



Saffron Industries Ltd.

(CIN : L21010MH 1993 PLC 071683)

29th May, 2018

The Executive Director
Corporate Relationship Department
BSE Limited
Floor no.25, PJ Towers,
Dalal Street,
Mumbai – 400 001

Sub: Submission of Annual Report 2017

Ref: Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015

Stock Code: 531436

Dear Sir,

With reference to above, please find enclosed here with the “Annual Report” of **Saffron Industries Limited** as per the regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 for the financial Year 2016-17.

This is for your information and record.

Kindly acknowledge the receipt of the same.

Thanking You

Yours truly,
For **Saffron Industries Limited**


Saurabh Somani
Company Secretary





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Company Secretary





**SAFFRON INDUSTRIES LIMITED
(CIN: L21010MH1993PLC071683)**

BOARD OF DIRECTORS:

SHRI VINOD MAHESHWARI	-	Chairman
SHRI MANOJ SINHA	-	Executive Director
SMT. MANJULIKA BAJPAI	-	Non-Executive Independent 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



CONTENTS

Notice to Members	1
Directors' Report	10
Corporate Governance Report	34
Auditors' Report	49
Balance Sheet	56
Statement of Profit & Loss Account	57
Cash Flow Statement	58
Notes on Financial Statements attached to and forming part of Balance Sheet	59
Enclosures:	
Attendance Slip	
Form of Proxy	
Ballot Paper	

**NOTICE TO MEMBERS**

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of SAFFRON INDUSTRIES LIMITED will be held on Saturday, the 30th Day of September, 2017 at 10.00 A.M. at Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur - 440 015, to transact the following business :

ORDINARY BUSINESS:**ITEM NO. 1**

To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March 2017 and the Reports of Directors and Auditors thereon.

ITEM NO. 2

To appoint a Director in place of Shri Vinod Maheshwari (holding DIN-00340953) who retires by rotation and being eligible offers himself for re-appointment.

ITEM NO. 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 pursuant to the provisions of Section 139 and other applicable provisions of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 made there under M/s. Utsav Sumit Associates, Chartered Accountants, Nagpur, (Firm Registration No.-0165514C) 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 Annual General Meeting to be held in year 2022 of the Company, on such remuneration as may be fixed in this behalf by the Board of Directors of the company, on recommendation of Audit Committee of the Board of Directors.”

By Order of the Board,

Sd/-

Place: Nagpur
Dated: August 14, 2017

Vinod Maheshwari
Chairman



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 OF THE COMPANY.**
- 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 business specified above is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2017 to 30th September, 2017 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 Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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., 22nd September, 2017.
- c) The Company has appointed Mr. Milnd Satfale & Associates, Practicing Company Secretary, 29/A Kharbi Road, Shaktimata Nagar Nagpur-440009 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 "EVEN" 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 26th September, 2017 at 9.00 a.m and ends on 28th September, 2017 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, 22nd September, 2017 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.

(ii) 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.

(iii) 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.

17. As per the provisions of Section 20 of the Companies Act, 2013, a member may request for any document through a particular mode, for which the member shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing, dispatching documents may vary according to the mode of service, weight, its destination, etc., therefore it is proposed that estimated actual expense, charges borne by the Company for such dispatch will be paid in advance by the member to the company.

By Order of the Board,

Sd/-

Place: Nagpur
Dated: August 14, 2017

Vinod Maheshwari
Chairman



Information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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/Listed Companies as on 31 st March, 2017	1) Nava Bharat Press Ltd. 2) Navabharat News Media Ltd. 3) Navabharat Infraventures Ltd.
Chairman/Member of the Committees of other Companies as on 31 st March, 2017	Nil
No. of shares held	17,85,800



DIRECTORS' REPORT

To the Members of 'SAFFRON INDUSTRIES LIMITED'

Your Directors have pleasure in presenting their Twenty Fourth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS:

(Amount in Hundred)		
SALES AND OTHER INCOME		<u>33,54,446.36</u>
Profit/(Loss) before Finance Cost & Depreciation		1,83,567.92
Less : Finance Cost	31.98	
Depreciation	1,41,079.08	
		<u>-1,44,277.08</u>
Profit/(Loss) Before Tax and Exceptional items		42,456.86
Less : Tax Expenses - Current Tax		NIL
Less : Prior Period Expenses		(2793.56)
		<u>39,663.30</u>
Profit/(Loss) after Tax		39,663.30
Prior year adjustments -Income Tax		39,663.30
Profit/(Loss) for the year		(14,59,182)
Add: Profit/(Loss) Balance brought forward from pervious year Balance Sheet		<u>(14,19,519)</u>
Balance carried forward		<u>(14,19,519)</u>

REVIEW OF OPERATIONS:

During the year under review the Sales Turnover of your company was Rs. 33.54 Crore as against Sales Turnover of Rs. 36.89 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 the last year. However, in absence of heavy finance cost the company has earned Rs.39.66 Lacs as profit for the year under review as compared to profit for the previous year Rs. 111.37 Lacs.



Your company is using various efforts to reduce the overall cost 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.

FUTURE OUTLOOK:

In this scenario of high material cost market, you will appreciate the hardship the company is facing. The market factors like rough and uneven market conditions, high cost of raw materials and decline in profitability are not in favor of the Paper Industry. It is less expected that the market environment for the Industry to remain favorable in the years to come.

NO CHANGE IN NATURE OF BUSINESS:

There is no any change in the nature of business carried on by the company during the year under review.

DIVIDEND:

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

AMOUNTS TRANSFERRED TO RESERVES:

The Board of Directors of the Company has decided to carry Rs. 39.66 Lacs to its reserves.

NO CHANGE IN SHARE CAPITAL :

There was no change (i.e. increase or decrease) in the Authorised, Issued, Subscribed or Paid up Share Capital of the company during the year under review.

INFORMATION ABOUT SUBSIDIARY/JV/ASSOCIATE COMPANY:

Company does not have any Subsidiary, Joint Venture or Associate Company as defined under Companies Act, 2013.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND :

The provisions of Section 125 (2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

MATERIAL CHANGES AND COMMITMENTS :

Except change in Directorship as mentioned in this Report, No material changes and commitments affecting the financial position of the Company occurred between 31st March, 2017 and the date of this Report.

**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'.

MEETINGS OF BOARD OF DIRECTORS :

During the financial year 2016-17, the company held 8 board meetings of Board of Directors as per Section 173 of the Companies act, 2013, which is summarized in Report on Corporate Governance below (Annexure-E to this Report).

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 2017, 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 2017 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 2017 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 AND THEIR REPORT :

As per Section 139 (2) (a) M/s. Khatri & Iyer, Chartered Accountants, Nagpur has completed their tenure and retire at the conclusion of the Annual General Meeting. Hence company has approached M/s .Utsav Sumit & Associates, Chartered Accountants Nagpur and they have expressed their interest to work as Statutory Auditors of the Company. The necessary consent has been obtained and said firm is appointed as Statutory Auditor of the Company from Financial year 2017-2018 till conclusion of Annual General Meeting to be held in year 2022.

There is no qualification or adverse remarks in the Auditor's Report which require any clarification/explanation. The Notes on financial statements are self-explanatory and needs no further explanation.

**LOANS, GUARANTEES AND INVESTMENT:**

There were no loans, guarantees or investment made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business (except transaction mentioned in the Form AOC-2 in Annexure-F). There are no materially significant related party transactions made by the Company with Promoters, Directors or other designated persons which may have a potential conflict with the interest of the Company at large and Approval of the Board of Directors was obtained wherever required. Further all the necessary details of transactions entered with the related parties are attached herewith in Form No. AOC-2 for your kind perusal and information.(Annexure-F)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO :

The information and details relating to conservation of energy, technology absorption and foreign exchange outgo is mentioned in the Annexure-A to this Report.

RISK MANAGEMENT POLICY :

Periodic assessment to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risk are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The company has formulated a policy for Risk management with the following objective:

- a) Provide an overview of the principles of risk management
- b) Explain approach adopted by the Company for risk management
- c) Define the organisational structure for effective risk management
- d) Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- e) Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

DIRECTORS:

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

**DEPOSITS:**

The company has not accepted deposits during the year.

CORPORATE SOCIAL RESPONSIBILITY:

The Company does not fall under the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

ANNUAL EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committee.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, Obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the company and its minority shareholder etc. the performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Director was carried out by the Independent Director who also reviewed the performance of the Secretarial Department.

INDEPENDENT DIRECTORS AND DECLARATION:

Smt. Manjulika A. Bajpai (DIN-07143934) is Independent Director of the company under Section 149 of the Companies Act, 2013 and applicable rules/schedules there under. The Board of Directors of the Company hereby confirms that the Independent director duly appointed by the Company have given the declaration and meets the criteria of independence as provided under section 149 (6) of the Companies Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE AND POLICY :

As per Section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee. The Composition and meeting details of the Committee are included in the Annexure-E to this Report.

Smt. Manjulika Bajpai is the Chairman of the Nomination of Remuneration Committee. Shri Vinod Maheshwari and Shri Manoj Sinha are the other members of the Nomination of Remuneration Committee.

Mr. Nimish Maheshwari ceased to be member of the Committee wef 15th July 2016 due to his resignation from the Board of Directors of the Company.



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

AUDIT COMMITTEE:

The Company has already constituted an Audit Committee of its Board of Directors with specified terms of reference. Smt. Manjulika Bajpai is the Chairman of the Audit Committee. Shri Vinod Maheshwari and Shri Manoj Sinha are the other members of the Audit Committee.

Mr. Nimish Maheshwari ceased to be member of the Committee wef 15th July 2016 due to his resignation from the Board of Directors of the Company.

The composition and meeting details of the Audit Committee are mentioned and included in the Annexure- E to this Report.

As provided in Section 177 of the Companies Act, 2013, additional powers were vested with the Audit Committee at the Board Meeting held on 14th August 2017.

SECRETARIAL AUDITOR:

M/s. **Milnd Sاتفale** & 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 2016-17 is attached as Annexure-'C' and forms part of this report.

The clarifications/explanation on the qualifications/adverse remarks in the Secretarial Auditors Report is as under :

- 1) The company is trying to appoint suitable personnel shortly as the Key Managerial Personnel as applicable under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 2) More than half of the Promoters shareholding is in Dematerialized form, the company is taking steps to dematerialize the rest of physical shareholding of Promoters shortly.
- 3) The company is arranging to pay the NSDL and CDSL annual fees/charges shortly.
- 4) The company is taking steps to file the required eforms soon with the Registrar of Companies.
- 5) The company has filed the EPF return and paid the EPF dues regularly during the year under review. The notices received from EPF department under section 7A and 14B of the relevant Act are being heard and answered/replied by the company by following appropriate procedures.
- 6) Due to continuous heavy losses incurred during last few years the company has been declared as Sick Company by Board for Industrial and Financial Reconstruction under the provision of Sick Industrial Companies (Special Provisions) Act, 1985. The company is putting its efforts to come over the past losses, although adverse, high cost conditions prevailing in the market.

**COST AUDITOR:**

The relevant provisions of new Companies Act, 2013 in respect of appointment of Cost Auditors were not applicable to the company; hence no appointment of Cost Auditor was made for the Financial Year 2016-17.

VIGIL MECHANISM:

As per Section 177(9) and (10) of the Companies Act, 2013, and as per the Listing Regulations, the company has established Vigil Mechanism for directors and employees to report genuine concerns and made provision of direct access to the chairperson of the Audit Committee. Company has formulated the present policy for establishing the Vigil Mechanism/Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the company their genuine concerns in relation to any illegal or unethical practice being carried out in the company. The Vigil Mechanism or Whistle Blower Policy is mentioned as 'Annexure-G' to this report.

SHARES :**a. Buy back of Securities**

The company has not bought back any of its securities during the year under review.

b. Sweat Equity

The company has not issued any Sweat Equity Shares during the year under review.

c. Bonus Shares

No Bonus Shares were issued during the year under review.

d. Employees Stock Option Plan

The company has not provided any Stock Option Scheme to the employees.

ORDER OF COURT:

To the best of the knowledge there is no any Order from Court, Regulators, Tribunals passed during the year under review impacting the going concern status and company's operation in further. However, the Hon. BIFR has declared the company as 'Sick' under the provisions of the Sick Industrial Company (Special Provisions) Act, 1985 vide its order dated 13/09/2013.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

During the period under review, there was adequate internal control procedure commensurate with the size of the company and nature of the business.

**DEMATERIALISATION OF SHAREHOLDING:**

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 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 Bombay Stock Exchange and the Ahmedabad Stock Exchange.

CORPORATE GOVERNANCE:

A report on corporate governance including Auditors' Certificate on compliance with the conditions of corporate governance enshrined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to this report as Annexure "E".

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 2016-17. 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.

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 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,

Sd/-

Place: Nagpur
Date: August 13, 2017

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 power & steam to the Paper Plant thus enabling the company to achieve its optimum production capacity. Due to increase in required connected load at the Plant we have taken an alternative power source from Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) power grid during the year 2016-17.

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

A) POWER CONSUMPTION

PARTICULAR	2016-17	2015-16
ELECTRICITY From *M.S.E.D.C.L , Units (in KWH)	0.00	5,36,760
Own Generation, Units (in KWH)	0.00	1,36,02,665
Total Units Consumed, (in KWH)	0.00	1,41,39,425
Total Amount, (in Rs. lacs)	0.00	664.96
Rate per Unit, (in Rs.)	0.00	4.88

B) CONSUMPTION PER UNIT OF PRODUCTION

PARTICULARS	2016-17	2015-16
Machine Production (MT)	0.00	12905
Electricity (KWH/MT)	0.00	1096
Finished Production (MT)	0.00	12318
Electricity (KWH/MT)	0.00	1148

*M.S.E.D.C.L. –Maharashtra State Electricity Distribution Company Ltd.



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 any income earned or expenditure made in foreign exchange during the year under review.

For and on behalf of the Board,

Place : Nagpur
Date : August 13, 2017

Vinod Maheshwari
Chairman

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on The Financial Year Ended on 31st March 2017

[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	98.15%
2	Manufacturing Kraft Paper	17014	1.85%

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	0	0	0	0	0	0	0	0	

SAFFRON INDUSTRIES LIMITED



Govt(s)									
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	852350	645600	1497950	20.82	108233	71900	180133	2.51	0.04
f)ii) Directors	715000	1070800	1785800	24.85	1459117	1644500	3103617	43.19	0.04
Sub-total(A)(1):-	2530450	1816100	4346550	60.49	2530450	1816100	4346550	60.49	0.00

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 (A)(2):-	0	0	0	0	0	0	0	0	
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) Venturecapital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FIIs	-	-	-	-	-	-	-	-	
h) ForeignVenture Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(1)	1	7600	7600	0.11	0	7600	7600	0.11	0.01
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) overseas	150150	6200	156350	2.18	144936	6200	151136	2.10	0.08
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders	1252652	631610	1884262	26.22	1251066	626410	1877476	26.13	0.09



holding nominal share capital in excess of Rs 1 lakh	782890	0	782890	10.90	782739	0	782739	10.89	0.01
c) Others(NRIs)	7546	0	7546	0.11	17699	0	17699	0.25	0.14
d) Clearing Member	2	0	2	0.00	2000	0	2000	0.03	0.03
Sub-total (B) (2)	2175554	654810	2830364	39.39	2193240	637810	2831050	39.40	0.01
Total Public Shareholding (B) = (B) (1) + (B) (2)	2193240	645410	2838650	39.51	2198440	640210	2838650	39.51	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	4728890	2456310	7185200	100	4728890	2456310	7185200	100	0



Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	1785800	24.81	N.A.	1785800	24.85	N.A.	0.04
2.	Shri Nimish V. Maheshwari	1317817	18.34	N.A.	1317817	18.34	N.A.	0.00
3.	Smt. Shriranga V. Maheshwari	74195	1.03	N.A.	74195	1.03	N.A.	0.00
4.	Smt. Anupama N. Maheshwari	94060	1.31	N.A.	94060	1.31	N.A.	0.00
5.	Navabharat Real Estates Pvt. Ltd. (Formerly- Madhyadesh Construction & Finance Pvt. Ltd.)	456500	6.35	N.A.	456500	6.35	N.A.	0.00
6.	Nava Bharat Press Ltd.	100400	1.40	N.A.	100400	1.40	N.A.	0.00
7.	Madhyadesh Press Pvt. Ltd.	1000	0.01	N.A.	1000	0.01	N.A.	0.00
8.	Nava Bharat Press (Nagpur) Pvt. Ltd.	371200	5.17	N.A.	371200	5.17	N.A.	0.00
9.	Madhyadesh Holdings Pvt. Ltd.	133700	1.86	N.A.	133700	1.86	N.A.	
10.	Shubha Maheshwari	400	0.01	N.A.	400	0.01	N.A.	0.00
11.	Vaibhav Maheshwari	2500	0.04	N.A.	2500	0.04	N.A.	0.00
12.	Vineeta Jaju	8978	0.13	N.A.	8978	0.13	N.A.	0.00
	Total	4346550	60.49	N.A.	4346550	60.49	N.A.	0.00



ii. 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
	At the beginning of the year	4346550	60.49	4346550	60.49
	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): (Transmission (inter promoter) of 3400 i.e 0.04% Shares of Shri Nilesh V. Maheshwari (deceased) transmitted to Shri Vinod Maheshwari on 07/08/2015)	No Increase/Decrease in Total Promoter's Shareholding during F.Y. 2016-17			
	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 Hundreds)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		2058167.22	-	2058167.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	2058167.22	NIL	2058167.22



Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	-	2058167.22	-	2058167.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	2058167.22	NIL	2058167.22

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
		Mr. Manoj Sinha				
	Gross salary	720000	-	-	-	-
	(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)	720000	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 *Mr. Amit Kamble	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	276240	NIL	NIL
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-



4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify				
6.	Total	NIL	276240	NIL	NIL

*Mr. Amit Kamble resigned from the post of Company Secretary on 15th January, 2017

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, 2016**

(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: L2010MH1993PLC071683****NAVA-BHARAT BHAWAN,****CHATRAPATI SQUARE, WARDHA ROAD,****NAGPUR-440015**

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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Company'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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 (Audit Period), 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 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 (**Not applicable to the Company during the Audit Period**);



- (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, we have relied on the compliance system prevailing in the company and on the basis of representation received from its concerned department:
- i) Factories Act, 1948
 - ii) Applicable Labour laws and rules issued thereunder
 - iii) Sexual Harassment of women at workplace (Prevention Prohibition and Redressal) Act, 2013
 - iv) Prevention and Control of Pollution Act, 1981

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and,
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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 observation.

1. Promoters' shareholding are not fully dematerialised.

3. The Company has not paid the NSDL & CDSL FEES as applicable.

4. The Company has not filled few E-Forms to Registrar of Companies within the prescribed time.

5. The Company has received notices under section 7A, 7Q and a under section 14B of EPF

Act from the concerned dept. The Company has replied the same to concerned dept.

6. The company has been declared as Sick Company by the Board for Industrial and Financial Reconstruction under the provision of Sick Industrial Companies Act, 1985 vide BIRF order 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously.

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.

**Place: Nagpur
Date: 19/07/2017**

**For Milind Satfale & Associates
Company Secretaries**

SD/-

**Milind Satfale
(Proprietor)
Memb No. 45270, CP. No. 16691**



“ANNEXURE A”

**To,
THE MEMBERS,
SAFFRON INDUSTRIES LIMITED
CIN: L2010MH1993PLC071683
NAVA-BHARAT BHAWAN,
CHATRAPATI SQUARE, WARDHA ROAD,
NAGPUR-440015**

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 audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the secretarial records. The verification was done on the 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.



ANNEXURE 'D' TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY OF SAFFRON INDUSTRIES LTD.

(U/s 178 of the Companies Act 2013 and SEBI Listing Regulations)

1. PREFACE :

In terms of the provisions of Section 178 of the Companies Act, 2013, 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.
 - ii) 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. Brief statement on 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 Two Non Executive Directors out of which one was 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, except in absence of one more independent director in the Board of Directors, the Audit Committee and Nomination and Remuneration Committee does not includes majority of independent directors and in the Nomination and Remuneration Committee one executive member included where it requires all non executive members.

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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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	Director -ship	Committee Member-ship	Committee Chairmanship
1)	Shri Vinod R. Maheshwari (DIN-00340953)	Non-Executive Director	8	Present	10	Nil	Nil
2)	Smt. Manjulika Bajpai (DIN-07143934)	Non-Executive Independent Director	8	Present	Nil	Nil	Nil
3)	*Shri Manoj Sinha (DIN – 07564967)	Whole-time Director	6	N.A.	Nil	Nil	Nil
4)	**Shri Nimish Vinod Maheshwari (DIN-00340881)	Managing Director	2	Present	6	Nil	Nil

*Shri Manoj Sinha was appointed as Director of the Company wef 12th July 2016.

**Shri Nimish Vinod Maheshwari ceased to be director of the Company wef 15th July 2016.

Meeting of Board of Directors:

During the period under review, 8 Board Meetings were held on 30th May 2016, 12th July, 2016, 15th July 2016, 14th August 2016, 14th November 2016, 14th February 2017, 10th March, 2017 and 20th March, 2017.

3. Audit Committee :

Smt. Manulika Bajpai, Non Executive Independent Director of the company was appointed as Chairman of Audit Committee effective from 29th August, 2015.

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



Smt. Manjulika A. Bajpai - Chairman, Non-Executive Independent Director
 Shri Vinod R. Maheshwari - Non-Executive Director
 Shri Manoj Sinha - Executive Director

The role, powers and functions of the Audit Committee are as stated in 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, Six meetings of the Committee were held on 29th May, 2016, 12th July, 2016, 15th July 2016, 14th August, 2016, 14th November, 2016 and 14th February, 2017. 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	6
2.	Smt. Manjulika A. Bajpai	6
3.	*Shri Manoj Sinha	5
4.	**Shri Nimish Maheshwari	2

*Shri Manoj Sinha was appointed as member of the Committee wef 12th July, 2016

** Shri Nimish Maheshwari ceased to be member of the Committee wef 15th July, 2016 due to his resignation.

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 :

The Remuneration Committee was reconstituted as Nomination and Remuneration Committee with effect from 15th July, 2016 as per the provisions of Section 178 of the Companies Act, 2013.

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

Smt. Manjulika A. Bajpai - Chairman, Non-Executive Independent Director
 Shri Vinod R. Maheshwari - Non-Executive Director
 Shri Manoj Sinha - Executive Director

During the year under review, two meetings were held on 12th July, 2016 and 15th July, 2016.

As per the provisions of Section 178 of the Companies Act, 2013, 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.

- 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.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 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.
- 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.	Smt. Manjulika A. Bajpai	2
3.	*Shri Manoj Sinha	1
4.	**Shri Nimish Maheshwari	1

*Shri Manoj Sinha was appointed as member of the Committee wef 12th July, 2016

** Shri Nimish Maheshwari ceased to be member of the Committee wef 15th July, 2016 due to his resignation.

The details of remuneration paid to the Directors during the period ended on 31st March 2017 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 Manoj R. Sinha	Nil	7,20,000/-	Nil
3.	Smt. Manjulika A. Bajpai	Nil	Nil	Nil
4.	Shri. Nimish V. Maheshwari	Nil	Nil	Nil

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



5. Stakeholders' Relationship Committee :

The following Directors were the members of the Stakeholders' Relationship Committee for the year under review:

Smt. Manjulika A. Bajpai	- Chairman, Non-Executive Independent Director
Shri Vinod R. Maheshwari	- Non-Executive Director
Shri Manoj Sinha	- Executive Director

The details of attendance of the Stakeholders' Relationship Committee are as under :

Sr. No.	Name of Director	No. of Meetings Attended
1.	Shri Vinod R. Maheshwari	2
2.	Smt. Manjulika A. Bajpai	2
3.	*Shri Manoj Sinha	1
4.	**Shri Nimish Maheshwari	1

*Shri Manoj Sinha was appointed as member of the Committee wef 12th July, 2016

** Shri Nimish Maheshwari ceased to be member of the Committee wef 15th July, 2016 due to his resignation.

Shri Amit Kamble, Assistant Company Secretary of the Company is the Compliance Officer.

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
21 st	2013-14	Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur – 15	30.09.2014	10.00 A. M.
22 nd	2014-15	Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur – 15	30.09.2015	10.00 A. M.
23 rd	2015-16	Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur – 15	30.09.2016	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 | : 30 th September, 2017 |
| ii) Day | : Saturday |
| iii) Time | : 10.00 A. M. |
| iv) Venue | : Nava-Bharat Bhavan, Chatrapati Square,
Wardha Road, Nagpur - 440 015. |
| v) Financial Year | : 1 st April to 31 st March |
| vi) Book closure | : on 22 nd September, 2017 to 30 th September,
2017 (both days inclusive) |
| vii) Dividend payment date | : No dividend has been recommended |
| viii) Listing on Stock Exchange | : 1) The Stock Exchange, Mumbai, 1 st
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 2016	7.40	6.36
May 2016	6.70	5.70
June 2016	6.00	4.20
July 2016	4.73	4.19
August 2016	6.90	4.96
September 2016	7.60	6.81
October 2016	9.88	7.98
November 2016	12.84	8.50
December 2016	11.05	7.85
January 2017	13.50	11.04
February 2017	13.00	10.83
March 2017	11.83	10.29

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 31.03.2017

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	1059	54.79%	371261	5.17%
501	to	1,000	496	25.66%	425415	5.92%
1,001	to	2,000	171	8.85 %	275473	3.83%
2,001	to	3,000	68	3.52 %	177088	2.46%
3,001	to	4,000	27	1.40 %	95835	1.33%
4,001	to	5,000	21	1.09 %	100431	1.40%
5,001	to	10,000	39	2.02%	316936	4.41%
10,001	to	above	52	2.69 %	5422743	75.47%
Total			1933	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 2017, 4730890 shares have been dematerialised representing 65.84% 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.



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, 2017 as per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01st April 2016 to 31st March 2017.

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/Listing Regulations, as applicable.

We state that no investor's grievance was received by the company during the year ended 31st March 2017 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,**

Sd/-

**Jagdish Khatri
Partner**



ANNEXURE -F

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis-NIL

Sl No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	-
B	Nature of contracts/arrangements/transactions	-
C	Duration of the contracts/arrangements/transactions	-
D	Salient terms of the contracts or arrangements or transactions including the value, if any	-
E	Justification for entering into such contracts or arrangements or transactions	-
F	Date of approval by the Board	-
G	Amount paid as advances, if any	-
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Particulars	Details
A	Names(s) of the related party and nature of relationship	<p>Associates:</p> <ol style="list-style-type: none"> 1. Nava-Bharat Press Ltd, Mumbai 2. Navabharat Press, Nagpur 3. Bionova Paper Krafts Pvt. Ltd 4. Shree Trading Corporation 5. Madhyadesh Press Pvt. Ltd <p>Managing Director:</p> <ol style="list-style-type: none"> 1. Mr. Manoj Sinha
B	Nature of contracts/arrangements/transactions	<p>Sales to:</p> <ol style="list-style-type: none"> 1. Nava-Bharat Press Ltd, Mumbai 2. Navabharat Press, Nagpur 3. Madhyadesh Press Pvt. Ltd <p>Remuneration paid to:</p>



		1. Mr. Manoj Sinha Rs. 10,20,000
C	Duration of the contracts/arrangements/transactions	1 year
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	-
E	Date(s) of approval by the Board, if any	-
F	Amount paid as advances, if any:	-
G	Form shall be signed by the persons who have signed the Board's report	Yes

**ANNEXURE-G****VIGIL MECHANISUM/WHISTLE BLOWER POLICY****PREFACE:**

Section 177 of the Companies Act, 2013 mandates the Company to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Company has formulated the present policy for establishing the vigil mechanism/ Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company.

VIGIL COMMITTEE:

The Audit Committee of the Company shall together constitute the Vigil Committee which shall be responsible for monitoring and overseeing the functioning of the Vigil mechanism so constituted hereunder. The Company shall disclose the details of the Vigil Committee on its website and in the report of the Board of Directors. In the event any member of the Committee has a conflict of interest in a given case, such a member shall immediately rescue himself from participating and deciding on such matter. The other members of the Committee shall deal with such matter on hand.

POLICY OBJECTIVES:

1. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
2. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.
3. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ Managing Director/ Chairman of the Audit Committee in exceptional cases.
4. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

DEFINITIONS :

“Protected Disclosure” means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative or in the



nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

“Subject” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“Vigilance and Ethics Officer” means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

“Whistle Blower” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

SCOPE :

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud, or suspected fraud
6. Criminal offence
7. Pilferation of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage/misappropriation of company funds/assets
10. Breach of employee Code of Conduct or Rules

ELIGIBILITY

All directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

PROCEDURE

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same either be typed or written in a legible handwriting in English. The Protected Disclosure should be submitted under a covering letter signed by complainant in a closed and secured envelope and should be super scribed as “Protected disclosure under the Whistle Blower policy” or sent through email with the subject “Protected disclosure under the Whistle Blower Policy. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as a normal disclosure. All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases. The contact details of the Vigilance and Ethics Officer is as under:-

Name and Address- Amit S. Kamble, Asst. Company Secretary, Saffron Industries Limited, Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur-440015

Phone: 0712-2284001 Email- info@saffronindustries.in



Protected Disclosure against the Vigilance Officer should be addressed to the Chairman of the Company. The contact details of the Chairman and Chairman of the Audit Committee are as under:

Name and Address-Shri Vinod Maheshwari, Chairman, Saffron Industries Limited, Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur-440015. Phone: 0712-2284001.

Name and Address-Smt. Manjulika A. Bajpai, Chairman of Audit Committee, Saffron Industries Limited, Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur-440015. Phone: 0712-2284001.

In order to protect the identity of the complainant, the vigilance Officer will not issue any acknowledgement to the complainants and they are not advised neither to write their name/ address on the envelope nor enter into any further correspondence with the Vigilance Officer. Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer. On receipt of the protected disclosure the Vigilance Officer, Chairman of the Audit Committee, as the case may be, shall detach the covering letter bearing the identity of the whistle Blower and process only the Protected Disclosure.

INVESTIGATION

The Whistle Officer shall on receipt of such report proceed to call a meeting of the Vigil committee as soon as may be practicable. The report so received shall be placed for the consideration and deliberation of the Vigil committee at the meeting so held in this regard. The Vigil Committee wherever necessary may refer the reported matter or any issue(s) arising there from to any competent forum, professional experts and / or legal counsels, whether internal or external, for requisite review, analysis investigation and consequent guidance / opinion/ advise, if any so as to take an effective, rational and unbiased redressal measure with regard to such reported matter and/ or issue(s) arising there from.

FRIVOLOUS COMPLAINTS

The Company supports the initiatives whereby, genuine and a bona fide concerns of the Whistle Blower can be addressed and proper/ corrective measures can be taken before the same escalates out of hand. However this mechanism should to be employed for making malicious and frivolous complaints which shall be dealt strictly by the Vigil Committee.

RIGHTS OF A WHISTLE BLOWER/ ACCUSED

- a) The Whistle Blower/ accused shall have a right to be heard and adequate time and opportunity shall be given for the subject to communicate his/ her say on the matter
- b) The Whistle Blower/ Accused shall have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the Completion of the Inquiry/ investigation process by the Vigil Committee

DECISION AND REPORTING

The Vigil Committee on completion of its investigation shall have the right to take such action as it may deem just and proper. Such decision shall be final and binding on all concerned parties including the Company. The Vigil Committee shall also submit a report of the investigation carried out and the results of the same to the Board of Directors as its next meeting. It shall be the duty of the Vigil



Committee to always act in good faith and be prudent and reasonable in their approach. There should not be any 'prejudice' in their reporting and decision making.

NON-RETALIATION

No Whistle Blower who, in good faith, makes a disclosure or lodges complaints in accordance with this policy shall suffer reprisal, discrimination or adverse employment consequences. The Company as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against the Whistle Blower. Any other official of the Company assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

SECRECY/CONFIDENTIALITY

The identity of the Whistle Blower shall be revealed only amongst the member of the Vigil Committee/ Chairman of the Company or any other person/ outside agency authorised to investigate the matter as the case may be. The identity of the Whistle Blower will not be revealed unless he himself has made either his details public or disclosed his identity to any other officer or authority. The Whistle Blower, the Accused, the Whistle Officer and everyone involved in the process shall:

1. maintain complete confidentiality/ secrecy of the matter
2. not discuss the matter in any informal/ social gathering/ meetings
3. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
4. not keep the papers unattended anywhere at any time
5. keep the electronic mails/ files under password if anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

ADMINISTRATION AND REVIEW OF THE POLICY

The Board of Directors shall be responsible for the administration, interpretation, application and review of this policy. The Board also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.



Khatri & Iyer

CHARTERED ACCOUNTANTS

117, Zal Complex, Residency Road, Sadar, Nagpur-01

Telefax: (0712) 2528521, 2533008

Email: khatriandiyer@gmail.com

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SAFFRON INDUSTRIES LIMITED

Report on Financial Statements :

We have audited the accompanying financial statements of SAFFRON INDUSTRIES LIMITED, which comprise the Balance Sheet as at March 31, 2017, 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 :

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 on the financial statements.

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required by the Act 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, 2017 and
- b. In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- c. In the case of Cash Flow Statement cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements:

01. As required by section 143(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 the Statement of Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of written representations received from the directors, as on March 31, 2017, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations give to us.
 - (i) The Company does not have any pending litigation which would impact its financial position.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) No amount is required to be transferred, to the Investor Education and Protection Fund by the Company.
02. As required by the Companies (Auditors Report) Order, 2016 issued by the Company Law Board in terms of Section 143 of the Companies Act, 2013 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) The title deeds of the immovable properties of the Company are in the name of the company.
 - 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) The material discrepancies noticed on such physical verification have been properly dealt with in the books.

- iii) The company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013, except during the normal course of business.
- iv) The company has complied with provisions of section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.
- v) 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 and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the 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, Income tax, Service tax, duty of customs, duty of excise, Value added tax, Cess and any other statutory dues with appropriate authorities..
b) No undisputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added Tax or Cess are outstanding for a period of more than six months from the date they became due.
- viii) On the basis of the information and explanations given to us by the management, no money is outstanding to banks and the company has not defaulted in repayment of dues to its bankers.
- ix) 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.
- x) To the best of our knowledge and belief and according to information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported.
- xi) No managerial remuneration was paid or provided by the company during the financial year.
- xii) The company is not a Nidhi Company.



- xiii) All transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year.
- xv) The company has not entered any non-cash transaction with directors or persons connected with him except Sales and Purchases as disclosed in the note 18 regarding Related Parties transactions.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

NAGPUR
May 30, 2017



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

A handwritten signature in dark ink, appearing to read "Jagdish Khatri".

JAGDISH KHATRI
Partner
Membership No. 035495

Annexure – B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Saffron Industries Limited ('the company') as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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



JAGDISH KHATRI
Partner
M.No. 035495

NAGPUR
May 30, 2017

SAFFRON INDUSTRIES LIMITED
BALANCE-SHEET AS AT MARCH 31, 2017

<u>EQUITY AND LIABILITIES</u>	<u>NOTE</u>	<u>AS AT MARCH</u>	<u>AS AT MARCH</u>
	<u>REF.</u>	<u>31, 2017</u>	<u>31, 2016</u>
		₹ in Hundreds	₹ in Hundreds
(1) SHAREHOLDERS' FUNDS			
Share Capital	01	718520.00	718520.00
Reserves & Surplus	02	(1166518.98) (447998.98)	(1206182.28) (487662.28)
(2) NON CURRENT LIABILITIES			
Long Term Borrowings	03	2058167.22	2058167.22
(3) CURRENT LIABILITIES	04		
Short Term Borrowings		0.00	0.00
Trade Payables		1105159.28	1252823.13
Other Current Liabilities		160183.19	149939.82
Short Term Provisions		0.00 1265342.47	0.00 1402762.94
TOTAL		2875510.71	2973267.88

ASSETS

(1) NON CURRENT ASSETS

Fixed Assets

Tangible Assets	05	1816512.29	1946367.64
Intangible Assets		42179.14	63268.71
Capital Work-in-Progress		0.00 1858691.43	0.00 2009636.35

Long Term Loans & Advances	06	25823.36	59275.24
----------------------------	----	----------	----------

(2) CURRENT ASSETS

Inventories		4623.25	96893.75
Trade Receivables		611526.48	402922.81
Cash & Cash Equivalents		135202.24	68169.95
Short Term Loans & Advances		239643.95 990995.92	336369.79 904356.29

TOTAL

2875510.71

2973267.88


Significant Accounting Policies


Notes on Financial Statements 1 to 19


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 30, 2017


Vinod Maheshwari
Chairman


Manoj Sinha
Wholetime Director

NAGPUR
May 30, 2017

SAFFRON INDUSTRIES LTD

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE THE PERIOD 31ST MARCH 2017

	NOTE REF	This year ₹ in Hundreds	Last year ₹ in Hundreds
INCOME :			
Revenue from Operations	08	3291327.74	3681128.94
Other Income	09	63118.61	8585.92
Total Revenue		3354446.36	3689714.86
EXPENDITURE :			
Cost of Materials Consumed	10	2151070.54	2095383.89
Changes in Inventories of Finished Stock	11	33770.01	(17613.30)
Employees Benefits Expenses	12	129162.14	136165.48
Finance Costs	13	31.98	317.27
Depreciation	05	141079.08	138248.64
Other Expenses	14	856875.76	1202339.75
Total Expenses		3311989.50	3554841.73
Profit before Tax & Exceptional Items		42456.86	134873.13
Prior Period Expenses	15	(2793.56)	(23273.18)
Exceptional Items		0.00	0.00
Profit before Tax		39663.30	111599.95
Tax Expenses:			
Current tax		0.00	0.00
Profit after Tax		39663.30	111599.95
Prior year adjustments			
Income Tax		0.00	(222.73)
Profit for the year		39663.30	111377.23
Earning per Equity Share of Face Value of ₹ 10 each	16	0.55	1.55

Significant Accounting Policies


Notes on Financial Statements


1 to 19


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


Manoj Sinha
Wholetime Director

NAGPUR
May 30, 2017

NAGPUR
May 30, 2017

SAFFRON INDUSTRIES LTD

CASH FLOW STATEMENT ANNEXED TO THE BALANCE-SHEET FOR THE PERIOD
FROM APRIL 01,2016 TO MARCH 31,2017

A.CASH FLOW FROM OPERATING ACTIVITIES

₹ in Hundred

Net Profit	39663.30
Less Interest Income	(4364.37)
Add Depreciation	141079.08
Deferred Revenue Expenses written off	21089.57
Operating Profit before capital changes in working capital	197467.58

Decrease in Inventories	92270.50
Increase in Receivables	(208603.67)
Decrease in Trade Payables	(147663.84)
Increase in other current liabilities	10243.37

Net increase in working capital (253753.65)

Cash flow from operating activities (56286.07)

B.Cash flow from Investing Activities

Net Increase in Tangible fixed assets	(11223.72)
Decrease in other non current assets	398.34
Interest Income	4364.37
Decrease in other current assets	96725.84

Cash flow from Investing Activities 90264.83

C. Cash flow from Financing activities

Decrease in Long Term Advances 33053.538


Cash flow from financing activities 33053.54

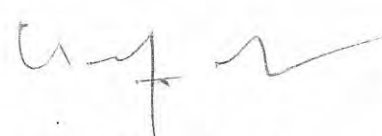
Increase in cash & cash equivalent 67032.29


Opening cash & cash equivalents 68169.95

Closing cash & cash equivalents 135202.24

For & On behalf of the Board


JAGDISH KHATRI
Partner
For & On behalf of
KHATRI & IYER
Chartered Accountants
Nagpur
May 30,2017


Vinod Maheshwari
Chairman


Manoj Sinha
Wholetime Director

SAFFRON INDUSTRIES LTD

CASH FLOW STATEMENT ANNEXED TO THE BALANCE-SHEET FOR THE PERIOD
FROM APRIL 01,2016 TO MARCH 31,2017

A.CASH FLOW FROM OPERATING ACTIVITIES

	₹ in Hundred
Net Profit	39663.30
Less Interest Income	(4364.37)
Add Depreciation	141079.08
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Operating Profit before capital changes in working capital	197467.58
Decrease in Inventories	92270.50
Increase in Receivables	(208603.67)
Decrease in Trade Payables	(147663.84)
Increase in other current liabilities	10243.37
Net increase in working capital	(253753.65)
Cash flow from operating activities	(56286.07)


B.Cash flow from Investing Activities

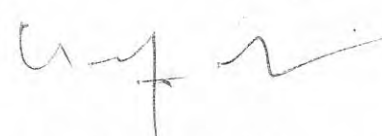
Net Increase in Tangible fixed assets	(11223.72)
Decrease in other non current assets	398.34
Interest Income	4364.37
Decrease in other current assets	96725.84
Cash flow from Investing Activities	90264.83


C. Cash flow from Financing activities

Decrease in Long Term Advances	33053.538
Cash flow from financing activities	33053.54
Increase in cash & cash equivalent	67032.29
Opening cash & cash equivalents	68169.95
Closing cash & cash equivalents	135202.24

For & On behalf of the Board


JAGDISH KHATRI
Partner
For & On behalf of
KHATRI & IYER
Chartered Accountants
Nagpur
May 30,2017


Vinod Maheshwari
Chairman


Manoj Sinha
Wholetime Director

SAFFRON INDUSTRIES LIMITED, NAGPUR

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2017

The Previous years figures have been regrouped / reclassified, wherever necessary to confirm to the

	As at March 31,2017	As at March 31,2016
	₹ in Hundreds	₹ in Hundreds

NOTE - 01

SHARE CAPITAL

AUTHORISED :

78000 hundred Equity shares of ₹ 10/- each fully paid-up (Last year 78000.00 hundred)	780000.00	780000.00
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ISSUED, SUBSCRIBED AND PAID-UP :

7185.200 hundred Equity shares of ₹ 10 each, fully paid-up (Last year 7185.200 hundred)	718520.00	718520.00
---	-----------	-----------

List of Shareholders holding more than 5% equity shares

	No. of Shares held in hundred	
	As at March 31,2017	As at March 31,2016
Shareholders		
1. Shri Vinod Maheshwari	17858.00	17858.00
2. Shri Nimish V Maheshwari	13178.17	13178.17
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
	39313.17	39313.17

The Reconciliation of the number of shares outstanding is set out as below:

	No. of Shares held in hundred	
Particulars	As at March 31,2017	As at March 31,2016
Equity Shares at the beginning of the year	71852.00	71852.00
Add : Shares issued during the year	0.00	0.00
Equity Shares at the end of the year	71852.00	71852.00

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

(1459182.28) (1570559.51)

Profit for the year

39663.30 111377.23 (1459182.28)

(1166518.98)

(1206182.28)

NOTE - 03

	As at March 31,2017	As at March 31,2016
NON CURRENT LIABILITIES	₹ in Hundreds	₹ in Hundreds
LONG TERM BORROWINGS		
1. Secured Loans	0.00	0.00
2. Unsecured Loans		
From Banks	0.00	0.00
From Others		
Directors & Other Concerns	2058167.22	2058167.22
Total	2058167.22	2058167.22
The above Unsecured Loans include:		
From Body Corporates	1928167.22	1928167.22
From Directors (out of his own funds)	130000.00	130000.00
From Associates	0.00	0.00
	2058167.22	2058167.22

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

0.000.00

b) TRADE PAYABLES

1105159.28

1252823.13

c) OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debts

0.00

0.00

Creditors for Capital Expenditure

20489.00

30865.59

Other Payables*

139694.19

119074.23

160183.19149939.82

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

d) SHORT TERM PROVISIONS

Provision for Income-tax

0.000.000.000.00


₹ in Hundreds

PARTICULARS	Gross Block As on 31.03.2016	Purchases/ Additions	Sales/ Deductions	Gross Block As on 31.03.2017	Deprecia- tion up to 31.03.2016	Deprecia- tion for the year	Deprecia- tion Adjustment	Deprecia- tion up to 31.03.2017	NET BLOCK AS ON 31.03.2017	NET BLOCK AS ON 31.03.2016
Fixed Assets										
Leasehold Land	46478.59	0.00	0.00	46478.59	0.00	0.00	0.00	0.00	46478.59	46478.59
Buildings & Site Developments	781779.53	0.00	0.00	781779.53	424461.25	31728.44	0.00	456190.69	325588.84	357318.28
Plant & Machinery	4222135.80	10514.37	0.00	4232650.17	2687914.77	107458.14	0.00	2795372.81	1437277.35	1534221.02
Furniture & Fixtures	17902.53	20.78	0.00	17923.32	17750.18	13.36	0.00	17766.14	157.17	152.35
Motor Vehicles	46938.57	0.00	0.00	46938.57	39280.50	1815.35	0.00	41099.29	5839.28	7658.07
Office Equipments	9920.50	0.00	0.00	9920.50	9470.95	427.12	0.00	9513.66	406.84	449.55
Computers	13294.87	688.57	0.00	13983.44	13205.08	44.33	0.00	13219.22	764.22	89.78
Intangible assets	5138450.39	11223.72	0.00	5149674.11	3192082.75	141079.08	0.00	3333161.82	1816512.29	1946367.65
Deferred Revenue Expenditure										
Leasehold Improvements	79487.76	0.00	0.00	79487.76	31795.10	15897.33	0.00	47692.66	31795.10	47692.66
Assets Encashment & Compensation	25960.09	0.00	0.00	25960.09	10384.04	5192.12	0.00	15576.05	10384.04	15576.05
	105447.65	0.00	0.00	105447.85	42179.14	21089.45	0.00	63268.71	42179.14	63268.71
TOTAL	5243898.24	11223.72	0.00	5255121.96	3234261.89	162153.45	0.00	3396430.53	1858691.43	2009636.36
Current Year	5228654.85	35856.90	(20613.50)	5243898.24	3076698.58	159338.26	(1774.91)	3234261.89	2009636.36	2151956.27
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
31,2017
₹ in Hundreds

As at March
31,2016
₹ in Hundreds

NOTE - 06

LONG TERM LOANS & ADVANCES

Unsecured, considered good

Advances for Capital Goods	24827.36	25225.70
Loans & Advances to Related Parties	0.00	0.00
Other Advances	0.00	699.13
Deposits for Power & Other Utilities	996.00	33350.41
	<u>25823.36</u>	<u>59275.24</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	4623.25	49800.37
Finished Goods	0.00	33770.01
Stores & Spares	0.00	7042.11
Coal, Fuel Pellets / Rice husk	0.00	67.20
Chemicals	0.00	3066.61
Packing Materials	0.00	3147.45
	<u>4623.25</u>	<u>96893.75</u>

ii) TRADE RECEIVABLES :

a. Outstanding for a period exceeding six months

i) Unsecured considered good	41136.68	114037.33
ii) Unsecured considered doubtful-not provided for	12296.22	18990.71
b. Others	558093.59	269894.77

	<u>611526.48</u>	<u>402922.81</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	558093.59	160094.54
exceeding six months	0.00	0.00
	<u>558093.59</u>	<u>160094.54</u>

	As at March 31,2017	As at March 31,2016
	₹ in Hundreds	₹ in Hundreds
ii) CASH AND CASH EQUIVALENTS		
Cash-in-hand	2509.70	4513.06
Balances with Scheduled Banks :		
In Current Accounts	82290.98	17119.49
In Fixed Deposits	50401.56	46537.39
	<u>135202.24</u>	<u>68169.95</u>

Disclosure in accordance with amendments to Schedule III of the Companies Act,2013 by the Central Government through Notification No 244/2017 dated March 30, 2017, information regarding Specified Bank Notes (SBN) is given below:

	SBN	Other Denomination	Total
	₹ in Hundreds		
Closing cash balance as on 08.11.2016	2000.00	2447.75	4447.75
(+) Permitted receipts	0.00	1359.03	1359.03
(-) Permitted payments	0.00	3788.96	3788.96
(-) Amount deposited in banks	2000.00	0.00	2000.00
Closing cash balance as on 31.12.2016	0.00	17.82	17.82

v) SHORT TERM LOANS & ADVANCES :

Other Advances & Deposits	239643.95	336369.79
	<u>239643.95</u>	<u>336369.79</u>
Out of the above advances :		
Advances to the Directors	0.00	0.00
Advances to Associate Concern against Purchases	59282.62	0.00



NOTE-08**REVENUE FROM OPERATIONS**

	For the period ended 31/03/2017 ₹ in Hundreds	For the year ended 31/03/2016 ₹ in Hundreds
Sale of Products	3324622.24	3687812.34
Other Operating Revenues	0.00	2000.00
Less : Excise Duty	(33294.50)	(8683.40)
	<u>3291327.74</u>	<u>3681128.94</u>

NOTE- 09**OTHER INCOME**

Interest Income	4364.37	8585.92
Other Receipts	58754.24	0.00
	<u>63118.61</u>	<u>8585.92</u>

NOTE- 10**COST OF MATERIALS CONSUMED :**

Imported	20066.33	96350.48
Indigenous	2131004.21	1999033.41
	<u>2151070.54</u>	<u>2095383.89</u>

Particulars of major materials consumed:

Waste Papers	<u>2151070.54</u>	<u>2095383.89</u>
	<u>2151070.54</u>	<u>2095383.89</u>

NOTE - 11**INCREASE/DECREASE IN STOCK :****Opening Stock :**

Finished Goods	33770.01	16156.71
Stock-In-Process	0.00	0.00
	<u>33770.01</u>	<u>16156.71</u>

Closing Stock :

Finished Goods	0.00	33770.01
Stock-In-Process	0.00	0.00
	<u>0.00</u>	<u>33770.01</u>

INCREASE/(DECREASE) IN STOCK

	<u>(33770.01)</u>	<u>17613.30</u>
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NOTE - 12**EMPLOYEES BENEFIT EXPENSES :**

Salaries & Bonus	100337.92	103427.05
Gratuity	20955.66	24977.13
Leave Encashment & Compensation	5959.22	5660.33
Employer's Contributions to Provident Fund	1487.54	2100.97
Staff Welfare Expenses	421.80	0.00
	<u>129162.14</u>	<u>136165.48</u>

NOTE - 13**FINANCE COSTS :****Interest Expenses**

Interest on term Loans	0.00	0.00
Other Interest	31.98	317.27
	<u>31.98</u>	<u>317.27</u>

NOTE -14	For the period ended 31/03/2017 ₹ in Hundreds	For the year ended 31/03/2016 ₹ in Hundreds
OTHER EXPENSES		
Manufacturing Expenses		
Stores, Chemicals & Packing Materials		
- Indigenous	89338.60	68682.55
Freight Inwards	1293.26	6056.21
Power & Fuel Charges	670325.88	949943.40
Machinery Repairs & Maintenance	4143.45	18828.89
Other Manufacturing Expenses	305.69	2414.40
	765406.88	1045925.45
Selling & Distribution Expenses		
Commission on Sales	5446.63	0.00
Discounts & Rebate	5690.91	12919.94
Quality Claims	0.00	4386.60
Service Tax	96.74	0.00
Sales Tax	55531.97	107404.17
	66766.25	124710.71
Establishment Expenses		
Bank Commission & Charges	330.23	959.77
Insurance	83.61	117.97
Repairs & Maintenance	2275.32	4807.64
Legal & Statutory Expenses	2852.87	257.05
Professional & Consultancy Fees	1193.27	2305.48
Travelling & Conveyance Expenses	1682.82	3035.35
Miscellaneous Expenses	2584.00	4102.16
Telephone Expenses	600.46	641.63
Rent, Rates & Taxes	10507.05	5500.30
Loss on sale of Asset	0.00	6838.59
Auditor's Remuneration :		
As Audit Fee	1840.00	1832.00
For Taxation Matters	753.00	1305.65
	24702.63	31703.59
	856875.76	1202339.75

NOTE -15

PRIOR PERIOD EXPENSES

Legal & Statutory Expenses	2793.56	0.00
Power Charges	0.00	22050.88
CENVAT Reversal - Custom Duty on Imported Raw Material	0.00	1222.30
	2793.56	23273.18

NOTE - 16

EARNINGS PER EQUITY SHARES

i) Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	39663.30	111377.23
ii) Number of Equity Shares	71852.00	71852.00
iii) Earning per share (₹)	0.55	1.55

NOTE - 17

FOREIGN CURRENCY TRANSACTIONS

Expenditure:		
Import of Raw Materials	16249.25	Nil
Earnings:	Nil	Nil

NOTE - 18

RELATED PARTY DISCLOSURES

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

Associates:

Navabharat Press Ltd., Mumbai
Navabharat Press, Nagpur
Bionova Paper Krafts Pvt. Ltd
Shree Trading Corporation
Madhyadesh Press Pvt. Ltd.

Managing Director :

Shri Manoj Sinha

	<u>For F Y 2016-17</u>	<u>For F Y 2015-16</u>
	₹ in Hundreds	₹ in Hundreds
b) Transactions with Related Parties		
i) Sales to :		
Navabharat Press Ltd., Mumbai	748865.62	1213653.00
Navabharat Press, Nagpur	1222199.78	1839007.66
Madhyadesh Press Pvt. Ltd.	553361.31	354941.51
ii) Purchases of Waste Papers from :		
Navabharat Press, Nagpur	0.00	12985.77
Shree Trading Corporation	0.00	1161538.54
iii) Lease Rent of Machinery paid to		
Bionova Paper Crafts Pvt Ltd	0.00	2400.00
iv) Remuneration paid to		
Wholetime Director: Shri Manoj Sinha	10200.00	0.00
c) Outstanding Balances		
i) Sundry Debtors	558093.59	160094.54
ii) Unsecured Loans received	130000.00	130000.00
iii) Loans and Advances against Purchases	59282.62	182398.08

NOTE - 19

CONTINGENT LIABILITIES

	<u>As at March 31,2017</u>	<u>As at March 31,2016</u>
	₹ in Hundreds	₹ in Hundreds
a) Counter Guarantees given to Banks for issuing Bank Guarantees	38502.67	38502.67
b) Claims against company not acknowledged as debt:	0.00	0.00
c) Contracts remaining to be executed on Capital Accounts	Nil	Nil

As per our Report of even date



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

NAGPUR
May 30,2017

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



Vinod Maheshwari
Chairman

NAGPUR
May 30,2017



Manoj Sinha
Wholetime Director

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 Kraft upgradation Plant was deducted from cost of the respective asset. 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. The entire expenses, considered as deferred revenue expenditure, 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 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 ₹ 620000 hundreds (Last year ₹ 690000 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. Segment Reporting:

As the company operates in a single segment, segment wise reporting is not applicable.

H. 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.


I. 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 recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.


J. 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 consistent with generally accepted accounting policies.

For Khatri & Iyer
Chartered Accountants


JAGDISH KHATRI
Partner
NAGPUR
May 30, 2017

For SAFFRON INDUSTRIES LTD


VINOD MAHESHWARI
Chairman
NAGPUR
May 30, 2017


MANOJ SINHA
Wholetime Director

SAFFRON INDUSTRIES LIMITED



SAFFRON INDUSTRIES LIMITED
CIN: L21010MH1993PLC071683

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

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

ATTENDANCE SLIP

I hereby record my presence at the 24TH 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, 2017 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:

1. Please fill in this attendance slip and hand it over at the entrance of the meeting hall.
2. Members are requested to bring their copies of Notice and 22nd Annual Report to the Meeting as the same will not be circulated at the meeting.



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]

Name of the company: **SAFFRON INDUSTRIES LIMITED (CIN: L21010MH1993PLC071683)**

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:

2. Name:

Address:

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 24TH Annual General Meeting of the company, to be held on the 30th day of September, 2017 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, 2017

2 Re-appointment Shri Vinod Maheshwari (retiring Director) as Director of the Company

3. Appointment of Auditors and fixing their Remuneration

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

**[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 (CIN: L21010MH1993PLC071683)**

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

BALLOT PAPER

S No	Particulars	Details
1	Name of the First Named Shareholder (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			

Place:

Date:

.....

(Signature of the shareholder)

.....

(Signature of First Proxy)

.....

(Signature of Second Proxy)

.....

(Signature of Third Proxy)

INSTRUCTIONS

1. Members may fill up the ballot form printed overleaf and submit the same in a sealed envelope to the Scrutiniser, Mr. Milnd Satfale & Associates, Practicing Company Secretary, 29/A Kharbi Road, Shaktimata Nagar Nagpur-440009 , or to his e-mail id: csmilindsatfale@gmail.com, so as to reach by 5:00 p.m. on September 29, 2017. Ballot form received thereafter will strictly be treated as if not received.
2. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.
3. The Company will not be responsible if the Ballot Form torn, mutilated in any manner.
4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/ signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of the members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e. M/s Adroit Corporate Services Private Limited. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/ DP ID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorised representative of the body corporate/ Trust/ Society, etc. a certified copy of the relevant authorisation/ Board resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice calling 24th Annual General Meeting of the Company and are also placed on the website of the Company (i.e. www.saffronindustries.in).

LOCATION MAP

