



SAFFRON INDUSTRIES LIMITED

31ST ANNUAL REPORT 2023-24



SAFFRON INDUSTRIES LIMITED

CIN: L21010MH1993PLC071683

Reg. Off.: Nava-Bharat Bhawan, Chatrapati Square, Wardha Road, Nagpur - 440015

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of Saffron Industries Limited will be held on Monday, 30th September 2024 at 10.00 am IST at Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur - 440 015 to transact the following business:

ORDINARY BUSINESS:

ITEM NO.1:

To consider and adopt the audited financial statements of the company for the financial year ended on March 31, 2024 and the reports of the Auditors and Board of Directors thereon.

ITEM NO. 2:

To appoint a Director in place of Smt Shriranga Vinod Maheshwari (DIN: 00341404), who retires from office by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

ITEM NO. 3:

Appointment of Statutory Auditor to fill the casual vacancy:

To pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 139, 142 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rule, 2014 and other applicable provisions, if any, M/s.Jagdish Khatri & Associates, Chartered Accountants (Firm Registration No. 156251W), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Utsav Sumit & Associates to hold office until the conclusion of the 32nd Annual General Meeting at a remuneration to be decided by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file the necessary forms with the Registrar of Companies and to do all such acts, deeds, and things as may be necessary to give effect to this resolution.”

By Order of the Board,

Sd/-

Mahesh Bhanarkar
Company Secretary

Place: Nagpur

Dated: 30/08/2024

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) relating to the Special business to be transacted at the Annual General Meeting is annexed hereto.
2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.
A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10 percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

3. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
4. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 24th September, 2024 to Monday, 30th September, 2024 (both days inclusive).
6. Members are requested to make all correspondence relating to share transfer (both in Physical & Demat form) to our Registrar and Share Transfer Agent, M/s. Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai – 400 059 (R&TA).
7. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their Depository Participants (“DPs”) in case the shares are held by them in electronic form and with R&TA in case the shares are held by them in physical form.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to R&TA in case the shares are held in physical form.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to R&TA in case the shares are held in physical form.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or R&TA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
13. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.saffronindustries.in, websites of the Stock Exchange i.e. BSE Limited at <http://www.bseindia.com> and website of NSDL <http://www.evoting.nsdl.com>
14. The route map showing directions to reach the venue of the Thirty First AGM is annexed.
15. Voting through electronic means
 - i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
 - ii. The Board of Directors has appointed M/s. Vaibhav Netke and Associates LLP, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
 - iii. The facility for voting through poll paper shall also be made available at the AGM and the Members attending the AGM, who have not already cast their vote by remote e-voting, may exercise their right to vote at the AGM.
 - iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- v. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
- vi. The details of the process and manner for remote e-voting are explained herein below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to

	<p>enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>3. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN

	No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs.vaibhavjain34@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or send a request to Mr. Sagar S. Gudhate at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to saffronindustries20@gmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to saffronindustries20@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Other Instructions

- i. The e-voting period commences on Friday, September 27, 2024 (9:00 a.m. IST) and ends on Sunday, September 29, 2024 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Monday, September 23, 2024 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
- ii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through poll paper.
- iii. Any person, who acquires shares of the Company and becomes a Member of the Company after e-mailing of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- v. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.saffronindustries.in and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

Additional Information on Directors recommended for appointment/re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Smt. Shriranga Vinod Maheshwari (DIN: 00341404) is the wife of former chairman of the Company Late Shri Vinod Ramgopal Maheshwari. She has a degree in Bachelor of Commerce and has over 40 years of experience in Management & Industry.

She is a Member of Nomination and Remuneration Committee of the Company.

Details of Smt. Shriranga Vinod Maheshwari seeking re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings] :

Age	75 yrs
Qualifications	Bachelor of Commerce
Experience	40 years
Nature of expertise in specific functional areas	Management & Industry
Terms and conditions of appointment	As per agreement of service
Proposed remuneration	NIL
Remuneration last drawn	NIL
Date of first appointment on the Board	29/03/2022
Shareholding in the company	1.03%
Disclosure of relationships between directors inter-se	Wife of Shri Vinod Ramgopal Maheshwari (Former Chairman of the Company)
Names of entities in which he also holds the directorship and the membership of Committees of the board;	NIL
The number of Meetings of the Board attended during the year	6 (Six)

Explanatory Statement
(Pursuant to Section 102(1) of the Companies Act, 2013)

Special Business:
ITEM NO. 4

The Members of the Company at its 29th Annual General Meeting held on 30th September, 2022 had appointed M/s. Utsav Sumit & Associates, Chartered Accountants (Firm Registration No: 016514C) as the Statutory Auditor of the Company to hold office from the conclusion of 29th AGM till the conclusion of 34th Annual General Meeting of the Company.

However, due to preoccupation in other assignments M/s. Utsav Sumit & Associates, Chartered Accountants vide their letter dated 4th July 2024 have resigned from the position of Statutory Auditor of the Company, resulting into a casual vacancy in the office of Statutory Auditor of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 26th July 2024, on the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, has appointed M/s. Jagdish Khatri & Associates, Chartered Accountants (Firm Registration No. 156251W), to hold office as the Statutory Auditor of the Company till the conclusion of 32nd Annual General Meeting and to fill the casual vacancy caused by the resignation of M/s. Utsav Sumit & Associates subject to the approval by the members at the 31st Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members.



SAFFRON INDUSTRIES LIMITED

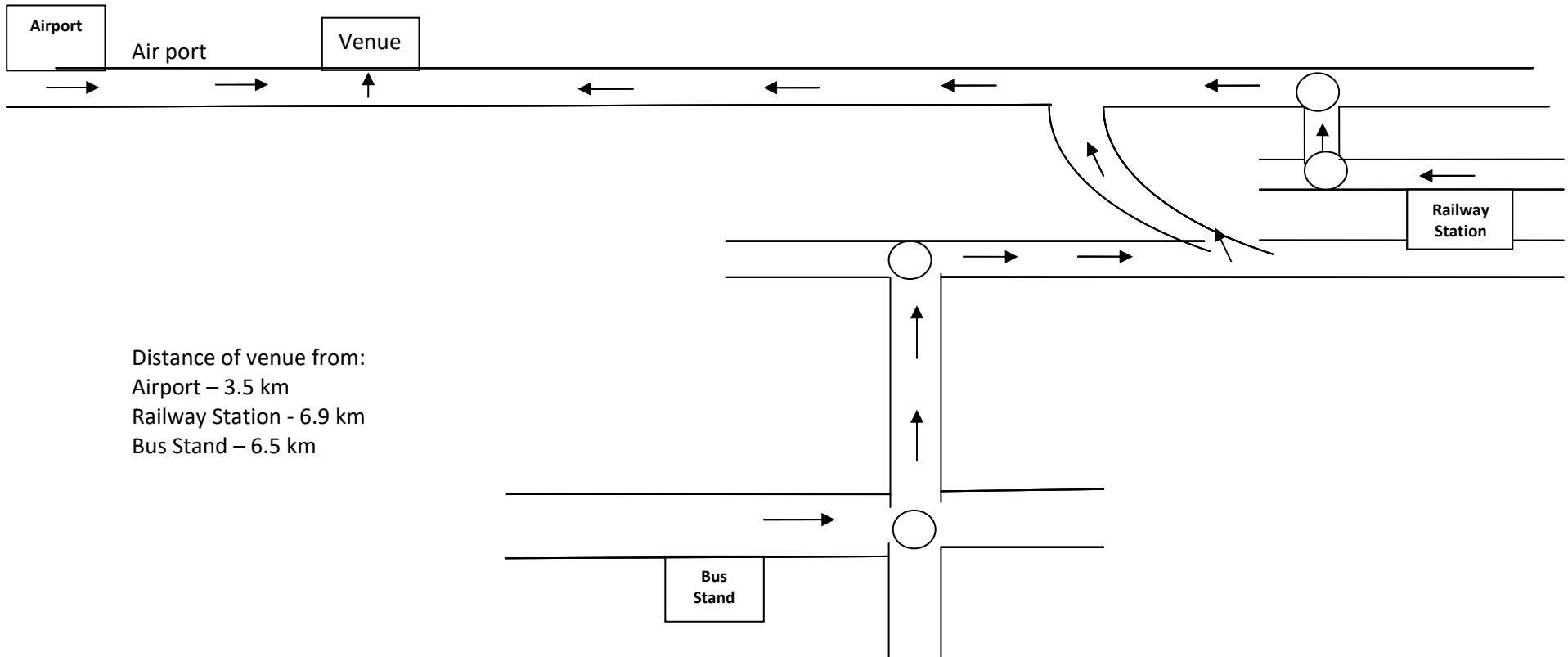
CIN: L21010MH1993PLC071683

Reg. Off.: Nava-Bharat Bhawan, Chatrapati Square, Wardha Road, Nagpur - 440015

Route Map

Venue: Nava-Bharat Bhawan, Chatrapati Square, Wardha Road, Nagpur - 440015

Land Mark: Near Chhatrapati Square





SAFFRON INDUSTRIES LIMITED

CIN: L21010MH1993PLC071683

Reg. Off.: Nava-Bharat Bhawan, Chatrapati Square, Wardha Road, Nagpur – 440015

ATTENDANCE SLIP

I hereby record my presence at the 31st Annual General Meeting held at Saffron Industries Limited at the Registered Office Premises, Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur 440015, on Monday, 30th September, 2024 at 10:00 A.M.

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

SIGNATURE OF THE SHAREHOLDER OR
PROXY:

NOTE:

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

Form No. MGT-11

Proxy form

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

CIN: L21010MH1993PLC071683

Name of the company: SAFFRON INDUSTRIES LIMITED

Registered office: Nava-Bharat Bhawan, Chatrapati Square, Wardha Road, Nagpur - 440015

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name:

Address:.....

E-mail Id:.....

Signature:....., or failing him

2. Name:

Address:.....

E-mail Id:.....

Signature:....., or failing him

3. Name:

Address:.....

E-mail Id:.....

Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual general meeting of the company, to be held on Monday the 30th day of September, 2024 At 10:00 a.m. at Nava-Bharat Bhawan, Chatrapati Square, Wardha Road, Nagpur - 440015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
1	To consider and adopt the audited financial statements of the company for the financial year ended on March 31, 2024 and the reports of the Auditors and Board of Directors thereon.
2	To appoint a Director in place of Smt Shriranga Vinod Maheshwari (DIN: 00341404), who retires from office by rotation and being eligible, offers himself for reappointment.
3	Appointment of Statutory Auditor to fill the casual vacancy

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

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

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.

DIRECTOR'S REPORT

To the Members of SAFFRON INDUSTRIES LIMITED

Your Directors are pleased to present the Thirty-First Annual Report of the company together with the Audited Financial Statements for the financial year ended on 31st March, 2024.

1. FINANCIAL SUMMARY AND HIGHLIGHTS:

The Company's financial performance for the year ended 31st March 2024 is summarized below:-

(Amount in Rs. Hundreds)		
PARTICULARS	Year Ended 31/03/2024	Year Ended 31/03/2023
Revenue from operations	16,19,505.83	17,01,735.50
Other income	4,156.32	2,233.79
Total Income	16,23,662.15	17,03,969.29
Profit/loss before finance cost and depreciation	5289.42	42,287.35
Finance cost	0.00	0.00
Depreciation	1,94,449.42	1,92,626.30
Profit before tax and exceptional item	(1,89,160.00)	(1,50,338.95)
Exceptional item	0.00	0.00
Profit before tax	(1,89,160.00)	(1,50,338.95)
Profit after tax	(1,89,160.00)	(1,50,338.95)
Prior period adjustments (Income tax)	0.00	0.00
Profit/loss for the year	(1,89,160.00)	(1,50,338.95)
Balance carried forward	(1,89,160.00)	(1,50,338.95)

2. REVIEW OF OPERATIONS

In the past year, your company's sales turnover decreased slightly to Rs. 16.19 crores, compared to Rs. 17.02 crores in the previous financial year, resulting in a decline in revenue by approximately Rs. 82 lakhs.

The company incurred a loss of Rs. 1.89 crores, compared to a loss of Rs. 1.50 crores in the previous financial year.

Efforts are being made to reduce overall costs, explore new investment opportunities, and secure better prices for the company's products in the market.

3. DIVIDEND AND TRANSFER TO RESERVES:

During the year under review, the Board does not recommend any dividend for the year ended 31st March, 2024. The Company has transferred loss of Rs. 1.89 Crore to its reserves during the financial year.

4. CHANGE IN THE NATURE OF BUSINESS

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

5. MATERIAL CHANGE AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the company occurred between 31st March, 2024 and the date of this report.

6. SHARE CAPITAL:

During the year under review, there is no change in the paid-up share capital of the Company which stands at Rs.7,18,52,000/- (Rupees Seven Crore Eighteen Lakh Fifty Two Thousand Only) comprising of fully paid up 71,85,200 (Seventy-One Lakh Eighty Five Thousand Two Hundred) equity shares of Rs.10/- (Rupee Ten) each. The Company has not issued any share with differential voting rights. Similarly, during the year under review, the Company has not issued any sweat equity shares or employee stock options. As on March 31, 2024, none of the Directors of the Company hold instruments convertible into equity shares of the Company. The Company has not bought back any of its securities during the year under review. No bonus shares were issued during the year under review.

7. CREDIT RATING OF SECURITIES

The company has not obtained any credit rating of its securities.

8. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

DIRECTORS:

➤ Appointment and Cessation

During the year under review, there was no appointment or cessation of any Director.

However, Shri Vinod Ramgopal Maheshwari's directorship ceased with effect from 12th August 2024 due to his sad demise.

Subsequently, Shri Nimish Vinod Maheshwari was appointed as an Additional Director on the Board of the Company with effect from 13th August 2024 to fill the vacancy created by the demise of Shri Vinod Ramgopal Maheshwari. However, Shri Nimish Vinod Maheshwari tendered his resignation from the post of Additional Director on 28th August 2024 due to his other professional commitments.

➤ **Retirement by Rotation:**

In accordance with the provision of Section 152 of the Companies Act 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Smt.Shriranga Vinod Maheshwari (DIN: 00341404), Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board recommends her reappointment.

Brief details of Smt.Shriranga Vinod Maheshwari is given in the Notice of ensuing AGM.

The present Directors of the Company are as below:

Sr.No.	Name of the Directors	DIN	Designation
1	Shri Manoj Rameshwar Sinha	07564967	Whole Time Director
2	Smt Shriranga Vinod Maheshwari	00341404	Director
3	Shri Shekhar Madhav Chandle	09548031	Independent Director
4	Mr. Thomas George David	09422487	Independent Director

None of the Directors of the Company was disqualified to hold the office of Directorship according to Section 164 of the Companies Act, 2013.

KEY MANAGERIAL PERSONAL:

During the year under review, Shri Milind V. Gahankar resigned from the office of Chief Financial Officer of the Company with effect from 7th November 2023. Shri Anil Bajpai has been appointed as Chief Financial Officer of the Company with effect from 13th February 2024.

Except as stated above, there were no other changes in the key managerial personnel of the Company during the year under review.

The present KMP of the Company are as below:

S. N.	Name of the Key Managerial Personnel	Designation
1	Shri Manoj Rameshwar Sinha	Whole Time Director
2	Shri Anil Bajpai	Chief Financial Officer

3	Shri Mahesh C. Bhanarkar	Company Secretary & Compliance Officer
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9. DECLARATION BY INDEPENDENT DIRECTORS

In terms of the provisions of section 149 of the Act and the Listing Regulations, 2015, the independent directors on the Board of your Company as on the date of this report are Mr. Thomas George David and Mr. Shekhar Madhav Chandle.

The Company has received declaration pursuant to section 149(7) of the Act and regulation 25 of the Listing Regulations, 2015 from all the independent directors stating that they meet the criteria of independence as provided in section 149(6) of the Act.

The independent directors have also confirmed compliance with the provisions of section 150 of the Act read with rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, relating to inclusion of their name in the independent director's databank of the Indian Institute of Corporate Affairs.

In the opinion of the Board, the independent directors fulfil the conditions specified in the Act as well as the Rules made thereunder read with the Listing Regulations, 2015 and have complied with the code for independent directors prescribed in Schedule IV to the Act.

10. BOARD MEETINGS

During the financial year 2023-24, the Board met 6 (Six) times on following dates:

27th May 2023, 12th August 2023, 7th September 2023, 7th November 2023, 7th February 2024 and 13th February 2024.

11. AUDIT COMMITTEE

As on the closing of Financial Year 2023-24 the Audit Committee was comprised of Mr. Thomas David as Chairman and Shri Vinod Maheshwari and Shri Shrikant Chandle as members.

However, after the demise of Shri Vinod Maheshwari, the committee reconstituted as follows: Mr. Thomas David as Chairman and Shri Manoj Sinha and Shri Shrikant Chandle as members.

During the financial year 2023-24, the Audit Committee met 4 (Four) times on following dates:

27th May 2023, 12th August 2023, 7th November 2023, and 7th February 2024.

12. NOMINATION AND REMUNERATION COMMITTEE AND POLICY

As on the closing of Financial Year 2023-24 the Nomination and Remuneration Committee was comprised of Mr. Thomas David as Chairman and Shri Vinod Maheshwari & Shri Shrikant Chandle as members.

However, after the demise of Shri Vinod Maheshwari, the committee reconstituted as follows: Mr. Thomas David as Chairman and Smt Shriranga Maheshwari and Shri Shrikant Chandle as members.

During the financial year 2023-24, the Nomination and Remuneration Committee met once on 13th February 2024.

A policy on directors' appointment and remuneration is annexed as **Annexure - A**.

13. STAKEHOLDERS RELATIONSHIP COMMITTEE

As on the closing of Financial Year 2023-24, the Stakeholders Relationship Committee is comprised of Shri Vinod Maheshwari as Chairman and Shri Thomas David and Shri Manoj Sinha as members.

However, after the demise of Shri Vinod Maheshwari, the committee reconstituted as follows: Mr. Thomas David as Chairman and Shri Manoj Sinha and Shri Shrikant Chandle as members.

During the financial year 2023-24, the Stakeholders Relationship Committee met 4 (Four) times on following dates:

27th May 2023, 12th August 2023, 7th November 2023, and 7th February 2024.

14. CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required for the reporting period to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of Section 135(1) of the Companies Act, 2013 and it is also not required to formulate policy on corporate social responsibility.

15. ANNUAL EVALUATION OF BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.

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 Directors.

16. REMUNERATION OF DIRECTORS AND EMPLOYEES

Details as required under the provisions of section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, inter alia, ratio of remuneration of directors and KMP to median remuneration of employees and percentage increase in the median remuneration are annexed to this Directors' Report as '**Annexure B**'.

Further, a statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. In terms of the provisions of section 136 of the Act, the report is being sent to the members excluding the aforesaid statement. This statement will be made available by email to members of the Company seeking such information. The members can send an email to saffronindustries20@gmail.com It shall also be kept open for inspection by any member at the registered office of the Company during business hours.

17. CORPORATE GOVERNANCE - DISCLOSURE PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013

Shri. Manoj Sinha was paid remuneration of Rs. 7.20/- lakhs during FY 2023-24, he is not entitled to any benefits, stock options, incentives, pension, etc. The company has entered into a service contract with him; the notice period is one month and no severance fees shall be paid to him. Apart from this, no other director is paid remuneration.

18. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of compliance systems established and maintained by the Company, the work performed by the Statutory Auditors, and the review performed by the management, the Board believes that the Company's compliance systems were adequate and operating effectively during the financial year 2023-24. Accordingly, pursuant to sections 134(3)(C) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i) in the preparation of the annual accounts for the financial year ended on 31st March 2024, the applicable accounting standards have been followed and that there were no material departures;
- ii) the directors 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 2024 and of the loss of the Company for the year under review;
- iii) the directors 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) the directors had prepared the annual accounts for the year ended 31st March 2024 on a “going concern” basis;
- v) the directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;
- vi) the directors had devised proper systems to ensure compliance with the provision of all applicable laws and that systems were adequate and operating effectively.

19. INTERNAL FINANCIAL CONTROL

Your Company has designed and implemented a process-driven framework for Internal Financial Controls (IFC) over financial reporting through policies, procedures and guidelines. For the year ended on March 31, 2024, the Board believes that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

20. INFORMATION ABOUT SUBSIDIARY/JV/ASSOCIATE COMPANY

The company does not have any subsidiary, joint venture or associate company as defined under the Companies Act, 2013. Thus Form AOC-1 is not annexed to this report.

21. DEPOSITS

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 ('the Act') and the Companies (Acceptance of Deposits) Rules, 2014. There are no unclaimed deposits, unclaimed/ unpaid interest refunds due to the deposit holders or to be deposited with the Investor Education and Protection Fund as on March 31, 2024.

22. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, your Company has not given any loan or guarantee in terms of the provisions of section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The details of investments made in terms of section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are detailed in the financial statements.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has in place a robust process for approval of related party transactions and on dealing with related parties.

All contracts/arrangements/transactions entered into by the Company during FY2023-24 with related parties were in compliance with the applicable provisions of the Act, the Listing Regulations, 2015 and as per the Company's policy on dealing with related party transactions. Prior omnibus approval of the Audit Committee is obtained for all related party transactions, which are foreseen and of repetitive nature.

All related party transactions entered into during FY2023-24 were in the ordinary course of business and on arm's length basis. The details of material related party transactions as required under provisions of section 134(3)(h) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014 are provided in Form AOC-2, which is annexed to this Directors' Report as **Annexure - C**.

24. 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 - D** to this Report.

25. RISK MANAGEMENT POLICY

The company has laid down a well-defined risk management policy covering risk mapping, trend analysis, risk exposure, political impact and risk mitigation process. Periodic assessment is carried out to identify risk areas and management is informed in advance on the risks so that the company can control the risk through a properly defined plan. Risks are classified as financial risk, operational risk and market risk. The risks are taken into account while preparing the annual business plan for the year. The Board is also informed from time to time about business risks and the actions taken to manage them.

26. VIGIL MECHANISM

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in conformation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behaviour. This Policy is available on the Company's website at <https://www.saffronindustries.in/wp-content/uploads/2021/05/Vigil-Mechanism.pdf>

27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE :

During the year under review, there were no significant and material orders passed by the regulators, courts or tribunals which impacted the Company's going concern status and its operations in future.

28. STATUTORY AUDITORS AND THEIR REPORT

The Statutory Auditor of the Company M/s. Utsav Sumit & Associates, Chartered Accountants, Nagpur, had tendered their resignation due to preoccupation, with effect from 4th July 2024.

The Board, in their Board meeting dated 26th July 2024, had appointed M/s. Jagdish Khatri & Associates, Chartered Accountants (FRN: 156251W), as Statutory Auditor to fill the vacancy created due to the resignation of M/s. Utsav Sumit & Associates, Chartered Accountants, Nagpur, to hold office until the conclusion of the 32nd Annual General Meeting.

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 need no further explanation.

29. SECRETARIAL AUDITOR AND THEIR REPORT

The Company had appointed M/s. Vaibhav Netke & Associates LLP, Practicing Company Secretaries, Nagpur as Secretarial Auditor of the company to conduct the secretarial audit for the financial year ended on 31st March 2024. The secretarial auditor had submitted a secretarial audit report in Form MR-3 under Section 204 of the Companies Act, 2013 for the financial year 2023-24 which is attached as **Annexure - E** and forms part of this report.

The clarifications/explanation on the qualifications/adverse remarks in the Secretarial Auditors Report are as follows:

1. The Promoters' shareholding is not fully dematerialized; however they have assured that they are under process to comply the same; *Dematerialization is under process and due to some technical glitches at Depository it is being delayed and we are hopeful the issues will be resolved very soon.*

2. The Company has been declared sick u/s 3(1) (o) of Sick Industrial Companies (Special Provisions) Act, 1985 by the Board for Industrial and Financial Reconstruction, vide their order dated 13.09.2013; - *There is no further development/order passed by the said board after such declaration.*

30. COST AUDITOR & COST RECORDS

The relevant provisions of the Companies Act, 2013 in respect of the appointment of Cost Auditors and maintenance of Cost Records were not applicable to the company for the Financial Year 2023-24.

31. DETAILS REGARDING FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE ACT

In terms of the provisions of section 143(12) of the Act read with rule 13 of the Companies (Audit and Auditors) Rules, 2014, during the year under review, the auditors have not reported any fraud to the Audit Committee or to the Board and therefore, no details pursuant to the provisions of section 134(3)(ca) of the Act are required to be disclosed.

32. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

33. ANNUAL RETURN

Pursuant to the provisions of section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, the annual return for FY2023-24, which will be filed with Registrar of Companies/MCA, is uploaded on the Company's website and can be accessed at - www.saffronindustries.in.

34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, attached as **Annexure - F**.

35. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment in the workplace and has adopted a policy against sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, intending

to provide a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee to inquire about sexual harassment complaints and recommend appropriate action.

The Company has not received any complaints regarding sexual harassment during the financial year 2023-24.

36. NON-APPLICABILITY OF CERTAIN PROVISIONS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Pursuant to the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, certain provisions of compliance with the corporate governance as mentioned therein are not applicable to the company. Accordingly, the corporate governance report is not required to be annexed to the Annual Report.

37. 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 cooperation 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.

Place: Nagpur
Date: 30/08/2024

For and on behalf of the Board

Sd/-
Shekhar M. Chandle
Director
DIN: 09548031

Sd/-
Manoj R. Sinha
Whole Time Director
DIN: 07564967

ANNEXURE - A

Nomination and Remuneration Policy

1. Preface

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

The Nomination and Remuneration Policy is as follows:

2. Role of the Committee

- a) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- b) To formulate criteria for determining qualifications, positive attributes and independence of Directors.
- c) To recommend to the Board remuneration policy related to the remuneration of Directors (whole-time directors, executive directors, etc.), key managerial personnel and other employees while ensuring the following:
 - i. The level and composition of remuneration reasonable & sufficient to attract, retain, and motivate directors and the quality required to run the company successfully.
 - ii. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - iii. The remuneration to directors, key managerial persons and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objects, appropriate to the working of the company and its goals.
- d) Specify the manner for effective evaluation of the performance of the Board, its committees, and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- e) To devise a policy on Board diversity.

3. Membership

- a) The committee shall consist of a minimum of 3 non-executive directors, the majority of them being independent.
- b) A minimum of two members shall constitute a quorum for the committee meeting.
- c) Membership of the committee shall be disclosed in the Annual Report.
- d) The 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) The Chairman of the company may be appointed as a member of the committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman the members of the committee present at the meeting shall choose one amongst them to act as Chairman.
- d) The 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.

Policy on Directors' Remuneration

1. Remuneration to Managing/ Whole-time/ Executive Director, KMP and Senior Management Personnel:

- a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules

made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

- b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. Remuneration to Non-Executive/Independent Director:

- a. The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The sitting fees shall be as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b. All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.
- d. Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i. The Services are rendered by such Director in his capacity as the professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to Key Managerial Personnel and Senior Management

- a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and may include incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b. The Fixed pay shall include monthly remuneration, employer's contribution to the provident fund, contribution to the pension fund, pension schemes, etc. as decided from to time by the company at its discretion.
- c. The incentive pay shall be decided based on the balance between the performance of the Company and the performance of the Key Managerial Personnel and Senior Management, as may be decided annually or at such intervals as may be considered appropriate.

ANNEXURE -B

Remuneration Details

[As required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) for the year ended 31 March 2024]

Sr. No.	Name of Director/KMP	Ratio of Remuneration of director to Median Remuneration of employees	% increase in the financial year
A.	Whole-time directors /Managerial Personnel		
	Mr. Manoj Sinha Whole Time Director	7.51	0.00
B.	Non-executive directors		
	NIL	-	-
C.	Key Managerial Personnel		
	Mr. Manoj Sinha Whole Time Director		0.00
	Mr. Milind Gahankari, CFO*		4.36
	Mr. Anil Bajpai, CFO*		0.00
	Mr. Mahesh Bhanarkar, Company Secretary & Compliance Officer		4.52
D	Remuneration of Median Employee (other than Whole-time directors)		4.03
E	Permanent employees as on 31 March 2024		31

***Notes:**

1. Remuneration to directors for the above purposes does not include sitting fees paid to them for attending Board/Committee meetings.
2. Shri Milind Gahankari ceased to be Chief Financial Officer of the Company on account of his resignation w.e.f. close of business hours on 7 November 2023. Figures regarding % increase in his case are therefore not applicable.
3. Shri Anil Bajpai was appointed as Chief Financial Officer of the Company w.e.f. 13 February 2024. Figures regarding % increase in his case are therefore not applicable.
4. The term 'Permanent Employees' does not include trainees, probationers and contract employees.

Notes on Disclosures under Rule 5

1. The average percentile increase made in the salaries of employees other than the Whole-time directors/Managerial Personnel was 4.05% whereas the increase in the remuneration of the Whole-time directors/Managerial Personnel, in the aggregate was 0.00% during the year under review.
2. The remuneration paid as above was as per the Remuneration Policy of the Company.

ANNEXURE -C**FORM NO. AOC.2**

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

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

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

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	Entities under same management 1. Nava Bharat Press, Nagpur 2. Nava-Bharat Press Ltd. 3. Madhyadesh Press Pvt Ltd
B	Nature of contracts/arrangements/transactions	Sale of news prints
C	Duration of the contracts/ arrangements/ transactions	As per work orders raised from time to time
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale of news prints on purchase order basis: 1. Nava Bharat Press, Nagpur (Rs. 1.88 Crore) 2. Nava-Bharat Press Ltd (Rs. 9.96 Crore) 3. Madhyadesh Press Pvt Ltd (Rs. 4.36 Crore)
E	Date(s) of approval by the Board, if any	-
F	Amount paid as advances, if any:	-

Sr. No.	Particulars	Details
A	Names(s) of the related party and nature of relationship	Entities under same management 4. Shree Trading Corporation 5. Bionova Papercrafts Private Limited 6. Navabharat News Media Pvt Ltd 7. National Newspaper Agency 8. Madhyadesh Publication Pvt Ltd

B	Nature of contracts/arrangements/transactions	Purchase of Waste Papers
C	Duration of the contracts/ arrangements/ transactions	As per work orders raised from time to time
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Purchase of Waste Papers : 4. Shree Trading Corporation (Rs.1.76 Crore) 5. Bionova Papercrafts Private Limited (Rs. 2.63 Crore) 6. Navabharat News Media Pvt Ltd (Rs.2.85 Crore) 7. National Newspaper Agency(Rs.1.40 Crore) 8. Madhyadesh Publication Pvt Ltd (Rs.4.83 Crore)
E	Date(s) of approval by the Board, if any	-
F	Amount paid as advances, if any:	-

Place: Nagpur
Date: 30/08/2024

For and on behalf of the Board

Sd/-
Shekhar M. Chandle
Director
DIN: 09548031

Sd/-
Manoj R. Sinha
Whole Time Director
DIN: 07564967

ANNEXURE - D

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

A) Conservation of energy:

The main object of the Company is to achieve economies 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 adopted by the Company.

The Company has achieved significant reduction in energy and water consumption through various key initiatives as mentioned below:

- Provision of energy efficient LED luminaries on manufacturing facility as well as in office for energy conservation.
- Installation of natural day light system at roof top wherever possible.
- Reuse of treated water for processes like gardening, cooling towers, etc.
- Use of auto shut off taps in all washrooms and wash basins.

B) 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 evaluating new ways and better methods to improve the performance, quality and cost-effectiveness of its product. Great emphasis has been devoted to upgrading the technology as suggested by the Production Department. The Company does not have a separate Research and Development facility.

C) Foreign Exchange Earnings and Outgo:

There were no foreign exchange earnings and outgo during the year under review.

Place: Nagpur
Date: 30/08/2024

For and on behalf of the Board

Sd/-
Shekhar M. Chandle
Director
DIN: 09548031

Sd/-
Manoj R. Sinha
Whole Time Director
DIN: 07564967

ANNEXURE - E

Form No. MR-3

Secretarial Audit Report

For the Financial year ended 31st March 2024

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

Secretarial Audit Report

To,
The Members of
SAFFRON INDUSTRIES LIMITED
CIN: L21010MH1993PLC071683
Nava-Bharat Bhawan, Chatrapati Square,
Wardha Road, Nagpur MH 440015.

I/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"). The Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my/our opinion thereon.

Auditor's Responsibility:

My /our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I/we have conducted the audit in accordance with the applicable Auditing Standards issued by the Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records. Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified opinion:

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/we hereby report that in my/our opinion, the Company has, during the audit period, covering the Financial Year ended on 31st March, 2024, generally 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/we have examined the books, papers, minute books, forms and returns filed and other records maintained and provided by the Company for the Financial Year ended on 31st March, 2024, 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 during the Audit Period;*
- v. The Regulations and Guidelines prescribed under the SEBI Act, 1992 (SEBI Act) as follows:
 - a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time; *whereas the compliance of Corporate Governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply;*
 - c) The SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - d) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009: *Not Applicable during the Audit Period;*
 - e) The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: *Not Applicable during the Audit Period;*
 - f) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008: *Not Applicable during the Audit Period;*
 - g) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: *Not Applicable during the Audit Period;*
 - h) The SEBI (Delisting of Equity Shares) Regulations, 2009: *refer vii (4): Not Applicable during the Audit Period;* and
 - i) The SEBI (Buyback of Securities) Regulations, 1998: *Not Applicable during the Audit Period.*
- vi. Management has identified and confirmed that no other law was specifically applicable to the Company except followings:
 - a) Factories Act, 1948
 - b) Industrial Disputes Act, 1947
 - c) The Payment of Wages Act, 1936
 - d) The Minimum Wages Act, 1948
 - e) Employee State Insurance Act, 1948

- f) Employees Provident Funds and Miscellaneous Provisions Act, 1952
- g) The Payment of Bonus Act, 1965
- h) The Payment of Gratuity Act, 1972
- i) The Child Labour (Prohibition & Regulation) Act, 1986
- j) The Employee Compensation Act, 1923
- k) The Apprentices Act, 1961
- l) Equal Remuneration Act, 1976
- m) Shops and Establishment Act, 1988
- n) The Water (Prevention and control of pollution) Act, 1974
- o) The Air (Prevention and control of pollution) Act, 1981
- p) The Environment Protection Act, 1986 and rules made thereunder
- q) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
- r) Hazardous Waste (Management and Handling and trans boundary Movement) Rules, 2008

I/we have relied on the representations and confirmations made by the Company, its officers and Reports of Statutory Auditors for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as mentioned above.

I/we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered by the Company with BSE Ltd and Ahmedabad Stock Exchange.

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

1. The Promoters' shareholding is not fully dematerialized; however they have assured that they are under process to comply the same;
2. The Company has been declared sick u/s 3(1) (o) of Sick Industrial Companies (Special Provisions) Act, 1985 by the Board for Industrial and Financial Reconstruction, vide their order dated 13.09.2013;

I/ 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 on 31st March, 2024.

Adequate notice is given to all Directors to schedule the Board Meetings and the agenda and detailed notes on the agenda were sent at least 7 days in advance or on shorter notice wherever necessary, 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.

The decisions at the Board's and its committees' Meetings are carried out unanimously and there were no members dissenting the resolution(s) during the year under review.

I/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.

I/we further report that during the Audit period, the Company had the following specific events:

- 1) Shri Milind Virendra Gahankari has resigned as CFO on 07/11/2023 and Shri Anil Bajpai has been appointed as CFO on 13/02/2024 exceeding three months period as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

I/we further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

VAIBHAV NETKE & ASSOCIATES LLP
Company Secretaries

Sd/-

Vaibhav Netke

Designated Partner / Partner

ACS No.38174,

CP No.19556

UDIN : A038174F001045697

PR No.: 3899/2023

Date: 26th August, 2024

Place: Nagpur

** This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.*

“ANNEXURE A TO SECRETARIAL AUDIT REPORT”

To,
The Members of
SAFFRON INDUSTRIES LIMITED
CIN: L21010MH1993PLC071683
Nava-Bharat Bhawan, Chatrapati Square,
Wardha Road, Nagpur MH 440015.

My/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 presented Secretarial records based on our Audit.
2. I/we have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I/we believe that the processes and practices I/we followed provide a reasonable basis for my/our opinion.
3. I/we have not verified the correctness and appropriateness of Financial records and Books of Accounts of the Company.
4. As required, I/we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other Laws, Rules and Regulations and Standards is the responsibility of management. My/our examination was limited to the verification of procedures on test basis of the records, information and representations provided by the Management.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

VAIBHAV NETKE & ASSOCIATES LLP
Company Secretaries

Sd/-
Vaibhav Netke
Designated Partner / Partner
ACS No.38174,
CP No.19556
UDIN : A038174F001045697
PR No.: 3899/2023

Date: 26th August, 2024
Place: Nagpur

ANNEXURE - F

Management Discussion and Analysis Report

Management's discussion and analysis of the financial condition and results of operations include forward-looking statements based on certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate. Although the Management has considered future risks as part of the discussions, future uncertainties are not limited to Management perceptions.

Outlook

The Indian pulp and paper industry continues to experience substantial growth, maintaining an average increase of approximately 8%, mirroring the country's GDP growth rate. However, growth rates can fluctuate, as seen with the strong performance in the first half of FY24 followed by a decline in the second half due to significant corrections in paper prices caused by reduced global demand.

Demand for paper in FY 2024 is expected to revive towards the end of the first half, following the sluggish demand of the past year as inflationary conditions have largely corrected due to measures taken by central banks.

To maintain and capture a larger market share, innovative cost containment and cost-cutting measures will be necessary for paper mills, especially in a slowly growing market.

Paper Industry in India

The Indian paper industry is expected to grow well in the next fiscal year despite potential global disruptions in demand and supply. According to MK Goyal, Secretary General of the Indian Pulp and Paper Technical Association (IPPTA), the industry, valued at around ₹80,000 crore, produces over 25 million tonnes of paper annually.

While the industry experienced strong growth in the first half of FY24, the second half saw a decline due to significant corrections in paper prices, with prices dropping by an average of 30% due to reduced global demand, particularly from Europe. Domestic demand remains largely stable, although the packaging board segment, particularly for exporting high-end medicines, has been affected but is recovering. The kraft paper segment faces challenges due to lower export demands. Typically, the industry exports 7-8% of its production.

Despite concerns about a global economic downturn, the outlook for the next financial year remains positive. Over 850 paper mills across India provide direct employment to about 0.5 million people and indirect employment to around 1.5 million.

Industrial Structure & Developments

The Indian Paper Industry is segmented based on size, grades manufactured, and raw materials used. Government policies on indirect taxation rates have historically protected smaller units using unconventional raw materials. The industry comprises over 850 mills producing about 25 million tonnes annually, with global paper consumption at around 400 million tonnes per annum, expected to reach 480 million tonnes by 2030.

The market is divided into Writing and Printing Grades (Cultural), Packaging Grades (Industrial), and Newsprint. The Industrial segment, heavily fragmented and relying on waste paper and agricultural residues, accounts for about 50% of total output. Units in this segment are small, averaging 15,000 MTPA, and cater to local demand.

The Cultural segment, comprising writing, printing, and office stationery paper, is dominated by larger producers using forest-based raw materials. This segment faces higher taxes and investment levels. Smaller producers in this segment use unconventional raw materials and low-tech plants, catering to price-sensitive consumers. Mid-sized players are expanding and modernizing to produce higher-quality products, while large producers are increasing forest-based pulping capacities. The Cultural segment contributes about 35% of annual production with a 6-7% demand growth rate.

The Indian Paper Industry accounts for 4.5% of global production and has seen recent growth rates of about 7%, with domestic demand expected to grow at 6-7% per annum. Despite infrastructural challenges, there is strong demand growth, particularly for higher-quality products in both the Industrial and Cultural segments. Key players are operating near capacity, and further capacity additions will depend on factors such as funding, raw material availability, and low-cost energy.

Opportunities and Threat

The Indian Government's policy for the paper industry lacks a clear perspective, particularly on pulpwood plantations, which are crucial for introducing more virgin fiber into the industry. Relying solely on agro-based raw materials and recycled fiber is unsustainable amid fierce global competition. A more conducive investment atmosphere is also needed.

The capital-intensive nature of the industry, coupled with high finance costs and short repayment horizons, limits fresh investments and greenfield projects. Continuous reduction of import tariffs also pressures margins. Despite these challenges, the ban on single-use plastic is favorable for the paper industry. The absence of large-scale investments in a rapidly growing economy with low per capita paper consumption underscores the need for supportive policies and investment incentives.

Risk Management & Concerns

Risks in the cost of raw materials, environmental liabilities, tax laws, labour relations, litigation, and significant changes in the global political and economic environment exert tremendous influence on the performance of the company. The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures.

Human Resource Development and Industrial Relations

The company holds the belief that its employees form the foundation of its operations. The cultivation of a harmonious and secure work environment, coupled with the provision of due recognition and rewards, consistent communication, a steadfast commitment to addressing customer needs, and the implementation of change management through training stand as the cornerstones of the company's human resources development. Every member of the staff is cognizant of the challenges presented by the existing economic landscape.

Notably, employee morale has remained robust even in trying circumstances. The staff has wholeheartedly collaborated with the management in effecting the necessary changes dictated by the market. This approach affords every employee the opportunity to harness their full potential and advance within the organization. There was no strike or labour unrest during the last financial year.

There are 31 employees in the company as on 31st March, 2024.

Internal Control System and Their Adequacy

Every successful company needs to have certain controls in place to function effectively. Saffron Industries Limited as well has sufficient internal controls in accordance with the nature and magnanimity of its business.

These have been designed to ensure that:

- Assets of the Company are acquired in an economical manner and safeguards are in place for their upkeep and to ensure their protection against any damage or destruction.
- Controls relating to the financial and operational aspects of the business remain in place and are working satisfactorily to detect exceptions and raise alerts.
- The Company enforces stringent compliance with all applicable laws and internal policies.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. The Board of Directors has framed a policy which ensures the orderly and efficient conduct of its business, safeguarding of its assets, to provide greater assurance regarding the prevention and detection of frauds and accuracy and completeness of the accounting records of the company.

Further, your company has adequate internal financial controls with reference to its financial statements.

Key financial ratios

- Debtors turnover - Nil

➤ Inventory turnover

Inventory turnover decreased to 5.80 from 12.53 due to decrease in turnover and decrease in stock in the current year

➤ Interest coverage ratio

There was no finance cost in the period under review.

➤ Current ratio

Current ratio increased to 0.87 from 3.14 due to decrease in current assets.

➤ Debt equity ratio - Nil

➤ Operating profit margin (%)

There was operating loss during the financial year under review.

➤ Net profit margin(%)

There was loss in the period under review.

➤ Return on net-worth - Nil

Cautionary statement

Certain Statements in the “Management Discussion and Analysis” describing the Company’s objectives, expectations or predictions may be “forward-looking statements” within the meaning of applicable laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied due to various risks & uncertainties. Important factors that could make a difference to the Company’s operations include changes in Govt. regulations, tax regimes, economic developments and other factors such as litigation. The company does not undertake to update these statements.

Place: Nagpur
Date: 30/08/2024

For and on behalf of the Board

Sd/-
Shekhar M. Chandle
Director
DIN: 09548031

Sd/-
Manoj R. Sinha
Whole Time Director
DIN: 07564967



UTSAV SUMIT & ASSOCIATES

CHARTERED ACCOUNTANTS

130, Gokuldharm Colony, Kamptee, Nagpur.

Mob. No. 9326753856, Email : casumitsagrawal@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAFFRON INDUSTRIES LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying Standalone Ind AS, financial statements of **SAFFRON INDUSTRIES LIMITED**, which comprise the balance sheet as at March 31, 2024, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We are of the opinion that there are no other key matters as per SA 701, to be reported for the ensuing year under audit.

Information other than the financial statements and auditors' report thereon:

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements:

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The boards of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements:

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and 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 it appears from our examination of those books.
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Ind AS 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 the written representations received from the directors as on March 31, 2024 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) In 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 given to us;
 - a. The Company does not have any pending litigations which would impact its financial position.

- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Associates

For Utsav Sumit &

**Chartered Accountants
Firm Reg. No. 016514C**

**NAGPUR
May 28, 2024**

**Sd/-
Sumit Agrawal
Partner
Membership No. 151008
UDIN : 24151008BKCOSR4849**

Annexure “A” to the Independent Auditor’s Report:

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of **SAFFRON INDUSTRIES LIMITED** (of May 28, 2024) for the financial statement for the year ended on March 31, 2024

1		In respect of the Company’s fixed assets:	
	(a)	(A)	The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
		(B)	The Company does not have any Intangible Assets. Accordingly, paragraph 3(1)(a)(A) of the Order is not applicable to the Company.
	(b)		The Property, Plant and Equipment of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and records as examined by us, no material discrepancies were noticed on such verification.
	(c)		According to the information and explanations given to us, on the basis of the records examined by us, based on conveyance deeds provided to us, we report that the title deeds in respect of all immovable properties are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
	(d)		According to the information and explanations given to us and on the basis of records as examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both, during the year.
	(e)		To the best of our knowledge and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding anybenami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
2.	(a)		As explained to us, the inventory has been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

	(b)	According to the information and explanations given to us and the records examined by us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets, at any point of time in the year. Hence, no quarterly returns or statements are required to be filed by the Company with any bank or financial institution,
3.		According to information and explanation given to us, the company has not granted any loan, secured or unsecured nor has made any investment, nor provided any guarantee or security to companies, firms, limited liability partnerships or other parties. Accordingly, paragraph 3 (iii) of the order is not applicable to the Company
4.		In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
5.		In our opinion and according to the information and explanations given to us, the company has not accepted any deposits as per the provisions of Section 73 to 76 of the Companies Act, 2013 and accordingly, paragraph 3(v) is not applicable to the Company.
6.		As per information and explanations given to us ,the Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
7.		In respect of statutory dues:
	(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
		According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable

	(b)	According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute .
8.		According to the information and explanations given to us and the records of the company examined by us, there are no transactions that were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) is not applicable to the Company.
9	(a)	In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
	(b)	As per information and explanations given to us, the company has not been declared willful defaulter by any bank or financial institution or other lender.
	(c)	As per our examination of records the Company has not availed any term loans Hence no instance of term loan applied for the purpose other than purpose for which the loans obtained were noticed.
	(d)	As per our examination of records, funds raised on short term basis have not been utilized for long term purposes.
	(e)	According to the information and explanations given to us and the records examined by us, the company does not have any subsidiaries, associates or joint ventures. Hence, para 3(ix)(e) is not applicable to the company
	(f)	According to the information and explanations given to us and the records examined by us, the company does not have any subsidiaries, associates or joint ventures. Hence, paragraph 3(ix)(f) is not applicable to the company
10.		According to the information and explanations given to us and the records examined by us the Company has not raised any money by way of initial public offer or further public offer (including debt instruments), nor the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally) during the year. Hence paragraph 3(x) is not applicable to the Company.
11.		To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year. Accordingly, paragraph 3(xi) is not applicable to the Company.

12.		The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13.		According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14.		According to the information and explanations given to us and based on our examination of the records of the company, the company does not have an internal audit system commensurate with the size and nature of its business and hence the reports of the Internal Auditors for the period under audit were unavailable to be considered by the statutory auditor
15.		According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16.		According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) is not applicable to the Company.
17		As per our examination of records of the company, the company has not incurred cash losses in the financial year and in immediately preceding financial year.
18		According to the information and explanations given to us, there has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xix) is not applicable to the Company.
19		On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20		Provisions of section 135 of the Companies Act, 2013 are not applicable to the Company and accordingly paragraph 3(xx) is not applicable to the company

21		The company is not required to present consolidated financial statements and hence, paragraph 3(xxi) is not applicable to the company.
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For Utsav Sumit & Associates
Chartered Accountants
Firm Reg. No. 016514C

NAGPUR
May 28, 2024

Sd/-
Sumit Agrawal
Partner
Membership No. 151008
UDIN : 24151008BKCOSR4849

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of **SAFFRON INDUSTRIES LIMITED** of May 28, 2024)

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of **SAFFRON INDUSTRIES LIMITED** as at March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls:

The board of directors of the Company is 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. 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, 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 internal financial controls over financial reporting of the Company 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 the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 in 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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.

**For Utsav Sumit & Associates
Chartered Accountants
Firm Reg. No. 016514C**

**NAGPUR
May 28, 2024**

**Sd/-
Sumit Agrawal
Partner
Membership No. 151008
UDIN:24151008BKCOSR4849**

SAFFRON INDUSTRIES LIMITED

BALANCE-SHEET AS AT MARCH 31,2024

ASSETS	NOTE REF.	AS AT MARCH 31, 2024 Rs. In Hundreds	AS AT MARCH 31, 2023 Rs. In Hundreds
NON CURRENT ASSETS			
a) Property ,Plant & Equipment	01	47543792	66937508
b) Capital Work-in-Progress		0	0
c) Investment property		0	0
d) Goodwill		0	0
e) Other Intangible assets	01	0	0
f) Intangible assets under development		0	0
g) Biological assets other than bearer plants		0	0
h) Financial Assets		0	0
i)Investments		0	0
ii)Trade receivables		0	0
iii)Loans	02	0	0
iv)Others	03	4463212	4293316
i) Deferred Tax Asset		0	0
j) Other Non Current Assets	04	93250	93250
		52100254	71324074
<u>CURRENT ASSETS</u>			
a) Inventories	05	48593371	27171416
b) Financial Assets			
i) Investments		0	0
ii) Trade receivables	06	0	0
iii) Cash & Cash Equivalents	07	3513335	401855
iv) Bank Balances other than (iii) above		0	0
v)Loans		0	0
vi)Others	08	0	0
c) Current Tax Assets (Net)		0	0
d) Other Current Assets		4202090	4558992
		56308796	32132263
TOTAL ASSETS		<u>108409050</u>	<u>103456336</u>
EQUITY AND LIABILITIES			
<u>EQUITY</u>			
a) Equity Share Capital	09	71852000	71852000
b) Other Equity	10	(197612417)	(178233429)
		(125760417)	(106381429)
<u>LIABILITIES</u>			
<u>NON CURRENT LIABILITIES</u>			
a) Financial Liabilities			
i) Borrowings	11	169808135	199596117
ii) Trade Payables		0	0
iii) Other Financial Liabilities		0	0
b) Provisions		0	0
c) Deferred Tax Liabilities		0	0
d) Other Non Current Liabilities		0	0
		169808135	199596117

<u>CURRENT LIABILITIES</u>					
a) Financial Liabilities					
i) Borrowings	12	0		0	
ii) Trade Payables	13	17555286		3229612	
y iii) Other Financial Liabilities	14	0		0	
b) Other Current Liabilities	15	46806046		7012036	
c) Provisions		0		0	
d) Current Tax Liabilities(Net)		0	64361332	0	10241649
TOTAL EQUITY AND LIABILITIES		<u>108409050</u>		<u>103456336</u>	

Significant Accounting Policies
Notes on Financial Statements 1 to 26

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

The notes referred to above form integral part of the accounts.

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

Sumit Agrawal
Partner
Membership No 151008
For & on behalf of
Utsav Sumit & Associates
Chartered Accountants
Firm Regn No 016514C

Sd/-
Vinod Maheshwari
Chairman
DIN 00340953

Sd/-
Manoj Sinha
Wholetime Director
DIN 07564967

Sd/-
Mahesh Bhararkar
Company Secretary
M.No : A54694

Sd/-
Anil Bajpai
Chief Financial Officer

NAGPUR
May 28, 2024

NAGPUR
May 28, 2024

SAFFRON INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31,2024

	NOTE REF	This year Rs. In Hundreds	Last year Rs. In Hundreds
INCOME :			
Revenue from Operations	17	161950583	170173550
Other Income	18	415632	223379
Total Income		162366215	170396929
EXPENDITURE :			
Cost of Materials Consumed	19	147023054	144891395
Purchases of stock-in-trade		0	0
Changes in Inventories of Finished goods	20	(21625675)	(25422987)
Employee Benefits Expenses	21	4137061	5431075
Finance Costs	22	0	0
Depreciation and Amortization Expenses	01	19444942	19262630
Other Expenses	23	32302833	41268710
Total Expenses		181282214	185430823
Loss before Tax & Exceptional Items		(18916000)	(15033895)
Exceptional Items		0	0
Loss before Tax		(18916000)	(15033895)
Tax Expenses:			
Current tax		0	0
Deferred tax		0	0
Loss After Tax		(18916000)	(15033895)
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		0	0
(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss		0	0
B (i) Items that will be reclassified to Profit or Loss		0	0
(ii) Income Tax relating to Items that will be reclassified to Profit or Loss		0	0
Total Other Comprehensive Income/(Loss)		0	0
Total Comprehensive Loss for the year		(18916000)	(15033895)

Earning per Equity Share of

Face Value of ` 10 each

24

0.000.00**Significant Accounting Policies****Notes on Financial Statements**

1 to 26

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**

Sumit Agrawal**Partner****Membership No 151008****For & on behalf of****Utsav Sumit & Associates****Chartered Accountants****Firm Regn No 016514C**

Sd/-

Vinod Maheshwari**Chairman****DIN 00340953**

Sd/-

Manoj Sinha**Wholetime Director****DIN 07564967**

Sd/-

Mahesh Bhararkar**Company Secretary****M.No : A54694**

Sd/-

Anil Bajpai**Chief Financial Officer****NAGPUR****May 28, 2024****NAGPUR****May 28, 2024**

SAFFRON INDUSTRIES LIMITED

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE-SHEET FOR THE PERIOD
FROM APRIL 01,2023 TO MARCH 31,2024**

A.CASH FLOW FROM OPERATING ACTIVITIES		Rs. In Hundreds
Net Loss as per Profit & Loss Account		(18916000)
Less Interest Income		(415632)
Less: Prior Period Income Tax		(462988)
Add : Depreciation		19444942
Interest Expenses		0
Operating Loss before capital changes in working capital		(349678)
Increase in Inventories		(21421955)
Decrease in Receivables		0
Increase in Trade Payables		14325674
Increase in other current liabilities		39794010
Decrease in other current assets		356902
Net Increase in working capital		33054630
Cash flow from operating activities		32704952
B.Cash flow from Investing Activities		
Net Increase in Tangible fixed assets		(51225)
Net Increase in Intangible fixed assets		0
Proceed from sale of fixed assests		0
Interest Income		415632
Decrease in Other non current assets		0
Cash flow from Investing Activities		364407
C. Cash flow from Financing activities		
Decrease in Long Term Advances		0
Decrease in long term borrowings		(29787982)
Interest paid		0
Cash flow from financing activities		(29787982)
Increase in cash & cash equivalent		3281377
Opening cash & cash equivalents		4695171
Closing cash & cash equivalents		7976547
As per our Report of even date	For & On behalf of the Board	
	Sd/-	Sd/-
Sumit Agrawal	Vinod Maheshwari	Manoj Sinha
Partner	Chairman	Wholetime Director
Membership No 151008	DIN 00340953	DIN 07564967
For & on behalf of		
Utsav Sumit & Associates		
Chartered Accountants		
Firm Regn No 016514C	Sd/-	Sd/-
	Mahesh Bhararkar	Anil Bajpai
	Company Secretary	Chief Financial Officer
	M.No : A54694	
NAGPUR	NAGPUR	
May 28, 2024	May 28, 2024	

SAFFRON INDUSTRIES LIMITED, NAGPUR

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2024

NON CURRENT ASSETS

NOTE - 01

Property Plant & Equipment and Intangible Assets

Rs in Hundreds

PARTICULARS	Gross Block As on 31.03.2023	Purchases/ Additions	Sales/ Deductions	Gross Block As on 31.03.2024	Depreciation up to 31.03.2023	Depreciation/ Amortisation for the year	Depreciation Adjustment	Depreciation up to 31.03.2024	NET BLOCK AS ON 31.03.2024	NET BLOCK AS ON 31.03.2023
a) Property, Plant and Equipment :										
Buildings & Site Developments	78177953	0	0	78177953	69012660	8471987	0	77484646	693307	9165294
Plant & Machinery	362593715	30825	0	362624540	304860266	10965610	0	315825876	46798664	57733449
Furnitures & Fixtures	1792332	20400	0	1812732	1783696	2758	0	1786455	26277	8635
Office Equipments	992050	0	0	992050	969698	2123	0	971822	20228	22352
Computers	1398344	0	0	1398344	1390566	2463	0	1393029	5315	7778
	444954394	51225	0	445005619	378016886	19444942	0	397461828	47543792	66937508
Previous Year	453048931	0	8094537	444954394	358754256	19262630	0	378016886	66937508	94294675
b) Capital Work In Progress										
	0	0	0	0	0	0	0	0	0	0

NOTE - 02	As on March	As on March
FINANCIAL ASSETS	31,2024	31,2023
	Rs in Hundreds	Rs in Hundreds

Loans :

Unsecured, considered good

Loans & Advances to Related Parties	0	0
Other Advances	0	0

	<u>0</u>	<u>0</u>
--	----------	----------

Loans or Advances due by Directors, officers of the Company
or Firms/ Companies in which Directors are interested

Nil	Nil
-----	-----

NOTE - 03

OTHER FINANCIAL ASSETS

Bank deposits with more than twelve months maturity	4463212	4293316
	<u>4463212</u>	<u>4293316</u>

NOTE - 04

OTHER NON-CURRENT ASSETS

Advances for Capital Goods	0	0
Advances other than capital advances;		
a) Security Deposits	93250	93250
b) Advances to related parties	0	0
c) Other advances	0	0
	<u>93250</u>	<u>93250</u>

CURRENT ASSETS

NOTE - 05

INVENTORIES

As taken, valued and certified by the Management

Valued at lower of cost or net realisable value

Raw Materials	1535330	1725530
Finished Goods	0	0
Stores & Spares	0	0
Coal, Fuel Pellets / Rice husk	4680	18200
Work-in-progress (Land)	47053361	25427686
	<u>48593371</u>	<u>27171416</u>

FINANCIAL ASSETS

NOTE - 06

TRADE RECEIVABLES

a. Secured, considered good;	0	
b. Unsecured considered good	0	0
c. Doubtful	0	0
	<u>0</u>	<u>0</u>

Out of the above :

Debts due from Directors	0	0
From Companies & Concerns under the same Management		
considered good, outstanding for a period :		
not exceeding six months	0	0
exceeding six months	0	0
	<u>0</u>	<u>0</u>

Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from dur date of payment/ date of transaction					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
i) Undisputed - Considered good	0	0	0	0	0	0
ii) Undisputed - Significant Increase in Credit Risk	0	0	0	0	0	0
iii) Undisputed - Credit Impaired	0	0	0	0	0	0
iv) Disputed - Considered good	0	0	0	0	0	0
v) Disputed - Significant Increase in Credit Risk	0	0	0	0	0	0
vi) Disputed - Credit Impaired	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

NOTE - 07**CASH & CASH EQUIVALENTS**

Cash-in-hand	21991	154665
Balances with Banks :		
In Current Accounts	3491344	247190
	<u>3513335</u>	<u>401855</u>

NOTE - 08**OTHER ADVANCES**

Unsecured, considered good		
Security Deposits	0	0
Loans to related Parties	0	0
Others	4202090	4558992
	<u>4202090</u>	<u>4558992</u>
Out of the above advances :		
Advances to the Directors	0	0
Advances to Associate Concern against Purchases	0	0
	<u></u>	<u></u>

NOTE-09**STATEMENT OF CHANGES IN EQUITY****A. Equity Share Capital****Rs. In Hundreds**

	Balance as on March 31,2023	Changes in equity share capital during the year	Balance as on March 31,2024
01. Authorised Share Capital : 78,00,000 Equity	78000000	Nil	78000000
02 Issued subscribe and paid up; 7185200 equity	71852000	Nil	71852000

List of Shareholders holding more than 5% equity shares

<u>Shareholders</u>	<u>No. of Shares held</u>		<u>As on March 31,2024</u>
	<u>As on March 31,2023</u>	<u>Changes during the year</u>	
1. Shri Vinod Maheshwari	1785800	0	1785800
2. Shri Nimish V Maheshwari	1317817	0	1317817
3. Navabharat Real Estate Pvt. Ltd. (Formerly Madhyadesh Construction & Finance Pvt. Ltd.)	456500	0	456500
4. Navabharat Press (Nagpur) Pvt. Ltd.	371200	0	371200

Notes :

01. The Company does not have any holding or associate holding Company.
02. None of the above include any shares allotted in pursuant to contract without received in cash.
03. No bonus shares have been issued by the Company so far.
04. No shares have been bought back by the Company.

NOTE-10
B. Other Equity

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation on Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings								
Balance at the beginning of the reporting period	0	0	3300000	0	22000000	(203533429)	0	0	0	0	0	0	0	(178233429)
Changes in accounting policy or prior period errors	0	0	0	0	0	(462988)	0	0	0	0	0	0	0	(462988)
Restated balance at the beginning of the reporting period	0	0	3300000	0	22000000	(203996417)	0	0	0	0	0	0	0	(178696417)
Total Comprehensive Loss for the year	0	0	0	0	0	(18916000)	0	0	0	0	0	0	0	(18916000)
Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to retained earnings	0	0	0	0	0	(18916000)	0	0	0	0	0	0	0	(18916000)
Any other change	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance at the end of the reporting period	0	0	3300000	0	22000000	(222912417)	0	0	0	0	0	0	0	(197612417)

NON CURRENT LIABILITIES

	As on March 31,2024 Rs in Hundreds	As on March 31,2023 Rs in Hundreds
--	--	--

FINANCIAL LIABILITIES**NOTE - 11****BORROWINGS****Secured Loans**

0

0

Unsecured Loans

From Banks

0

0

From Related Parties

19543273

49305255

From Others

150264862

150290862

Total

169808135

199596117

The above Unsecured Loans include:

From Body Corporates

150264862

150290862

From Directors (out of his own funds)

19543273

49305255

From Associates

0

0

169808135

199596117

Other non-current liabilities;

(a) Advances

0

0

(b) Others

0

0

CURRENT LIABILITIES**FINANCIAL LIABILITIES****NOTE- 12****BORROWINGS**

From Banks - Secured

0

0

From Others

0

0

0

0

NOTE -13**TRADE PAYABLES**

17555286

3229612

Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from dur date of payment/ date of transac				
	< 1 Year	1 - 2 years	2 - 3 years	> 3 years	Total
i) MSME	0	0	0	0	0
ii) Others	15446590	0	484494	1624202	17555286
iii) Disputed Dues	0	0	0	0	0
MSME	0	0	0	0	0
Others	0	0	0	0	0
	15446590	0	484494	1624202	17555286

Relevant information in respect of registration of creditors as MSME is not available

NOTE-14**OTHER FIANCIAL LIABILITIES**

Current Maturities of Long Term Debts

0

0

Interest Accrued

0

0

0

0

NOTE - 15**OTHER CURRENT LIABILITIES**

Revenue received in advance

45004188

5812699

Creditors for Capital Expenditure

15348

15348

Other Payables*

1786510

1183990

46806046

7012036

Other payables include Payable for Statutory dues & Other expenses

NOTE - 16**CONTINGENT LIABILITIES AND COMMITMENTS****I. Contingent Liabilities**

	Rs. In Hundreds	Rs. In Hundreds
a) Claims against company not acknowledged as debt:	Nil	Nil
b) Guarantees excluding Financial Guarantees	Nil	Nil
c) Other money for which the Company is contingently liable	Nil	Nil

II. Commitments :

a) Contracts remaining to be executed on Capital Accounts and not provided for	Nil	Nil
b) Uncalled Liability on shares and Other investments partly pa	Nil	Nil
c) Other Commitments	Nil	Nil

**For the year
ended
March 31, 2024
Rs. In Hundreds**

**For the year
ended
March 31, 2023
Rs. In Hundreds**

NOTE-17**REVENUE FROM OPERATIONS**

Sale of Products	161950583	170173550
	<u>161950583</u>	<u>170173550</u>

NOTE- 18**OTHER INCOME**

Interest Income	415632	223379
	<u>415632</u>	<u>223379</u>

NOTE- 19**COST OF MATERIALS CONSUMED :**

Imported	0	0
Indigenous	147023054	144891395
	<u>147023054</u>	<u>144891395</u>

Particulars of major materials consumed:

Waste Papers	<u>147023054</u>	<u>144891395</u>
	<u>147023054</u>	<u>144891395</u>

**For the year
ended
March 31, 2024
Rs. In Hundreds**

**For the year
ended
March 31, 2023
Rs. In Hundreds**

NOTE - 20**INCREASE/DECREASE IN STOCK :****Opening Stock :**

Finished Goods	0	0
Stock-In-Process	25427686	4699
	<u>25427686</u>	<u>4699</u>

Closing Stock :

Finished Goods	0	0
Stock-In-Process	47053361	25427686
	<u>47053361</u>	<u>25427686</u>
INCREASE/(DECREASE) IN STOCK	<u>21625675</u>	<u>25422987</u>

NOTE - 21**EMPLOYEE BENEFIT EXPENSES :**

Salaries & Bonus	3417061	4711075
Director's Remuneration	720000	720000
	<u>4137061</u>	<u>5431075</u>

NOTE - 22**FINANCE COSTS :****Interest Expenses**

Interest on term Loans	0	0
Other Interest	0	0
	<u>0</u>	<u>0</u>

NOTE -23**OTHER EXPENSES****Manufacturing Expenses**

Stores, Chemicals & Packing Materials			
- Indigenous	930006	2027450	
Power & Fuel Charges	8531560	10846971	
Machinery Repairs & Maintenance	171667	433700	
Land Development Expenses	<u>21625675</u>	<u>31258908</u>	<u>25422987</u>
			38731108

Selling & Distribution Expenses

Discounts & Rebates	<u>0</u>	<u>0</u>	<u>886038</u>	886038
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Establishment Expenses

Bank Charges	58718	47592	
Insurance	10261	30366	
Legal & Statutory Expenses	408230	369523	
Professional & Consultancy Fees	292312	276157	
Travelling & Conveyance Expenses	138099	34956	
Miscellaneous Expenses	89070	16515	
Telephone Expenses	4234	2423	
Rent, Rates & Taxes	3000	834033	
Auditor's Remuneration :			
As Audit Fee	40000	40000	
For Taxation Matters & certification	<u>0</u>	<u>1043924</u>	<u>0</u>
		<u>32302833</u>	<u>41268710</u>

NOTE - 23**EARNINGS PER EQUITY SHARES**

i) Net Loss after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(18916000)	(15033895)
ii) Number of Equity Shares	7185200	7185200
iii) Earnings Per Share	<u>0.00</u>	<u>0.00</u>

NOTE - 24**FOREIGN CURRENCY TRANSACTIONS****Expenditure:**

Import of Raw Materials	Nil	Nil
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Earnings:

	<u>Nil</u>	<u>Nil</u>
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NOTE-25**RELATED PARTY DISCLOSURES:**

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

Associates:

Nava-Bharat Press Limited

Navabharat Press, Nagpur

Bionova Papercrafts Private Limited

Shree Trading Corporation

Madhyadesh Press Pvt. Ltd.

Navabharat News Media Private Limited (Formerly Known as Navabharat News Media Limited)

National Newspaper Agency

Madhyadesh Publications Pvt Ltd

Managing Director :

Shri Manoj Sinha

b) Transactions with Related Parties**i) Sales to :**

Nava-Bharat Press Limited	99559250	76455750
Navabharat Press, Nagpur	18750000	93717750
Madhyadesh Press Pvt. Ltd.	43641300	0

ii) Purchases of Waste Papers from :

Shree Trading Corporation	17553484	27127569
Navabharat Press, Nagpur	0	4034880
Bionova Papercrafts Private Limited	26322090	25090801
Navabharat News Media Private Limited (Formerly Known as Navabharat News Media Limited)	28529132	32647175
National Newspaper Agency	14006753	29786674
Madhyadesh Publications Pvt Ltd	48260829	27867815

iii) Remuneration paid to

Wholetime Director: Shri Manoj Sinha	720000	720000
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c) Outstanding Balances

i) Sundry Debtors	0	0
ii) Unsecured Loans received	169808135	49305255

NOTE-26**RATIO ANALYSIS**

i) Current Ratio	Current Assets Current Liabilities	0.87	3.14
ii) Debt Equity Ratio	Total Debts/ Shareholders' Equity	0.00	0.00
iii) Debts Service Coverage Ratio (Not applicable as company has no long term debts)	Net profit after plus Interest/ Current Maturities of long term debts	0.00	0.00
iv) Return on Equity Ratio	Net profit after Shareholders' Equity	0.15	0.14
v) Inventory Turnover Ratio	Sales/Average	5.80	12.53
vi) Trade Receivable Turnover Ratio	Net credit sales	0.00	0.00
vii) Trade Payable Turnover Ratio	Sales/Trade Payable	9.23	52.69
viii) Net Capital Turnover Ratio (Reduced due to increase in work-in-progress for real estate business)	Turnover/(Current Liabilities)	(20.16)	7.78
ix) Net Profit Ratio	Net Profit after Turnover	0.00	0.00
x) Return on capital Employed	Earnings before tax/Capital Employed	0.00	0.00

As per our Report of even date**For & on behalf of the Board of Directors of
SAFFRON INDUSTRIES LIMITED**

Sumit Agrawal
Partner
Membership No 151008
For & on behalf of
Utsav Sumit & Associates
Chartered Accountants
Firm Regn No 016514C

Sd/-
Vinod Maheshwari
Chairman
DIN 00340953

Sd/-
Manoj Sinha
Wholetime Director
DIN 07564967

Sd/-
Mahesh Bhararkar
Company Secretary
M.No : A54694

Sd/-
Anil Bajpai
Chief Financial Officer

NAGPUR
May 28, 2024

NAGPUR
May 28, 2024

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. The company has disposed off a substantial part of its fixed Assets as these were obsolete. This will impact its production capacity.
- 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.

C. Inventories :

- i) Inventories comprising of raw materials, chemicals, packing materials, goods in process and finished products have been valued at lower of cost or net realisable value. The consumables have been valued at cost.
- ii) Inventories comprising of work-in-progress for land development project, is valued at cost.

D. Deferred tax Liability :

No Provision has been made in respect of Deferred Tax Asset calculated as per Ind AS 22, of about Rs.319157 hundreds (Last year Rs.325030 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.

E. Revenue Recognition:

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

F Segment Reporting:

The company has commenced business of Real Estate Development along with manufacture of papers, Segment wise separate reporting is done.

- G. The company has obtained permission from concerned Authorities for change of use of its factory land, for Residential purpose with a plan for layout of plots and paid necessary development fees and has also obtained registration with Maharashtra Real Estate Regulatory Authority (RERA) for that purpose. Considering this the company has converted its factory land into stock-in trade. Expenses incurred on

development along with cost of land are shown as work-in-progress under Inventories. Further, the Company had entered in to Memorandum of Understanding (MOU) with a few buyers, in earlier years to whom these plots have been allotted in pursuant to these MOU. Amounts received or adjusted against sale of these plots are considered as sales. No sale Deeds have been executed for sale of these plots. Balance amounts receivable against sale consideration of these plots, will be considered as sales on execution of Sale Deeds. No sales of these plots have been made during the year.

H Borrowing Cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

J General :

Other accounting policies of the Company are consistent with generally accepted accounting policies.

For Utsav Sumit Associates
Chartered Accountants
Firm Reg. No. 016514C

For SAFFRON INDUSTRIES LTD

Sumit Agrawal
Partner
M. No. 151008
For & on behalf of
Utsav Sumit & Associates
Chartered Accountants
FR No. 016514C

Sd/-
Vinod Maheshwari
Chairman
DIN 00340953

Sd/-
Manoj Sinha
Wholetime Director
DIN 07564967

Sd/-
Mahesh Bhararkar
Company Secretary
M. No. A 54694

Sd/-
Anil Bajpai
Chief Financial Officer

NAGPUR
May 28,2024

NAGPUR
May 28,2024