



SAFFRON INDUSTRIES LIMITED

22ND ANNUAL REPORT 2014-2015





CONTENTS

Notice to Members	1
Directors' Report	11
Corporate Governance Report	30
Auditors' Report	38
Balance Sheet	42
Statement of Profit & Loss Account	43
Cash Flow Statement	44
Notes on Financial Statements attached to and forming part of Balance Sheet	46
Enclosures:	
Attendance Slip	58
Form of Proxy	59
Ballot Paper	60

SAFFRON INDUSTRIES LIMITED



SAFFRON INDUSTRIES LIMITED

BOARD OF DIRECTORS:

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

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

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

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

CORPORATE IDENTITY NO. :- L21010MH1993PLC071683



NOTICE TO MEMBERS

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

SAFFRON INDUSTRIES LIMITED



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

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

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

"RESOLVED that in suppression of Resolution passed at the Extraordinary General Meeting of the Company held on 4th May, 2000 and pursuant to 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, for borrowing from time to time, any sum or sums of moneys which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the total amount of moneys so borrowed by the Board shall not at any time exceed Rs. 35.00 Crore (Rupees Thirty Five Crore)".

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

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

By Order of the Board,

Nimish V. Maheshwari
Managing Director

Dated : August 10, 2015

**NOTES**

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

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

16. Remote E voting facility:

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

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

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

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

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

For Members holding shares in Demat Form and Physical Form

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. In case of members receiving the physical copy :

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

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

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

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

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

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

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

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

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

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

Item No. 4

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

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

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

The Board recommends the resolution for approval of the members.

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

Item no. 5

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

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