



SAFFRON INDUSTRIES LIMITED

21ST ANNUAL REPORT 2013-2014





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SAFFRON INDUSTRIES LIMITED



BOARD OF DIRECTORS : SHRI VINOD MAHESHWARI Chairman
SHRI NIMISH V. MAHESHWARI Managing Director
SHRI VINAY PANSARI Director
SHRIANANTRAI RAWELL Director

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

BANKERS : STATE BANK OF INDIA
Industrial Finance Branch,
Bharat Nagar,
NAGPUR - 440 010

REGD. OFFICE : NAVA-BHARAT BHAWAN,
Chhatrapati Square,
Wardha Raod,
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 First Annual General Meeting of the Members of SAFFRON INDUSTRIES LIMITED will be held on Tuesday, the 30th Day of September, 2014 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 consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement of the Company, for the year ended on that date, together with the Director's Report and the Auditors' Report thereon as circulated to the share holders and presented to the meeting be and are hereby adopted."

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

"RESOLVED THAT Shri Vinod Maheshwari (Holding DIN No.-00340953), Director, who retires by rotation and being eligible for re-appointment, be and is here by re-appointed as Director of the Company."

3. 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 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 consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. Anantraï Rawell (DIN: 02559329), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. Vinay Pansari (DIN: 01904296), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2019."

Registered Office:
Nava Bharat Bhavan,
Chhatrapati Square,
Wardha Road,
NAGPUR - 440 015
Dated : August 09, 2014

By Order of the Board

Nimish V. Maheshwari
Managing Director



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 26th September, 2014 to 30th September, 2014 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 advise 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 also 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.

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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. 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/record date fixed for this purpose, viz., 29th August, 2014.

c) The Company has appointed Shri Sunil Purushottam Zore, Practicing Company Secretary, Block no. 98, Ground Floor, Wing III, Rajat Sankul, Opp. ST Stand, Ganesh Peth, Baidyanath Square, Nagpur-440018 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.

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- 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 23rd September, 2014 at 9.00 a.m and ends on 25th September, 2014 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 Friday, 29th August, 2014 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 :

Shri Vinay Pansari and Shri Anantrai Rawell are Non Executive Independent Director of the Company in terms of Clause 49 of the listing agreement, liable to retire by rotation.

They have furnished declarations confirming that they meet the criteria of independence under Section 149 (6) of the Companies Act, 2013 (the Act). The Board has also formed an opinion that they are persons of integrity and possess the relevant expertise and experience and have consequently selected them as independent director. In terms of Section 149(10) read with Schedule IV of the Act, they are being appointed to hold office for a term of five consecutive years from 1st April 2014 to 31st March 2019. During this period they shall not be liable to retire by rotation.

Brief resume of Shri Vinay Pansari and Shri Anantrai Rawell together with other details as required under Clause 49 of the Listing Agreement forms part of the Notice annexed hereto.

Board considers that their continuous association with the Company would be immense benefit to the Company and recommends the resolutions as set out in items 4 and 5 in the notice to be approved by the shareholders, by way of Ordinary Resolution.

Notice under Section 160 of the Companies Act, 2013 has been received from a member intending to propose their appointment Director at the ensuing annual general meeting.

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None of the Directors or Key Managerial Persons and/or their relatives except Shri Vinay Pansari and Shri Anantraï Rawell has any concern or interest, financial or otherwise, in these resolutions.

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

By Order of the Board,

Nimish V. Maheshwari
Managing Director

Dated : August 9, 2014

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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 "Nave 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 and Mumbai editions are handled by Shri Vinod Maheshwari. He is a dynamic and intelligent Industrialist possessing rich experience of over 45 years in the Newspaper Industry.
Directorships of other Public Limited Companies as on 31st March, 2014	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 31st March, 2014	Nil
No. of shares held	17,82,400

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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 Anantraj Rawell
Date of Birth	18.09.1932
Date of Appointment	31.07.2009
Expertise in specific functional areas	Shri Anantraj Rawell is eminent personality of Nagpur city. He is a well known personality in Industry and Trade circle. Shri Rawell is having 60 years of rich experience in automobile Sector.
Directorships of other Public Limited Companies as on 31st March, 2014	Nil
Chairman/Member of the Committees of other Companies as on 31st March, 2014	Nil
No. of shares held	5300

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 Vinay Pansari
Date of Birth	18.09.1932
Date of Appointment	31.07.2009
Expertise in specific functional areas	He is a renowned business man having sound financial & accounting knowledge with rich experience of over 25 years in business.
Directorships of other Public Limited Companies as on 31st March, 2014	Nil
Chairman/Member of the Committees of other Companies as on 31st March, 2014	Nil
No. of shares held	8,000

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DIRECTORS' REPORT

To the Members of 'SAFFRON INDUSTRIES LIMITED'

Your Directors have pleasure in presenting their Twenty First Annual Report and Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS:

		(RUPEES)
SALES AND OTHER INCOME		62,24,42,705
Profit/(Loss) before Finance Cost & Depreciation		(4,00,44,982)
Less : Finance Cost	2,68,49,975	
Depreciation	<u>2,47,81,963</u>	
		-5,16,31,938
Profit/(Loss) Before Tax and Exceptional items		(9,16,76,920)
Less : Provision For Taxation		<u>NIL</u>
Profit/(Loss) after Tax		(9,16,76,920)
Add : Prior Period Items		1,91,76,920
Add: Exceptional Items		9,49,60,154
Prior year adjustments		<u>NIL</u>
Profit/(Loss) for the Year		34,74,757
Add: Profit/(Loss) Brought Forward from pervious year		<u>(7,35,53,282)</u>
Balance carried forward		(7,00,78,525)

REVIEW OF OPERATIONS :

During the year under review the Sales Turnover of your company was Rs. 61.95 Crore as against Sales Turnover of Rs. 27.95 Crore in the previous financial year. Due to better market conditions during the current year the turnover of your company has been increased, however on the other side due to high cost market there was also increase in cost of material consumed. The profit incurred during the year under review was Rs. 34.75 Lac as compared to loss for the previous year of Rs. 7.36 Crore.

Your company is trying to reduce the overall cost by way of using various efforts and to increase its sustainability by planning for better prospects for the company using various new avenues to

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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 Anantraï Rawell, who retires by rotation and being eligible, offer himself for re-appointment.

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 Anantraï 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 9th August, 2014.

DIRECTOR'S COMMENTS ON AUDITORS QUALIFICATION & ADVERSE REMARKS IN AUDITORS REPORT:

The Auditors has made qualifications and marked adversely in their Report in the Para iii)c), Para vi), Para ix) b) and Para xi) of clause 02 in respect of the Report under Companies (Auditors Report) Order, 2003.

The Directors comment on these qualifications and remarks as - the Management is engineering necessary funds to regularise the payment of dues/overdues to the concerned Bankers. Employees Provident Fund Dues are going to be regularised shortly. The Companies Act, 1956 was applicable till 31st March, 2014. The unsecured loans as mentioned in clause vi) of the Audit Report was accepted before 31st March 2014 which was not inconsistent with the provisions of Companies Act, 1956. Also the unsecured borrowings in question were not covered under the term of 'Deposit' under the provisions of Companies Act, 1956. The borrowing which are inconsistent with the provisions of Companies Act, 2013 shall be treated in accordance with the applicable new Act soon.

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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 "B".

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief hereby confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profits of the Company for the year ended 31st March, 2014;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act., 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

AUDITORS:

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

SAFFRON INDUSTRIES LIMITED



COST AUDIT:

The company would like to inform to its members that The Board of Directors has appointed M/s Manisha & Associates, Cost Accountants, Nagpur, as the Cost Auditors of the company for the financial year ending on 31st March 2014.

Further to inform that the Cost Audit Report for the financial year ending on 31st March 2014 shall be submitted by the Cost Auditors of the Company to the Ministry of Corporate Affairs Government of India.

PARTICULARS OF EMPLOYEES:

None of the employees were in receipt of remuneration of Rs. 5,00,000/- or more per month (as amended by the Companies (Particulars of Employees) Amendment Rules, 2011) during the year. Therefore the particulars of employees as required under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not furnished.

OTHER PARTICULARS:

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 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 9, 2014

Vinod Maheshwari
Chairman

SAFFRON INDUSTRIES LIMITED



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Statement of particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

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

ELECTRICITY:	2013-2014	2012-2013
Own Generation :		
Units (in KWH)	1,86,70,600	1,21,56,622
Total Amount (in Rs. lacs)	879.38	546.17
Rate per Unit (in Rs.)	4.71	4.49

B) CONSUMPTION PER UNIT OF PRODUCTION

Machine Production (MT)	23,021	11,720
Electricity (KWH/MT)	811	1,037
Finished Production (MT)	22,216	11,079
Electricity (KWH/MT)	840	1,097

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.

SAFFRON INDUSTRIES LIMITED



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. OK with balance.

3) FOREIGN EXCHANGE EARNING AND OUTGO :

There was no income in foreign exchange, however the expenditure of Rs. 2,29,62,425/- incurred in foreign exchange during the year under review.

For and on behalf of the Board,

Place : Nagpur
Date : August 09, 2014

Vinod Maheshwari
Chairman

SAFFRON INDUSTRIES LIMITED



ANNEXURE - B 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. 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 Chairmanship
1)	Shri Vinod R. Maheshwari (DIN-00340953)	Non-Executive Director	10	Present	10	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

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Meeting of Board of Directors :

During the period under review, 10 Board Meetings were held on 04th April, 2013, 29th May 2013, 14th June, 2013, 14th August, 2013, 05th October, 2013, 14th November, 2013, 21st November, 2013, 30th December, 2013, 12th February, 2014 and 25th March, 2014.

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 Anantraï 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, 2013, 30th June, 2013, 31st July 2013, 31st October, 2013 & 31st January, 2014. 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. Remuneration Committee :

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

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

SAFFRON INDUSTRIES LIMITED



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, 2014 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.

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.

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

SAFFRON INDUSTRIES LIMITED



The details of remuneration paid to the Directors during the period ended on 31st March 2014 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

* 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.

SAFFRON INDUSTRIES LIMITED



6. General Body Meetings :

AGM	For the Year	Venue	Date	Time
18th	2010 - 2011	Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur - 15	15.07.2011	9.30 A.M.
19th	2011 - 2012	- do -	29.09.2012	10.00 A.M.
20th	2012 - 2013	- do -	30.09.2013	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 :

- a) 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.
- b) 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, 2014
- ii) Day : Tuesday
- 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 26th September, 2014 to 30th September,
2014
- vii) Dividend payment date : No dividend has been recommended

SAFFRON INDUSTRIES LIMITED



- 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 2013	2.25	2.20
May 2013	2.25	2.16
June 2013	-	-
July 2013	2.16	2.16
August 2013	-	-
September 2013	2.26	2.26
October 2013	2.37	2.37
November 2013	2.26	2.05
December 2013	1.95	1.95
January 2014	-	-
February 2014	-	-
March 2014	-	-

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.

SAFFRON INDUSTRIES LIMITED



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 31.03.2014

Share or Debenture holding of nominal value of	Share holders		Shares	
	Number (2)	% to Total Nos. (3)	Number (4)	% to Total Capital
Upto 500	1009	55.11%	364983	5.08%
501 to 1,000	480	26.22%	410959	5.72%
1,001 to 2,000	150	8.19%	242226	3.37%
2,001 to 3,000	62	3.39%	162864	2.27%
3,001 to 4,000	21	1.15%	75578	1.05%
4,001 to 5,000	16	0.87%	76947	1.07%
5,001 to 10,000	39	2.13%	311016	4.33%
10,001 to above	54	2.95%	5540627	77.11%
Total	1831	100.00%	7185200	100.00%

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 2014, 4692490 shares have been dematerialised representing 65.31% 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.

SAFFRON INDUSTRIES LIMITED



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

We have examined the compliance of conditions of Corporate Governance by Saffron Industries Ltd. (Formerly-Madhyadesh Papers Ltd.) for the year ended 31st March, 2014 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 there of, 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 investors grievance was received by the company during the year ended 31st March 2014 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

SAFFRON INDUSTRIES LIMITED



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 Ltd.) as at March 31, 2014, which comprise the Balance Sheet as at March 31, 2014, 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 statements 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 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, 2014 and

SAFFRON INDUSTRIES LIMITED



- 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 flows 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 account, 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 by 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, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of 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 441A 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.

SAFFRON INDUSTRIES LIMITED



- 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 verification 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) a) The company has taken interest free unsecured loan of ₹ 545674.96 hundreds from four associate body corporate and ₹ 924956.44 hundreds from four other associates covered in the register maintained under section 301 of the Companies Act and has not granted any unsecured loan to any such firm, company or other party, except during the normal course of business.
- b) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions of loans given or taken by the company secured or unsecured, are prima facie, not prejudicial to the interest of the company.
- c) As per the information and explanations given to us, the company has entered one time settlement agreement with its bankers for loans availed from them. Excess provision made earlier is written back during the year and is considered as an exceptional income. The company has defaulted in repayment of installments of ₹400000.00 hundreds up to 31.03.14 in terms of this one-time settlement, which could result in recovery of original dues with interest and other costs. This amount is considered as Contingent Liability and is duly disclosed in the notes on accounts.
- 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

SAFFRON INDUSTRIES LIMITED



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) a) The company has entered the transactions need to be entered into a register, in pursuance of section 301 of the Act.
- b) In our opinion, these transactions during the year, in cases of transactions exceeding Rupees five lacs, in respect of any party, have been made at the prices, which are reasonable having regard to prevailing market prices, at the relevant time.
- vi) In our opinion and according to information and explanations given to us, the Company has not accepted during the year, any deposit from public in contravention of the directives of Reserve Bank of India under Section 58A and 58AA, of the Companies Act, 1956 and rules framed there under. However it has accepted unsecured loans from associates other than body corporate amounting to ₹ 411496.00 hundreds during the year , which are considered as Deposits in terms of Section 73 of Companies Act 2013. Unsecured loans from associate body corporate amounting to ₹38000.00 hundreds accepted in March 2014, are in excess of limit laid down in section 180(1)(c) of Companies Act 2013.
- vii) The company has an internal audit system, conducted by the employees of the company. In our opinion this needs to be strengthened, in view of volume and nature of transactions of the company to make it commensurate with the size and the nature of its business.
- viii) 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.
- ix) a) The Company is generally regular in payment of undisputed statutory dues including Provident Fund, Profession tax, Sales Tax and other statutory dues.
- b) Undisputed dues of Provident Fund dues of ₹ 9202.78 hundreds is outstanding for a period

SAFFRON INDUSTRIES LIMITED



exceeding six months, as on March 31, 2014.

- x) The company has accumulated losses of ₹ 1668958.18 hundreds at the end of the year which is more than its net worth. The company has not incurred cash losses during the current year, however cash loss incurred for last year was ₹ 466088.46.
- xi) On the basis of the information and explanations given to us by the management and read with our comments in Para (iii)(c) above, the company has defaulted in repayment of dues to its bankers.
- xii) As per the information and explanations given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares and other securities.
- xiii) The company is not a Chit Fund / Nidhi / Mutual benefit company. Therefore, clause 4(xiii) of the Companies (Auditor's report) order 2003 is not applicable to the company.
- xiv) As per the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investment.
- xv) As explained to us, the company has not given any guarantee for loan taken by others, from banks or financial institutions.
- xvi) 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.
- xvii) According to the records examined by us and as per information and explanations given to us, we are of the opinion that, the funds raised on short term basis, have not been used for long term investment and vice versa.
- xviii) The company has not made preferential allotment of any shares during the year.
- xix) The company has not issued any debenture during the year.

SAFFRON INDUSTRIES LIMITED



- xx) The company has not raised any money by public issue during the year.

- xxi) 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.

For KHATRI & IYER
Chartered Accountants
Firm Reg. No.113433W

JAGDISH KHATRI
Partner
Membership No.035495

NAGPUR
Date : May 29, 2014

SAFFRON INDUSTRIES LIMITED



BALANCE SHEET AS AT MARCH 31, 2014

EQUITY AND LIABILITIES	NOTE REF	AS AT MARCH 31,2014 ₹ in Hundreds	AS AT MARCH 31,2013 ₹ in Hundreds
SHAREHOLDERS FUNDS :			
Share Capital	01	718520.00	718520.00
Reserves & Surplus	02	(1415958.18)	(697438.18) (1450705.75) (732185.75)
NON CURRENT LIABILITIES			
Long Term Borrowings	03		
		1470631.40	816995.87
CURRENT LIABILITIES			
Short Term Borrowings	04	0.00	2648487.50
Trade Payables		644997.37	553922.43
Other Current Liabilities		2070485.82	591694.56
Short Term Provisions		0.00	2715483.19
TOTAL		3488676.41	3878914.61
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS :			
Tangible Assets:	05	2179043.33	1895714.83
Intangible Assets		0.00	0.00
Capital Work-in-Progress		0.00	2179043.33
			592511.37
2488226.20			
Long Term Loans & Advances	06		31085.07
			35576.47
CURRENT ASSETS,			
Inventories	07	407040.59	94348.88
Trade Receivables		537990.44	548815.49
Cash & Cash Equivalents		66281.55	52214.04
Short term Loans & Advances		267235.44	1278548.01
			659733.53
1355111.94			
TOTAL		3488676.41	3878914.61
Significat According Policies Notes on Financial Statements	1 to20		

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

The Notes referred to above form an integral 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

Nimish V. Maheshwari
Managing Director

Vinod Maheshwari
Chairman

NAGPUR
Dated : May 29, 2014

NAGPUR
Dated : May 29, 2014

SAFFRON INDUSTRIES LIMITED



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

	NOTE REF	This year ₹ in Hundreds	Last year ₹ in Hundreds
INCOME :			
Revenue from Operations	08	6195183.84	2795611.16
Other Income	09	29243.21	8070.21
TOTAL REVENUE		6224427.05	2803681.37
EXPENDITURE :			
Cost of Materials Consumed	10	4261733.20	1440238.71
Changes in Inventories of Finished Stock	11	(43864.95)	-22785.82
Employees Benefit Expenses	12	193891.14	196289.32
Finance Costs	13	268499.75	369362.42
Depreciation	05	247819.63	236052.54
Other Expenses	14	2213117.49	1342275.71
TOTAL EXPENSES		7141196.25	3561432.88
Profit /(Loss) before Tax & Exceptional Items		(916769.20)	(757751.50)
Prior Period Expenses :	15	1915.23	(966.37)
Exceptional Items	16	949601.54	0.00
Profit/ (Loss) before Tax		34747.57	(758717.87)
Tax Expenses:			
Current Tax		0.00	0.00
Profit / (Loss) after Tax		34747.57	(758717.87)
Prior year adjustment			
Income Tax		0.00	23185.05
Profit / (Loss) for the Year		34747.57	(735532.82)
Earning per Equity Share of			
Face Value of ₹10 each :	17	0.48	Nil
Significant Accounting 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
Dated : May 29, 2014

NAGPUR
Dated : May 29, 2014

SAFFRON INDUSTRIES LIMITED



CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE PERIOD FROM APRIL 01,2013 TO MARCH 31,2014

	₹ in Hundreds
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Loss as per Statement of Profit and Loss	34747.57
Less Interest Income	(3877.85)
Add Depreciation	247819.63
Interest Expenses	268499.75
Loss on Sale of Asset included in Other Expenses	56068.66
Operating Loss before capital changes in working capital	603257.77
Increase in Inventories	(312691.71)
Decrease in Receivables	10825.05
Increase in Trade Payables	91074.95
Increase in other current liabilities	1478791.26
Net Decrease in working capital	1267999.55
Cash flow from operating activities	1871257.32
B. Cash flow from Investing Activities	
Net Decrease in fixed assets	5294.57
Interest income	3877.85
Decrease in Other current assets	392498.09
Decrease in Provisions	0.00
Cash flow from Investing activities	401670.51
C. Cash flow from Financing Activities	
Decrease in Long Term Advances	4491.40
Increase in Long Term Borrowings	653635.53
Decrease in short term borrowings	(2648487.51)
Interest Paid	(268499.75)
Cash flow from financing activities	(2258860.33)
Increase in cash & cash equivalent	14067.51
Opening cash & cash equivalents	52214.04
Closing cash & cash equivalents	66281.55

For & on behalf of the Board

Nimish V. Maheshwari
Managing Director

Vinod Maheshwari
Chairman

NAGPUR
Dated : May 29, 2014

SAFFRON INDUSTRIES LIMITED



AUDITOR'S REPORT

We have verified the attached Cash Flow Statement of SAFFRON INDUSTRIES LTD., for the year ended on March 31, 2014. The statement has been prepared by the Company in accordance with the requirements of the listing agreement and is based on and is in agreement with the corresponding Profit & Loss Account and Balance - Sheet of the Company covered by our report of May 29, 2014 to the Member of the Company.

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

NAGPUR
Dated : May 29, 2014

SAFFRON INDUSTRIES LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014

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

	AS AT MARCH	AS AT MARCH
NOTE-01	<u>31,2014</u> ₹ in Hundreds	<u>31,2013</u> ₹ in Hundreds
SHARE CAPITAL		
AUTHORISED		
78,000.00 hundreds Equity Shares of ₹10/-each fully paid-up (Last year 78,000.00 hundreds)	<u>780000</u>	<u>780000</u>
ISSUED, SUBSCRIBED AND PAID-UP		
71852.00 hundreds Equity Shares of ₹10 each fully paid-up (Last year 71852.00 hundreds)	<u>718520.00</u>	<u>718520.00</u>

List of Shareholders holding more than 5% equity shares

	<u>No. of Shares held in Hundreds</u>	
	<u>As at March 31,2014</u>	<u>AS at March 31,2013</u>
<u>Shareholders</u>		
1. Shri Vinod Maheshwari	17824.00	17824.00
2. Shri Nimish V. Maheshwari	13078.56	13078.56
3. Navbharat Real Estate Pvt. Ltd. (Formerly Madhyadesh Construction & Finance Pvt. Ltd.)	4565.00	4565.00
4. Navbharat Press (Nagpur) Pvt. Ltd.	3712.00	3712.00
	<u>39179.56</u>	<u>39179.56</u>

NOTE-02

RESERVES AND SURPLUS

Capital Reserve			
Optionally Convertible Preference share money forfeited	33000.00		33000.00
General Reserve			
Opening Balance	220000.00		220000.00
Profit and Loss Account			
Balance brought forward from previous balance-sheet (1703705.75)		(968172.93)	
Loss for the year	<u>34747.57</u>	<u>(1668958.18)</u>	<u>(1703705.75)</u>
		<u>(1415958.18)</u>	<u>(1450705.75)</u>

SAFFRON INDUSTRIES LIMITED



NOTE-03

	AS AT MARCH 31,2014 ₹ in Hundreds	AS AT MARCH 31,2013 ₹ in Hundreds
NON CURRENT LIABILITIES		
LONG TERM BORROWINGS		
1. Secured Loans	0.00	0.00
2. Unsecured Loans		
From Banks		
From Others	0.00	0.0
Associate Concerns	1470631.40	816995.87
Total	<u>1470631.40</u>	<u>816995.87</u>
Unsecured Loans from Associate Concern include		
From Body Corporates	545674.96	303535.43
From Other	924956.44	513460.44
	<u>1470631.40</u>	<u>816995.87</u>

NOTE-04

CURRENT LIABILITIES

a) SHORT TERM BORROWING

Loans Repayable on Demand

From Banks- Secured

From State Bank of India IFB Branch, Nagpur

i) Cash Credit

0.00

264374.57

The above loan is secured by hypothecation of stock of raw materials, stock- in process & finished products and lien over book debts second charge over fixed assets of the Company and personal guarantees of two Directors of the company and corporate guarantees of Navabharat Press Ltd. Bionova Paper Crafts Pvt. Ltd Madhyadesh Press Pvt. Ltd. and Navabharat Press Nagpur)

ii) Working Capital Term Loan-1

0.00

577889.80

iii) Working Capital Term Loan-2

0.00

588696.73

iv) Rupee Term Loan

0.00

1217526.40

From ASREC India Ltd-Secured Term Loan

0.00

0.00

(The above loans mentioned in pt (ii),(iii),(iv) & from ASREC India Ltd.

are secured against first charge (pari-Passu)

over all the assets of the Company, present & future and joint

and several and personal guarantees of two Directors of the

Company and Corporate Guarantees of Navbharat Press Ltd. Bionova Paper

Crafts Pvt. Ltd. Madhyadesh Press Pvt. Ltd.

and Navbharat Press, Nagpur)

0.00

2648487.50

*Current Maturities of Secured Term Loan from ASREC India Ltd. ₹ 362298.66 hundreds (Last year 359533.90 hundreds) are shown under other Current Liabilities

* The company has entered in to one time settlement with State Bank of India & ASREC The payment are mode as per schedule except default in Payment of one installment to State Bank of India as disclosed in note below

SAFFRON INDUSTRIES LIMITED



Terms of Repayment of Secured Term Loans (balance amount) :	F. Y. 2014-15 ₹ in Hundreds	F. Y. 2013-14 ₹ in Hundreds
A. From ASREC India Ltd. (Repayable up to 31.03.2015)	362298.66	359533.90
B. State Bank of India (Repayable up to 17.10.2014)	1200000.00	0.00
	<u>1562298.66</u>	<u>359533.90</u>

*Currency year's term of repayment are as per One Times Settlement Agreement entered with State Bank of India & ASREC India Ltd.

	AS AT MARCH 31,2014 ₹ in Hundreds	AS AT MARCH 31,2013 ₹ in Hundreds
Default in Repayments of loans from Banks:		
i) Cash Credit- Interest	0.00	102376.02
ii) Working Capital Term Loan-1		
Principal	0.00	322000.00
Interest	0.00	255888.96
iii) Working Capital Term Loan-2		
Principal	0.00	328005.70
Interest	0.00	260691.03
iv) Rupee Term Loan from Bank :		
Principal	0.00	676996.00
Interest	0.00	540530.37
v) Term Loan from ASREC India Ltd.		
Principal	0.00	292000.00
Interest	0.00	23033.90
B. Default in Repayments of loans from Bank as per One Time Settlement Agreement :	0.00	2486488.08
State Bank Of India	400000.00	0.00
	<u>400000.00</u>	<u>2486488.08</u>
b) TRADE PAYABLES	644997.37	553922.43
c) Other Current Liabilities		
Current Maturities of Long Term Debts*	1562298.66	359533.90
Creditors for Capital Expenditure	53731.88	91319.64
Other Payables**	454455.28	140841.02
	<u>2070485.82</u>	<u>591694.56</u>
d) Short Term Provisions		
Provisions for Income-tax	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

**Other Payables includes Advances form customers, payables for statutory dues & other expenses

SAFFRON INDUSTRIES LIMITED



NOTE - 05										
FIXED ASSETS										
₹ in Hundreds										
PARTICULARS	GROSS BLOCK AS ON 31.03.2013	PURCHASES/ ADDITIONS	SALES/ DEDUCTIONS	GROSS BLOCK AS ON 31.03.2014	Depreciation upto 31.03.2013	Depreciation for the year	Depreciation Adjustment	Depreciation upto 31.03.2014	NET BLOCK AS ON 31.03.2014	NET BLOCK AS ON 31.03.2013
Tangible Assets										
Freehold Land	48549.06	0.00	0.00	48549.06	0.00	0.00	0.00	0.00	48549.06	48549.06
Buildings & Site Developments	764911.00	16868.54	0.00	781779.53	330039.64	25677.41	0.00	355717.04	426062.49	434871.36
Plant & Machinery	3917117.14	755114.63	(494941.76)	4177290.00	2524170.83	217266.61	(254024.99)	2487412.44	1689877.56	1392946.31
Furnitures & Fixtures	17548.53	198.00	0.00	17746.53	16007.72	1116.22	0.00	17123.93	622.60	1540.82
Vehicles	50893.12	0.00	(3954.55)	46938.57	36008.72	3301.23	(3716.65)	35593.30	11345.27	14884.40
Office Equipments	9306.42	121.64	0.00	9428.05	6477.79	442.89	0.00	6920.68	2507.37	2828.63
Computers	13206.47	0.00	0.00	13206.47	13112.22	15.28	0.00	13127.50	78.97	94.25
Intangible Assets	4821531.73	772302.80	(498896.31)	5094938.22	2925816.91	247819.63	(257741.65)	2915894.89	2179043.33	1895714.83
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PREVIOUS YEAR	4821531.73	772302.80	(498896.31)	5094938.22	2925816.91	247819.63	(257741.65)	2915894.89	2179043.33	1895714.83
Capital work in progress	4937890.11	39445.29	(155803.66)	4821531.73	2788197.16	236052.54	(98432.79)	2925816.91	1895714.83	2323924.77
	592511.37	0.00	(592511.37)	0.00	0.00	0.00	0.00	0.00	0.00	592511.37

SAFFRON INDUSTRIES LIMITED



	AS AT MARCH 31,2014	AS AT MARCH 31,2013
Capital Work in Progress includes: for Plant & Machinery : Kraft Paper Plant	₹ in Hundreds	₹ in Hundreds
	0.00	592511.37
	<u>0.00</u>	<u>592511.37</u>

NOTE -06

LONG TERM LOANS & ADVANCE

Unsecured, considered good

Advance for Capital Goods	29646.62	34239.68
Loans & Advances to Related Parties	0.00	0.00
Other Advance	668.94	567.28
Deposit for Power & Other Utilities	769.51	769.51
	<u>31085.07</u>	<u>35576.47</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	299178.17	52247.19
Finished Goods	66650.77	22785.82
Stores & Spares	4978.57	4815.86
Coal, Fuel Pellets / Rice Husk	25854.42	5938.93
Chemicals	6029.66	5337.65
Packing materials	4349.00	3223.43
	<u>407040.59</u>	<u>94348.88</u>

ii) TRADE RECEIVABLES:

a. Outstanding for a period exceeding six months :		
i) Unsecured Considered good	68538.16	0.00
ii) Unsecured Considered doubtful-not provided for	23429.64	281982.72
b. Others	446022.64	266832.77
	<u>537990.44</u>	<u>548815.49</u>

out of the above :

Debts due from Directors,	0.00	0.00
From Companies and concerns under the same management considered good, outstanding for a period not exceeding six months		
	<u>265636.29</u>	<u>6611.07</u>
	<u>265636.29</u>	<u>6611.07</u>

SAFFRON INDUSTRIES LIMITED



	For the year ended	For the year ended
	MARCH 31, 2014	MARCH 2013
	₹ in Hundreds	₹ in Hundreds
iii) CASH AND CASH EQUIVALENTS		
Cash-in-hand	22715.98	2729.32
Balances with Scheduled Banks :		
In Current Accounts	3886.00	3021.15
In Fixed Deposits	39679.56	46463.58
	<u>66281.55</u>	<u>52214.04</u>
iv) SHORT TERM LOANS & ADVANCES :		
Other Advances & Deposits	267235.44	659733.53
	<u>267235.44</u>	<u>659733.53</u>
Out of the above advances :		
Advances to the Directors		
(During the year Maximum Balance Outstanding - Nil)	<u>0.00</u>	<u>0.00</u>
 NOTE-08		
REVENUE FROM OPERATIONS		
Sale of products	6342104.32	2843443.59
Other Operating Revenues	595.50	5263.42
Less: Excise Duty	(147515.98)	(53095.85)
	<u>6195183.84</u>	<u>2795611.16</u>
 NOTE-09		
OTHER INCOME		
Interest Income	3877.85	3263.67
Other Receipts	25365.36	4806.53
	<u>29243.21</u>	<u>8070.21</u>
 NOTE-10		
COST OF MATERIALS CONSUMED		
Imported	299814.70	3465.63
Indigenous	3961918.49	1436773.08
	<u>4261733.20</u>	<u>1440238.71</u>
Particulars of major materials consumed: (₹ in Hundreds)		
Waste Papers	<u>4261733.20</u>	<u>1440238.71</u>
	<u>4261733.20</u>	<u>1440238.71</u>
 NOTE - 11		
INCREASE / DECREASE IN STOCK		
Opening Stock :		
Finished Goods	22785.82	0.00
Stock-In-Process	0.00	0.00
	<u>22785.82</u>	<u>0.00</u>
Closing Stock :		
Finished Goods	66650.77	22785.82
Stock-In-Process	0.00	0.00
	<u>66650.77</u>	<u>22785.82</u>
INCREASE / (DECREASE) IN STOCK	<u>43864.95</u>	<u>22785.82</u>

SAFFRON INDUSTRIES LIMITED



	For the year ended MARCH 31, 2014 ₹ in Hundreds	For the year ended MARCH 2013 ₹ in Hundreds
NOTE - 12		
EMPLOYEES BENEFIT EXPENSES:		
Salaries & Bonus	176016.25	176186.50
Gratuity	540.89	2676.54
Employer's Contributions to Provident Fund	11727.86	11643.38
Staff Welfare Expenses	5606.14	5782.90
	<u>193891.14</u>	<u>196289.32</u>
NOTE - 13		
FINANCE COSTS:		
Interest Expenses		
Interest on Working Capital Loans	22348.70	29896.02
Interest on term Loans	244303.95	334350.36
Other Interest	1847.10	5116.04
Other Borrowing Cost	0.00	0.00
	<u>268499.75</u>	<u>369362.42</u>
NOTE - 14		
OTHER EXPENSES		
MANUFACTURING EXPENSES :		
Stores, Chemicals & Packing Materials		
Imported	4362.89	0.00
Indigenous	426395.98	220722.82
Freight Inwards	23047.90	26415.02
Power & Fuel Charges	1465642.12	910283.68
Machinery Repairs & Maintenance	22435.07	30324.72
Other Manufacturing Expenses	<u>19337.38</u>	<u>8140.39</u>
	1961221.34	1195886.63
SELLING AND DISTRIBUTION EXPENSES :		
Commission on Sales	8452.50	15379.96
Discounts & Rebates	103206.14	29858.65
Quality Claims	7212.64	4967.29
Freight Outwards	1826.65	732.88
Service Tax	628.08	1834.21
Sales Tax	<u>14675.69</u>	<u>16301.46</u>
	136001.70	69074.45
ESTABLISHMENT EXPENSES :		
Bank commission & Charges	2411.38	1755.73
Insurance	2025.91	2921.68
Repairs & Maintenance	4632.89	5701.59
Legal & Statutory Expenses	4974.59	4114.04
Professional & Consultancy Fees	4371.64	15745.67
Security Charges	7533.33	7822.66
Travelling & Conveyance Expenses	9354.08	13759.58

SAFFRON INDUSTRIES LIMITED



	For the year ended MARCH 31, 2014 ₹ in Hundreds	For the year ended MARCH 2013 ₹ in Hundreds
Miscellaneous Expenses	8680.22	8567.20
Telephone Expenses	2381.75	2447.67
Rates & Taxes	11325.15	6737.23
Directors' Remuneration	0.00	6000.00
Lose on Assets sale	56068.66	0.00
Auditor's Remuneration :		
As Audit Fee	1235.96	898.88
For Taxation Matters	898.88	842.70
	<u>115894.44</u>	<u>77314.64</u>
	<u>2213117.49</u>	<u>1342275.71</u>
NOTE - 15		
PRIOR PERIOD INCOME (EXPENSES)		
Excess claim of Custom Duty earlier written back	1915.23	0.00
Sales Tax	0.00	(966.37)
	<u>1915.23</u>	<u>(966.37)</u>
NOTE - 16		
EXCEPTIONAL ITEMS:		
Income:		
Excess Bank Interest written Back on settlement :	1122375.39	0.00
Expenses:		
Loss on Fire : Insurance Claim Short allowed	(172773.85)	0.00
	<u>949601.54</u>	<u>0.00</u>
NOTE - 17		
EARNINGS PER EQUITY SHARES:		
i) Net Loss after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	34747.57	(735532.82)
ii) Number of Equity Shares	71852.00	71852.00
iii) Earnings Per Share	0.48	0.00
NOTE - 18		
FOREIGN CURRENCY TRANSACTIONS		
Expenditure :		
Import of Machinery	0.00	7854.29
Import of Raw Materials	229624.25	30257.78
Earnings:	0.00	0.00

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.

SAFFRON INDUSTRIES LIMITED



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

MANAGING DIRECTOR:

Mr. Nimish Maheshwari

	<u>For F Y 2013-14</u> ₹ in Hundreds	<u>For F Y 2012-13</u> ₹ in Hundreds
b) Transactions with Related Parties		
i) Sales to:		
Navabharat Press Ltd. Mumbai	1886336.89	0.00
Navabharat Press, Nagpur	1085226.34	400466.12
Shree Trading Corporation	35077.18	0.00
ii) Purchases of Waste Papers from:		
Navabharat Press	15633.25	18675.90
Shree Trading Corporation	706705.07	0.00
iii) Director's Remuneration to:		
Mr. Nimish Maheshwari	0.00	6000.00
c) Outstanding Balance		
i) Sundry Debtors	265636.29	6611.07
ii) Unsecured Loans	1470631.40	816995.87

NOTE-20

CONTINGENT LIABILITIES

a) Counter Guarantees given to Banks for issuing Bank Guarantees	38502.67	35125.00
b) Claims against company not acknowledged as debt: Bills of MSEDCL Ltd	72840.00	72840.00
c) Contracts remaining to be executed on Capital Accounts	0.00	0.00
d) Contingent Liability of right to compensate arising out of		
i) re-schedulement of credit facilities by State Bank of India	0.00	156000.00
ii) 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 ₹112237539 considered in books on account OTS will be reversed.	1166044.66	0.00

As per our Report of even date

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 V. Maheshwari
Managing Director

NAGPUR
Dated : May 29, 2014

NAGPUR
Dated : May 29, 2014

SAFFRON INDUSTRIES LIMITED



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, alongwith costs directly attributable to bring the asset to their working condition. 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 specified in the Schedule XIV of the Companies Act, 1956, on straight line method.

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 realisable value. The consumables 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 ₹ 420000 hundreds (Last year ₹ 390000 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

SAFFRON INDUSTRIES LIMITED



G. Borrowing Cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its 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 resource. Contingent Liabilities are not recognised 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 it was known as Madhyadesh Papers Limited.
2. Other accounting policies of the Company are company are consistent with generally accepted accounting policies

For Khatri & Iyer
Chartered Accountants

For SAFFRON INDUSTRIES LTD

JAGDISH KHATRI
Partner

VINOD MAHESHWARI
Chairman

NIMISH MAHESHWARI
Managing Director

NAGPUR
May 29, 2014

NAGPUR
May 29, 2014

SAFFRON INDUSTRIES LIMITED



Nomination Request Form (For shares held in physical form)

To,
Saffron Industries Limited
C/o. Adroit Corporate Services Pvt. Ltd.,
19, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Mumbai - 400 059.

From _____
Folio No. _____
No. of Shares /
Debentures _____

I am / we are holder(s) of Shares/Debentures of the Company as mentioned above. I/We nominate the following person(s) in whom all rights of transfer and/or amount payable in respect of shares/ debentures shall vest in the event of my/our death.

Nominee's name								Age			
To be furnished in case the nominee is a minor						Date of Birth					
Guardian's Name*											
Occupation of Nominee Tick (✓)	1	Service	2	Business	3	Student	4	Household			
	5	Professional	6	Farmer	7	Others					
Nominee's Address											
								Pin Code			
Telephone No.								Fax No			
Email Address								Std code			
Specimen signature of nominee / Guardian (In case nominee is minor)		_____									

* To be filled in case nominee is a minor
Kindly take the aforesaid details on record.

Thanking you,
Yours faithfully,

	Name of all the holder(s) (as appearing on the Certificate(s))	Signature as per specimen recorded with company
Sole / 1 st holder		
2 nd holder		
3 rd holder		
4 th holder		

SAFFRON INDUSTRIES LIMITED



Signature of two Witnesses

	Name and Address	Signature with date
1.		
2.		

INSTRUCTIONS :

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by individuals only. Non individuals including society, trust, body, corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares/debentures are held jointly all joint holders will sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of shares/debentures and in that event the name and address of the Guardian shall be given by the holder.
4. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.
5. Transfer of share/debenture in favour of a nominee and repayment of amount to nominee shall be a valid discharge by a company against the legal heir.
6. Only one person can be nominated for a given folio.
7. Details of all holders in a folio need to be filed; else the request will be rejected.
8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the company) and (b) the nominee.
9. Whenever the Shares/Debentures in the given folio are entirely transferred or transposed with some other folio, then this nomination will stand rescinded.
10. Upon receipt of a duly executed nomination form, the Company/Transfer Agent of the Company will register the form and allot a registration number. This number and folio no. should be quoted by the nominee in all future correspondence.
11. The nomination can be varied or cancelled by executing fresh nomination form.
12. The company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.

FOR OFFICE USE ONLY
Nomination Registration Number
Date of Registration
Checked by and Signature of Employee

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 21st Annual General Meeting held at Saffron Industries Limited at the Registered Office Premises, Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur 440 015, on Tuesday, 30th September, 2014 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:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

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 21st Annual General Meeting of the company, to be held on the 30th day of September, 2014 At 10.00 a.m. at Saffron Industries Limited at it Registered Office : Na va 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, 2014
- 2 Re-appointment Shri Vinod Maheshwari (retiring Director) as Director
3. Appointment of Auditors and fixing their Remuneration
- 4 Appointment of Shri. Anantrai Rawell as an Independent Director
5. Appointment of Shri. Vinay Pansari as an Independent Director

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

Signature of shareholder :

Signature of Proxy holder(s):

First Proxy holder Second Proxy holder Third Proxy holder

Affix
Revenue
Stamp

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.



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 and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014			
2.	Re-appointment Shri Vinod Maheshwari (retiring Director) as Director			
3.	Appointment of Auditors and fixing their Remuneration			
4.	Appointment of Shri Anantraj Rawell as an Independent Director			
5.	Appointment of Shri. Vinay Pansari as an Independent Director			

Place:

Date:

.....
(Signature of the shareholder)

.....
(Signature of First Proxy)

.....
(Signature of Second Proxy)

.....
(Signature of Third Proxy)

If Undelivered, Please Return to :



SAFFRON INDUSTRIES LIMITED

Registered Office :

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