



SAFFRON INDUSTRIES LIMITED

25TH ANNUAL REPORT 2017-2018



NOTICE TO MEMBERS

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of SAFFRON INDUSTRIES LIMITED will be held on Saturday, the 15th Day of September, 2018 at 11.00 A.M. at Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur - 440 015, to transact the following business :

ORDINARY BUSINESS:

ITEM NO. 1:

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2018 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO. 2

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

ITEM NO. 3:

To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 made there under the appointment of M/s. Utsav Sumit Associates, Chartered Accountants, Nagpur, (Firm Registration No.-0165514C) as the Statutory Auditors of the Company to hold office till the conclusion of the 29th Annual General Meeting to be held in the calendar year 2022 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2019 as may be determined by the audit committee in consultation with the auditors.”

SPECIAL BUSINESS:

ITEM NO. 4:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Achalla Srinivas (holding DIN 08053090), who was appointed as an Additional Independent Director with effect from 14 February 2018 and who holds office of Director up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013, read with Articles of Association of the Company and in respect of whom the Company has received a notice in



writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years up to 13 February 2023.”

ITEM NO. 5:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the shareholders of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies, Mumbai, to append Clause III (A) (1) (a) AND Clause III (A) (1) (b) of the Memorandum of Association of Company:

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, Mr. Vinod Maheshwari, Chairman and/or Mr. Manoj Sinha, Executive Director of the Company be and are hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, Mumbai.”

By Order of the Board,

Sd/-

Place: Nagpur
Dated: August 09, 2018

Saurabh Somani
Company Secretary



NOTES:

i) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 10th September, 2018 to Saturday, 15th September, 2018 (both days inclusive)

ii) A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE SAID MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Proxy Form/s, in order to be effective, must be received at the Registered Office of the Company at Nagpur, not later than 48 hours before the time fixed for the meeting.

Proxies shall not have any right to speak at the meeting.

iii) The statement pursuant to section 102 of the Companies Act, 2013 and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 setting out, of material facts concerning each item of business specified above is annexed hereto.

iv) Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company together with the attendance slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/Registrar and Share Transfer Agent (RTA) of the company/ Depository Participants. For members who have not registered their email address with the Company/ RTA of the company /Depository Participants, physical copies of the above documents are being sent in the permitted mode.

v) Members, who hold shares in physical form, are requested to advise the Company immediately of any change in their addresses.

vi) Members, who hold shares in electronic form, are requested to intimate details regarding change of address, etc. to the Depository Participants, where they have their Demat accounts.

vii) Members may avail of the facility of dematerialisation by opening Demat accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get equity share certificates held by them dematerialised.

viii) The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting. The Members holding shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.

ix) Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialized at the earliest.



x) In case members wish to ask for any information about accounts or operations of the Company, they are requested to send their queries in writing at least 7 days before the date of the meeting, so that the information can be made available at the time of the meeting.

xi) Members having multiple folios are requested to intimate to the Company such folios to enable the Company to consolidate all shareholdings into one folio.

xii) Members are requested to bring their copy of the Annual Report for the meeting.

xiii) Members may note that the Notice of the Annual General Meeting and the Annual Report will be available on the Company's website www.saffronindustries.in. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal working days. Members are also entitled to receive the physical copy upon making specific request.

xiv) As per the provisions of Companies act, 2013, nomination facility is available for members. The nomination forms can be obtained from the Company's Share Transfer Agents by the members holding share in physical form, in respect of members holding shares in electronic form the forms may be obtained from the Depository Participants with whom they are maintaining their demat account.

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

xvi) Green Initiative in the Corporate Governance - Registration of email address

The members are requested to register email address with the Depository Participant / the Registrar and Share Transfer Agent of the Company, i.e. Adroit Corporate Services Private Limited, as the case may be, for service of documents.

Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the Members the facility to exercise their right to vote on resolutions proposed to be considered at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

The facility for voting through ballot paper shall be made available at the AGM to the Members attending the meeting. The Members, who have not cast their vote by remote e-voting, shall be able to exercise their right to vote at the meeting through ballot paper.

- (i) The voting period begins on 12th September, 2018 (9 a.m.) and ends on 14th September, 2018 (5 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 8th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.



- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Saffron Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.



- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

General Instructions for e-voting:

- You can update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 8th September, 2018.
- Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 8th September, 2018 may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details / Password” option available on www.evotingindia.com



- A member may participate in the AGM EVSN after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- 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 remote e-voting as well as voting at the AGM through ballot paper.
- Mr. Vaibhav Netke, Practicing Company Secretary (Membership No. A38174 and CP No. 19556), 532/A, Hanuman Nagar, Near Bharat Yatra Travel Point, Nagpur 440009, e-mail: cs.vaibhavjain34@gmail.com, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members, who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and 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 shall make, not later than three days of the 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 authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.saffronindustries.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- As per the provisions of Section 20 of the Companies Act, 2013, a member may request for any document through a particular mode, for which the member shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing, dispatching documents may vary according to the mode of service, weight, its destination, etc., therefore it is proposed that estimated actual expense, charges borne by the Company for such dispatch will be paid in advance by the member to the company.

By Order of the Board,

Sd/-

Place: Nagpur
Dated: August 09, 2018

Saurabh Somani
Company Secretary



STATEMENT ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 26 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 2 of the Notice

Mr. Vinod Maheshwari

Mr. Vinod Maheshwari, aged about 78 years is a dynamic & intelligent Industrialist possessing rich experience of over 45 years in the Newspaper Industry. He is the Chairman of Saffron Industries Ltd.

Mr. Vinod Maheshwari is also Managing Editor of “Nava Bharat” the renowned Hindi Daily Newspaper covering three major states namely Maharashtra, Madhya Pradesh & Chhattisgarh. The activities related to printing & publishing of Newspaper “Nava Bharat” for Nagpur & Mumbai editions are handled by him.

He was appointed as a Director of the Company on 20th April, 1993.

He is a Member of the Audit Committee, the Stakeholders Relationship Committee, and the Nomination and Remuneration Committee.

Other Directorships

Sr. No.	Directorships
1	NAVA-BHARAT PRESS LIMITED
2	NAVABHARAT INFRAVENTURES LIMITED
3	NAVABHARAT NEWS MEDIA LIMITED
4	NAVA BHARAT PRESS (NAGPUR) PVT LTD
5	NAVABHARAT REAL ESTATE PRIVATE LIMITED
6	MADHYADESH REALTY AND FINANCE PRIVATE LIMITED
7	MADHYADESH PUBLICATIONS PRIVATE LIMITED
8	MADHYADESH HOLDINGS PRIVATE LIMITED
9	MADHYADESH PRESS PRIVATE LIMITED
10	BIONOVA PAPER-CRAFTS PRIVATE LIMITED

He does not hold any committee positions in the other Companies

He is not related to any Director on the Board of Directors of the Company.

He holds 17,85,800 equity shares (24.85 %) in the Company.

Mr. Vinod Maheshwari retires by rotation, and being eligible, offers himself for reappointment.

Mr. Vinod Maheshwari may be deemed to be concerned or interested, financially or otherwise, in the resolution to the extent of his shareholding.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out in Item No. 2 of the Notice.



The Board recommends the ordinary resolution as set out at Item No. 2 of the Notice for approval by the members.

Item No. 4 of the Notice

Mr. Achalla Srinivas

Mr. Achalla Srinivas, aged about 42 years is a commerce graduate from the University of Mumbai & also pursued MBA (HR) from K.J. Somaiya College, Mumbai. He has a vast experience of 21 years in handling various areas of Print Media including Advertisement, Branding, Circulation, Production, Inventory Management and Operational Activities.

He was appointed as the Additional Independent Director of the Company on 14th February, 2018.

He is a Member of the Audit Committee, the Stakeholders Relationship Committee, and the Nomination and Remuneration Committee.

He does not hold any directorship in the other companies.

He is not liable to retire by rotation being an Independent Director.

He does not hold any committee positions in the other Companies

He is not related to any Director on the Board of Directors of the Company.

He does not hold any equity shares of the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out in Item No. 4 of the Notice.

The Board recommends the ordinary resolution as set out at Item No. 4 of the Notice for approval by the members.

Item No. 5 of the Notice

Alteration in Memorandum of Association of the Company

In the present situation paper industry is booming and accordingly its impact on the Company is expected to be positive. Since the paper industry is on growth path the Company will be capitalizing the situation and will be focusing on the business growth.

Considering the Company's strength it is proposed to diversify into profit making ventures which may turn around the Company's financial condition in its favor.

Accordingly it is proposed to enter into the business of land & real estate development.

Further the Company has a good amount of freehold land which is at prime location and has good transport connectivity along with top class amenities which can be utilized for development of residential township purpose.



Developing the land as mentioned above has good scope as people nowadays are investing in this kind of projects.

Since we will be focused in providing the well equipped property with top class amenities at very compatible prices, it will attract the investors at large which will result in makeover of the Company as profit making company.

In this regard amending and appending Clause III (A) (1) (a) AND Clause III (A) (1) (b) of Memorandum of Association of the Company is required as below:

THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

- Amendment and appending Clause III (A) (1) (a) of Memorandum of Association i.e. Main Object Clause of the Company as below:

1. To carry on business of manufacture, process, sell, import, export or otherwise deal in all kinds and classes of papers, board, corrugated board, pulp including writing paper, printing paper, news paper, wrapping paper, filter paper, antique paper, cloth line paper azurelaid and wove paper, kraft paper, chemically treated paper, duplex paper and triplex board, hard board, waste paper and all kinds of article for manufacturing of which in any form paper, boards or pulp is used.

2. To carry on in India or abroad the business to promote, buy, acquire, sell, lease, exchange, hire, give on relit, to let, mortgage or otherwise dispose-off housing project, builders, promoters, engineers, real estate consultants, designers, contractors and developers of lands, orchards, farm houses, flats, buildings, dwelling houses, shops, offices, structures, industrial estates, godowns, sheds, factories, bungalows, chawls, housing colonies, multiplex, complex and to let out land and other immovable property and to purchase, take on lease or otherwise acquire and hold any land or lands or properties or buildings of any tenure or description wherever situate, or rights or interests therein or connected therewith and to construct, re-construct, pull down, alter, improve, decorate, and furnish and maintain flats, maisonette, dwelling houses, shops, offices, buildings, godowns, industrial estates, works and conveniences of all kinds and to lay out roads, pleasure and recreation grounds, make plantation, drain or otherwise improve the land or any part thereof and to manage, sale or let-out the same or any part thereof for any period whether belonging to the Company or not and at such rent and on such conditions as the Company shall think fit and to collect rents and income thereof.

3. To undertake, manage, deal, build, construct, erect, demolish, improve, maintain, alter, enlarge or carry out any other work in connection with any building or buildings, scheme, infrastructure projects, projects under BOT scheme, roads, highways, docks, ships, sewers, bridges, canals, wells, springs, dams, gas electric light, telephonic, telegraphic, and power supply works or any other structural work and for such purpose to prepare estimates, designs, plans, specifications or models

MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) (1) (a) ARE:

- Amendment and appending Clause III (A) (1) (b) of Memorandum of Association of the Company as below:

4. To purchase, acquire, build, construct, cultivate, take on lease or otherwise deal in andhold any land, freehold or leasehold land, building, property, premises, shops, workshop, factory, shed, godowns, estate or buildings or properties, hereditaments or real estates of any tenure or description wherever situate, orrights or interests therein or connected therewith to construct, reconstruct,



pull down, alter, improve, decorate and furnish and maintain to lay out roads and to plant, drain or otherwise improve the land or any part thereof or producing, cultivating, growing timber, bamboos or other wood for manufacturing of pulp & paper and to manage, or let the same or any part thereof for any period whether belonging to the Company or not, and at such rent and on such conditions as the Company shall think fit, to collect rents and income thereof and to purchase, lease, construct, built, maintain, hold or otherwise acquire or provide in any place in which any part of the business of the company may from time to time be carried on.

5. To acquire, equip, run and maintain sales and service offices, development centers, data center, site, showrooms, warehouses, stores and to appoint services and sales engineers, sales representatives, maintenance engineers, onsite and off site operators, employees and staff for the business of the company

6. To procure, import, repair, service, assemble, process, install, buy, sell, trade and deal in all kinds of raw materials, consumables parts, equipments, accessories, machineries, tools required for the business of the Company.

7. To act as consultant engineers, contractors, maintenance & labour contractors and to carry on liaison work on retainer-ship basis either in India or in abroad and to render all services and to act as commission agent for the purpose of business of the Company.

8. To carry on the business as manufacturers, importers, exporters, dealers, processors, stockiest, agent, contractors, distributors, buyers or sellers of packages, containers, cans, drums, begs, boxes, wrappers, tape films, sheets, and other packing material made of paper, card-board, corrugated sheets, cloth, plywood, metals, plastic, PVC, or other synthetic, chemical, fibers or natural products..

9. To open an account or accounts with any Bank or Bankers and to pay in to and withdraw money from such account or accounts.

10. To acquire, undertake, use, invent, design, supply, improve, manage, develop, administer, sell, research, exchange, lease or dispose of technology, technical know-how, and turnkey projects connected with the business of the Company and to acquire, promote from any persons, firm or body corporate whether in India or elsewhere, technical information, processes, engineering, manufacturing and operating data, plans, layouts and blue prints useful for the design, erection and operation of plant required for the business of the Company and to acquire any grant or license or other rights and benefits.

11. To provide all types of consultancy and advisory services and reports thereon, preparing designs, estimation, evaluation and economic studies and technical feasibility study and furnishing of other services required to enable client's to consider the execution of all types of works.

12. To train or apply for training in India or abroad of any member or any of the Company's employees or Directors or any other candidate in interest of or for the furtherance of the Company's business.

13. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area and to incur any expenditure on any programme or rural development and to assist execution and promotion thereof either directly or through any independent agency or in any other manner. Without prejudice to the generality of the foregoing "programme of rural development" shall also include any programme for promoting the social and economic welfare of or economic uplift of the public in any rural area likely to promote and assist rural development, and that the words, "rural



area" shall include such areas as may be regarded as rural areas under Section 35CC of the Income-tax Act, 1961 or any other law relating to rural development for the time being in force as rural areas and in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value and subject to the provisions of the Companies Act, divest the ownership of any property of the company to or in favour of any Public or Local body or authority or Central or State Governments or any public Institutions.

14. To undertake, carry out, promote and sponsor and assist any activity for the promotion and growth of national economy and for discharging social and moral responsibilities of the Company to the public or any section of the public as also any activity likely to promote national welfare or to undertake any activity of conversion of national resources or social, economic or moral uplift of the public or any section of the public and without prejudice to the generality of the foregoing and in such manner by such means from time to time to undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers or for organizing lectures or seminars, likely to advance these objects or for giving merit awards, scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to pursue their studies or academic pursuits or researches or to take up establishments of any Medical Research Center, to collect information and advices on modern techniques for treatment of diseases for the benefit of rural areas either by itself or through any of the agencies and for establishing, conducting or assisting any institution, fund, trust having any one of the aforesaid objects as one of its objects by giving donations or otherwise in any other manner in order to implement any of the abovementioned objects or purposes, transfer without consideration or at fair or concessional value and subject to the provisions of Companies Act, divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institutions.

15. To carry on the business of manufacturing, marketing, servicing and leasing computers word processors and other microprocessors based system as well as the manufacture of software programmes for use with any of the above mentioned items.

16. To carry on business as dealers in timber and timber products, hardboards, plywood's, sunmicas and to act as saw mill proprietors and wood cutters and processors.

17. To carry on the business of manufacturers of and dealers in containers, boxes, packing's, packages, wrappings, wrappers and receptacles of all kinds made from paper and boards, including cardboards and plywood's, plastic, plastic materials, metal, alloy glass, veneers and other materials of all kinds, whether synthetic or not, for trade and industries of every description

18. To carry on a general business of providing comparative information about the characteristics, interest and other attributes of individuals, communities, organization, countries, or other social units and of any articles or commodities, or economic trends or person whatsoever. To design, invent, prepare, own, make use of, lease, sell or otherwise dispose of and generally, to deal in and with computers data processing machines, types, cards, memory equipment or any other equipment and materials of every kind and description useful in connection with forgoing business. To license or otherwise authorize others to engage in the foregoing and to engage in general research and development in areas related to or involving foregoing.

19. To apply for tender, purchase or otherwise acquire any contract, benefits or any concession for or in relation to the construction, execution, carrying out of equipments, improvements, management and administration of any assets or properties whether belonging to the Company or not and to undertake, execute, carryout, dispose off or otherwise turn into account the same.

20. To enter into partnership or into any arrangements for sharing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person, firm or company



carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorized to carry on.

21. To amalgamate, reconstruct (internal or external), restructure, merge, de-merge, spin off, enter into any partnership or partially amalgamate with or acquire an interest in the business of any other company, person or firm, or enter into any arrangement for sharing profits, or for co-operation or for limiting competition, or for mutual assistance, with any such person, firm or company, or to acquire and carry on any other business (whether manufacturing or otherwise) auxiliary to the business of the Company or connected therewith or which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property or activities and to give or accept by way of consideration for any of the acts or things aforesaid, or property acquired, any shares, debentures, debenture-stock, securities, cash or any other property or assets, by whatever name called, that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture-stock, securities, cash or other assets or property so received.

22. To acquire, takeover, manage and undertake the whole or any part of the business, property and liabilities of any person, firm or body corporate carrying on or proposing to carry on any business which the Company is authorized to carry on or possessed of property suitable for the purposes of the Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.

23. To sublet all or any contract relating to business of the Company from time to time and upon such terms and conditions as may be expedient.

24. To adopt such means of making known the products of the company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of book and periodicals and by granting prizes, rewards and donations.

25. To apply for, purchase or acquire and obtain any patents, copyright, brevets invention, licenses, permissions, concessions, processes trademarks, brand names and the like conferring any exclusive or limited right either in point of times or otherwise to use the same, or any secret or other information as to any invention which may seem capable of being used for any purpose of the Company and to use, exercise, develop or grant licenses, in respect of or turn to account any patents, inventions, licenses, permissions, concessions, processes and the like, and the information so required and to adopt such means of making known the business of the Company as may seem expedient.

26. To borrow or raise or secure the payment of money or to receive money at interest for any of the purposes of the Company and at such time or times and in such manner as may be thought fit and in particular by the issue of debentures or debenture-stock perpetual or otherwise, including debentures or debenture-stock convertible into shares of this or any other Company, or perpetual annuities and for security for any such money so borrowed, raised or received, or of any such debentures or debenture-stock so issued to mortgage, pledge or charge the whole or any part of the property, assets, or rEVSNue and profits of the Company present or future including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust, and to give the lenders power of sale and other powers as may seem expedient, and to purchase, redeem or pay off any such securities.

27. To mortgage, hypothecate, pledge, lease, sub lease and license all or any of the property whether movable or immovable of any description whatsoever and other valuable securities of the Company.

28. To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or Company to pay the same,



and to pay commissions to brokers and others for underwriting placing, selling or guaranteeing the subscription of any shares, Debentures, Debenture-stock or securities of the Company.

29. To distribute by way of bonus shares among the members or otherwise to apply, as the Company may from time to time think fit, any moneys, received by way of premium on shares for debentures issued at a premium by the Company and moneys arising from the sale by the Company of forfeited shares.

30. To acquire and secure membership, seat or privileges either in the name of the Company and its nominee in any association or institution in India or any part of the World dealing in the business of the Company as mentioned in the main Object Clause of this MOA and to acquire and hold shares, stocks, debentures, bonds, loans and other securities so far it relates to the Company's business.

31. To sell or dispose any of the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for cash or for shares, debentures or securities of any other Company.

32. To advance money to such persons or firms or companies or body corporate and on such terms as may be deemed expedient, and in particular to customers and others having dealings with the Company and to guarantee the performance of contracts by any such persons.

33. To draw, make, accept, endorse, discount, execute, and issue bill of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable and transferable instruments.

34. To provide guarantee or security or surety or indemnity or collateral to any individual, bank, institution or any other organization on behalf of the company or on behalf of any individual or firm or company or organization and to secure and guarantee the performance or any contract or obligation.

35. To indemnify Officers, Directors, Agents, and servants of the Company against proceedings, costs, damages, claims and demands in respect of anything done, or ordered to be done by them for and in the interests of the Company, or for any loss, damages, or misfortune whatever, which shall happen in execution of the duties of their office or in relation thereto.

36. To enter into any arrangements with any Governments or authorities supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any such Government or authority any objects, concessions and privileges which the Company may think fit desirable to obtain, and to exercise, carry out and comply with any such arrangements, rights and concessions.

37. Generally to purchase, take on lease or in exchange, hire or acquire any real or personal property or any rights or privileged which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock-in-trade.

38. To subscribe or contribute or to assist charitable, benevolent, philanthropic religious, scientific, national, public, political or any other institutions, objects or purposes or any exhibition and to undertake corporate social responsibility activities.

39. To create any reserve fund, sinking fund, or any other special fund whether for depreciation or for repairing, improving extending or maintaining, any of the property of the Company or for purposes conducive to the interests of the Company.

40. To provide for the welfare of directors or Ex-Directors or employees or Ex-Employees of the Company and the wives, widows and families or the dependent or connections of such persons by



building or contributing to the building of houses or dwellings or quarters or by grants of money, pensions, gratuities, allowances, bonuses, profit-sharing bonuses or benefits or any other payment or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places or institutions and creation of hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit and to subscribe or contribute or otherwise to assist or to guarantee money, to charitable, benevolent, religious, scientific, national, public or any other useful institution, objects or purposes, or for any exhibition.

41. To insure the company fully or partly against any losses, damages, risks, accidents and liabilities of all kinds which may effect to it whether in respect of its contracts, agreements, advances, securities, undertakings, properties, belongings, goods, profits, articles, guarantees and obligations or in respect of servants or employees of the company either by setting apart funds of the company or by effecting appropriate insurances from time to time.

42. To produce electricity necessary for the purpose of the business of the Company and to process or deal with all products, by-products, waste and residues resulting from or ancillary and incidental to such production.

43. To carry on all or any of the business of printers, stationers, lithographers, type foundry, stereotypers, electrotypers, photographic printers photo-lithographers, chrome-lithographers, photographers, engravers, die-scanners, book binders, advertisement agents and dealer in or manufacturing of any other articles or things or a character similar or analogous to the foregoing or any of them or connected therewith.

44. To carry on business of manufacturers of and dealers in all kinds of inks and printing inks, all raw materials required for the manufacture of all kinds of printing and allied inks and particularly pigments, varnishes, resins, oils, other intermediaries, extenders and driers.

45. To carry on business of printing, publishing and circulating or otherwise dealing in any daily, weekly, fortnightly or monthly newspaper or newspapers, magazines, periodicals, journals or other publications.

46. To carry on business of Investment Company and to buy, sell, underwrite, invest in, acquire, hold, deal in shares, stock, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any Company constituted or carrying on business in India or elsewhere and shares, stock, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by an Government, State Dominions, Sovereign Rulers, commissioners, public body or authority, supreme municipal, local or other body, firm or person whether in India or elsewhere and also invest in, buy and sell bullion precious metal, precious stones, real estate, whether in India or elsewhere.

47. To undertake and execute any contract for supply, erection, designing and fabrication of all kinds of paper machinery, equipment, supply of technical know-how in relation to any of the above objects and to carry on any ancillary or other works comprised of any such contracts

By Order of the Board,

**Place: Nagpur
Dated: August 09, 2018**

**Saurabh Somani
Company Secretary**



SAFFRON INDUSTRIES LIMITED
CIN: L21010MH1993PLC071683

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

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

ATTENDANCE SLIP

I hereby record my presence at the 25th Annual General Meeting held at Saffron Industries Limited at the Registered Office Premises, Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur 440 015, on Saturday, 15th September, 2018 at 11.00 A.M.

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

SIGNATURE OF THE SHAREHOLDER OR PROXY:

NOTE:

1. Please fill in this attendance slip and hand it over at the entrance of the meeting hall.
2. Members are requested to bring their copies of Notice and 25th Annual Report to the Meeting as the same will not be circulated at the meeting.



Form No. MGT-11

Proxy form

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

Name of the company: **SAFFRON INDUSTRIES LIMITED (CIN: L21010MH1993PLC071683)**
 Registered office: Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur-Maharashtra

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name:

Address:

E-mail Id:

2. Name:

Address:

E-mail Id:

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

3. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the company, to be held on the 15th day of September, 2018 At 11.00 a.m. at Saffron Industries Limited at it Registered Office : Nava Bharat Bhawan, Chhatrapati Square, Wardha Road, Nagpur 440 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1 Adoption of statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2018
- 2 Re-appointment Mr. Vinod Maheshwari (holding DIN-00340953) (retiring Director) as Director of the Company
3. Ratification of appointment of Auditors and fixing their Remuneration
4. Appointment of Mr. Srinivas Achalla (holding DIN 08053090) as Independent Director of the Company for the term of 5 years
5. To amend & append the Clause III (A) (1) (a) AND Clause III (A) (1) (b) of the Memorandum of Association of Company

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

Signature of shareholder :

Signature of Proxy holder(s):

First Proxy holder Second Proxy holder Third Proxy holder

Affix
Revenue
Stamp

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



Form No. MGT-12

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

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

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

BALLOT PAPER

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

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

No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of Statement of Profit & Loss, Balance Sheet, Report of Board of Directors and Auditors			
2.	Re-appointment Mr. Vinod Maheshwari (holding DIN-00340953) (retiring Director) as Director			
3.	Appointment of Auditors and fixing their Remuneration			
4.	Appointment of Mr. Achalla Srinivas (holding DIN 08053090) as Independent Director of the Company for the term of 5 years			
5.	To amend & append the Clause III (A) (1) (a) AND Clause III (A) (1) (b) of the Memorandum of Association of Company			

Place: _____

Date: _____

.....
(Signature of the shareholder)

.....
(Signature of First Proxy)

.....
(Signature of Second Proxy)

.....
(Signature of Third Proxy)



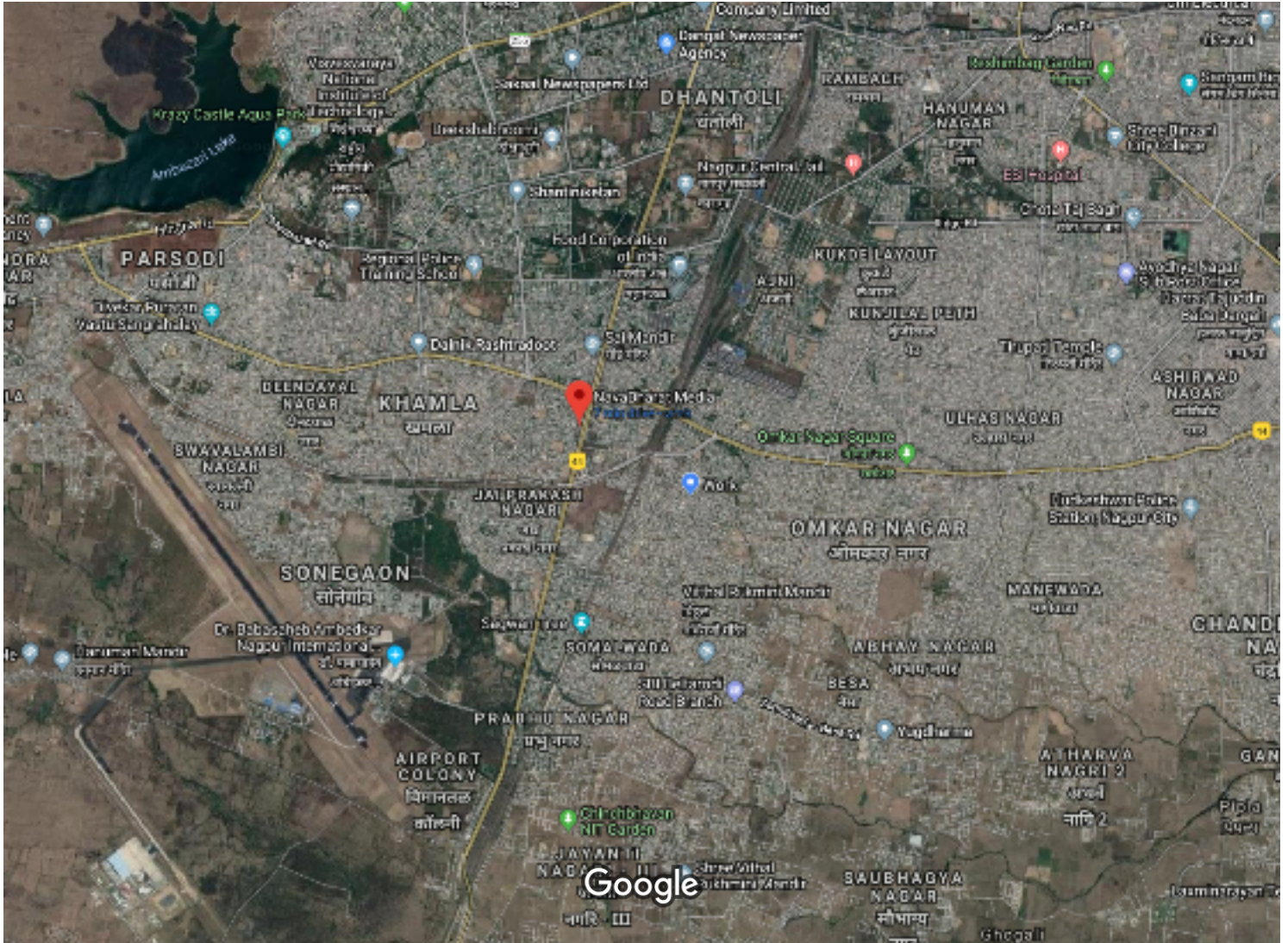
INSTRUCTIONS

1. Members may fill up the ballot form printed overleaf and submit the same in a sealed envelope to the Scrutiniser, Mr. Vaibhav Netke & Associates, Practicing Company Secretary, 532/A, Hanuman Nagar, Near Bharat Yatra Travel Point, Nagpur-440009 , or to his e-mail id: cs.vaibhavjain34@gmail.com, so as to reach by 5:00 p.m. on September 14, 2018. Ballot form received thereafter will strictly be treated as if not received.
2. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.
3. The Company will not be responsible if the Ballot Form torn, mutilated in any manner.
4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/ signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of the members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e. M/s Adroit Corporate Services Private Limited. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/ DP ID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorised representative of the body corporate/ Trust/ Society, etc. a certified copy of the relevant authorisation/ Board resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice calling 25th Annual General Meeting of the Company and are also placed on the website of the Company (i.e. www.saffronindustries.in).



NavaBharat Media

25th AGM of Saffron Industries Limited to be held in "Nava Bharat Bhavan"
denoted as Nava Bharat Media in Map



Imagery ©2018 CNES / Airbus, DigitalGlobe, Landsat / Copernicus, Map data ©2018 Google 1 km

**DIRECTORS' REPORT**

To the Members of 'SAFFRON INDUSTRIES LIMITED'

Your Directors have pleasure in presenting their Twenty Fifth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS:

(Amount in Hundred)

SALES AND OTHER INCOME		<u>5,75,408.84</u>
Profit/(Loss) before Finance Cost & Depreciation		(33,614.56)
Less : Finance Cost		
Depreciation	17,913.99	
	1,23,679.82	
		<u>1,41,593.81</u>
Profit/(Loss) Before Tax and Exceptional items		(1,75,208.37)
Less : Tax Expenses - Current Tax		NIL
Less : Prior Period Expenses		NIL
Profit/(Loss) after Tax		<u>(1,75,208.37)</u>
Add : Prior Year Adjustment (income Tax)		(1,090.82)
Profit/(Loss) for the year		<u>(1,76,299.19)</u>
Add: Profit/(Loss) Balance brought forward from pervious year Balance Sheet		<u>(15,95,818)</u>
Balance carried forward		<u>(15,95,818)</u>

REVIEW OF OPERATIONS:

During the year under review the Sales Turnover of your company was Rs. 5.75 Crore as against Sales Turnover of Rs. 33.54 Crore in the previous financial year. The high cost, scarce availability of raw material and adverse market condition, resulted into reduction of sales turnover during the period under review as compare to the last year. Due to increase in expenditure to sales ratio the company has suffered loss of Rs. 1.76 Crore as against profit of Rs. 39.66 Lacs during the previous financial year.



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

FUTURE OUTLOOK:

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

NO CHANGE IN NATURE OF BUSINESS:

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

DIVIDEND:

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

AMOUNTS TRANSFERRED TO RESERVES:

The Board of Directors of the Company has decided to carry Rs. (1.76) Crore to its reserves.

NO CHANGE IN SHARE CAPITAL:

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

INFORMATION ABOUT SUBSIDIARY/JV/ASSOCIATE COMPANY:

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

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

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

MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments affecting the financial position of the Company occurred between 31st March, 2018 and the date of this Report.



EXTRACT OF ANNUAL RETURN:

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

MEETINGS OF BOARD OF DIRECTORS :

During the financial year 2017-18, the company held 5 board meetings of Board of Directors as per Section 173 of the Companies act, 2013, which is summarized in Report on Corporate Governance below (Annexure-E to this Report).

DIRECTORS` RESPONSIBILITY STATEMENT:

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

- i) That the preparation of the annual accounts for the financial year ended on 31st March 2018, the applicable accounting standards have been followed and that there were no material departures;
- ii) That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2018 and of the profits of the Company for the year under review;
- iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That they had prepared the annual accounts for the year ended 31st March 2018 on a “going concern” basis;
- v) That they had laid down internal financial controls to be followed by the Company and such internal financial control are adequate and were operating effectively;
- vi) That they had devised proper systems to ensure compliance with the provision of all applicable laws and that systems were adequate and operating effectively.

STATUTORY AUDITORS AND THEIR REPORT:

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

LOANS, GUARANTEES AND INVESTMENT:

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

**RELATED PARY TRANSACTIONS:**

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

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

RISK MANAGEMENT POLICY:

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

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

DIRECTORS:

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

Directors appointed during the FY 2017-2018

Shri Achalla Srinivas (DIN-08053090) was appointed as an Additional Independent Director of the Company with effect from 14th February, 2018. The Company has received requisite notice in writing from a Member proposing his candidature for the office of Director. The resolution seeking approval of the Members for reappointment of Shri Achall Srinivas as Independent Director of the Company for the term of five consecutive year's upto 14th September, 2023 has been incorporated in the Notice of ensuing Annual General Meeting.



Key Managerial Personnel (KMP) appointed during the FY 2017-2018

During the FY 2017-18, Mr. Saurabh Somani has been appointed as the Company Secretary of the Company with effect from 14th February, 2018.

DEPOSITS:

The company has not accepted deposits during the year.

CORPORATE SOCIAL RESPONSIBILITY:

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

ANNUAL EVALUATION:

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

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

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

INDEPENDENT DIRECTORS AND DECLARATION:

Smt. Manjulika A. Bajpai (DIN-07143934) and Shri Achalla Srinivas (DIN-08053090) are Independent Directors of the company under Section 149 of the Companies Act, 2013 and applicable rules/schedules there under. The Board of Directors of the Company hereby confirms that the Independent Directors duly appointed by the Company have given the declaration and meets the criteria of independence as provided under section 149 (6) of the Companies Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE AND POLICY :

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



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

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

AUDIT COMMITTEE:

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

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

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

SECRETARIAL AUDITOR:

M/s. **Vaibhav Netke** & Associates, Practicing Company Secretaries, Nagpur, were appointed as Secretarial Auditor and their report on Secretarial Audit in Form MR 3 under Section 204 of the Companies Act, 2013 for the financial year 2017-18 is attached as Annexure-'C' and forms part of this report.

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

1. The promoters' shareholding is not fully dematerialized; however they are under process to comply the same;
2. we have observed non - payment of fees to NSDL and CDSL due to technical non communication of the same; however the Company has made the payment before signing;
3. 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;
4. The trading of the specified securities of the Company is Suspended due to Penal reason on BSE;
5. Public Notice by BSE Limited on June 2, 2018 in "Financial Express", BSE proposed Compulsory Delisting of Companies due to suspension of securities for more than six months which contains the Name of M/s. Saffron Industries Limited (No. 74 in the List).



COST AUDITOR & COST RECORDS:

The relevant provisions of Companies Act, 2013 in respect of appointment of Cost Auditors and maintenance of Cost Records were not applicable to the company for the Financial Year 2017-18.

VIGIL MECHANISM:

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

SHARES:

a. Buy back of Securities

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

b. Sweat Equity

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

c. Bonus Shares

No Bonus Shares were issued during the year under review.

d. Employees Stock Option Plan

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

ORDER OF COURT:

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

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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



DEMATERIALIZATION OF SHAREHOLDING:

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

LISTING OF SECURITIES:

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

CORPORATE GOVERNANCE:

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

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

During the year under review, there were no cases filed pursuant to the aforesaid Act.

PERSONNEL AND RELATED INFORMATION:

None of the employees has received salary of Rs. 60 Lac per annum or Rs. 5.00 Lac per month or more during the financial year 2017-18. Accordingly, no particulars of employees are to be given pursuant to the provision of Section 197 of the Companies Act, 2013 read with respective rules.

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

OTHER PARTICULARS:

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

ACKNOWLEDGEMENTS:

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

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

SAFFRON INDUSTRIES LIMITED



For and on behalf of the Board,

Sd/-

**Vinod Maheshwari
Chairman**

**Place: Nagpur
Date: August 9, 2018**



ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

1) CONSERVATION OF ENERGY:

The basic philosophy of the Company is to achieve economy in operations at all levels and ensure optimum use of resources and minimisation of energy wastes. This objective is achieved through a proper & continuous system of monitoring and maintenance adopted by the Company. The Co-generation Power Plant is contributing consistently in bringing down the energy costs of the Company with minimal wastes and is also ensuring supply of power & steam to the Paper Plant thus enabling the company to achieve its optimum production capacity. Due to increase in required connected load at the Plant we have taken an alternative power source from Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) power grid during the year 2017-18.

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

A) POWER CONSUMPTION

PARTICULAR	2017-18	2016-17
ELECTRICITY From *M.S.E.D.C.L , Units (in KWH)	0.00	11,88,810
Own Generation, Units (in KWH)	30,66,170	1,23,26,106
Total Units Consumed, (in KWH)	30,66,170	1,35,14,916
Total Amount, (in Rs. lacs)	147.18	689.26
Rate per Unit, (in Rs.)	4.80	5.10

B) CONSUMPTION PER UNIT OF PRODUCTION

PARTICULARS	2017-18	2016-17
Machine Production (MT)	2,954	13,129
Electricity (KWH/MT)	1,038	1,029
Finished Production (MT)	2,813	12,500
Electricity (KWH/MT)	1,090	1,081

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



2) TECHNOLOGY ABSORPTION: RESEARCH AND DEVELOPMENT

The technology used for the existing project is fully indigenous. The production department of the Company is constantly engaged in the process of evaluating new ways and better methods to improve the performance, quality and cost effectiveness of its products. Great emphasis is given on upgradation of technology as suggested by the Production Department. The Company does not have a separate Research and Development activity.

3) FOREIGN EXCHANGE EARNING AND OUTGO:

There was no any income earned or expenditure made in foreign exchange during the year under review.

For and on behalf of the Board,

**Place : Nagpur
Date : August 9, 2018**

**Vinod Maheshwari
Chairman**



ANNEXURE 'B' TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on The Financial Year Ended on 31st March 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing Newsprint	17012	98.15%
2	Manufacturing Kraft Paper	17014	1.85%



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	
d) Bodies Corp	963100	99700	1062800	14.79	963100	99700	1062800	14.79	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	
f) Any Other									
f) i) Director's Relatives	852350	645600	1497950	20.82	852350	645600	1497950	20.82	0.00
f)ii) Directors	715000	1070800	1785800	24.85	715000	1070800	1785800	24.85	0.00
Sub-total(A)(1):-	2530450	1816100	4346550	60.49	2530450	1816100	4346550	60.49	0.00

SAFFRON INDUSTRIES LIMITED



2) Foreign									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	
h) Other-Individuals	0	0	0	0	0	0	0	0	
i) Bodies Corp.	0	0	0	0	0	0	0	0	
j) Banks / FI	0	0	0	0	0	0	0	0	
k) Any Other....	0	0	0	0	0	0	0	0	
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	7600	7600	0.11	0	7600	7600	0.11	0
b) Banks / FI	-	-	-	-	-	-	-	-	
c) Central Govt	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	
e) Venturecapital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FIIs	-	-	-	-	-	-	-	-	
h) ForeignVenture Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(1)	0	7600	7600	0.11	0	7600	7600	0.11	0.0
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) overseas	144936	6200	151136	2.10	174835	6200	181035	2.52	0.42
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1251066	626410	1877476	26.13	1235003	624510	1859513	25.88	-0.25
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	782739	0	782739	10.89	769693	0	769693	10.71	-0.18
c) Others(NRIs)	17699	0	17699	0.25	19709	0	19709	0.27	0.02
d) Clearing Member/ Corporate Body-Broker	2000	0	2000	0.03	1100	0	1100	0.02	-0.01
Sub-total (B)(2)	2198440	632610	2831050	39.40	2200340	630710	2831050	39.40	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2198440	640210	2838650	39.51	2200340	636910	2838650	39.51	0.00



C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4728890	2456310	7185200	100	4730790	2454410	7185200	100	0

Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	
1.	Shri Vinod Maheshwari	1785800	24.85	N.A.	1785800	24.85	N.A.	0.04
2.	Shri Nimish V. Maheshwari	1317817	18.34	N.A.	1317817	18.34	N.A.	0.00
3.	Smt. Shriranga V. Maheshwari	74195	1.03	N.A.	74195	1.03	N.A.	0.00
4.	Smt. Anupama N. Maheshwari	94060	1.31	N.A.	94060	1.31	N.A.	0.00
5.	Navabharat Real Estates Pvt. Ltd. (Formerly- Madhyadesh Construction & Finance Pvt. Ltd.)	456500	6.35	N.A.	456500	6.35	N.A.	0.00
6.	Nava Bharat Press Ltd.	100400	1.40	N.A.	100400	1.40	N.A.	0.00
7.	Madhyadesh Press Pvt. Ltd.	1000	0.01	N.A.	1000	0.01	N.A.	0.00
8.	Nava Bharat Press (Nagpur) Pvt. Ltd.	371200	5.17	N.A.	371200	5.17	N.A.	0.00
9.	Madhyadesh Holdings Pvt. Ltd.	133700	1.86	N.A.	133700	1.86	N.A.	
10.	Shubha Maheshwari	400	0.01	N.A.	400	0.01	N.A.	0.00
11.	Vaibhav Maheshwari	2500	0.04	N.A.	2500	0.04	N.A.	0.00



12.	Vineeta Jaju	8978	0.13	N.A.	8978	0.13	N.A.	0.00
	Total	4346550	60.49	N.A.	4346550	60.49	N.A.	0.00

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4346550	60.49	4346550	60.49
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): (Transmission (inter promoter) of 3400 i.e 0.04% Shares of Shri Nilesh V. Maheshwari (deceased) transmitted to Shri Vinod Maheshwari on 07/08/2015)	No Increase/Decrease in Total Promoter's Shareholding during F.Y. 2017-18			
	At the End of the year	4346550	60.49	4346550	60.49



V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. Manoj Sinha				
	Gross salary	770000	-	-	-	-
	(a) Salary as per provisions contained in					



	section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
1.	Stock Option	-	-	-	-	-
2.	Sweat Equity	-	-	-	-	-
3.	Commission - as % of profit - others, specify...	-	-	-	-	-
4.	Others, please specify	-	-	-	-	-
5.	Total (A)	770000	NIL	NIL	NIL	NIL
	Ceiling as per the Act					5% of the net profit

B. Remuneration to other directors:

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

*In absence of adequate profit Other Directors has opted for not taking any sitting Fees for attending Board and its Committee meetings

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total



			*Mr. Saurabh Somani		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	69475	NIL	NIL
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify				
6.	Total	NIL	156758	NIL	NIL

*Mr. Saurabh Somani appointed as the Company Secretary on 14th February, 2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



ANNEXURE 'C' TO THE DIRECTORS' REPORT

Form No. MR-3
Secretarial Audit Report
For the Financial year ended 31st March 2018

[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.

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

Based on 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, we hereby report that in our opinion, the Company has, during the audit period, covering the Financial Year ended on 31.03.2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SAFFRON INDUSTRIES LIMITED ('the Company') for the Financial Year ended on 31.03.2018, 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*;



- v. The following Regulations and Guidelines prescribed under the SEBI Act, 1992 (SEBI Act):
- b) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time; *whereas the compliance of Corporate Governance provisions as specified in regulations 17,18,19,20,21,22,23,24,25,26,27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C,D and E of Schedule V shall not apply;*
 - d) The SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - e) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009: *Not Applicable;*
 - f) The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: *Not Applicable;*
 - g) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008: *Not Applicable;*
 - h) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - i) The SEBI (Delisting of Equity Shares) Regulations, 2009: *refer vii (4);* and
 - j) The SEBI (Buyback of Securities) Regulations, 1998: *Not Applicable.*
- vi. Other applicable Acts:
- 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



We have relied on the representations made by the Company, its officers and reports of Auditors for systems and mechanism framed by the Company for compliances under other acts, laws and regulations applicable to the Company as mentioned above.

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
- vii. During the period under review, the Company has 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 are under process to comply the same;
 2. we have observed non - payment of fees to NSDL and CDSL due to technical non communication of the same; however the Company has made the payment before signing;
 3. 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;
 4. The trading of the specified securities of the Company is Suspended due to Penal reason on BSE;
 5. Public Notice by BSE Limited on June 2, 2018 in "Financial Express", BSE proposed Compulsory Delisting of Companies due to suspension of securities for more than six months which contains the Name of M/s. Saffron Industries Limited (No. 74 in the List).

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

Adequate notice is given to all directors to schedule the Board Meetings 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 Meetings are carried out unanimously and there were no members dissenting the resolution(s) during the year under review.

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



We further report that 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 audit and other designated professionals.

VAIBHAV NETKE & ASSOCIATES
Company Secretaries

Sd/-

Vaibhav Netke
Proprietor

ACS No.38174,
CP No.19556

Date: 14th July, 2018
Place: Nagpur



“ANNEXURE TO SECRETARIAL AUDIT REPORT”

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

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

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

VAIBHAV NETKE & ASSOCIATES
Company Secretaries

Sd/-

Vaibhav Netke
Proprietor
ACS No.38174,
CP No.19556



ANNEXURE 'D' TO THE DIRECTORS' REPORT

**NOMINATION AND REMUNERATION POLICY OF
SAFFRON INDUSTRIES LTD.**

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

1. PREFACE:

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

The Nomination and Remuneration Policy is as under :

2 ROLE OF THE COMMITTEE:

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

3 MEMBERSHIP:

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



4 CHAIRMAN:

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

5. FREQUENCY OF THE MEETING:

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

6 COMMITTEE MEMBERS INTEREST:

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

7 SECRETARY:

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

8. VOTING:

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

9. MINUTES OF COMMITTEE MEETING:

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



ANNEXURE - E TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE :

1. Brief statement on Company's Philosophy on code of Corporate Governance :

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

2. Board of Directors :

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

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

The company ensures that all statutory, significant material information are placed before the Board/Committees of Directors for their noting/approval to enable them to discharge their responsibilities as trustees of the large family of shareholders. During the year, information on matters mentioned in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration. The Board periodically reviews compliance of all laws applicable to the Company.

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



Sr. No.	Name of Director	Category of Directorship	Attendance of each Director		Number of other		
			Board Meeting	Last AGM	Directorship	Committee Membership	Committee Chairmanships
1)	Shri Vinod R. Maheshwari (DIN-00340953)	Non-Executive Director	5	Present	10	Nil	Nil
2)	Smt. Manjulika Bajpai (DIN-07143934)	Non-Executive Independent Director	5	Present	Nil	Nil	Nil
3)	Shri Manoj Sinha (DIN – 07564967)	Whole-time Director	5	Present	Nil	Nil	Nil
4)	*Shri Achalla Srinivas (DIN-08053090)	Managing Director	1	N.A.	6	Nil	Nil

*Shri Achalla Srinivas was appointed as Director of the Company wef 14th February 2018.

Meeting of Board of Directors:

During the period under review, 5 Board Meetings were held on 3rd May 2017, 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018.

3. Audit Committee :

(A) Composition

As at 31st March, 2018, the Audit Committee comprises of Four Directors, among which 2 of the Directors are Independent. The Company Secretary acts as the Secretary to the Committee.

During the financial year under review, four meetings of the Committee were held on 30th May, 2017, 14th August, 2017, 14th November, 2017 and 14th February, 2018.



The composition of the Committee and attendance at its meetings is given below:

Sr. No.	Name of the Member Director	Category	Number of meetings attended
1.	Smt. Manjulika A. Bajpai (Chairman)	Non-Executive Independent	4
2.	Shri Vinod R. Maheshwari	Non-Executive Non- Independent	4
3.	Shri Manoj Sinha	Executive	4
4.	Shri Achalla Srinivas*	Non-Executive Independent	1

*Shri Achalla Srinivas was appointed as the member of the Audit Committee w.e.f. 14th February, 2018

(B) Terms of Reference

The terms of reference of the Audit Committee include the matters specified under Regulation 18 read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as those in Section 177 of the Companies Act, 2013 and *inter-alia* includes the following:

1. Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board, for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub - Section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.



- e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualification in Draft Audit Report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
 8. Approving or any subsequently modifying transactions of the company with related parties.
 9. Scrutinizing inter-corporate loans and investments.
 10. Ensuring valuation of undertakings or assets of the company, wherever it is necessary.
 11. Evaluating internal financial controls and risk management systems.
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 14. Discussing with internal auditors any significant findings and follow up there on.
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 16. Discussing with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.



17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. Reviewing the functioning of the Whistle Blower mechanism.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Mandatorily reviewing the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Internal Auditor.
21. Carrying out any other function as is mentioned in the terms of reference of Audit Committee as amended from time to time by the Listing Regulations and Companies Act, 2013.

(C) Powers of Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. Nomination and Remuneration Committee :

(A) Composition

As at 31st March, 2018, the Nomination and Remuneration Committee comprises of 4 Directors, among which majority are Non-Executive Directors. The composition is in conformity with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year under review, one meeting of the Committee was held on 14th February, 2018,



The composition of the Committee and attendance at its meetings is given below:

Sr. No.	Name of the Member Director	Category	Number of meetings attended
1.	Smt. Manjulika A. Bajpai (Chairman)	Non-Executive Independent	1
2.	Shri Vinod R. Maheshwari	Non-Executive Non- Independent	1
3.	Shri Manoj Sinha	Executive	1
4.	Shri Achalla Srinivas*	Non-Executive Independent	1

*Shri Achalla Srinivas was appointed as the member of the Audit Committee w.e.f. 14th February, 2018

(B) Terms of Reference

The terms of reference of the Nomination and Remuneration Committee include the matters specified under Regulation 19 read with Schedule II Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as those in Section 178 of the Companies Act, 2013 and *inter-alia* includes the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identifying 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 and shall carry out evaluation of every director's performance.
- v. Formulation of policy relating to the remuneration for the directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.



(C) Remuneration to Directors

The Board has, on the recommendation of the Nomination and Remuneration Committee adopted the Nomination and Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration. The copy of the same has been attached as Annexure II to the Directors' Report.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Executive Director. The commission to the Executive Director is decided by the Nomination and Remuneration Committee on determination of the profits for the financial year and is also approved by the Board of Directors. The remuneration to the Executive Director is in accordance with the provisions of the Companies Act, 2013 and rules thereof and within ceiling prescribed thereunder.

Upon the recommendation of the Nomination and Remuneration Committee and based on the performance of the Company, the Board of Directors decide the remuneration to Non-Executive Directors by way of commission.

Since Company is into losses, Directors has given their ascent for not taking any sitting fees for attending any meeting of the Board and any committee thereof

The details of remuneration paid to the Directors during the period ended on 31st March 2017 are as under:

Sr. No.	Name of Director	*Sitting Fees (including committee meetings)	*Salaries & Allowances etc.	Contributions to Provident and Superannuation Funds
1.	Smt. Manjulika A. Bajpai	Nil	Nil	Nil
2.	Shri Vinod R. Maheshwari	Nil	Nil	Nil
3.	Shri Achalla Srinivas	Nil	Nil	Nil
4.	Shri Manoj R. Sinha	Nil	7,70,000/-	Nil



5. Share Transfers Cum Shareholders' / Investors' Grievance and Stake Holders Relationship Committee:

The Share Transfers Cum Shareholders' / Investors' Grievance and Stake Holders Relationship Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. and redressal thereof. The Committee is headed by Smt. Manjulika Bajpai, Non-executive Independent Director, with Shri Vinod Maheshwari, Non-Executive Director, Shri Manoj Sinha, Executive Director and Shri Achalla Srinivas, Non-executive Independent Director (appointed w.e.f 14.02.2018) being the other members of the Committee.

During the financial year under review, one meeting of Share Transfers Cum Shareholders' / Investors' Grievance and Stake Holders Relationship Committee Meeting was held on 14th February, 2018.

Mr. Saurabh Somani, Company Secretary is the Compliance Officer.

The Compliance Officer can be contacted at:

Saffron Industries Limited

Navabharat Bhavan, Near Chhatrapati Square,

Wardha Road, Nagpur 440015

Tel.: (0712) 2284001; Fax: (0712) 2284000

E-mail: silsomani@gmail.com

6. General Body Meetings :

AGM	For the Year	Venue	Date	Time
22 nd	2014-15	Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur – 15	30.09.2015	10.00 A. M.
23 rd	2015-16	Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur – 15	30.09.2016	10.00 A. M.
24 th	2016-17	Nava-Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur – 15	30.09.2017	10.00 A. M.

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



7. Disclosures :

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

8. Means of communication :

The quarterly unaudited financial results, half yearly results and annual audited financial results are published as per Listing Regulations. However, the half yearly reports are not sent to each household of shareholders.

9. General Shareholder Information :

(A) Annual General Meeting

Corporate Identification Number (CIN)	L21010MH1993PLC071683
Annual General Meeting	Day and Date : Monday, 10 th September, 2018 Time : 11.00 AM Venue : Navabharat Bhavan, Near Chhatrapati Square, Wardha Road, Nagpur 440015
Book Closure	03.09.2018 to 10.09.2018
Last date of receipt of proxy forms	08.09.2018
Financial Year 2016-17	During the year the financial results were announced as under: First quarter : 14 August 2017 Second quarter : 14 November 2017 Third quarter : 14 February 2018 Annual : 30 May 2018
International Security Identification Number (ISIN)	INE474D01013
Name and address of stock exchange where shares are listed	BSE Limited (BSE), Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Ahmedabad Stock Exchange Limited Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ahmedabad 380015



Stock Code	531436
Designated E-mail address for investor services	Info@saffronindustries.in

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

Month	The Stock Exchange Mumbai	
	High (Rs.)	Low (Rs.)
April 2016	7.40	6.36
May 2016	6.70	5.70
June 2016	6.00	4.20
July 2016	4.73	4.19
August 2016	6.90	4.96
September 2016	7.60	6.81
October 2016	9.88	7.98
November 2016	12.84	8.50
December 2016	11.05	7.85
January 2017	13.50	11.04
February 2017	13.00	10.83
March 2017	11.83	10.29

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

xii) Share Transfer System:

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

xiii) Distribution of Shareholdings: as on 31.03.2017

Share or Debenture holding of nominal value of		Share holders		Shares	
Rs.	Rs.	Number	% to total Nos.	Number	% to Total Capital
(1)		(2)	(3)	(4)	



Upto	500	1059	54.79%	371261	5.17%
501	to 1,000	496	25.66%	425415	5.92%
1,001	to 2,000	171	8.85 %	275473	3.83%
2,001	to 3,000	68	3.52 %	177088	2.46%
3,001	to 4,000	27	1.40 %	95835	1.33%
4,001	to 5,000	21	1.09 %	100431	1.40%
5,001	to 10,000	39	2.02%	316936	4.41%
10,001	to above	52	2.69 %	5422743	75.47%
Total		1933	100 %	7185200	100%

xiv) Dematerialisation of Shares :

The company has already established electronic connectivity with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar of the Company M/s. Adroit Corporate Services Pvt. Ltd. As on 31st March 2017, 4730890 shares have been dematerialised representing 65.84% of the total shares of the Company. The International Securities Identification Number (ISIN) of the Company is INE 474D01013.

xv) Plant Location :

Village : Manegaon
Tahsil : Saoner
District : Nagpur

xvi) Address for Shareholders Correspondence:

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



a. Shareholding Pattern as on 31 March 2018

Sr. No.	Category	No. of shares	% of Share holding
1	Promoters	43,46,550	60.49
3	Clearing Members	2,000	0.03
4	Other Bodies Corporate	1,49,636	2.08
6	NRI (Individuals)	17,699	0.25
7	Mutual Funds	7,600	0.11
8	General Public	26,60,215	37.02
9	Corporate Body-Broker	1,500	0.02
	TOTAL	71,85,200	100.00

b. Distribution of Shareholding as on 31 March 2018

Shareholding of nominal value of		Shareholders		No. of Shares (Nominal Value @ Re. 10)	
Rs.	Rs.	Number	% to Total	Number	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
1	5000	1820	95.30	14,66,113	20.40
5001	10,000	40	2.09	3,10,406	4.32
10,001	20,000	18	0.94	2,25,615	3.14
20,001	50,000	18	0.94	5,89,884	8.21
50,001 and above		14	0.73	45,93,182	63.93
TOTAL		1910	100	71,85,200	100.00

c. Dematerialization of Shares and Liquidity

Dematerialisation of shares and liquidity (as on 31 March 2018)	47,28,890
Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued GDRs / ADRs / Warrants or any Convertible instruments.

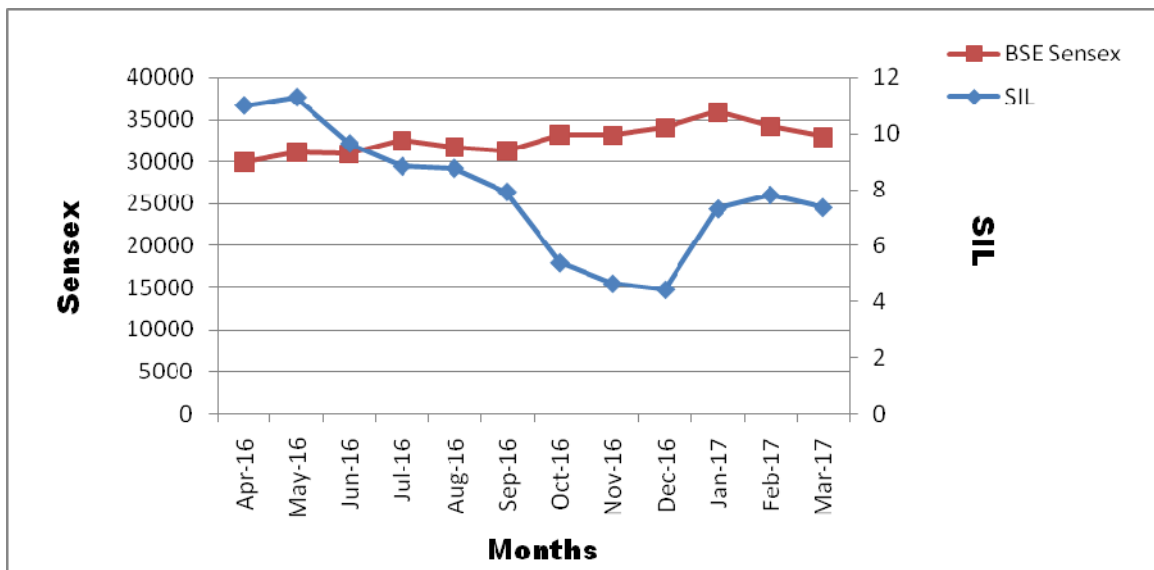
d. Market Price Data

Monthly high / low during the year 2016-17 on the BSE are as under:



Stock Exchange	BSE	
	High (Rs)	Low (Rs)
April 2017	11.49	8.48
May 2017	11.95	11.29
June 2017	10.73	8.93
July 2017	10.58	7.6
August 2017	9.21	7.97
September 2017	8.32	7.91
October 2017	7.91	5.38
November 2017	5.12	4.63
December 2017	4.42	4.4
January 2018	7.87	4.42
February 2018	8.11	7.5
March 2018	7.65	7.35

e. Performance of Company’s scrip on the BSE as compared to BSE Sensex (in Rupees)



f. Share Transfer System

- I. The applications for transfer of shares lodged at the Company’s Registrar and Share Transfer Agents in physical form are processed within 15 days of receipt of the valid and complete documents in all respects. After such processing, the Registrar and Share Transfer Agent will issue share certificate to the concerned shareholder within 15 days of receipt of certificate for transfer. Shares under



objection are returned within a stipulated period of time. The transfer applications are approved periodically by the senior management of the Company.

II. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis is issued by the Practicing Company Secretary for compliance with share transfer formalities by the Company.

III. Registrar and Share Transfer Agent (R & T Agent)

The entire work of the Company, relating to processing of transfer of shares has been given to an outside agency i.e., Link Intime India Private Limited being a SEBI Registered R & T Agent. The contact details are as follows –

<p>Adroit Corporate Services Private Limited</p>	<p>17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059, India. Tel/Direct: +91 (0)22 42270427 Fax: +91 (0)22 28503748 www.adroitcorporate.com</p>
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IV. Shareholder References

- Permanent Account Number (PAN)

Shareholders holding shares in the physical form are informed that as per SEBI's guidelines, it is mandatory to furnish copy of PAN Card in the following cases:

- Transferees' PAN Cards for transfer of shares,
- Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,
- Legal heirs' PAN Cards for transmission of shares,
- Joint holders' PAN Cards for transposition of shares.

- **Email Address**

In order to enable us to further extend our support towards paperless compliance as a part of Green Initiative in the Corporate Governance, which was introduced by the Ministry of Corporate Affairs (MCA) in the year 2011, the shareholders who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.



In respect of shares held in physical form, shareholders are requested to register their e-mail addresses with the Company / R & T Agent (with Depository Participants in case of shares held in dematerialized form).

- **Dematerialization of shares**

Shareholders are requested to dematerialize their physical share holdings through any of the nearest Depository Participants (DPs) in order to avoid hassles involved with physical shares such as possibility of loss / mutilation of share certificate(s), and to ensure safe and speedy transaction in securities.

- **Register Your National Electronic Clearing Services (NECS) Mandate**

The Reserve Bank of India (RBI) has initiated NECS for credit of Dividend directly to the Bank Account of shareholders. Shareholders holding shares in electronic mode are requested to register their latest Bank Account details with their Depository Participant and in physical form with the Company's R & T Agent viz. Adroit Corporate Services Private Limited.

- **Address for correspondence**

Shareholders' correspondence should be addressed to Link Adroit Corporate Services Private Limited, Registrar and Share Transfer Agent, at the address mentioned above. Shareholders can also email their queries / grievances to the following email address: silsomani@gmail.com

- **CEO / CFO Certification**

The CEO certificate signed by Mr. Manoj Sinha, Executive Director was placed before the meeting of the Board of Directors held on 9th August, 2018.

- **Particulars of Appointment / Re-Appointment of Non – Executive Directors**

The brief resumes and other details relating to the Directors who are proposed to be appointed / re-appointed, as required to be disclosed under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of the Explanatory Statement to the Notice of the Annual General Meeting.

- **Disclosure under Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of unclaimed shares**

Pursuant Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has sent reminders to those shareholders, whose share certificates have returned undelivered by the postal



authorities due to insufficient / incorrect information and are lying with the Company. These share certificates will be sent to eligible shareholders, if these shareholders submit necessary documents to the Company.

- **Listing Fees**

The Annual Listing Fees for the year under review have been paid to BSE Limited, where the Company's shares are listed.

Further the correspondence address of the Stock Exchanges is as follows:

BSE Limited	BSE Limited, 1st Floor, P. J. Towers, Dalal Street, Fort, Mumbai 400 001
Ahmedabad Stock Exchange Limited	Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ahmedabad 380015

7. OTHER DISCLOSURES

The Company has complied with the other disclosure requirements of Schedule V of the Regulations.

Pursuant to Section 134 of the Companies Act, 2013, the particulars of contracts or arrangements entered into by the Company with Related Parties are being provided in Form AOC-2.

a. Details of capital market non-compliance, if any

There have been few instances of non-compliances by the Company due to which BSE has imposed penalties and further suspended the share trading of the Company w.e.f. 3rd May, 2018. The Company has made the required application for revocation of suspension. Since the non-compliance was inadvertent, an application along with personal re-presentation has been made to BSE for revoking the penalties imposed on the Company.

b. Whistle Blower Policy / Vigil Mechanism

The Company has formulated and implemented the Whistle Blower Policy / Vigil Mechanism ('the Policy'). This has provided a mechanism for directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct.



The policy has also been uploaded on the Company's website at www.saffronindustries.in

c. Compliance with the Mandatory Corporate Governance Requirements as prescribed under the Listing Regulations

Regulation 27(2) as per clause 15 of Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is not applicable to the Company as the paid-up Capital and Net Worth is less than 10.00 Crore and 25.00 Crore respectively. However the Board of Directors periodically reviews the compliance of all applicable laws. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Company has obtained a certificate affirming the compliances from M/s. Vaibhav Netke & Associates, Company Secretaries, the Company's Secretarial Auditors and the same is appended as an Annexure to this Report

d. Policy for determining 'material' subsidiaries

Since Company does not have any subsidiary during the year under review, it was not required to formulate policy for determining 'material' subsidiaries and accordingly disseminate the information about the same on website of the Company as required under Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. Policy on materiality of related party transactions and dealing with related party transactions

The Company has a Policy on Materiality Related Party Transactions and dealing with Related Party Transactions which has been put on the website of the Company at www.saffronindustries.in

f. Commodity price risk or foreign exchange risk and hedging activities

The Company is not having any Commodity price risk or foreign exchange risk and not involved in hedging activities.

g. Compliance with the discretionary Corporate Governance Requirements as prescribed under the Listing Regulations

i. The Board



The Non-Executive Chairman of the Company has its separate office.

ii. Shareholder Rights

Since the Company publishes its quarterly results in newspapers (English and Marathi) having wide circulation, and since the results are also displayed on the website of the Company and the Stock Exchanges, the Company does not send any communication of half yearly performance to the shareholders.

iii. Statutory Auditors qualifications

There are no qualifications on the Financial Statements of the Company for the year ended 31 March 2018.

iv. Separate posts of chairperson and chief executive officer

Position of the Chairman and the Managing Director are held by separate individuals

v. Reporting of Internal Auditor

The internal auditor may report directly to the audit committee.



AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

We have examined the compliance of conditions of Corporate Governance by Saffron Industries Ltd. for the year ended 31st March, 2018 as per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01st April 2017 to 31st March 2018.

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

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

We state that no investor's grievance was received by the company during the year ended 31st March 2018 as per the records maintained by the company.

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

VAIBHAV NETKE & ASSOCIATES
Company Secretaries

Sd/-

Vaibhav Netke
Proprietor

ACS No.38174,
CP No.19556

Date: 14th July, 2018
Place: Nagpur



ANNEXURE -F
FORM NO. AOC.2

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

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

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

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

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

Sr. No.	Particulars	Details
A	Names(s) of the related party and nature of relationship	Associates: 1. Nava-Bharat Press Ltd, Mumbai 2. Navabharat Press, Nagpur 3. Bionova Paper Krafts Pvt. Ltd 4. Shree Trading Corporation 5. Madhyadesh Press Pvt. Ltd Managing Director: 1. Mr. Manoj Sinha
B	Nature of contracts/arrangements/transactions	Sales to: 1. Nava-Bharat Press Ltd, Mumbai 2. Navabharat Press, Nagpur 3. Madhyadesh Press Pvt. Ltd Remuneration paid to:



		1. Mr. Manoj Sinha Rs. 7,70,000 2. Saurabh Somani Rs.1,56,758
C	Duration of the contracts/arrangements/transactions	1 year
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	-
E	Date(s) of approval by the Board, if any	-
F	Amount paid as advances, if any:	-
G	Form shall be signed by the persons who have signed the Board's report	Yes



ANNEXURE-G

VIGIL MECHANISUM/WHISTLE BLOWER POLICY

PREFACE:

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

VIGIL COMMITTEE:

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

POLICY OBJECTIVES:

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

DEFINITIONS :

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



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

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

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

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

SCOPE :

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

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

ELIGIBILITY

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

PROCEDURE

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

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

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



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

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

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

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

INVESTIGATION

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

FRIVOLOUS COMPLAINTS

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

RIGHTS OF A WHISTLE BLOWER/ ACCUSED

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

DECISION AND REPORTING

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



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

NON-RETALIATION

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

SECRECY/CONFIDENTIALITY

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

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

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

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

ADMINISTRATION AND REVIEW OF THE POLICY

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

AMENDMENT

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

For Saffron Industries Limited

Sd/-

**Vinod Maheshwari
Chairman**



UTSAV SUMIT & ASSOCIATES

CHARTERED ACCOUNTANTS

130, Gokuldhama Colony, Kamptee, Nagpur.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAFFRON INDUSTRIES LIMITED

Report on Standalone Ind AS financial statement:

We have audited the accompanying Standalone Ind AS financial statement of **SAFFRON INDUSTRIES LIMITED** (formerly Madhyadesh Papers Limited), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Standalone Ind AS financial statement:

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Standalone Ind AS financial statement that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statement give the information required by the Act in the manner so required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a. In the case of the Balance Sheet, of the state of affairs of the Company, as at March 31, 2018 and
- b. In the case of the Profit and Loss Account, of the Loss for the year ended on that date.
- c. In the case of Cash Flow Statement cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements:

01. As required by section 143(3) of the Act, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c. The Balance Sheet, and the Statement of Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid 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 written representations received from the directors, as on March 31, 2018, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations give to us.
 - (i) The Company does not have any pending litigation which would impact its financial position.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) No amount is required to be transferred, to the Investor Education and Protection Fund by the Company.
02. As required by the Companies (Auditors Report) Order, 2016 issued by the Company Law Board in terms of Section 143 of the Companies Act, 2013 and on the basis of such checks as we considered appropriate and on the basis of information given to us and to the extent the above order, in our opinion, is relevant to the Company for the year, we further report that:

- i) a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - b) The fixed assets of the Company have been physically verified during the year by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed.
 - c) The title deeds of the immovable properties of the Company are in the name of the company.
- ii) a) As explained to us, the stocks of inventory of the Company have been physically verified by the Management from time to time, during the year. In our opinion, the frequency of the verification was reasonable.
 - b) The material discrepancies noticed on such physical verification have been properly dealt with in the books.
- iii) The company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013, except during the normal course of business.
- iv) The company has complied with provisions of section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.
- v) In our opinion and according to information and explanations given to us, the Company has not accepted during the year, any deposit from public in contravention of the directives of Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the central government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that Prima facie, the prescribed accounts and records have been maintained. However, we are not required to carry out and have not carried out a detailed examination of the records with a view to determine, whether they are accurate or complete.
- vii) a) The Company is generally regular in payment of undisputed statutory dues including Provident Fund, Income tax, Service tax, duty of customs, duty of excise, Value added tax, Goods and Service tax, Cess and any other statutory dues with appropriate authorities.

- b) No undisputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added Tax, Goods and Service tax or Cess are outstanding for a period of more than six months from the date they became due.
- viii) On the basis of the information and explanations given to us by the management, no money is outstanding to banks and the company has not defaulted in repayment of dues to its bankers.
- ix) In our opinion and according to explanations given to us, the company has applied term loans for the purpose for which these loans were obtained.
- x) To the best of our knowledge and belief and according to information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported.
- xi) No managerial remuneration was paid or provided by the company during the financial year.
- xii) The company is not a Nidhi Company.
- xiii) All transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the Standalone Ind AS financial statements, as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year.
- xv) The company has not entered any non-cash transaction with directors or persons connected with him except Sales and Purchases as disclosed in the note 18 regarding Related Parties transactions.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**NAGPUR
May 30, 2018**

**Sumit Agrawal
Partner
Membership No. 151008**

Annexure – B to the Auditors' Report

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

In conjunction with our audit of the financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of **Saffron Industries Limited** ('the company') as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**NAGPUR
May 30, 2018**

**Sumit Agrawal
Partner
M.No. 151008**

SAFFRON INDUSTRIES LIMITED

BALANCE-SHEET AS AT MARCH 31,2018

ASSETS	NOTE REF.	AS AT MARCH 31, 2018 ₹ in Hundreds	AS AT MARCH 31, 2017 ₹ in Hundreds	AS AT MARCH 31, 2016 ₹ in Hundreds
NON CURRENT ASSETS				
a) Property , Plant & Equipment	01	1430871.97	1816512.28	1946367.65
b) Capital Work-in-Progress		0.00	0.00	0.00
c) Investment property		0.00	0.00	0.00
d) Goodwill		0.00	0.00	0.00
e) Other Intangible assets	01	21089.57	42179.15	63268.71
f) Intangible assets under development		0.00	0.00	0.00
g) Biological assets other than bearer plants		0.00	0.00	0.00
h) Financial Assets		0.00	0.00	0.00
i)Investments		0.00	0.00	0.00
ii)Trade receivables		0.00	0.00	0.00
iii)Loans	02	0.00	0.00	0.00
iv)Others	03	54588.32	50401.56	46537.39
i) Deferred Tax Asset		0.00	0.00	0.00
j) Other Non Current Assets	04	<u>25866.85</u>	1532416.71	<u>25823.36</u>
			1934916.35	<u>59275.24</u>
				2115448.98
<u>CURRENT ASSETS</u>				
a) Inventories	05	6515.10	4623.25	96893.75
b) Financial Assets				
i) Investments		0.00	0.00	0.00
ii) Trade receivables	06	482666.99	611526.48	402922.81
iii) Cash & Cash Equivalents	07	12283.19	84800.67	21632.55
iv) Bank Balances other than (iii) above		0.00	0.00	0.00
v)Loans		0.00	0.00	0.00
vi)Others		0.00	0.00	0.00
c) Current Tax Assets (Net)		0.00	0.00	0.00
d) Other Current Assets	08	<u>152860.32</u>	654325.60	<u>239643.95</u>
			940594.35	<u>336369.79</u>
				857818.89
TOTAL ASSETS		<u><u>2186742.30</u></u>	<u><u>2875510.70</u></u>	<u><u>2973267.88</u></u>
EQUITY AND LIABILITIES				
<u>EQUITY</u>				
a) Equity Share Capital	09	718520.00	718520.00	718520.00
b) Other Equity	10	<u>(1342818.18)</u>	(624298.18)	<u>(1166518.99)</u>
			(447998.99)	<u>(1206182.28)</u>
				(487662.28)
<u>LIABILITIES</u>				
<u>NON CURRENT LIABILITIES</u>				
a) Financial Liabilities				
i) Borrowings	11	2058167.22	2058167.22	2058167.22
ii) Trade Payables		0.00	0.00	0.00
iii) Other Financial Liabilities		0.00	0.00	0.00
b) Provisions		0.00	0.00	0.00
c) Deferred Tax Liabilities		0.00	0.00	0.00
d) Other Non Current Liabilities		<u>0.00</u>	2058167.22	<u>0.00</u>
			0.00	2058167.22

CURRENT LIABILITIES

a) Financial Liabilities					
i) Borrowings	12	0.00		0.00	0.00
ii) Trade Payables	13	674264.92		1105159.28	1252823.13
iii) Other Financial Liabilities	14	0.00		0.00	0.00
b) Other Current Liabilities	15	78608.34		160183.19	149939.82
c) Provisions		0.00		0.00	0.00
d) Current Tax Liabilities(Net)		0.00	752873.26	0.00	1265342.47
					0.00
					1402762.94
TOTAL EQUITY AND LIABILITIES			<u>2186742.30</u>	<u>2875510.70</u>	<u>2973267.88</u>

Significant Accounting Policies**Notes on Financial Statements** 1 to 27

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
For & on behalf of
Utsav Sumit & Associates
Chartered Accountants

Vinod Maheshwari
Chairman
DIN 00340953

Manoj Sinha
Wholetime Director
DIN 07564967

Saurabh Somani
Company Secretary

NAGPUR
May 30,2018

NAGPUR
May 30,2018

SAFFRON INDUSTRIES LTD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31,2018

	NOTE REF	This year ₹ in Hundreds	Last year ₹ in Hundreds
INCOME :			
Revenue from Operations	17	562715.00	3291327.74
Other Income	18	12693.84	63118.61
Total Income		575408.84	3354446.35
EXPENDITURE :			
Cost of Materials Consumed	19	345481.10	2151070.54
Purchases of stock-in-trade		0.00	0.00
Changes in Inventories of Finished g	20	0.00	33770.01
Employee Benefits Expenses	21	66190.14	129162.14
Finance Costs	22	17913.99	31.98
Depreciation and Amortization Exper	01	123679.82	141079.08
Other Expenses	23	197352.15	856875.76
Total Expenses		750617.20	3311989.50
Profit/(Loss) before Tax & Exceptional It		(175208.37)	42456.85
Prior Period Expenses	24	0.00	(2793.56)
Exceptional Items		0.00	0.00
Profit/(Loss) before Tax		(175208.37)	39663.29
Tax Expenses:			
Current tax		0.00	0.00
Deferred tax		0.00	0.00
Profit/(Loss) After Tax		(175208.37)	39663.29
Prior year adjustments			
Income Tax		(1090.82)	0.00
Profit/ (Loss) for the year		(176299.19)	39663.29
Earning per Equity Share of			
Face Value of ₹ 10 each	25	0.00	0.55

Significant Accounting Policies

Notes on Financial Statements 1 to 27

This is the Profit & Loss Account referred to in our Audit Report of even date attached to 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
For & on behalf of
Utsav Sumit & Associates
Chartered Accountants

Vinod Maheshwari
Chairman
DIN 00340953

Manoj Sinha
Wholetime Director
DIN 07564967

Saurabh Somani
Company Secretary

NAGPUR
May 30,2018

NAGPUR
May 30,2018

SAFFRON INDUSTRIES LIMITED,NAGPUR

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

NON CURRENT ASSETS

₹ in Hundreds

NOTE - 01

FIXED ASSETS

PARTICULARS	Gross Block As on 31.03.2016	Purchases/ Additions	Sales/ Deductions	Gross Block As on 31.03.2017	Deprecia- tion up to 31.03.2016	Deprecia- tion for the year	Deprecia- tion Adjustment	Deprecia- tion up to 31.03.2017	NET BLOCK AS ON 31.03.2017	NET BLOCK AS ON 31.03.2016
Tangible Assets										
Freehold Land	46478.59	0.00	0.00	46478.59	0.00	0.00	0.00	0.00	46478.59	46478.59
Buildings & Site Developments	781779.53	0.00	0.00	781779.53	424461.25	31729.44	0.00	456190.69	325588.84	357318.28
Plant & Machinery	4222135.80	10514.37	0.00	4232650.17	2687914.77	107458.04	0.00	2795372.81	1437277.36	1534221.03
Furnitures & Fixtures	17902.53	20.78	0.00	17923.32	17750.18	15.96	0.00	17766.14	157.18	152.35
Vehicles	46938.57	0.00	0.00	46938.57	39280.50	1818.79	0.00	41099.29	5839.28	7658.07
Office Equipments	9920.50	0.00	0.00	9920.50	9470.95	42.71	0.00	9513.66	406.84	449.55
Computers	13294.87	688.57	0.00	13983.44	13205.08	14.15	0.00	13219.23	764.21	89.79
	5138450.39	11223.72	0.00	5149674.11	3192082.75	141079.08	0.00	3333161.82	1816512.29	1946367.65
Intangible assets										
Deferred Revenue Expenditure										
Gratuity	79487.76	0.00	0.00	79487.76	31795.10	15897.55	0.00	47692.65	31795.11	47692.66
Leave Encashment & Compensatio	25960.09	0.00	0.00	25960.09	10384.04	5192.02	0.00	15576.06	10384.03	15576.05
	105447.85	0.00	0.00	105447.85	42179.14	21089.57	0.00	63268.71	42179.14	63268.71
TOTAL	5243898.24	11223.72	0.00	5255121.96	3234261.89	162168.65	0.00	3396430.53	1858691.43	2009636.36
Previous Year	5094938.22	135787.10	(2070.47)	5228654.85	2915894.89	160803.69	0.00	3076698.58	2151956.27	2179043.33

NOTE - 02	As on March	As on March	As at March
FINANCIAL ASSETS	31,2018	31,2017	31,2016
	₹ in Hundreds	₹ in Hundreds	₹ in Hundreds
Loans :			
Unsecured, considered good			
Loans & Advances to Related Parties	0.00	0.00	0.00
Other Advances	0.00	0.00	0.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Loans or Advances due by Directors, officers of the Company or Firms/ Compnies in which Directors are inter	Nil	Nil	Nil

NOTE - 03

OTHER FINANCIAL ASSETS

Bank deposits with more than twelve months m	54588.32	50401.56	46537.39
	<u>54588.32</u>	<u>50401.56</u>	<u>46537.39</u>

NOTE - 04

OTHER NON-CURRENT ASSETS

Advances for Capital Goods	24900.85	24827.36	25225.70
Advances other than capital advances;			
a) Security Deposits	966.00	996.00	33350.41
b) Advances to related parties	0.00	0.00	0.00
c) Other advances	0.00	0.00	699.13
	<u>25866.85</u>	<u>25823.36</u>	<u>59275.24</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	5106.35	4623.25	49800.37
Finished Goods	0.00	0.00	33770.01
Stores & Spares	0.00	0.00	7042.11
Coal, Fuel Pellets / Rice husk	1408.75	0.00	67.20
Chemicals	0.00	0.00	3066.61
Packing Materials	0.00	0.00	3147.45
	<u>6515.10</u>	<u>4623.25</u>	<u>96893.75</u>

FINANCIAL ASSETS

NOTE - 06

TRADE RECEIVABLES

a. Outstanding for a period exceeding six months			
i) Unsecured considered good	74396.73	41136.68	114037.33
ii) Unsecured considered doubtful-not provide	31226.90	12296.22	18990.71
b. Others	377043.35	558093.59	269894.77
	<u>482666.99</u>	<u>611526.48</u>	<u>402922.81</u>
Out of the above :			
Debts due from Directors	0.00	0.00	0.00
From Companies & Concerns under the same Management considered good, outstanding for a period :			
not exceeding six months	377043.35	558093.59	160094.54
exceeding six months	74396.73	0.00	0.00
	<u>451440.08</u>	<u>558093.59</u>	<u>160094.54</u>

	As on March 31,2018	As on March 31,2017	As at March 31,2016
	₹ in Hundreds	₹ in Hundreds	₹ in Hundreds
NOTE - 07			
CASH & CASH EQUIVALENTS			
Cash-in-hand	703.12	2509.69	4513.06
Balances with Banks :			
In Current Accounts	11580.08	82290.98	17119.49
	12283.19	84800.67	21632.56
NOTE - 08			
OTHER ADVANCES			
Unsecured, considered good			
Security Deposits	0.00	0.00	0.00
Loans to related Parties	0.00	0.00	0.00
Others	152860.32	239643.95	336369.79
	152860.32	239643.95	336369.79
Out of the above advances :			
Advances to the Directors	0.00	0.00	0.00
Advances to Associate Concern against Purch:	0.00	59282.62	182398.08
	0.00	59282.62	182398.08

NOTE-09
STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

₹ in Hundreds

	Balance as on March 31,2016	Changes in equity share capital during the year	Balance as on March 31,2017	Chan ges in equit y share	Balance as on March 31,2018
01. Authorised Share Capital : 78,00,000	780000.00	Nil	780000.00	Nil	780000.00
02 Issued subscribe and paid up; 7185200	718520.00	Nil	718520.00	Nil	718520.00

**List of Shareholders holding more
than 5% equity shares**

<u>Shareholders</u>	<u>No. of Shares held</u>		As on March 31,2017	Chan ges durin	As on March 31,2018
	As on March 31,2016	Changes during the year			
1. Shri Vinod Maheshwari	17858.00	0.00	17858.00	0.00	17858.00
2. Shri Nimish V Maheshwari	13178.17	0.00	13178.17	0.00	13178.17
3. Navabharat Real Estate Pvt. Ltd. (Formerly Madhyadesh Construction & Finance Pvt. Ltd.)	4565.00	0.00	4565.00	0.00	4565.00
4. Navabharat Press (Nagpur) Pvt. Ltd.	3712.00	0.00	3712.00	0.00	3712.00

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.

NON CURRENT LIABILITIES

	As on March 31,2018 ₹ in Hundreds	As on March 31,2017 ₹ in Hundreds	As at March 31,2016 ₹ in Hundreds
FINANCIAL LIABILITIES			
NOTE - 11			
BORROWINGS			
Secured Loans	0.00	0.00	0.00
Unsecured Loans			
From Banks	0.00	0.00	0.00
Loans from Related Parties	130000.00	130000.00	130000.00
From Others	1928167.22	1928167.22	1928167.22
Total	<u>2058167.22</u>	<u>2058167.22</u>	<u>2058167.22</u>
The above Unsecured Loans include:			
From Body Corporates	1928167.22	1928167.22	1928167.22
From Directors (out of his own funds)	130000.00	130000.00	130000.00
From Associates	0.00	0.00	0.00
	<u>2058167.22</u>	<u>2058167.22</u>	<u>2058167.22</u>
Other non-current liabilities;			
(a) Advances; and	0.00	0.00	0.00
(b) Others	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>CURRENT LIABILITIES</u>			
FINANCIAL LIABILITIES			
NOTE- 12			
BORROWINGS			
From Banks - Secured	0.00	0.00	0.00
From Others	0.00	0.00	0.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
NOTE -13			
TRADE PAYABLES	<u>674264.91</u>	<u>1105159.28</u>	<u>1252823.13</u>
NOTE-14			
OTHER FIANCIAL LIABILITIES			
Current Maturities of Long Term Debts	0.00	0.00	0.00
Interest Accrued	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
NOTE - 15			
OTHER CURRENT LIABILITIES			
Revenue received in advance	9366.32	37260.99	0.00
Creditors for Capital Expenditure	20305.65	20489.00	30865.59
Other Payables*	<u>48936.37</u>	<u>102433.19</u>	<u>119074.23</u>
	<u>78608.34</u>	<u>160183.19</u>	<u>149939.82</u>

Other payables include Payable for Statutory dues & Other expenses

	As on March 31,2018 ₹ in Hundreds	As on March 31,2017 ₹ in Hundreds	As at March 31,2016 ₹ in Hundreds
NOTE - 16			
CONTINGENT LIABILITIES AND COMMITMENTS			
I. Contingent Liabilities	₹	₹	₹
a) Claims against company not acknowledged as	Nil	Nil	Nil
b) Guarantees excluding Financial Guarantees	Nil	Nil	Nil
c) Other money for which the Company is contingently liable	Nil	Nil	Nil
II. Commitments :			
a) Contracts remaining to be executed on Capital Accounts and not provided for	Nil	Nil	Nil
b) Uncalled Liability on shares and Other investments partly paid	Nil	Nil	Nil
c) Other Commitments	Nil	Nil	Nil

	For the year ended March 31,2018 ₹ in Hundreds	For the year ended March 31,2017 ₹ in Hundreds
--	--	--

NOTE-17

REVENUE FROM OPERATIONS

Sale of Products	562715.00	3324622.24
Other Operating Revenues	0.00	0.00
Less : Excise Duty	0.00	(33294.50)
	562715.00	3357916.74

NOTE- 18

OTHER INCOME

Interest Income	6532.29	4364.37
Other Receipts	6161.55	58754.24
	12693.84	63118.61

NOTE- 19

COST OF MATERIALS CONSUMED :

Imported	0.00	20066.33
Indigenous	345481.10	2131004.21
	345481.10	2151070.54

Particulars of major materials consumed:

Waste Papers	345481.10	2151070.54
	345481.10	2151070.54

	For the year ended <u>March 31,2018</u> ₹ in Hundreds	For the year ended <u>March 31,2017</u> ₹ in Hundreds
NOTE - 20		
INCREASE/DECREASE IN STOCK :		
Opening Stock :		
Finished Goods	0.00	33770.01
Stock-In-Process	0.00	0.00
	<u>0.00</u>	<u>33770.01</u>
Closing Stock :		
Finished Goods	0.00	0.00
Stock-In-Process	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
INCREASE/(DECREASE) IN STOCK	<u><u>0.00</u></u>	<u><u>(33770.01)</u></u>

NOTE - 21		
EMPLOYEE BENEFITS EXPENSES :		
Salaries & Bonus	35715.44	100337.92
Gratuity	23768.11	20955.66
Leave Encashment & Compensation	6608.32	5959.22
Employer's Contributions to Provident Fund	97.63	1487.54
Staff Welfare Expenses	0.64	421.80
	<u>66190.14</u>	<u>129162.14</u>

NOTE - 22		
FINANCE COSTS :		
Interest Expenses		
Interest on term Loans	0.00	0.00
Other Interest	17913.99	31.98
	<u>17913.99</u>	<u>31.98</u>

NOTE -23		
OTHER EXPENSES		
Manufacturing Expenses		
Stores, Chemicals & Packing Materials		
- Indigenous	####	89338.60
Freight Inwards	0.00	1293.26
Power & Fuel Charges	####	670325.88
Machinery Repairs & Maintenance	####	4143.45
Other Manufacturing Expenses	0.00	305.69
	<u>175344.39</u>	<u>765406.88</u>
Selling & Distribution Expenses		
Commission on Sales	0.00	5446.63
Discounts & Rebate	0.00	5690.91
Service Tax	0.00	96.74
Sales Tax	####	3478.04
	<u>55531.97</u>	<u>66766.25</u>
Establishment Expenses		
Bank Commission & Charges	####	330.23
Insurance	86.88	83.61
Repairs & Maintenance	####	2275.32
Legal & Statutory Expenses	####	2852.87
Professional & Consultancy Fees	####	1193.27
Travelling & Conveyance Expenses	####	1682.82
Miscellaneous Expenses	####	2584.00
Telephone Expenses	####	600.46
Rent, Rates & Taxes	####	10507.05
Loss on sale of Asset	####	0.00
As Audit Fee	####	1840.00
For Taxation Matters & certification	0.00	753.00
	<u>18529.73</u>	<u>24702.63</u>
	<u><u>197352.15</u></u>	<u><u>856875.76</u></u>

	For the year ended <u>March 31,2018</u> ₹ in Hundreds	For the year ended <u>March 31,2017</u> ₹ in Hundreds
NOTE -24		
PRIOR PERIOD EXPENSES		
Legal & Statutory Expenses	0.00	2793.56
	<u>0.00</u>	<u>279356.00</u>

NOTE - 25

EARNINGS PER EQUITY SHARES

i) Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(176299.19)	39663.29
ii) Number of Equity Shares	71852.00	71852.00
iii) Earnings Per Share	<u>0.00</u>	<u>0.55</u>

NOTE - 26

FOREIGN CURRENCY TRANSACTIONS

Expenditure:		
Import of Raw Materials	0.00	16249.25
Earnings:	<u>Nil</u>	<u>Nil</u>

NOTE-27

RELATED PARTY DISCLOSURES:

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

Associates:

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

Managing Director :

Shri Manoj Sinha

	<u>For FY 2017-18</u> ₹ in Hundreds	<u>For FY 2016-17</u> ₹ in Hundreds	<u>For FY 2015-16</u> ₹ in Hundreds
b) Transactions with Related Parties			
i) Sales to :			
Navabharat Press Ltd., Mumbai	262912.65	748865.62	1213653.00
Navabharat Press, Nagpur	197442.00	1222199.78	1839007.66
Madhyadesh Press Pvt. Ltd.	130496.10	553361.31	354941.51
ii) Purchases of Waste Papers from :			
Navabharat Press, Nagpur	0.00	0.00	12985.77
Shree Trading Corporation	160534.62	0.00	1161538.54
iii) Lease Rent of Machinery paid to			
Bionova Paper Crafts Pvt Ltd			2400.00
iv) Remuneration paid to	7700.00	10200.00	0.00
Wholetime Director: Shri Manoj Sinha			
c) Outstanding Balances			
i) Sundry Debtors	451440.08	558093.59	160094.54
ii) Unsecured Loans received	130000.00	130000.00	130000.00
iii) Loans and Advances against Purchases	0.00	59282.62	182398.08

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

Sumit Agrawal
Partner
For & on behalf of
Utsav Sumit & Associates
Chartered Accountants

Vinod Maheshwari
Chairman
DIN 00340953

Manoj Sinha
Wholetime Director
DIN 07564967

Saurabh Somani
Company Secretary

NAGPUR
May 30,2018

NAGPUR
May 30,2018

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

C. Sales-tax :

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

D. Inventories :

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

E. Deferred tax Liability :

No Provision has been made in respect of Deferred Tax Asset calculated as per Ind AS 12, of about ₹ 610000 hundreds (Last year ₹ 620000 hundreds as per Accounting standard 22), arising due to timing differences in the depreciation charged under the Income-tax Act, 1961 and that charged under the Companies Act, 1956, and unabsorbed loss brought forward, in view of the profitability trends, the amount of Unabsorbed Depreciation available and the liability of the company for payment of Income tax in near future.

F. Revenue Recognition:

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

G. Segment Reporting:

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

H. Borrowing Cost :

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

I. Provisions, Contingent Liabilities and Contingent Assets :

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

J. General :

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
For & on behalf of
Utsav Sumit & Associates
Chartered Accountants

Vinod Maheshwari
Chairman
DIN 00340953

Manoj Sinha
Wholetime Director
DIN 07564967

Saurabh Somani
Company Secretary

NAGPUR
May 30, 2018

NAGPUR
May 30,2018