chairman of the Board is a Non-executive Director.

All the Directors have disclosed their other directorships and Committee positions in other public companies. It is observed that Directorships/Committee memberships and Chairmanships are as per the prescribed limits provided under the applicable provisions of Companies Act, 2013 and Listing Agreements.

The company ensures that all statutory, significant material information are placed before the Board/Committees of Directors for their noting/approval to enable them to discharge their responsibilities as trustees of the large family of shareholders. During the year, information on matters mentioned in terms of Clause 49 of the Listing agreement has been placed before the Board for its consideration. The Board periodically reviews compliance of all laws applicable to the Company.

The composition, category of Directors and their other Directorships and Membership / Chairmanship of Committees as well as their attendance at Board Meetings and last Annual General Meeting are as under :



Sr. No.	Name of Director	Category of Directorship	Attendance of each Director		Number of other		
			Board Meeting	Last AGM	Directorship	Committee Membership	Committee Chairmanships
1)	Shri Vinod R. Maheshwari (DIN-00340953)	Non-Executive Director	10	Present	11	Nil	Nil
2)	Shri Nimish V. Maheshwari (DIN-00340881)	Managing Director	10	Present	6	Nil	Nil
3)	Shri Vinay Pansari (DIN-01904296)	Non-Executive Independent Director	10	Present	0	Nil	Nil
4)	Shri Anantrai Rawell (DIN-02559329)	Non-Executive Independent Director	10	Present	0	Nil	Nil
5)	Smt. Manjulika Bajpai (DIN-07143934)	Non Executive Independent Additional Director	1	Present	0	Nil	Nil

Meeting of Board of Directors:

During the period under review, 10 Board Meetings were held on 21st April, 2014, 29th May 2014, 24th July 2014, 9th August 2014, 06th October, 2014, 11th November, 2014, 05th December 2014, 12th February 2015, 20th February, 2015, 31st March 2015.

3. Audit Committee :

The following Directors were the members of the Audit Committee for the year under review :

Shri Vinay Pansari - Chairman, Non-Executive Independent Director
 Shri Vinod R. Maheshwari - Non-Executive Director
 Shri Anantrai Rawell - Non-Executive Independent Director

The role, powers and functions of the Audit Committee are as stated in clause 49 of the Listing Agreement and Section 177 of the Companies Act 2013. The Committee reviews the financial

statements before they are placed before the Board. During the period under review, five meetings of the Committee were held on 15th May, 2014, 30th June, 2014, 31st July 2014, 31st October, 2014 & 31st January, 2015. The details of attendance of the Audit Committee are as under :

Sr. No.	Name of Director	No. of Meetings Attended
1.	Shri Vinod R. Maheshwari	5
2.	Shri Vinay Pansari	5
3.	Shri Anantraï Rawell	5

As per the provisions of Section 177 of the Companies Act, 2013, the Audit Committee also provides for the vigil mechanism for all the employees and the directors of the companies, who can directly contact to Chairman of the Audit Committee for reporting any of the grievances.

The vigil mechanism provides safety to the employees and directors availing the mechanism.

The Chairman of audit committee shall take appropriate action after necessary investigation into the matter, including suitable action against employees against frivolous complaints.

4. Nomination and Remuneration Committee :

During the year under review the following Directors were members of the Nomination and Remuneration Committee :

Shri Vinay Pansari	-	Chairman, (Non-Executive Independent Director)
Shri Vinod R. Maheshwari	-	(Non Executive Director)
Shri Anantraï Rawell	-	(Non-Executive Independent Director)

The Remuneration Committee was reconstituted as Nomination and Remuneration Committee with effect from 30th May 2014 as per the provisions of Section 178 of the Companies Act, 2013 with the above mentioned members.

During the year under review, two meetings were held on 31st October, 2013 and 31st January, 2014 to review and approve the remuneration package payable to the Directors.

As per the provisions of Section 178 of the Companies Act, 2014, the Nomination and Remuneration Committee shall determine qualifications, positive attributes and independence of a director and recommend to the Board of Directors for appropriate remuneration payable to the Directors, key Managerial Personnel and other employees with recourse to the following policy mentioned in a) to d) below.

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, of the quality required to run the company successfully.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) Remuneration to Directors, Key managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- d) Adequacy of profits in the business of the company.

The details of attendance of the Remuneration Committee are as under :

Sr. No.	Name of Director	No. of Meetings Attended
1.	Shri Vinod R. Maheshwari	2
2.	Shri Vinay Pansari	2
3.	Shri Anantraï Rawell	2

The details of remuneration paid to the Directors during the period ended on 31st March 2015 are as under :

Sr. No.	Name of Director	*Sitting Fees (including committee meetings)	*Salaries & Allowances etc.	Contributions to Provident and Superannuation Funds
1.	Shri Vinod R. Maheshwari	Nil	Nil	Nil
2.	Shri Nimish V. Maheshwari	Nil	Nil	Nil
3.	Shri Vinay Pansari	Nil	Nil	Nil
4.	Shri Anantraï Rawell	Nil	Nil	Nil
5.	Smt. Manjulika A. Bajpai	Nil	Nil	Nil

* At present the Company is not making any payment towards sittings fees to its Directors.

5. Share Holders' Committee :

The following Directors are members of the Shareholders' Committee :

Sr. No.	Name of Director	No. of Meetings Attended
1.	Shri Vinod R. Maheshwari	10
2.	Shri Nimish V. Maheshwari	10

Shri Vinod R. Maheshwari heads the Shareholders' Committee. Shri Amit Kamble, Assistant Company Secretary of the Company is the Compliance Officer.

The Shareholders Committee was reconstituted as Stakeholders Relationship Committee with effect from 30th May 2014 as per the provisions of Section 178 of the Companies Act, 2013 with the above mentioned members.

The Company has already appointed M/s. Adroit Corporate Services Pvt. Ltd. as its Registrar & Share Transfer Agent for handling physical share work as well as electronic connectivity for demat mode and for redressal of investors complaints.

The company did not receive any complaint during the financial year. The Stakeholders Relationship Committee monitors the work of the Share Transfer Agent on a continuous basis. During the financial year there were no requests for share transfers and dematerialization pending for more than two weeks.

6. General Body Meetings :

AGM	For the Year	Venue	Date	Time
19 th	2011-2012	Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur - 15	29.09.2012	10.00 A.M.
20 th	2012-2013	- do -	30.09.2013	10.00 A.M.
21 st	2013-14	- do -	30.09.2014	10.00 A. M.

There were no special resolutions required to be passed through Postal Ballot at any of the above Annual General Meetings. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

7. Disclosures :

- There are no materially significant transactions made by the Company with its promoters, directors or relatives, etc. which have potential conflict with the interest of the Company at large.
- There has neither been any non-compliance nor any penalty, stricture imposed by the Stock Exchanges or SEBI or any other authority, on any matter related to capital market during the last three years.

8. Means of communication :

The quarterly unaudited financial results, half yearly results and annual audited financial results are normally published in Economic Times Newspaper in English and in Nava-Bharat Newspaper in Hindi. However, the half yearly reports are not sent to each household of shareholders.

9. General Shareholder Information :

- i) Annual General Meeting date : 30th September, 2015
 ii) Day : Wednesday
 iii) Time : 10.00 A. M.
 iv) Venue : Nava-Bharat Bhavan, Chatrapati Square, Wardha Road, Nagpur - 440 015.
 v) Financial Year : 1st April to 31st March
 vi) Book closure : on 22nd September, 2015 to 30th September, 2015 (both days inclusive)
 vii) Dividend payment date : No dividend has been recommended
 viii) Listing on Stock Exchange : 1) The Stock Exchange, Mumbai, 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001.
 Tel : (022) 2655581, 2655626, 2655860 – 61, 2655656, 2650525
 Fax : (022) 2658121, 2702041, 2702061.
 2) The Ahmedabad Stock Exchange, Kamdhenu Complex, Opp. Sahajanand College, Panjarapole, Ahmedabad – 380 015. Tel : (079) 6446733, 6441842, 6449480, 6443858, 6561856, 6446576, Fax : (079) 6442222.

ix) Stock Code : 531436

x) Market Price Data - High / Low during each month of the Financial Year:

Month	The Stock Exchange Mumbai	
	High (Rs.)	Low (Rs.)
April 2014	1.95	1.86
May 2014	1.93	1.68
June 2014	3.95	1.95
July 2014	4.34	3.95
August 2014	4.20	3.73
September 2014	3.55	2.52
October 2014	2.75	1.97
November 2014	3.30	2.85
December 2014	2.85	2.01
January 2015	3.20	2.11
February 2015	3.44	3.00
March 2015	3.24	2.95

The Market Price Data – High/Low during each month of the Financial Year in respect of trading of Company's Share at Ahmedabad Stock Exchange is not available, hence the same has not been provided.

xii) Share Transfer System :

The Shareholders Committee approves and monitors the transfer and transmission of shares and all allied matters. The Company's Registrars and Share Transfer Agents, M/s. Adroit Corporate Services Pvt. Ltd. have adequate infrastructure to process the share transfers. The share transfers are received and processed within 15 days from the date of receipt, subject to the transfer instrument being valid and complete in all respects. The shares of the Company are traded in compulsory demat mode for all investors.

xiii) Distribution of Shareholdings: as on 31.03.2015

Share or Debenture holding of nominal value of		Share holders		Shares	
Rs.	Rs.	Number	% to total Nos.	Number	% to Total Capital
(1)		(2)	(3)	(4)	
Upto	500	1007	54.40%	359704	5.01%
501 to	1,000	489	26.42%	419010	5.83%
1,001 to	2,000	155	8.37 %	250626	3.49%
2,001 to	3,000	64	3.46 %	167788	2.34%
3,001 to	4,000	21	1.13 %	76196	1.06%
4,001 to	5,000	17	0.92 %	81795	1.14%
5,001 to	10,000	40	2.16 %	324779	4.52%
10,001 to	above	58	3.13 %	5505302	76.62%
Total		1851	100 %	7185200	100%

xiv) Dematerialisation of Shares :

The company has already established electronic connectivity with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar of the Company M/s. Adroit Corporate Services Pvt. Ltd. As on 31st March 2015, 4706690 shares have been dematerialised representing 65.51% of the total shares of the Company. The International Securities Identification Number (ISIN) of the Company is INE 474D01013.

xv) Plant Location :

Village : Manegaon
Tahsil : Saoner
District : Nagpur



xvi) Address for Shareholders Correspondence:

Members are requested to make all correspondence relating to share transfer (both in physical & Demat form) to our Share Transfer Agent, M/s. Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai – 400 059.

5. Auditors Certificate on compliance of conditions of Corporate Governance :

We have examined the compliance of conditions of Corporate Governance by Saffron Industries Ltd. for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor's grievance was received by the company during the year ended 31st March 2015 as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Khatri & Iyer
Chartered Accountants,

Jagdish Khatri
Partner



**REPORT OF THE AUDITORS TO THE MEMBERS OF
SAFFRON INDUSTRIES LIMITED**

Report on Financial Statements :

We have audited the accompanying financial statements of SAFFRON INDUSTRIES LIMITED (formerly Madhyadesh Papers Limited), as at March 31, 2015, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the company in accordance with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 :

- a. In the case of the Balance Sheet, of the state of affairs of the Company, as at March 31, 2015 and
- b. In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- c. In case of cash flow statement, of the cash flow for the year ended on that date.

Report on other legal and Regulatory Requirements:

01. As required by Section 227 (3) of the Act, we report that :
 - a. 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.
 - b. 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 those books.
 - c. The Balance Sheet and Profit and Loss Account and cash flow statement dealt with y this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e. On the basis of written representations received from the Directors, as on March 31, 2015, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.
02. As required by the Companies (Auditors Report) Order, 2003, as amended issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks, as we considered appropriate and on the basis of information given to us and to the extent the above order, in our opinion, is relevant to the company for the year, we further report that:
 - i)a) The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.

- b) The fixed assets of the company have been physically verified during the year by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed.
- c) As informed to us, the company has not disposed off any substantial part of its Fixed Assets and this has not affected the Company, as a going concern.
- ii) a) As explained to us, the stocks of inventory of the Company have been physically verified by the management from time to time, during the year. In our opinion, the frequency of the verification was reasonable.
 - b) In our opinion and according to information and explanations given to us, the procedures of physical verifications of stocks, followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The company is maintaining proper records of inventory and the material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- iii) 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, except during the normal course of business.
- iv) In our opinion, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods. During the course of audit, we have not observed any area of continuous failure to correct major weakness in internal control system.
- v) In our opinion and according to information and explanations given to us, the Company has not accepted during the year, and deposit from public in contravention of the directives of Reserve Bank of India and the provision of section 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under.
- vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. However, we are not required to carry out and have not carried out a detailed examination of the records with a view to determine, whether they are accurate or complete.
- vii) a) The company is generally regular in payment of undisputed statutory dues including Provident Fund, Profession Tax, Sales Tax and other statutory dues.
 - b) No undisputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax or cess are outstanding as on March, 31 2015.
 - c) No amount is required to be transferred to investor education and protection fund in accordance with 125 of Companies Act 1956 and rules made there under.



- ix) On the basis of the information and explanations given to us by the management and read the company has not defaulted in repayment of dues to its bankers.
- x) As explained to us, the company has not given any guarantee for loan taken by others, from banks or financial institutions.
- xi) In our opinion and according to explanations given to us, the company has applied term loans for the purpose for which these loans were obtained.
- xii) *To the best of our knowledge and belief and according to information and explanations given to us, no fraud on or by the company has been noticed or reported.*

Nagpur
May 29, 2015

For Khatri & Iyer
Chartered Accountants
Firm Reg. No. 113433W

Jagdish Khatri
Partner
Membership No. 035495



BALANCE-SHEET AS AT MARCH 31, 2015

EQUITY AND LIABILITIES	NOTE REF.	AS AT MARCH 31, 2015 ₹ in hundred		AS AT MARCH 31, 2014 ₹ in hundred
(1) SHAREHOLDERS' FUNDS				
Share Capital	01	718520.00		718520.00
Reserves & Surplus	02	(1317559.51)	(599039.51)	(697438.18)
(2) NON CURRENT LIABILITIES				
Long Term Borrowings	03		2121310.00	1470631.40
(3) CURRENT LIABILITIES				
Short Term Borrowings	04	0.00		0.00
Trade Payables		1059288.87		644997.37
Other Current Liabilities		514011.05		2070485.82
Short Term Provisions		0.00	1573299.92	0.00
TOTAL			3095570.41	3488676.41
ASSETS				
(1) NON CURRENT ASSETS				
Fixed Assets				
Tangible Assets	05	2067597.98		2179043.33
Intangible Assets		84358.28		0.00
Capital Work-in-Progress		0.00	2151956.26	0.00
Long Term Loans & Advan	06		25333.32	31085.07
(2) CURRENT ASSETS				
Inventories	07	354512.32		407040.59
Trade Receivables		265194.61		537990.44
Cash & Cash Equivalents		70147.13		66281.55
Short Term Loans & Advances		228426.76	918280.83	267235.44
TOTAL			3095570.41	3488676.41

Significant Accounting Policies
Notes on Financial Statement 1 to 20

This is the Balance-sheet referred to in our Audit Report of even date attached.

The Notes referred to above form an integral Part part of the accounts.

For & on behalf of the Board of Directors of
SAFFRON INDUSTRIES LIMITED

Jagdish Khatri
Partner
For & on behalf of
Khatri & Iyer
Chartered Accountants
NAGPUR
May 29, 2015

Vinod Maheshwari
Chairman
NAGPUR
May 29, 2015

Nimish Maheshwari
Managing Director



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE THE PERIOD ENDED MARCH 31,2015

	NOTE REF	This year ₹ in hundred	Last year ₹ in hundred
INCOME :			
Revenue from Operations	08	5045332.92	6195183.84
Other Income	09	10882.50	29243.21
Total Revenue		5056215.43	6224427.05
EXPENDITURE :			
Cost of Materials Consumed	10	3049691.72	4261733.20
Changes in Inventories of Finished Stock	11	50494.06	(43864.95)
Employees Benefits Expenses	12	185852.53	193891.14
Finance Costs	13	92947.37	268499.75
Depreciation	05	139714.12	247819.63
Other Expenses	14	1439116.96	2213117.49
Total Expenses		4957816.76	7141196.25
Profit/(Loss) before Tax & Exceptional Items		98398.67	(916769.20)
Prior Period Income	15	0.00	1915.23
Exceptional Items	16	0.00	949601.54
Profit/(Loss) before Tax		98398.67	34747.57
Tax Expenses:			
Current tax		0.00	0.00
Profit/(Loss) After Tax		98398.67	34747.57
Prior year adjustments		0.00	0.00
Profit/ (Loss) for the year		98398.67	34747.57
Earning per Equity Share of face value of ₹ 10 each	17	1.37	0.48

Significant Accounting Policies
Notes on Financial Statements

1 to 20

This is the Profit & Loss Account referred to
in our Audit Report of even date attached

The Notes referred to above form an integral Part
of the Profit & Loss Account

For & on behalf of the Board of Directors of
SAFFRON INDUSTRIES LIMITED

Jagdish Khatri
Partner
For & on behalf of
Khatri & Iyer
Chartered Accountants

Vinod Maheshwari
Chairman

Nimish Maheshwari
Managing Director

NAGPUR
May 29,2015

NAGPUR
May 29,2015



CASH FLOW STATEMENT ANNEXED TO THE BALANCE-SHEET FOR THE PERIOD FROM
APRIL 01,2014 TO MARCH 31,2015

A.CASH FLOW FROM OPERATING ACTIVITIES		₹
Net Profit		9839867
Less Interest Income		(593248)
Add Depreciation		13971412
Deferred Revenue Expenses written off		2108957
Interest Expenses		9294737
Less Profit on Sale of Asset included in Other Non Operating		(244078)
Operating Loss before capital changes		
in working capital		34377647
Decrease in Inventories		5252827
Decrease in Receivables		27279583
Increase in Trade Payables		41429150
Decrease in other current liabilities		(155647477)
Net Decrease in working capital		(81685917)
Cash flow from operating activities		(47308270)
B.Cash flow from Investing Activities		
Net Increase in Tangible fixed assets		(2582800)
Net Increase in Intangible fixed assets		(10544785)
Interest Income		593248
Decrease in other current assets		3880867
Cash flow from Investing Activities		(8653470)
C. Cash flow from Financing activities		
Decrease in Long Term Advances		575175
Increase in long term borrowings		65067860
Interest paid		(9294737)
Cash flow from financing activities		56348298
Increase in cash & cash equivalent		386558
Opening cash & cash equivalents		6628155
Closing cash & cash equivalents		7014713

For & On behalf of the Board

Nagpur
May 29,2015

Vinod Maheshwari
Chairman

Nimish Maheshwari
Managing Director



AUDITOR'S REPORT

We have verified the attached Cash Flow Statement of SAFFRON INDUSTRIES LTD., for the year ended Company in accordance with the requirements of the listing agreement and is based on March 31, 2015. The statement has been prepared by the on and is in agreement with the corresponding Profit & Loss Account and Balance- Sheet of the Company covered by our report of May 29, 2015 to the Members of the Company.

Nagpur
May 29, 2015

JAGDISH KHATRI
Partner
For & On behalf of
KHATRI & IYER
Chartered Accountants



NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

The Previous years figures have been regrouped / reclassified, wherever necessary to confirm to the current year's presentation.

	<u>As at March 31,2015</u> ₹ in hundred	<u>As at March 31,2014</u> ₹ in hundred
NOTE - 01		
SHARE CAPITAL		
AUTHORISED :		
78000.00 hundred Equity shares of ₹ 10/- each fully paid-up (Last year 78000.00 hundred)	<u>780000.00</u>	<u>780000.00</u>
ISSUED,SUBSCRIBED AND PAID-UP :		
71852.00 hundred Equity shares of ₹10 each, fully paid-up (Last year 71852.00 hundred)	<u>718520.00</u>	<u>718520.00</u>

List of Shareholders holding more than 5% equity shares

<u>Shareholders</u>	<u>No. of Shares held in hundred</u>	
	<u>As at March 31,2015</u>	<u>As at March 31,2014</u>
1. Shri Vinod Maheshwari	17824.00	17824.00
2. Shri Nimish V Maheshwari	13178.17	13078.56
3. Navabharat Real Estate Pvt. Ltd. (Formerly Madhyadesh Construction & Finance Pvt. Ltd.)	4565.00	4565.00
4. Navabharat Press (Nagpur) Pvt. Ltd.	3712.00	3712.00
	<u>39279.17</u>	<u>39179.56</u>

NOTE - 02

RESERVES AND SURPLUS

Capital Reserve

Optionally Convertible Preference share money forfeited	33000.00	33000.00
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General Reserve

Opening Balance	220000.00	220000.00
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Profit and Loss Account

Balance brought forward from - previous balance-sheet	(1668958.18)	(1703705.75)
Profit for the year	<u>98396.67</u>	<u>34747.57</u>
	<u>(1317559.51)</u>	<u>(1415958.18)</u>



NOTE - 03

	As at March 31,2015	As at March 31,2014
	₹ in hundred	₹ in hundred
NON CURRENT LIABILITIES		
LONG TERM BORROWINGS		
1. Secured Loans	0.00	0.00
2. Unsecured Loans		
From Banks	0.00	0.00
From Others		
Directors & Other Concerns	2121310.00	1470631.40
Total	<u>2121310.00</u>	<u>1470631.40</u>
The above Unsecured Loans include:		
From Body Corporates	1921310.00	545674.96
From Directors (out of his own fund):	200000.00	0.00
From Associates	0.00	924956.44
	<u>2121310.00</u>	<u>1470631.40</u>

	As at March 31,2015	As at March 31,2014
	₹ in hundred	₹ in hundred
NOTE - 04		
CURRENT LIABILITIES :		
a) SHORT TERM BORROWINGS		
Loans Repayable on Demand		
From Banks - Secured	0.00	0.00
From Others	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

* Current Maturities of Secured Term Loan from ASREC India Ltd. ₹ Nil (Last year 362298.66 hundred) are shown under Other Current Liabilities

* The company has entered into one time settlement with State Bank of India & ASREC in the previous year.

Terms of Repayment of Secured Term

Loans (balance amount) :	F.Y. 2014-15 ₹ in hundred	F.Y. 2013-14 ₹ in hundred
A. From ASREC India Ltd.	0.00	362298.66
B. State Bank of India	0.00	1200000.00
	<u>0.00</u>	<u>1562298.66</u>

*Previous year's terms of repayment are as per One Time Settlement Agreement entered with State Bank of India & ASREC India Ltd.



	As at March 31,2015	As at March 31,2014
	₹ in hundred	₹ in hundred
Default in Repayments of loans from Bank as per One Time Settlement		
State Bank of India	0.00	400000.00
	<u>0.00</u>	<u>400000.00</u>
b) TRADE PAYABLES	1059288.87	644997.37
c) OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	0.00	1562298.66
Creditors for Capital Expenditure	26868.37	53731.88
Other Payables*	487142.68	454455.28
	<u>514011.05</u>	<u>2070485.82</u>
* Other Payables includes Advances from customers; Payables for statutory dues & other expenses		
d) SHORT TERM PROVISIONS		
Provision for Income-tax	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

NOTE 05
FIXED ASSETS

₹ in hundred

PARTICULARS	Gross Block As on 31.03.2014	Purchases/ Additions	Sales/ Deductions	Gross Block As on 31.03.2015	Depreciation up to 31.03.2014	Depreciation for the year	Depreciation Adjustment	Depreciation up to 31.03.2015	NET BLOCK AS ON 31.03.2015	NET BLOCK AS ON 31.03.2014
Tangible Assets										
Freehold Land	46549.06	0.00	(2070.47)	46478.59	0.00	0.00	0.00	0.00	46478.59	46549.06
Buildings & Site Developments	781779.53	0.00	0.00	781779.53	355717.04	37210.41	0.00	392927.46	388852.08	426062.49
Plant & Machinery	4177290.00	30271.80	0.00	4207561.80	2487412.44	99562.58	0.00	2587375.03	1620186.77	1688877.56
Furnitures & Fixtures	17746.53	0.00	0.00	17746.53	17123.93	622.60	0.00	17746.53	0.00	622.60
Vehicles	46638.57	0.00	0.00	46638.57	35593.30	1890.88	0.00	37484.17	9454.40	11345.27
Office Equipments	9428.05	67.45	0.00	9495.50	6920.68	12.37	0.00	6933.05	2552.45	2507.37
Computers	13206.47	0.00	0.00	13206.47	13127.50	15.28	0.00	13142.78	53.69	78.97
Intangible assets										
Deferred Revenue Expenditure										
Gratuity	0.00	79487.76	0.00	79487.76	0.00	15897.55	0.00	15897.55	63590.21	0.00
Leave Encashment & Compensation	0.00	25960.09	0.00	25960.09	0.00	5192.02	0.00	5192.02	20758.07	0.00
	0.00	105447.85	0.00	105447.85	0.00	21089.57	0.00	21089.57	84358.28	0.00
TOTAL	5094938.22	135787.10	(2070.47)	5228654.85	2915894.89	160803.69	0.00	3076698.58	2151956.26	2179043.33
Previous Year	4821531.73	772302.60	(486896.31)	5094938.22	2925816.91	247819.63	(257741.65)	2815894.89	2179043.33	1895714.83
Capital Work in Progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	As at March 31,2015 ₹ in hundred	As at March 31,2014 ₹ in hundred
NOTE - 06		
LONG TERM LOANS & ADVANCES		
Unsecured, considered good		
Advance for Capital Goods	23864.68	29646.62
Loans & Advances to Related Parties	0.00	0.00
Other Advances	699.13	668.94
Deposits for Power & Other Utilities	769.51	769.51
	<u>25333.32</u>	<u>31085.07</u>
NOTE - 07		
CURRENT ASSETS		
i) INVENTORIES :		
As taken, valued and certified by the Management Valued at lower of cost or net realisable value		
Raw Materials	308724.03	299178.17
Finished Goods	16156.71	66650.77
Stores & Spares	13554.47	4978.57
Coal, Fuel Pellets / Rice husk	14824.80	25854.42
Chemicals	350.80	6029.66
Packing Materials	901.51	4349.00
	<u>354512.32</u>	<u>407040.59</u>
ii) TRADE RECEIVABLES :		
a. Outstanding for a period exceeding six months		
i) Unsecured considered good	87030.93	68538.16
ii) Unsecured considered doubtful-not provided for	18990.71	23429.64
b. Others	159172.98	446022.64
	<u>265194.61</u>	<u>537990.44</u>
Out of the above :		
Debts due from Directors	0.00	0.00
From Companies & Concerns under the same Management considered good, outstanding for a period not exceeding six months	141676.66	265636.29
	<u>141676.66</u>	<u>265636.29</u>

	As at March 31,2015 ₹ in hundred	As at March 31,2014 ₹ in hundred
iii) CASH AND CASH EQUIVALENTS		
Cash-in-hand	22166.63	22715.98
Balances with Scheduled Banks :		
In Current Accounts	5009.37	3886.00
In Fixed Deposits	42971.13	39679.56
	<u>70147.13</u>	<u>66281.55</u>
iv) SHORT TERM LOANS & ADVANCES :		
Other Advances & Deposits	226426.76	267235.44
	<u>226426.76</u>	<u>267235.44</u>
Out of the above advances :		
Advances to the Directors	0.00	0.00
Advances to Associate Concern	0.00	0.00
(During the year Maximum Balance Outstanding -Nil)		
	<u>For the year ended March 31, 2015 ₹ in hundred</u>	<u>For the year ended March 31, 2014 ₹ in hundred</u>
NOTE-08 REVENUE FROM OPERATIONS		
Sale of Products	5160291.77	6342104.32
Other Operating Revenues	39.26	595.50
Less : Excise Duty	(114998.11)	(147515.98)
	<u>5045332.92</u>	<u>6195183.84</u>
NOTE- 09 OTHER INCOME		
Interest Income	5932.48	3877.85
Other Receipts	4950.03	25366.36
	<u>10882.50</u>	<u>29243.21</u>
NOTE- 10 COST OF MATERIALS CONSUMED :		
Imported	391705.75	299814.70
Indigenous	2657985.97	3961918.49
	<u>3049691.72</u>	<u>4261733.20</u>
Particulars of major materials consumed:		
Waste Papers	3049691.72	4261733.20
	<u>3049691.72</u>	<u>4261733.20</u>



NOTE - 11

INCREASE/DECREASE IN STOCK :

Opening Stock :

Finished Goods	66650.77	22785.82
Stock-In-Process	0.00	0.00
	<u>66650.77</u>	<u>22785.82</u>

Closing Stock :

Finished Goods	16156.71	66650.77
Stock-In-Process	0.00	0.00
	<u>16156.71</u>	<u>66650.77</u>
INCREASE/(DECREASE) IN STOCK	<u>(50494.06)</u>	<u>43864.95</u>

NOTE - 12

EMPLOYEES BENEFIT EXPENSES :

Salaries & Bonus	154963.94	176016.25
Gratuity	16412.97	540.89
Employer's Contributions to Provident Fund	7896.22	11727.86
Staff Welfare Expenses	6579.40	5606.14
	<u>185852.53</u>	<u>193891.14</u>

NOTE - 13

FINANCE COSTS :

Interest Expenses

Interest on Working Capital Loans	0.00	22348.70
Interest on term Loans	91869.12	244303.95
Other Interest	1058.25	1847.10
Other Borrowing Cost	0.00	0.00
	<u>92947.37</u>	<u>268499.75</u>

NOTE -14

OTHER EXPENSES

Manufacturing Expenses

		For the year ended March 31, 2015 ₹ in hundred		For the year ended March 31, 2014 ₹ in hundred
Stores, Chemicals & Packing Materials				
- Imported	0.00		4362.89	
- Indigenus	223145.95		426395.98	
Freight Inwards	21387.74		23047.90	
Power & Fuel Charges	1044653.37		1465642.12	
Machinery Repairs & Maintenance	10210.00		22435.07	
Other Manufacturing Expenses	<u>8457.94</u>	<u>1307855.00</u>	<u>19337.38</u>	<u>1961221.34</u>

Selling & Distribution Expenses

Commission on Sales	1002.78		8452.50	
Discounts & Rebate	76824.94		103206.14	
Quality Claims	654.07		7212.64	
Freight Outwards	0.00		1826.65	
Service Tax	0.00		628.08	
Sales Tax	<u>6123.81</u>	<u>84606.60</u>	<u>14675.69</u>	<u>136001.70</u>

	For the year ended March 31, 2015 ₹ in hundred		For the year ended March 31, 2014 ₹ in hundred	
Establishment Expenses				
Bank Commission & Charges	2935.21		2411.38	
Insurance	158.95		2025.91	
Repairs & Maintenance	6520.15		4632.89	
Legal & Statutory Expenses	3653.95		4974.59	
Professional & Consultancy Fees	7982.60		4371.64	
Security Charges	9016.75		7533.33	
Travelling & Conveyance Expenses	6167.49		9354.08	
Miscellaneous Expenses	6042.70		8680.22	
Telephone Expenses	1387.54		2381.75	
Rent, Rates & Taxes	750.00		11325.15	
Loss on Assets sale	0.00		56068.66	
Auditor's Remuneration :				
As Audit Fee	1235.96		1235.96	
For Taxation Matters	805.06	46656.36	898.88	115894.44
		1439116.96		2213117.49

NOTE -15**PRIOR PERIOD INCOME/ (EXPENSES)**

Excess claim of Custom Duty earlier written back	0.00	1915.23
	0.00	1915.23

NOTE -16**EXCEPTIONAL ITEMS**

Income:		
Excess Bank Interest written Back on settlement	0.00	1122375.39
Expenses :		
Loss on Fire Insurance Claim short allowed	0.00	(172773.65)
	0.00	949601.54

	For the period ended <u>March 31, 2015</u> ₹ in hundred	For the year ended <u>March 31, 2014</u> ₹ in hundred
NOTE - 17		
EARNINGS PER EQUITY SHARES		
i) Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	98398.67	3474757.15
ii) Number of Equity Shares	71852.00	71852.00
iii) Earnings Per Share	1.37	48.36

NOTE - 18
FOREIGN CURRENCY TRANSACTIONS

Expenditure:		
Import of Raw Materials	308971.38	229624.25
Earnings:	Nil	Nil

NOTE - 19

RELATED PARTY DISCLOSURES

a) The company has the following related parties with whom transactions have taken place during the year :

Associates:

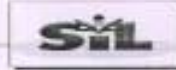
Navabharat Press Ltd.
Navabharat Press, Nagpur
Bionova Paper Crafts Pvt. Ltd.
Navabharat Real Estate Pvt. Ltd.
Shree Trading Corporation

Managing Director :

Mr. Nimish Maheshwari

b) Transactions with Related Parties

	<u>For F Y 2014-15</u> ₹ in hundred	<u>For F Y 2013-14</u> ₹ in hundred
i) Sales to :		
Navabharat Press Ltd., Mumbai	1251322.61	1886336.89
Navabharat Press, Nagpur	1877703.10	1085226.34
Shree Trading Corporation	0.00	35077.18
ii) Purchases of Waste Papers from :		
Navabharat Press	15809.20	15633.25
Shree Trading Corporation	1005439.45	708705.07
iii) Lease Rent of Machinery paid to		
Bionova Paper Crafts Pvt Ltd	2400.00	0.00
c) Outstanding Balances		
i) Sundry Debtors		
ii) Unsecured Loans received	141676.66	265636.29
	200000.00	1470831.40



NOTE - 20 CONTINGENT LIABILITIES	<u>As at March 31, 2015</u> ₹ in hundred	<u>As at March 31, 2014</u> ₹ in hundred
a) Counter Guarantees given to Banks for issuing Bank Guarantees	38502.67	38502.67
b) Claims against company not acknowledged as debt: Bills of MSEDCLtd.	72840.00	72840.00
c) Contracts remaining to be executed on Capital Accounts	Nil	Nil
d) Contingent Liability of right to recompense arising out of : Due to Default in payment of dues as per agreement of One Time Settlement (OTS) with State Bank of India, the company may be liable to pay original bank dues with interest. Also exceptional income of ₹ 1122375.39 hundred considered in books on account of OTS will be reversed.	0.00	1166044.66

As per our Report of even date

Jagdish Khatri
Partner
For & on behalf of
Khatri & Iyer
Chartered Accountants

NAGPUR
May 29, 2015

For & on behalf of the Board of Directors of
SAFFRON INDUSTRIES LIMITED

Vinod Maheshwari
Chairman

Nimish Maheshwari
Managing Director

NAGPUR
May 29, 2015

**SIGNIFICANT ACCOUNTING POLICIES :****A. Basis of Preparation of Financial Statements**

The Financial statements are prepared under the historical cost convention and on accrual basis.

B. Fixed Assets :

i) Fixed assets are stated at cost, along with costs directly attributable to bring the assets to their working conditions. The MODVAT credit available on fixed assets in respect of Paper Plant and Kraft upgradation Plant were deducted from cost of the respective assets. Fixed Assets acquired for Power Project and for upgradation of existing plant, are stated at cost inclusive of excise duty.

ii) Depreciation has been provided in the manner and at the rates calculated as per remaining useful life of tangible assets, as stipulated in the Schedule II of the Companies Act, 2013, on straight line method.

iii) The Company has settled leave encashment and Gratuity payable to employees whose service period is completed. A part of this amount is paid. The entire expenses are considered as deferred revenue expenditure and are being written off over five years.

C. Sales Tax :

The unit is eligible for incentives under the Package Scheme of Incentives 1993, of the State Government. Considering the incentives availed so far, the company is liable for payment of tax on part of its turnover Sales tax refunds and set off, available are accounted for on accrual basis.

D. Inventories:

Inventories comprising of raw materials, chemicals, packing materials, goods in process and finished products have been valued at lower of cost (exclusive of Excise Duty) or net realizable value. The Consumable have been valued at cost.

E. Deferred tax Liability:

No Provision has been made in respect of Deferred Tax Asset calculated as per Accounting Standard 22, of about Rs. 725000 hundreds (Last year Rs. 420000 hundreds), arising due to timing differences in the depreciation charged under the Income-tax Act, 1961 and that charged under the Companies Act 1956, and unabsorbed loss brought forward, in view of the profitability trends, the amount of Unabsorbed Depreciation available and the liability of the company for payment of income tax in near future.



F. Revenue Recognition:

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

G. Borrowing Cost:

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for this intended use. All other borrowing costs are charged to Profit and Loss account.

H. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

I. General :

1. Name of the company has been changed to Saffron Industries Limited with effect from September 10, 2011. Formerly known as Madhyadesh Papers Limited.
2. Other accounting policies of the company are consistent with generally accepted accounting policies.

For Khatri & Iyer
Chartered Accountants

JAGDISH KHATRI
Partner

For SAFFRON INDUSTRIES LTD.

VINOD MAHESHWRI
Chairman

NIMISH MAHESHWARI
Managing Director

SAFFRON INDUSTRIES LIMITED



SAFFRON INDUSTRIES LIMITED

Regd. Office: Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur

CIN No. L21010MH1993PLC071683

Email : info@saffronindustries.in, Website : www.saffronindustries.in

ATTENDANCE SLIP

I hereby record my presence at the 22nd Annual General Meeting held at Saffron Industries Limited at the Registered Office Premises, Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur 440 015, on Wednesday, 30th September, 2015 at 10.00 A.M.

Name of Shareholder _____ _____	DP ID* _____ _____
Registered Address _____ _____	Client ID* _____ _____
_____	Folio No. _____ _____
_____	No. of Shares _____ _____

SIGNATURE OF THE SHAREHOLDER OR PROXY:

NOTE: Please fill in this attendance slip and hand it over at the entrance of the meeting hall.

* For shares held in electronic form



Form No. MGT-11

Proxy form

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

Name of the company: SAFFRON INDUSTRIES LIMITED

Registered office: Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur-Maharashtra

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of Shares of the above named company, hereby
appoint

1. Name:

2. Name:

Address:

Address:

E-mail Id:

E-mail Id:

Signature:....., or failing him Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General
Meeting of the company, to be held on the 30th day of September, 2015 At 10.00 a.m. at Saffron
Industries Limited at it Registered Office : Nava Bharat Bhawan, Chhatrapati Square, Wardha Road,
Nagpur 440 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2015
2. Re-appointment Shri Vinod Maheshwari (retiring Director) as Director
3. Appointment of Auditors and fixing their Remuneration
4. Re-appointment of Shri. Nimish V. Maheshwari as Managing Director
5. Appointment of Smt. Manjulika A. Bajpai as a Director
6. Authorisation to the Board of Directors to borrow money maximum upto Rs. 35 Crore

Signed this..... day of..... 20...

Signature of shareholder :

Signature of Proxy holder(s):

First Proxy holder Second Proxy holder Third Proxy holder

Note This form of proxy in order to be effective should be duly completed and deposited at the Registered
Office of the Company, not less than 48 hours before the commencement of the meeting.

Affix
Revenue
Stamp

Form No. MGT-12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of
the Companies (Management and Administration) Rules, 2014]

Name of the company: **SAFFRON INDUSTRIES LIMITED**

Registered office: Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur-Maharashtra

BALLOT PAPER

S No	Particulars	Details
1	Name of the First Named Shareholder in (block letters)	
2	Postal address	
3	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of Statement of Profit & Loss, Balance Sheet, Report of Board of Directors and Auditors			
2.	Re-appointment Shri Vinod Maheshwari (retiring Director) as Director			
3.	Appointment of Auditors and fixing their Remuneration			
4.	Re-appointment of Shri Nimish V. Maheshwari as an Managing Director			
5.	Appointment of Smt. Manjulika A. Bajpai as a Director			
6.	Authorisation to Board of Directors to borrow money in excess of paid up capital and free reserves upto maximum Rs. 35 Crore			

Place:

Date:

(Signature of the shareholder)

.....
(Signature of First Proxy)

.....
(Signature of Second Proxy)

.....
(Signature of Third Proxy)

Process no : Visual Printer, 5802128

BOOK-POST

If Undelivered, Please Return to :



SAFFERON INDUSTRIES LIMITED

Registered Office :

Nava Bharat Bhavan, Chatrapati Square,
Wardha Road, Nagpur- 440 015.