



CIN L21012PB1980PLC004329

SIL/CS

Date: 08.09.2021

The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001 Scrip Code: 539201	The Manager, Listing Department, National Stock Exchange of India Ltd, Exchange Plaza, Plot No. C/1, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 Symbol: SATIA
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Sub: Annual Report &amp; Notice of 40th Annual General Meeting

Dear Sir/Madam,

This is with reference to our letter no. SIL/CS dated 01.09.2021, informed that the 40th Annual General Meeting (AGM) of the Company is schedule to be held on Thursday, the 30<sup>th</sup> September, 2021 at 10:30 AM through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM). Pursuant to Regulation 34 read with Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of the Annual Report and Notice of Annual General Meeting, please.

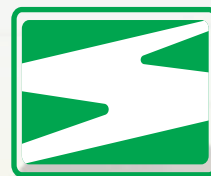
Kindly also consider this letter as compliance of prior intimation in accordance with proviso to Regulation 29(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You,

Your Faithfully,  
For Satia Industries Ltd

(Rakesh Kumar Dhuria)  
Company Secretary





SATIA INDUSTRIES LIMITED

40<sup>th</sup> Annual Report 2020-21





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## OVERVIEW

Overview – Satia Industries Limited (SIL), is one of the largest Wood and Agro-based paper manufacturers in India. SIL was incorporated by Dr. Ajay Satia in 1980 and commenced its operations in 1984 with a small capacity of 4,850 ton per year.

1. SIL has total capacity of 1,05,000 MT and in FY21 achieved a capacity utilization of 115%. SIL supplies 50% of its production to State textbook boards with the balance sold in the open market through pan-India network of 70+ dealers.
2. Completely integrated manufacturing setup with 3 paper machines, 100% inhouse power generation, soda recovery plant and one of the best effluent treatment facility.
3. Long-standing relationship with State Text-book Corporations helps in maintain a healthy order book with more than 40% contribution in total revenue.
4. SIL is Carbon Credit Surplus and has a regular income accruing from Renewable Energy Credits (REC).
5. Pan-India distribution network with 70+ dealers and 3 branch offices located in Delhi, Chandigarh

& Jaipur with total employee strength of 1,264+ head counts.

6. SIL has 540 acres of eucalyptus plantations, developed as per Karnal Technology, which consumes total treated water discharge.

## OUR ETHOS - VISION AND MISSION

### VISION

To become a leader in its own segment with excellence in all-round performance creating value for all stakeholders of the company, society and the economy'

### MISSION

To sustain growth with technological upgradation and innovation on a continuous basis for achieving cost competitiveness with sustained profitability, excellence in quality and win customer satisfaction and loyalty'



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Dr. Ajay Satia – Chairman Cum Managing Director  
Mr. R.K. Bhandari – Joint Managing Director  
Mr. Chirag Satia - Executive Director  
Mr. Hardev Singh – Director (Technical)  
Mr. Avinash Chander Ahuja – Director (Independent)  
Mr. Dinesh Chand Sharma – Director (Independent)  
Mr. I.D. Singh – Director (Independent)  
Mr. Ashok Kumar Gupta – Director (Independent)  
Mr. Arun Kumar Gupta – Director (Independent)  
Dr. Mrs. Priti Lal Shivhare - Director (Independent)  
Mr. Vinod Kumar Kathuria – Director (Independent)

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Rakesh Kumar Dhuria

### CHIEF FINANCIAL OFFICER

Mr. Inderjeet Monga

### STATUTORY AUDITORS

**Deepak Grover & Associates**

Office: # 45, Opp. Thana Sadar, Red Cross Complex,  
The Mall, Ferozepur City-152002 (Punjab)

Phone No: - 01632-503792

### CORPORATE IDENTIFICATION NUMBER

L21012PB1980PLC004329

### REGISTERED/ CORPORATE OFFICE

Malout – Muktsar Road, Village Rupana,  
Sri Muktsar Sahib - 152032  
Tel. 01633-262001, 262215, 263585  
Fax: 01633-263499  
Website: [www.satiagroup.com](http://www.satiagroup.com)

### REGISTRAR AND TRANSFER AGENTS

Beetal Financial & Computer Services (P) Limited  
Beetal House, 3rd Floor,  
99 Madangir, Behind Local Shopping Complex,  
Near Dada Harsukhdas Mandir,  
New Delhi-110062  
Contact No: - 011-29961281-83,  
FAX 011-29961284  
E-mail [beetal@rediffmail.com](mailto:beetal@rediffmail.com)  
Website: [www.beetalfinancial.com](http://www.beetalfinancial.com)

### BANKERS

Punjab National Bank  
Central Bank of India  
Andhra Bank  
Union Bank of India  
UCO Bank  
Indusind Bank Ltd

## OUR BOARD

### Visionary Team – Our KMP's

**Dr. Ajay Satia**  
Chairman Cum Managing Director

Dr. Satia is an MBBS, he has been the pioneer for setting up this integrated paper mill in 1980. Dr. Satia has a passion for work and possesses unparalleled enterprising spirit for expansion and modernisation.



His vision to adopt technological changes and economies of scale along with timely capital infusion has brought the unit among the best in the industry in terms of pulping strength, power self-sufficiency, effluent treatment and meeting the environmental norms.

**Mr. R. K. Bhandari**  
Joint Managing Director

Mr. R. K. Bhandari is an MBA, he has been instrumental in steering the operations of SIL for the last over 34 years through thick and thin.



He is instrumental in strategizing and executing corporate actions, annual business plans and monitoring progress against these plans to ensure that SIL attains its objectives as cost-effectively and efficiently as possible.

**Mr. Chirag Satia**  
Executive Director

He has been driving force behind new initiatives since he joined in 2015 and looks after Finance, Accounts and Administration.



His enterprising spirit and visionary outlook have added new energy and fresh air to the organisation.



## CHAIRMAN CUM MANAGING DIRECTOR'S MESSAGE



### Dear Shareholders,

It is my privilege and honour to apprise you all about the performance and results of your company during the financial year 2020-21. This year was most difficult for the whole economy and especially writing and printing industry because all

educational institutions remained shut throughout the year. Most of the companies shifted to the culture of work from home and paper consumption in offices too went down drastically. Most of the mills in the industry operated at lower capacity utilisation but your company achieved a capacity utilization of 115% despite the hardships of Covid -19.

Your company achieved a turnover of Rs.595.16 Cr which was down by 27.76 % than the last year because of lower price realisation which went down by 15.04 %. With cost reduction measures and because of lower raw material and fuel cost, we were able to maintain our EBIDTA level at 24.27 % and PAT at 8.42 % which are comparable to the best in the industry.

Despite fear of epidemic spreading further, your company with utmost precautions kept the pace of progress for our expansion plans to almost double the capacity. Paper machine erection and commissioning was slightly delayed because of the travel restrictions from France and we were able to complete erection and commissioning of new 14 MW turbine along with major progress in wood pulping, soda recovery upgradation, ETP

upgradation and agro pulping addition. We hope to commission the new production in the financial year 2021-22 and then we shall be in the top ten writing and printing producers in India once we achieve full capacity utilisation.

Your company has been on the forefront in helping the society in these difficult times Covid 19 and we overhauled and restarted a long time shut Oxygen plant in Muktsar and also donated a mobile Oxygen unit to a near by town hospital in Giddarbah at a time when there was hue and cry for oxygen all around and got appreciation from the State and local administration for timely efforts. We took due care that none of our staff and workers suffer for lack of medical facility and financial constraints.

At the end, I take this opportunity to thank all the shareholders for their continued trust and support. I must specifically thank our valued Customers, trusted suppliers, especially the State text book boards and our talented employees, who have always stood by the Company and contributed in the progress of the company.

I also deeply regret the loss of life in COVID 19 and request all to take all precautions as 3rd wave fear is still looming large.

Looking forward to your continued support and unflinching trust in future too.

With Best Wishes,

**Dr. Ajay Satia**

**Chairman Cum Managing Director**

## OUR RESPONSE TO THE COVID-19 CRISIS

**A**t SIL, we believe in providing a healthy and safe environment for all our employees.

To curb the effects of the COVID-19 pandemic, we have undertaken the strictest measures to operate in the safest ways possible. In this 'new normal', our first and foremost objective has been to ensure that our employees are exposed to a safe working environment when they return to our premises. Keeping this in mind, our HR teams have ensured to fulfil every safety requirement and outlined safety guidelines to create a greater awareness.

### Security Gate

No entry into the premises without face-mask.

Entry for new employee/person/ guest was not allowed without proper health check-up, sanitization and valid gate-pass.



Employees has to work at their designated seats and unnecessary movements were curbed. Meetings were to be attended via conference calls or videoconferencing as far as possible.

The Company has provided vaccine to all its employees and workers at free of cost.

Employees had to strictly adhere to social distancing norms of minimum 1 meter.

Biometric attendance was suspended till further notice. Alternate arrangements were made for making attendance by showing ID cards only.



## SIL'S STRATEGIC AND SUSTAINABLE REVENUE MODEL

### 1 Supplies to State boards: 40-50% of Revenues

- SIL supplies high quality watermark paper to various state text-book boards.
- Consolidated demand from all Text-books board is approximately 5,00,000 TPA of paper.
- By supplying 50-55k TPA to various state boards, SIL boasts of a 10-12% market share in this vertical.
- The State text-book orders are tender driven business funded under 'Sarva Shiksha Abhiyaan' of Govt. of India and payment to vendors come from respective state boards, thus, the average receivable days ranges in 45-60 days.
- Orders from text-book boards command higher (10%) operating margins as compared to open market, attributing to higher GSM and less finishing loss due to single size and more fillers in the paper.

### 2 Open market supplies: 50-60% of Revenues

- SIL supplies to retail traders through its strong Pan-India distribution network of 70+ dealers and 3 sales office located in Delhi, Chandigarh & Jaipur.

- A variety of paper grades are manufactured for this vertical such as, Exercise book paper, Snow white paper, SS Maplitho paper, Ledger paper, Copier paper, Colour printing paper and paper cup stock introduced recently.

### New addition in the Revenue stream

#### Paper Cups & Cutlery:

- 1 SIL has introduced a new product line of Virgin based fibre cups. This segment is growing @ 12% p.a. These paper cups are a replacement to plastic cups (which are strictly prohibited) for water, tea or cold drinks.
- 2 With aggressive efforts, SIL has made a strong foothold in this segment which will increase significantly once new machine commences production of cups & cutlery.
- 3 SIL is also exploring opportunities in manufacturing specialized food packaging (pizza box) and bio-degradable table cutlery, which finds market with players like Dominos, Swiggy, Zomato etc



## OUR OPERATIONS

### Pulping

SIL has developed inbuilt flexibility and capacity to make pulp using three types of raw materials i.e. Agricultural Residue, Wood Chips And Waste Paper. The plant facility having a production capacity of 1,05,000 MTPA is located in Muktsar, Punjab which is considered the wheat belt of Punjab, and has an abundant availability of wheat straw, wood chips and veneer waste to meet the company's current and future requirements. SIL thus has an advantage in pricing as there is no paper mill in a radius of 100 km.



### Paper

The company started with a single paper machine in the year 1984 and has over the years expanded its capacity to its present level by installing two new paper machines. All three machines have been continuously upgraded technologically to achieve higher speed and lower energy consumptions. The third paper machine has been upgraded to make surface sized Maplitho and Copier Paper quality and it ranks as the best in its own segment.



### Chemical Recovery Facility

The company has two soda recovery boilers (one stand by) within the existing facility. Caustic soda is used to cook and convert raw material into pulp and while washing brown cooked pulp, Black Liquor which is most polluting effluent in the Paper Industry is generated. This Black Liquor is concentrated and fired in the chemical recovery boiler to recover 90-95% of caustic soda used in the cooking process. Further the high-pressure steam that is generated in the process is used to produce power. While this enables company to turn waste into wealth, it simultaneously achieves the prescribed standards of effluent discharge.





### Power Generation

To secure a reliable and quality source of power supply without and tripping, the company has invested and achieved self-sufficiency in power over a period of time by establishing 41.95 MW co-generation power plant based on biomass as its fuel. Rice husk which is being used as fuel is abundantly available at a competitive price in the area. As this is considered as green energy; the company earns Renewable Energy Certificates (REC). These certificates are traded on the energy exchanges and are an additional source of income for the company.

SIL has also installed a solar power plant with a capacity of 6.5 MW.

### Effluent Discharge Handling

SIL is conscious of its responsibilities and commitment to the sustainability of the environment,

society and law of the land. Hence all effluents are treated to the desired standards and no effluent is discharged into any water body of the state.

Based on the research done by Central Soil Salinity Research Institute, Karnal even popularly known as Karnal Technology there was an interesting revelation made. It was found that in the case of Eucalyptus trees planted on ridges and effluent water flowing through the burrows, the eucalyptus plant acts as natural pump lifting water and evaporating it through its leaves into the atmosphere which increases land capability to handle more water on continuous basis.

Based on this study, SIL has planted Eucalyptus trees in over 540 acres. This plantation gives multifold benefits as it not only handles our total treated effluent; it also supplements the company's future raw material requirements.



## SIL'S COMPETITIVE STRENGTH

### Raw Material:

- SIL has developed inbuilt flexibility and sufficient capacity to make pulp using all three types of raw materials;
- Agricultural Residues (Wheat Straw and Sarkanda)
- Wood chips/veneer waste
- Waste paper and pulp substitutes
- The plant facility is located in Muktsar, Punjab. This belt is considered to be the wheat belt of Punjab which has abundant availability of wheat straw, wood chips, and veneer waste. Hence, SIL has a price advantage in procuring raw materials, especially wheat straw as there is no paper mill in a radius of 100 km from the plant.
- Total in-house pulp processing capacity is 400 TPD; out of which 200 TPD is Agro based, 120 TPD is wood pulp processing and 80 TPD is waste paper processing Benefits:
- Lower cost of feed sourcing.
- Abundant availability of key agro-inputs like Wheat straw and Sarkanda

### Chemical Recovery Facility

- Use of caustic soda is 16% and 27% in cooking agro and wood chips respectively and per day consumption of caustic soda is over 125 tons presently. After cooking, the pulp is washed and the effluent so generated is called Black liquor (the most polluting effluent in paper industry).
- Black liquor is initially of 10% concentration and is further concentrated to 65% before

being fired into the soda recovery boilers with a combined upgraded capacity to handle total black liquor solids produced after expansion too.

- While burning black liquor, SIL gets Sodium carbonate in the form of liquid called Green Liquor which further reacts with Lime to produce caustic soda again and the same caustic is reused in cooking pulp to an extent of 90-95% of the original caustic used. Further the high-pressure steam that is generated in the process is used to produce power.
- This enables SIL to turn waste into wealth and simultaneously achieve the prescribed standards of effluent discharge.

### Benefits: by-products help save major costs

- Reuse of recovered caustic soda to the tune of over Rs. 800-900 mn p.a., thereby bringing down the cost that it would have to incur on caustic soda purchases.
- Steam produced in the process helps generate low-cost power.
- Pollution control

### Effluent Discharge Handling

- SIL has planted Eucalyptus trees in over 540 acres (leased and partly-owned).
- This plantation gives multi-fold benefits as it not only handles total treated-effluent (Karnal Technology); it also supplements the SIL's future raw material requirements.
- All effluents are treated to the desired standards and no effluent is discharged into any water body of the state.



**Benefits:**

- Self-owned source of raw material.
- Open market sales of this helps SIL to earn an agriculture tax free income ( Rs. 50 mn - Rs. 100 mn pa).
- Plantation Sequesters CO2 emissions from the environment.

**Water**

- SIL has approval from the Punjab State Irrigation Department for fresh Canal water withdrawal of 16,500 m3/day from Arniwala Canal, which is at a distance of 1.8 km.
- However, despite doubling the paper manufacturing capacity to 650 TPD, the management intends to bring down its combined water consumption to 21,000 m3/day, implying a steep reduction of 35-40% planned in SIL's water consumption.

**Power Generation**

- Total power requirement for current operations is 20-21 MWs i.e. approx. 5,00,000 units per day.
- SIL has invested and achieved self-sufficiency in power over a period of time, by establishing

cogeneration power plants based on biomass as its fuel.

- SIL has 4 turbines with total capacity of 41.95 MW (12.5 MW, 10.45 MW and 5 MW and 14 MW). SIL has also installed a solar power plant with a capacity of 6.5 MW.
- Rice husk is being used as fuel and is abundantly available at a competitive price in the area. In its new boiler, SIL proposes to use rice straw, waste cotton sticks and mustard straw available at half the cost of rice husk
- As SIL generates power using such bio-mass feed, It also earns Renewable Energy Certificates (REC), which it sells on the power exchange.
- SIL enjoys Sec 80 IA exemption benefits under Income tax act.

**Benefits: cost saving and income generation**

- Significant reduction in fuel costs: SIL's power unit costs around Rs. 2 per unit. Whereas, withdrawing power from the grid would costs approx. Rs. 7.50 /unit
- Additional income generation: SIL has managed to consistently generate additional income of Rs. 50-100 mn p.a. by way of trading of RECs on the power exchange.

# MANAGEMENT DISCUSSION

## REVIEW OF ECONOMY

### Overview of World Economy

The January 2021 edition of the International Monetary Fund's 'World Economic Outlook Update' has projected the global economy to grow at 5.5% in 2021 and at 4.2% in 2022.

The global economy has been showing signs of recovery since the harsh lockdowns imposed across the world to curb the spread of COVID-19. The global trade volumes are forecasted to grow at about 8% in 2021, before moderating down to 6% in 2022. It is expected that the services sector would see a slower recovery than the merchandise volumes due to the subdued footfall in the tourism industry and business travels, until the transmission declines across the globe. As the global markets slowly start to take an upward trajectory, it is expected that global activity would remain well below the pre-COVID projections of January 2020. The strength of the projected recovery rates would vary across countries, depending on the severity of the health crisis, the extent of the domestic disruptions to activity and the effectiveness of the policy support that the governments have rolled out to stabilize their respective economies. Diverse recovery paths are projected for the emerging market and developing economies. Due to the effective containment measures, a forceful public investment response, and central bank liquidity support, a stronger recovery rate has been projected for China, in contrast to other economies. Subdued oil prices and cross-border tourism could act as a roadblock in faster economic recovery. The COVID-19 pandemic had taken its toll on each and every segment of the society and is expected to reverse the progress made in the reduction of poverty in the last two decades. It is expected that close to 90 million people are likely to fall below the extreme poverty threshold during 2020-21.

Notable revision has also been made for India, by 2.7 percentage points for 2021, due to heightened activities and stronger than- expected economic recovery in 2020, after the nationwide lockdowns were eased.

### Industry Dynamics – Overview of Indian Paper & Pulp Industry

**'Paper consumption is poised for a big leap forward in sync with the economic growth'**

1. India ranks as the 5th largest producer of paper in the world. However, India accounts for 4% share of the global paper production even as it accounts for nearly 18% of the global population.
2. The size of the Indian paper industry was estimated at Rs. 70,000 crores in 2019-20, contributing Rs. 5,000 crores to the exchequer.
3. The industry provides direct employment to 5 lakh people and indirect employment to 15 lakh individuals.
4. Futuristic view for paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of one million tonnes.
5. The increasing demand for paper is addressed by imports, leading to a relative underutilisation of domestic manufacturing capacity.
6. The Indian paper industry operated at only 80% of its overall manufacturing capacity, considered low for a capital intensive and continuous process industry. Owing to this, paper imports increased 19.69% to Rs. 4,941 crores in 9M of FY20 compared to Rs. 4,128 crores in 9M of FY19.

### Overview of Indian Economy

In its January 2021 update of World Economic Outlook, the International Monetary Fund (IMF)



projected India's growth at 11.5% in 2021, that would moderate down to 6.8% in 2022. The IMF has highlighted that India, along with China are the two major countries from the group of emerging market and developing markets, that would register positive growth in 2021. The Economic Survey 2020-21, presented by the union minister for Finance and Corporate Affairs, highlighted a V-shaped economic recovery for India due to the mega vaccination drive, robust recovery in the services sector, along with significant growth in consumer spending and investments. The economic recovery is also expected to be boosted by the resurgence in power demand, rail freight, GST collection, steel consumption, etc. As per IMF, India is set to become the fastest-growing economy in the next two years. A positive outlook coupled with the gradual scaling down of the lockdowns, along with an astute support for Atma nirbhar Bharat Mission has placed the economy firmly on the path of recovery.

Real GDP is set to register a growth of 11% in 2021-22 and the nominal GDP is to grow by 15.4%, the highest since independence. The recovery path would entail a growth in real GDP by 2.4% over the absolute 2019-20 levels, implying that the economy would take two years to achieve and go past the pre-pandemic levels. Due to the implementation of some

of the harshest lockdowns amongst all countries, a 23.9% contraction in GDP during Q1 of FY 2020-21 was anticipatory. Since the relaxations, there has been tremendous industrial and commercial activities that has not only reached pre-pandemic levels but has also surpassed previous year levels.

### Key factors that are driving the growth of Indian Paper Industry

- Underpenetrated or underdeveloped market  
 >13 Average per capita consumption of paper in India (in kg).  
 China's per capital Consumption of paper is 65 kgs  
 USA's per capital Consumption of paper is 312 Kgs  
 Global average for per capita consumptions of paper 57 kgs
- Increasing no. of Schools, Colleges and Literacy rate in India  
 15 Numbers of schools in India (in lac)  
 935 Numbers of Universities in India  
 39,931 Numbers of Colleges in India Government initiatives (Sarva Siksha Abhiyan and Mid-Day Meal Scheme) helped in strengthening India's



literacy rate from 65% in 2001 to 74% in 2011 to 78% in 2018.

- **Growing Online Food Delivery & E-Commerce business in India**

3-4 Number of times that the average Indian eats out

>1 Number of food deliveries per day in India (in million)

US\$ 49 The overall transaction value of Indian e-commerce market in 2019 (in billions)

US\$ 91 The projected overall transaction value of the Indian e-commerce market by 2023 (in billions)

- **National Education Policy (NEP) to boost the demand for text-book paper**

Various state text-book boards expect a significant increase in requirement of paper for printing new text-books as per revised syllabus under National Education Policy, 2020

### **Writing & Printing Papers**

Writing & printing and specialty paper market is expected to gain market growth in the forecast period of 2020 to 2027. Data Bridge Market Research analyses that the market is growing with a CAGR of 5.5% in the forecast period of 2020 to 2027 and is expected to reach USD 25,060.40 million by 2027. Specialty paper is gaining significant growth due to increasing end-use application and improving lifestyle, economy and development in the developing countries.

Writing paper are the high-quality papers which have high smoothness level and also have ability to hold the different types of inks. The writing paper is highly used in the printing and labelling due to the matt and glossy surface of the paper. Specialty paper is a recycled and natural paper that has special properties suitable for special applications such as in the packaging industry for the packaging of various food items. Specialty paper has unique combination of features, also it

has unique, differentiated products with unique types of coatings. Specialty paper has specific characteristics such as unique coatings, printing quality which makes it unique in application, design or texture. These papers play a significant role in printing, packaging and industrial use.

In food and beverages industry, the demand for the paper packing is increasing. With the increasing demand of eco-friendly and biodegradable products or packaging for the food, the demand of the paper and paperboards of the packing have increased. The packaging products are manufactured from the pulp and paper which are easy to recycle and cost efficient than other types of packaging. Paper or the paperboards can be cut into correct dimensions easily according to the finished product packaging which is increasing the paper packaging in the food and beverages industries.

This writing & printing and specialty paper market report provides details of market share, new developments, and product pipeline analysis, impact of domestic and localised market players, analyses opportunities in terms of emerging revenue pockets, changes in market regulations, product approvals, strategic decisions, product launches, geographic expansions, and technological innovations in the market. To understand the analysis and the market scenario contact us for an Analyst Brief, our team will help you create a revenue impact solution to achieve your desired goal.

### **COMPANY PERFORMANCE- PERFORMANCE HIGHLIGHTS**

Revenue for the financial year ended 31st March 2021 is INR 59515.57 lakh as against INR 82383.51 lakh for the previous Financial Year ended 31st March 2020.

Profit before Tax for the year 2020-21 is 6683.58 lakh as compared to 11527.99 lakh for the previous year. Profit after Tax for the year 2020-21 stood at 4954.86 lakh as against 9183.79 lakh in the previous year



## GROWTH OUTLOOK

1. **Capex** – To double the capacity and move up the value chain the incremental capacity comes equipped with a technology which would enable SIL to manufacture a higher quality paper at par with the best. This would help SIL to compete amongst the tier 1 Companies, in terms of quality product offerings. Also, these products command a significant premium over SIL's current product basket.
2. **Increased exports** – Tapping new geographies would absorb the increased production. Equipped with increased capacities, SIL aims to expand its geographical footprints. SIL currently has a presence in Sri Lanka & Nepal. SIL plans to expand its base in Middle east, African countries and also with select European and American clientele, who seem to have evinced interest in sourcing green copier paper (premium quality) from India.
3. **The increase in Market Share is expected with the State Boards** Currently SIL commands 10-12% market share in the State book boards market in India. However, with the new capacities coming on stream, SIL would be in a position to cater to any incremental demand from the State book boards. SIL's open market supplies could be taken care of from the new capacity, thereby not diluting its client diversification strategy.
4. SIL's 4th machine too is expected to be commissioned within this year and look forward to achieve a minimum production of 1,50,000 tons coupled with higher realisations will add significantly to SIL's revenues provided considering the pandemic situation to normalize beginning June, 2021.
5. Demand for copier paper and Cup stock paper both is growing at CAGR of 10-15% and SIL will aim to on-board maximum orders arising in the domestic market with its price competitive advantage and fully integrated setup.
6. SIL has entered into agreement with a US-based global brand interested in sourcing of packaging products and is ready to share its patented product designs for manufacturing and supply to indigenous and the global market. The expected average realization is expected to be between Rs. 250 - Rs.300 per kg, which is higher by 40- 50% compared to local market realization.
7. The management expects to report 50-60% growth in the Revenue and at least 150 to 200 bps EBITDA margin accretion in FY22 compared to FY21 whilst assuring that peak long term debt level to be around Rs. 3,750 mn to Rs. 4,000 mn.



## Abridge Financial Highlights

## Profit &amp; Loss Statement

Particulars (Rs. MN)	FY21	FY20
Revenue from Operations	5884.40	8086.37
Other Income	67.16	151.98
<b>Total Revenue</b>	<b>5951.56</b>	<b>8238.35</b>
Total Expenses	5283.20	7085.55
<b>EBITDA</b>	<b>1361.18</b>	<b>1749.18</b>
<b>EBITDA Margin (%)</b>	<b>23.13%</b>	<b>21.63%</b>
Depreciation & Amortization Expenses	584.26	546.20
Finance Cost	175.72	202.16
<b>PBT with Exceptional Item</b>	<b>668.36</b>	<b>1152.80</b>
<b>Exceptional Items</b>	<b>0</b>	<b>0</b>
<b>PBT</b>	<b>668.36</b>	<b>1152.80</b>
Current Tax	154.95	235.00
Deferred Tax	17.92	(0.58)
<b>Tax</b>	<b>172.87</b>	<b>234.42</b>
<b>PAT</b>	<b>495.49</b>	<b>918.38</b>
Other comprehensive profit / loss	3.16	(3.14)
<b>Net PAT</b>	<b>498.64</b>	<b>915.24</b>
<b>TOTAL Comprehensive PAT Margin %</b>	<b>8.47</b>	<b>11.32</b>
<b>Diluted EPS</b>	<b>4.95</b>	<b>9.18</b>

## Abridge Financial Highlights (Contd.)

## Balance sheet

Assets (Rs. MN)	FY21	FY20
<b>Fixed Assets</b>		
Tangible Assets	4,315.91	3,709.09
Capital Work in Progress	3,178.05	2,147.40
<b>Total Fixed Assets</b>	<b>7,493.95</b>	<b>5,856.49</b>
Non Current Investment & Other Financial Asset	48.59	42.97
Loans	-	-
Deferred Tax & Other tax Assets	-	31.96
Other Non-Currents Assets	80.69	51.93

<b>Total Non-Current Assets</b>	<b>7,623.23</b>	<b>5,983.35</b>
<b>Current Assets</b>		
Inventories	917.75	531.07
Biological Assets Other than bearer plants	299.71	281.28
Trade Receivable	908.01	1,322.84
Cash & Cash Equivalent	6.85	17.24
Bank Balances other than cash & cash Equivalent	104.73	137.47
Other Financial Assets	46.88	23.45
Current Tax Assets	-	22.10
<b>Other Current Assets</b>	<b>107.55</b>	<b>132.13</b>
<b>Total Current Assets</b>	<b>2,391.47</b>	<b>2,467.57</b>
<b>Total</b>	<b>10,014.70</b>	<b>8,450.92</b>

## Abridge Financial Highlights (Contd.)

## Balance sheet

Liabilities (Rs. MN)	FY21	FY20
<b>Shareholders Fund</b>		
Share Capital	100.00	100.00
Reserve and Surplus	4,353.45	3,854.81
<b>Total Shareholders Fund</b>	<b>4,453.45</b>	<b>3,954.81</b>
<b>Non-Current Liabilities</b>		
Long term Borrowing	2,279.06	1,587.67
Other Financial Liabilities	1,029.39	850.35
Other Non-current Liabilities	202.22	69.15
Long Term Provision	102.56	93.12
Deferred Tax Liabilities	31.15	
<b>Total Non Current Liability</b>	<b>3,644.38</b>	<b>2,600.29</b>
<b>Current Liabilities</b>		
Short Term Borrowing	674.29	595.90
Trade Payable	502.55	530.10
Other Financial Liabilities	630.66	667.02
Other Current Liabilities	43.22	92.77
Short Term Provision	14.30	10.04
Current Tax Liabilities	51.86	-
<b>Total Current Liabilities</b>	<b>1,916.87</b>	<b>1,895.82</b>
<b>Total</b>	<b>10,014.70</b>	<b>8,450.92</b>



## NOTICE

Notice is hereby given that the 40th Annual General Meeting of Satia Industries Ltd will be held on Thursday, 30th September, 2021 at 10:30 A.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2021 and Profit and Loss Account for the year ended on that date along with the Report of the Auditors and Directors thereon.
2. To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2021.
3. To appoint a director in place of Sh Rajinder Kumar Bhandari, (DIN No 00732588) Joint Managing Director who retires by rotation, being eligible and offer himself for re-appointment.

### Special Business

#### Item No 4

#### Re-appointment of Dr Ajay Satia, Chairman Cum Managing Director and fixation of his remuneration

**To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

**"RESOLVED** that in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and / or any other guidelines issued by the Central Government from time to time (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the re-appointment of Dr. Ajay Satia (DIN : 00850792) as the Chairman cum Managing Director of the Company and to his receiving remuneration, benefits and amenities as the Chairman Cum Managing Director for a period from 01st October, 2021 to 30th September, 2024, upon the terms, conditions and stipulations contained in the

Agreement entered into between the Company and Dr. Ajay Satia, Chairman Cum Managing Director and as stated here below:-

#### Terms:

1. Salary: Rs.4000000/- Per Month.
2. Commission: Not exceeding 1.00 (one) percent of net profit in an accounting year of the Company subject to availability of profit.
3. Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
4. Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
5. Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.

**"RESOLVED FURTHER** that where in any financial year during the tenure of office of Dr. Ajay Satia, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Dr. Ajay Satia as specified in the draft Agreement referred to above, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Dr. Ajay Satia by way of salary, dearness allowance, perquisites and any other allowances within the ceiling limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time.

**"RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

#### Item No 5

#### Re-appointment of Sh R.K.Bhndari, Joint Managing Director and fixation of his Remuneration.

**To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

**“RESOLVED that** in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and / or any other guidelines issued by the Central Government from time to time (including any statutory modification (s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the re-appointment of Sh R.K.Bhandari, (DIN : 00732588) as Joint Managing Director of the Company and to his receiving remuneration, benefits and amenities for a period from 01st October, 2021 to 30th September, 2024, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Sh R.K.Bhandari and as given below”

**I. Terms:**

- 1) Salary: Rs. 8,00,000/- PM with an annual increment of Rs 50,000/- PM as per agreement.
- b) Perquisites/ benefits
  - i) Company owned/ leased accommodation or reasonable house rent allowance while posted in any place other than Muktsar
  - ii) Reimbursement of medical and hospitalization expenses including dental and optical treatment for self and family and Mediclaim insurance premium.
  - iii) First class air fare or first-class air-conditioned railway fare and other actual expenses borne for self and family anywhere in India or abroad once a year while on leave including boarding lodging and surface travel expenses or minimum of one month salary. The necessary foreign exchange for the purpose, if required will be provided by the company but subject to any regulation prescribed by Reserve Bank of India and in force for the time being.
  - iv) Personal Accidental Insurance.
  - v) In addition to above Sh R.K.Bhandari, shall be entitled to all such perquisites/ benefits which he was enjoying as Joint Managing Director of Company the total value of

which shall not exceed Rs 150000/- in a year.

**“RESOLVED FURTHER** that where in any financial year during the tenure of office of Sh R.K.Bhandari, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Sh R.K.Bhandari as specified in the draft Agreement referred to above, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Sh R.K.Bhandari by way of salary, dearness allowance, perquisites and any other allowances within the ceiling limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time.”

**“RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**Item No 6**

**Re-appointment of Sh Chirag Satia, Executive Director and fixation of his remuneration.**

**To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

**“RESOLVED** that in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and / or any other guidelines issued by the Central Government from time to time (including any statutory modification (s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the re-appointment of Sh Chirag Satia (DIN : 3426414) as Executive Director of the Company and to his receiving remuneration, benefits and amenities for a period from 01st October, 2021 to 30th September, 2024, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Sh Chirag Satia, and as stated here below”

**I. Terms:**

Salary Rs. 30,00,000/- PM



- i. Reimbursement of medical expenses incurred in India or abroad including, hospitalization nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
- ii. Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
- iii. Personal accidents and mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.
- iv. Contribution to provident fund, superannuation fund or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
- v. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and encashment of leave at the end of the tenure.

**"RESOLVED FURTHER** that where in any financial year during the tenure of office of Sh Chirag Satia, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Sh Chirag Satia as specified in the draft Agreement referred to above and subject to the approval of the Board of Directors and Central Government, if and to the extent necessary or in the alternative, pay remuneration to Sh Chirag Satia, Executive Director by way of salary, dearness allowance, perquisites and any other allowances within the ceiling limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time."

**"RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

#### Item No 7

**Re-appointment of Sh Hardev Singh as Director (Technical) of the Company and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution: -**

**"RESOLVED** that in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014 and / or any other guidelines issued by the Central Government from time to time (including any statutory modification (s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the re-appointment of Sh Hardev Singh as Director (Technical) of the Company and to his receiving remuneration, benefits and amenities as the Director (Technical) for a period from 01st October, 2021 to 30th September, 2024, upon the terms, conditions and stipulations contained in the Agreement entered into between the Company and Sh Hardev Singh, Director (Technical) and as stated here below:-

#### 1. Terms:

- a) Salary: Rs 3,25,000 /-PM with an annual increment of Rs. 30,000- PM as per agreement
- b) Perquisites/benefits as per rules of the Company.
- i) Company owned/ leased accommodation or reasonable house rent allowance.

**"RESOLVED FURTHER** that Sh Hardev Singh, Director (Technical) be and is hereby nominated as Occupier of the factory of the Satia Industries Limited situated at village Rupana, Malout Muktsar Road, District: Muktsar"

**"RESOLVED FURTHER** that based on the recommendation of the Nomination and remuneration Committee, terms and conditions of appointment, including determination of remuneration payable to Sh Hardev Singh, Director (Technical) may be varied in such manner as the Board may in its absolute discretion deem fit, provided, however, that the remuneration payable to Sh Hardev Singh Director (Technical) shall not exceed the maximum limits for payment of managerial remuneration specified in Section 197 of the Companies Act, 2013 and Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time or the maximum limits for payment of managerial remuneration as may be prescribed in accordance with the laws, policies, rules, regulations and guidelines in force from time to time"

**"RESOLVED FURTHER** that where in any financial year during the tenure of office of Sh Hardev Singh Director (Technical), the Company has no profits or its profits are inadequate, the Company shall pay remuneration,

benefits and amenities to Sh Hardev Singh, Director (Technical) as specified above, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Sh Hardev Singh Director (Technical) by way of salary, dearness allowance, perquisites and any other allowances within the ceiling limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time.

#### NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio-visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Company is convening 40th Annual General Meeting (AGM) through VC / OAVM and no physical presence of members, directors, auditors and other eligible persons shall be required for this annual general meeting
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.
4. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation in the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item No. 4 to 7 the Notice, is annexed hereto.
7. Book Closure and Dividend:
  - (a) The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2021 to 30th September, 2021 (both days inclusive).
8. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be



transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical, members holding shares in physical form are requested to consider converting their holdings into dematerialized form.

9. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company’s Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/ electronic mode, respectively.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s. Beetal Financial and Computer Services Private Ltd, in case the shares are held in physical form.
11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote
12. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is stated in the explanatory statement.
13. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address.
14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered

with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company’s website [www.satiagroup.com](http://www.satiagroup.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of <https://www.evoting.nsdl.com>

15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. 20. Instructions for e-voting and joining the AGM are as follows:
  16. Members seeking any information with regards to Annual Accounts at the time of Meeting, are requested to send their queries to the company so as to reach at least ten days before the date of Meeting, to enable the management to keep the relevant information ready at the time of Meeting.
  17. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Shareholders are informed that the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL). The detailed procedure is mentioned below. For the aforesaid purpose, the Company has appointed Mr. Gaurav Bansal, Chartered Accountant as scrutinizer for scrutinizing e-voting process in a fair and transparent manner
- a. The instructions for shareholders voting electronically are as under: -**
- i The voting period begins on 27.09.2021, 10.00 AM and ends on 29.09.2021 at 5.00 PM. During these period shareholders holding share either in physical form or in dematerialized form as on the cut-off date 23.09.2021 (record date) may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting thereafter.
  - (i) Pursuant to SEBI Circular No. **SEBI/HO/CFD / CMD / CIR / P / 2020 / 242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility

to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/Depository Participants**. Demat account holders would be able to cast their vote without having to register

again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (ii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page</li> </ol>



Type of shareholders	Login Method
	<p>of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Log-in” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
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"> <li>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vi) 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.
- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) 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.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the 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.



(xii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [satiagroup@gmail.com](mailto:satiagroup@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / I Pads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

- (i) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

M/s Gaurav Bansal, Chartered Accountant has been appointed as the Scrutinizer. the e-voting process in a fair and transparent manner (including the ballot forms). The Scrutinizer shall within a period of two working days for the conclusion e-voting period, unblock the votes in presence of at least 2 witnesses not in employment of the Company and make a report of the vote cast in favour or against, if any, forthwith to the Chairman of the Company.

15. The Results shall be declared within two working days from the conclusion of the AGM. The result declared along with the Scrutinizer’s report shall be placed in the Company website i.e [www.satiagroup.com](http://www.satiagroup.com).

## EXPLANATORY STATEMENT OF MATERIALS FACTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No 4

Keeping in view the performance of the Company under the leadership of Dr. Ajay Satia in the past and ongoing new projects of the Company, the remuneration Committee and Board of Directors in their respective meetings held on 13.08.2021 have approved the re-appointment of Dr. Ajay Satia, as Chairman Cum Managing Director of the Company for a period of three years with effect from 01.10. 2021 and payment of remuneration thereof on the terms and conditions as are set out in the resolution. As per the provisions of the Companies Act, 2013, read with schedule V thereof, approval of shareholders is required for the purpose by way of special resolution. Hence the Board recommends the resolution for your approval by way of a special resolution.

**The information as required under Schedule V of the Companies Act, 2013 is given hereunder:**

### 1. General Information

#### Nature of Industry

**Satia Industries limited is manufacturing writing and printing paper**

#### Commercial Production

**As on March 31st, 2021 the Company is having capacities for manufacture as hereunder: -**

Sr No	Particular of Manufacturing	Licensed Capacity
1	Writing and Printing Paper	105000 MT

#### Financial Performance

During the financial year 2020-21, net revenue from operation was Rs 58843.95 Lakh and the net profit after tax of the Company is Rs 4954.86 Lakh

### 11 Information about the appointee

#### Background details

Dr Ajay Satia aged 67 years is a MBBS founder of Satia Industries Limited and has been serving the Company as Managing Director since incorporation. The Company has performed well under the leadership of Dr Ajay Satia, Chairman Cum Managing Director & CEO of the Company. He is person behind the growth of the Company. He is responsible for managing the day-to-



day business affairs of the Company as well as its long-term strategic growth. This includes formulation & implementation of strategic business plans, expansions, implementation of organization structure, ramping up visibility of the Company with the customers strong business & operational processes.

#### **Job Profile and his suitability**

Dr Ajay Satia shall be responsible for the overall affairs of the Company.

#### **Remuneration proposed**

Keeping in view the responsibilities assigned to Dr Ajay Satia and his role in the development of the Company, it is proposed to re-appoint Dr Ajay Satia as Chairman Cum Managing Director of the Company on the monthly salary of Rs 4000000/- PM and 1% Commission on profit as specified in the resolution.

#### **Comparative remuneration profile with respect to the industry size of the Company profile of position and person**

The Salary structure of the managerial personnel has undergone a major change in the industry in the recent past. Keeping in view the type of the industry, size of the Company responsibilities and capabilities of Dr Ajay Satia Chairman Cum Managing Director the proposed remuneration is competitive with remuneration paid by other Companies to such similar position.

Pecuniary relationship with the Company or relationship with managerial personnel.

Dr Ajay Satia is the promoter Director of the Company.

#### **111 Other information**

Keeping the overall scenario of the industry, the Company is performing reasonably well. The Company is strengthening its focus on quality control, strategic market alliances and expansions.

The above may also be treated as an abstract of the terms of Contract/Agreement entered into between the Company and Dr Ajay Satia, pursuant to Section 190 of the Companies Act, 2013

None of the Directors is interested in the above resolution except Dr Ajay Satia himself and Sh Chirag Satia being related to him.

#### **Item No 5**

Keeping in view the performance of the Company under the management and control of Sh. R.K.Bhandari, Joint

Managing Director, the remuneration Committee and Board of Directors in their respective meeting held on 13.08.2021 have approved the re-appointment of Sh. R.K. Bhandari as Joint Managing Director of the Company for a period of three years with effect from 01.10.2021 and payment of remuneration thereof on the terms and conditions as are set out in the resolution. As per the provisions of the Companies Act, 2013, read with schedule V thereof, approval of shareholders is required for the purpose. Hence the Board recommends the resolution for your approval by way of a special resolution.

The information as required under Schedule V of the Companies Act, 1956 is given hereunder:

## **2. General Information**

### **Nature of Industry**

Satia Industries limited is manufacturing writing and printing paper

### **Commercial Production**

As on March. 31st, 2021 the Company is having capacities for manufacture as hereunder: -

Sr No	Particular of	Licensed Capacity Manufacturing
1	Writing and Printing Paper	105000 MT

### **Financial Performance**

During the financial year 2020-21, net revenue from operation was Rs 58843.95 lakh and the net profit after tax of the Company is Rs 4954.86 lakh.

## **11 Information about the appointee**

### **Background details**

Sh R.K.Bhandari is a MBA and associated with the Company since 01st December, 1986 and is looking after the day to day affairs of the Company and he is completely aware with all aspects of the Company's business.

### **Job Profile and his suitability**

Sh R.K.Bhandari shall be responsible for the management and control of day to day affairs of the company. He has been serving the Company since 1986. The Company has performed well under the able guidance of Sh R.K. Bhandari, Joint Managing Director

### Remuneration proposed

Keeping in view the responsibilities assigned to Sh R.K.Bhandari, Joint Managing Director and his role in the day to day management and control of the Company. It is proposed to re-appoint Sh R.K. Bhandari, Joint Managing Director on monthly salary of Rs. 800,000/- PM.

### Comparative remuneration profile with respect to the Industry size of the Company profile of position and person.

The Salary structure of the managerial personnel has undergone a major change in the Industry in the recent past. Keeping in view the type of the Industry, size of the Company responsibilities and capabilities of Sh R K Bhandari, Joint Managing Director, the proposed remuneration is competitive with remuneration paid by other Companies to such similar position.

Pecuniary relationship with the Company or relationship with managerial personnel.

Sh R.K.Bhandari is not having any pecuniary relation with the Company.

### 111 Other information

Keeping the overall scenario of the industry, the Company is performing well. The Company is strengthening its focus on quality control, strategic market alliances and expansions.

The above may also be treated as an abstract of the terms of Contract/Agreement entered into between the Company and Sh R.K.Bhandari, Joint Managing Director, pursuant to Section 190 of the Companies Act, 2013

None of the Directors is interested in the above resolution except Sh R. K.Bhandari

### Item No 6

Keeping in view the performance of the Company, new expansions in progress, remuneration Committee and Board of Directors in their respective meetings held on 13.08.2021 have approved the re-appointment of Sh. Chirag Satia, as Executive Director of the Company for a period of three years with effect from 01.10.2021 and payment of remuneration thereof on the terms and conditions as are set out in the resolution. As per the provisions of the Companies Act, 2013, read with schedule V thereof, approval of shareholders is required for the purpose. Hence the Board recommends the resolution for your approval by way of a special resolution.

The information as required under Schedule V of the Companies Act, 1956 is given hereunder:

### 3. General Information

#### Nature of Industry

Satia Industries limited is manufacturing writing and printing paper

#### Commercial Production

As on March. 31st, 2021 the Company is having capacities for manufacture as hereunder: -

Sr No	Particular of Manufacturing	Licensed Capacity
1	Writing and Printing Paper	105000 MT

#### Financial Performance

During the financial year 2020-21, net revenue from operation was Rs 58843.95 lakh and the net profit after tax of the Company is Rs 4954.86 lakh.

### 11 Information about the appointee

#### Background details

Sh Chirag Satia aged 32 years is a C.A Inter.

#### Job Profile and his suitability

Sh Chirag Satia shall be responsible for the financial matter and overall day to day management of the Company.

#### Remuneration proposed

Keeping in view the responsibilities assigned to Sh Chirag Satia and his role in the development of the Company, it is proposed to appoint Sh Chirag Satia as Executive Director of the Company on the monthly salary of Rs 30,00,000/- PM plus other allowance and perquisites as specified in resolution.

Comparative remuneration profile with respect to the Industry size of the Company profile of position and person

The Salary structure of the managerial personnel has undergone a major change in the Industry in the recent past. Keeping in view the type of the Industry, size of the Company responsibilities and capabilities of Sh Chirag Satia Executive Director the proposed remuneration is competitive with remuneration paid by other Companies to such similar position.



Pecuniary relationship with the Company or relationship with managerial personnel.

Sh Chirag Satia is a son of Dr Ajay Satia, promoter Director of the Company.

#### 111 Other information

Keeping the overall scenario of the industry, the Company is performing reasonably well. The Company is strengthening its focus on quality control, strategic market alliances and expansions.

The above may also be treated as an abstract of the terms of Contract/Agreement entered into between the Company and Sh Chirag Satia, pursuant to Section 190 of the Companies Act, 2013

None of the Directors is interested in the above resolution except Sh Chirag Satia himself and Dr Ajay Satia.

#### Item No 7

Keeping in view the responsibility being shared by Sh Hardev Singh as Director (Technical), the remuneration Committee and Board of Directors in their respective meetings held on 13.08.2021 have approved the re-appointment of Sh Hardev Singh as Director (Technical) of the Company for a period of three years with effect from 01.10.2021 and payment of remuneration thereof on the terms and conditions as are set out in the resolution. As per the provisions of the Companies Act, 2013, read with schedule V thereof, approval of shareholders is required for the purpose. Hence the Board recommends the resolution for your approval by way of a special resolution.

The information as required under Schedule V of the Companies Act, 2013 is given hereunder:

#### General Information

##### Nature of Industry

Satia Industries limited is manufacturing writing and printing paper

Commercial Production

As on March. 31st, 2021 the Company is having capacities for manufacture as hereunder: -

Sr No	Particular of	Licensed Capacity Manufacturing
1	Writing and Printing Paper	105000 MT

#### Financial Performance

During the financial year 2020-21, total revenue from

operation was Rs 58843.95 lakh and the net profit after tax of the Company is Rs 4954.86 lakh

#### 11 Information about the appointee

##### Background details

Sh Hardev Singh aged 64 years and have diploma in Mechanical

##### Job Profile and his suitability

Sh Hardev Singh, Director (Technical) is responsible for the running of plant, process and head all projects.

##### Remuneration proposed

Keeping in view the responsibilities assigned to Sh. Hardev Singh, it is proposed to re-appoint Sh Hardev Singh, as Director (Technical) on the monthly salary of Rs 325000/- PM plus other allowance and perquisites as specified in resolution.

Comparative remuneration profile with respect to the Industry size of the Company profile of position and person.

The Salary structure of the managerial personnel has undergone a major change in the Industry in the recent past. Keeping in view the type of the Industry, size of the Company responsibilities and capabilities of Sh Hardev Singh, the proposed remuneration is competitive with remuneration paid by other Companies to such similar position.

Pecuniary relationship with the Company or relationship with managerial personnel.

Sh Hardev Singh, is not having any pecuniary relation with the Company.

#### 111 Other information

Keeping the overall scenario of the industry, the Company is performing reasonably well. The Company is strengthening its focus on quality control and expansions.

The above may also be treated as an abstract of the terms of Contract/Agreement entered into between the Company and Sh Hardev Singh, pursuant to Section 190 of the Companies Act, 2013

None of the Directors is interested in the above resolution except Sh Hardev Singh himself,

Place : Rupana  
Dated : 13.08.2021

**By Order of the Board  
For Satia Industries Ltd.**

**(Rakesh Kumar Dhuria)  
Company Secretary**

**Details of Directors seeking re-appointment at the Annual General Meeting**

Particulars	Dr Ajay Satia
DIN	00850792
Date of Birth	29th June, 1954
Date of Appointment	26th November, 1980
Qualification	MBBS
Expertise in specific functional areas	Looking after Satia Industries Limited Since 1980 as CMD
Directorships held in other listed companies	NIL
Number of shares held in the Company	22352990

Particulars	Sh R K Bhandari
DIN	00732588
Date of Birth	25th October, 1957
Date of Appointment	27th October, 1994
Qualification	MBA
Expertise in specific functional areas	Looking after day to day management of the company
Directorships held in other listed companies	NIL
Number of shares held in the Company	250000

Particulars	Sh Chirag Satia
DIN	03426414
Date of Birth	28th May, 1992
Date of Appointment	13.02.2015
Qualification	C.A. Inter
Expertise in specific functional areas	Looking after the Satia Industries Ltd. as Executive Director
Directorships held in other listed companies	NIL
Number of shares held in the Company	6960669

Particulars	S.Hardev Singh
DIN	07943672
Date of Birth	02nd October, 1957
Date of Appointment	01.10.2017
Qualification	Diploma Production Development
Expertise in specific functional areas	Looking after the Technical Work of Satia Industries Ltd
Directorships held in other listed companies	NIL
Number of shares held in the Company	100

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the corporate governance report which is a part of this Integrated Annual Report.



## DIRECTORS' REPORT

Dear Members,

The Directors have the pleasure of presenting the 40th Annual Report of your Company for the financial year 2020-21

### Financial Result:

The financial performance of your Company for the year ended March 31, 2021 is summarized below: -

(Rs in Lakh)

Particulars	Current Year	Previous Year
Revenue and Other Income	59515.57	82383.51
Profit Before interest depreciation and tax	14283.37	19011.55
Interest and Financial Charges	1757.24	2021.55
Depreciation	5842.55	5462.01
Profit from operations (before Tax) prior year adjustments & exceptional Item	6683.58	11527.99
TAX EXPENSES		
Current Tax	1549.54	2350.02
Deferred Tax	179.19	-5.82
Profit/(Loss) after Tax	4954.86	9183.79
Less: Appropriation		
Dividend on Equity Shares	100	300.00

### Industry Review

#### i) Covid- 19

The Covid-19 pandemic is redefining global health crisis in recent times and has spread rapidly across the globe. The bigger challenge is that it is not a mere health crisis and is having an unprecedented impact on Indian and global business environment. COVID-19 had a huge impact on the paper and print industry. The paper and printing industry is going through a steep decline in volume because of its reliance on the education sector, commercial and promotional printing. The Company has taken all necessary measures in terms of mitigating impact of the challenges being faced in the business due to the Covid-19 pandemic. Though the long-term

directions of the Company remain firm, in light of Covid-19 and its expected impact on the operating environment, the immediate key priorities of the Company would be to closely monitor customer demand, conserve cash and control fixed costs, while continuing to invest in the important long term growth areas and expansion in process.

#### ii) Corporate Overview

Satia Industries Limited operates in the following business segments: -

- 1 Writing and Printing Paper
- 2 Yarn.
- 3 Cotton.
- 4 Agriculture
- 5 Co-generation of Power for captive consumption and
- 6 Solar Power.

Financial Performance and the state of the Company's affairs

#### iii) Operational Review

Your Company's Total Income during the year under review was Rs. 59515.57 lakh as compared to Rs. 82383.51 lakh in the previous year.

Profit before Tax for the year 2020-21 was Rs. 6683.58 lakh as against Rs. 11527.99 lakh in the previous year. Profit after Tax for the year 2020-21 stood at Rs. 4954.86 lakh as against Rs. 9183.79 lakh in the previous year.

#### Expansion Plan

Your Company is implementing its planned capex of Rs. 500.00 crores which is halfway done as Rs. 303.00 crores has been spent and trial production is expected to start soon.

#### Setting up of New Product Line- Table Cutlery

Your Company has plans to install two Table Cutlery Machines with an annual capacity of plus 2000 tonnes. The erection and installation work are in progress.

#### Dividend

Your directors are pleased to recommend a Dividend of Rs.0.10/- (i.e., 10%) per equity share of Rs. 1/- for

the year ended 31st March, 2021, the dividend will be paid after approval of members at the ensuing Annual General Meeting (AGM) of the Company. Dividend on equity shares, if approved by the Members, would involve a cash outflow of Rs 100.00 lakh

## Financial Review

### Reserves

The closing balance of the retained earnings of the Company for the financial year 2021, after all appropriation and adjustments was Rs. 43534.52 Lakh.

### Fixed Deposit

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

### Particulars of Loans, Guarantees or Investments:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by company are given in the notes to the financial statements.

### Internal Control Systems and their adequacy

SIL has a well-established framework of internal controls across in all the areas of its operations. The Company has adequate monitoring procedures and to maintain its objectivity and independence, the Company has appointed competent Internal Auditor, who reports to the Joint Managing Director and the quarterly reports are placed before the Audit Committee.

Based on the report of internal audit, the audit committee recommends corrective actions to the respective departments need to undertake in their respective areas and thereby strengthen the controls.

### Directors and Key Managerial Personnel

Pursuant to provisions of Companies Act, 2013 ('Act') and the Articles of Association of the Company, Sh Rajinder Kumar Bhandari, Joint Managing Director (DIN: 00732588) retire by rotation and being eligible, offer himself for re-appointment. The term of Dr Ajay Satia, Chairman Cum Managing Director, Sh Rajinder Kumar Bhandari, Joint Managing Director, Sh Chirag Satia Executive Director and Sh Hardev Singh, Director (Technical) expiring at the ensuing Annual General Meeting in September, 2021. Based on the recommendation of the Nomination and Remuneration

committee, their re-appointment for a term of three years is proposed at the ensuing Annual General Meeting for approval of the members by way of special resolution.

All the Independent Directors have affirmed their independence under Section 149 of the Companies Act, 2013 and provisions of Regulation 25 of SEBI (LODR) Regulations, 2015. The Company has obtained requisite declaration to that effect from the said Directors.

### Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. In a separate meeting of independent Directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In the Board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent Directors was done by the entire board, excluding the independent director being evaluated.

### Key Managerial Personnel

Pursuant to the provisions of Section 149 of the Act, the independent Directors have submitted declarations that each of them meets the criteria of independence

as provided in Section 149(6) of the Act along with Rules framed there under and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are Dr Ajay Satia, Chief Executive Officer, Chairman cum Managing Director, Sh Inderjeet Monga, AGM(Finance) – CFO and Sh Rakesh Kumar Dhuria, Company Secretary.

#### Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following substantive Committees constituted by the Board function according to their respective roles and defined scope:

#### Audit Committee of Directors

Nominations and Remuneration Committee (NRC) •  
Stakeholders Relationship Committee •  
Corporate Social Responsibility Committee •  
Risk Management Committee

Terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance which forms part of the Annual Report. Further, during the year under review, all recommendations made by the Audit Committee have been accepted by the Board. The Company has adopted a Code of Conduct for its Non-Executive Directors including a code of conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Act.

In terms of the Listing Regulations, all Directors and senior management personnel have affirmed compliance with their respective codes. The CEO & Managing Director has also confirmed and certified the same, which certification is provided at the end of the Report on Corporate Governance.

#### Remuneration Policy

In compliance with Section 178(3) of the Act and Regulation 19(4) of the Listing Regulations, on the recommendations of the Nomination and Remuneration Committee (NRC), the Board formulated Policy relating to the remuneration of Directors, key managerial personnel and other employees. The Policy includes criteria for determining qualifications, positive attributes and independence of Directors and other matters. It broadly lays down the philosophy, guiding principles and basis for recommending payment of remuneration to the Executive and Non-Executive Directors. The role of the NRC is disclosed in the Corporate Governance Report, which forms part of the Annual Report in compliance with proviso to Section 178(4) of the Act. The Remuneration Policy is stated in the Annexure-I.

#### Number of meetings of the Board

Five meetings of the Board were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

#### Director Responsibility Statement

**Pursuant to requirement of Section 134 (5) of the Companies Act, 2013, your Directors confirm that:**

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the period.
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the Directors had prepared the annual accounts on a going concern basis.

The Directors had laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively. The Directors had devised proper systems to



ensure compliance with the provision of all applicable laws and that such system was adequate and operating effectively.

### **Audit reports and Auditors**

The Auditors Report for the year 31.03.2021 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statement in this Annual Report.

### **Statutory Auditors:**

Under section 139 of the Companies Act, 2013 and the rules made there under, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section, in line with the requirements of the Companies Act, 2013, M/S Deepak Grover & Association, Chartered Accountants (Firm Registration No 020678N) was appointed as the Statutory Auditors of the company to hold office for a period of five consecutive years from the conclusion of the 36th Annual General Meeting of the company held on 29th September, 2017, till the conclusion of the 41st Annual General Meeting to be held in the year 2022, subject to ratification by shareholders at the Annual General Meeting or as may be necessitated by the Act from time to time. The first year of audit was of the financial statements for the year ending March 31, 2017 which included the audit of the quarterly financial statements for the year.

The Auditors' Report on the Accounts is self-explanatory and requires no comments.

### **Secretarial Audit:**

Pursuant to provision of section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s S. Parnami & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the company. The Secretarial Audit report is annexed herewith as "Annexure V1. The Secretarial Audit Report for the year under review requires no comments. The said report does not contain any qualification, reservation or adverse remarks.

### **Annual Secretarial Compliance Report**

In compliance with Circular No. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, issued by the Securities and Exchange Board of India (SEBI), M/s S. Parnami & Associates, was appointed for issuing Annual Secretarial Compliance Report for the year ended March 31,

2021. The said Report confirms that the Company has maintained proper records as stipulated under various Rules and Regulations and that, no action has been taken against the Company or promoters/directors by the SEBI/Stock Exchange.

### **Internal Auditors**

During the year under review M/s S S P J & Co, Chartered Accountants, internal Auditors carried out the internal audit and submitted their report.

### **Cost Audit**

Pursuant to the provisions of the Companies Act, 2013 M/s Balwinder & Associates, Cost Accountants, Mohali has conducted the cost audit of the Company. As recommended by the Audit Committee, the Board at its meeting held on 10.08.2020, appointed M/s Balwinder & Associates., Cost Accountants, Mohali as Cost Auditor to conduct cost audit for the year ended March 31, 2021, pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014. M/s Balwinder & Associates, confirmed that they are free from disqualifications as specified under Section 141 read with Sections 139 and 148 of the Act, held a valid certificate of practice and that their appointment met the requirements of Sections 141(3)(g) and 148 of the Act. M/s Balwinder & Associates also confirmed that they are independent, maintained an arm's length relationship with the Company and that no orders or proceedings are pending against them relating to professional matters of conduct before the institute of Cost Accountants of India or any competent authority/court. The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Act.

Your Company has adopted Indian Accounting Standards (IND AS). The Financial Statement for the year ended March 31, 2021 have been prepared in accordance with IND (As) notified under the Companies (Indian Accounting Standards) Rules, as amended by the Companies (Indian Accounting Standard) Rules, 2018 read with Section 133 and other applicable provisions of the Companies Act, 2013.

### **Related Party Transaction:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial

Personnel or other designated persons which may have potential conflict with interest of the company at large. transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval. The Board of Directors of the Company has on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the rules there under and Listing Regulations. This Policy as considered and approved by the Board has been uploaded on the webs site of the Company at [www.satiagroup.com](http://www.satiagroup.com)

### **Subsidiary Companies**

The Company does not have any subsidiary.

### **Vigil mechanism/Whistle blower policy**

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employee a secure and fearless working environment, Over the years, your Company has established a reputation for doing business with integrity and has displayed zero tolerance for any form of unethical behaviour. In compliance with Section 177(9) of the Act, Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has in place a robust vigil mechanism for Directors and employees to report concerns, details of which, are covered in the Corporate Governance Report which forms part of this Annual Report. The said mechanism provides adequate safeguards against victimization of persons who the vigil mechanism and provides direct access to the Chairperson of the Audit Committee. Whistle-blower Policy has been hosted on Company's website [www.satiagroup.com](http://www.satiagroup.com).

### **Extract of Annual Return:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure-VII

### **Particulars of Employees**

Information as required under Section 197 read with rule 5 of the (Companies Appointment and Remuneration of Managerial Personnel) Rules 2014 is appended as Annexure-II and forms an integrated part of this report.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo**

The Particulars as prescribed under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Company (Accounts) Rules 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is appended as Annexure-III

### **Industrial Relations:**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

Corporate Governance, Management Discussion & Analysis and Business Responsibility Report

As per Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon and the Management Discussion and Analysis are attached, which forms part of this Annual Report. Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report, initiatives taken from an environmental, social and governance perspective in the prescribed format is attached as a separate section of this Annual Report.

### **Sustainability**

#### **Corporate Social Responsibility Initiatives**

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure IV of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on [www.satiagroup.com](http://www.satiagroup.com).

The Company has carried out 'Need Assessment Study' to fulfil the requirements of its social responsibility under CSR Programs and based on that assessment of demand, the management has approved CSR program in surrounding villages (Expenditure on CSR will be reviewed in each year depending on the profitability of the Company). The activities mentioned therein shall be carried out within a time frame of 5 years (from the year 2017-18 to 2021-22. The sectors identified under the scope of CSR activities are as follows:

Sr. No	Planned activities under CSR as per specific needs	Budgetary Plan (Rs.)					
		1st Year	2nd Year	3rd Year	4th Year	5th Year	Total
1.	Community Health Improvement						
i.	Disinfection facilities for dug wells and other potable water sources	2,00,000	2,00,000	3,50,000	3,50,000	3,00,000	14,00,000
ii.	Periodically medical checkup, blood donation camps to be organized near project site	2,50,000	2,50,000	2,50,000	3,00,000	3,50,000	14,00,000
iii.	Eye checkup camps	3,00,000	4,00,000	5,00,000	5,00,000	5,00,000	22,00,000
iv.	Health awareness camps for child and mother care, health and hygiene practices.	1,50,000	1,50,000	2,00,000	2,50,000	2,50,000	10,00,000
	Total	9,00,000	10,00,000	13,00,000	14,00,000	14,00,000	60,00,000
2.	Community Education Facilities						
i.	Augmentation of furniture, blackboard, etc. in village schools	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	25,00,000
ii.	Award scholarship to meritorious students	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	5,00,000
iii.	Distribution of educational books, stationary, uniforms and aids etc.	4,00,000	4,00,000	4,00,000	4,00,000	4,00,000	20,00,000
	Total	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	50,00,000
3.	Community Welfare activities						
i.	Worship places development & beautician	3,00,000	3,00,000	3,00,000	3,00,000	3,00,000	15,00,000
ii.	Distribution of seeds & saplings	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	5,00,000
iii.	Promotion & support to various Govt. Schemes	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000	10,00,000
	Total	6,00,000	6,00,000	6,00,000	6,00,000	6,00,000	30,00,000
4.	Infrastructural Development						
i.	Village pond retrieval	3,00,000	3,00,000	3,00,000	3,00,000	3,00,000	15,00,000
ii.	R.O installation	3,00,000	3,00,000	3,00,000	3,00,000	3,00,000	15,00,000
	Total	6,00,000	6,00,000	6,00,000	6,00,000	6,00,000	30,00,000
5.	Community Water Conservation						
i.	Rain water harvesting and ground water recharge pits	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	25,00,000
ii.	Water conservation awareness programs	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	5,00,000
	Total	6,00,000	6,00,000	6,00,000	6,00,000	6,00,000	30,00,000
6.	A forestation Programs						
i.	Plantation of trees in village road side	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	25,00,000



ii	Development of nursery	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	5,00,000
	<b>Total</b>	<b>6,00,000</b>	<b>6,00,000</b>	<b>6,00,000</b>	<b>6,00,000</b>	<b>6,00,000</b>	<b>30,00,000</b>
<b>7. Community Capacity Building</b>							
i	Impairing vocational training for technical skills, self-employment training for women as stitching, embroidery tailoring, handicrafts	2,00,000	3,00,000	4,00,000	5,00,000	6,00,000	20,00,000
	<b>Total</b>	<b>2,00,000</b>	<b>3,00,000</b>	<b>4,00,000</b>	<b>5,00,000</b>	<b>6,00,000</b>	<b>20,00,000</b>
	<b>Grand Total</b>	<b>45,00,000</b>	<b>47,00,000</b>	<b>51,00,000</b>	<b>53,00,000</b>	<b>54,00,000</b>	<b>2,50,00,000</b>

As part of its initiatives under “corporate social responsibility” (CSR), the company has contributed funds for the schemes of promotion of education, medical aid and established medical oxygen generation and storage plants, for countering Covid-19. Annual Report on CSR activities are annexed herewith as Annexure- IV

### Safety, Health and Environment

The Company places utmost importance to the Safety agenda. At premises, Fire Evacuation Drill is regularly conducted. Existing safety policy, systems, roles, site safety inspection and action planning, statutory compliances & records, counselling to Safety and security Committee & safety promotional activities were taken. Training & awareness sessions were conducted periodically on Fire Safety in emergency situation and on usage of the fire saving equipment. Safety standards are maintained across all office locations. Regular deep cleaning of the office premises and checks including thermal screening, oximeter check, footwear disinfectant and vehicle sanitization were done to ensure safety of the employees. During ongoing Pandemic and lockdown, Health and wellbeing of the employees had become a major priority for the Company. Innovative and effective means were developed to engage with the employees during these tough times. Health and wellness awareness sessions were conducted for employees on virtual platforms. The connect meetings gave opportunities to employees to express themselves and get solutions to their work matters. The Company has provided vaccine to all its employees and workers at free of cost. The Managing Director connected with employees during the crisis by addressing them at regular intervals to give updates on the situation, to encourage their contribution during this difficult period

and to reassure them. It also motivated people to stay committed toward the organization’s goals and values. any to ensure business continuity. Based on the outcome of this process, decisions to hire capable person for specific positions have also been recommended.

### Business Responsibility Report

The Securities and Exchange Board of India (‘SEBI’) under Regulation 34(2)(f) of Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019, requires top one thousand listed companies to prepare and present a Business Responsibility Report (‘BRR’) to its stakeholders in the prescribed format describing the initiatives taken by the Company on Environmental, Social and Governance perspective. As on March 31, 2021,. In the interest of its stakeholders, The BRR as on March, 2021 is annexed herewith as an Annexure V and forms part of this Annual Report.

### Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment, and as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“POSH Act”) and Rules made thereunder, a policy for prevention of sexual harassment had been made and Internal Complaints Committee had been set up. This policy allows employees to report sexual harassment at

the workplace. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process.

### Report on Corporate Governance

Your Company is committed to best practices in the area of Corporate Governance. Good Governance facilitate effective management and control of business, maintaining a high level of business ethics and optimizing the value for all stakeholders.

Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organisation viz the Board of Directors, the senior Management and employee etc

### Company Philosophy on Code of Governance

The Company's philosophy on Corporate Governance is backed by principles of Concern, transparency, accountability and focus on the sustainable success of the Company over the long-term. To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come. The Board of Directors ('the Board') are aware of their responsibility and commitment to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act"). The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI

Listing Regulations"), as applicable, with regard to corporate governance.

The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the Report on corporate governance.

### Management Discussion and Analysis Report

In terms of Regulation 34 (2) (e) of the Listing Regulations, 2015 read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report (MDA) which forms part of this Annual Report and is incorporated herein by reference and forms an integral part of this report.

### Acknowledgement

The Directors thanks the Company's Bankers, Employees, Customers, Vendors, Investors and for their continuous support. The Directors also thanks the Government of India, Government of Various States in India and concerned Government Departments and agencies for their co-operation.

<b>Place :</b> Rupana	<b>(Dr Ajay Satia)</b>	<b>(R.K.Bhandari)</b>
<b>Date :</b> 13.08.2021	<b>Chairman Cum</b>	<b>Joint Managing</b>
	<b>Managing</b>	<b>Director</b>
	<b>Director</b>	

### Annexure-I

#### REMUNERATION POLICY

The Nomination and Remuneration Committee of the Company is constituted in line with provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

#### Brief Description of Terms of reference:

- 1 To carry out evaluation of the Director's performance and recommend to the Board appointment/ removal based on his/her performance.
- 2 To formulate a criterion for determining qualifications, positive attributes and independence of a director.
- 3 To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.

- 4 To ensure that the remuneration for Directors is reasonable and sufficient to attract, retain and motivate appropriate Directors required for running the Company effectively.
- 5 To ensure that the remuneration to Key Managerial Personnel and Senior Management involves a balance between the pay and goals appropriate to the working of the Company.
- 6 To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

The Remuneration policy principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives. The Nomination and Remuneration Committee while considering a remuneration package must ensure a balance approach reflecting short- and long-term performance objectives

appropriate to the working of the company and its goals.

Executive remuneration shall be proposed by the Committee and subsequently approved by the Board of Directors, Executive remuneration is evaluated annually against performance in determining package of remuneration, the Committee may consult with the Chairman Cum Managing Director.

The Board may delegate the appointment and remuneration powers in case of Sr. Management Personnel (except KMPs and Directors) to the Chairman & Managing Director CEO/ or Whole Time Director.

#### Annexure-II

Information required pursuant to Section 197 read with Rule 5 (1) and (2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is furnished hereunder:

Name of the Director/KMP and Designation	Remuneration in fiscal, 2021 Rs in lacs	% increase in remuneration from previous year	Ratio of Remuneration to MRE*	Comparison of the remuneration of the KMP against the Performance of the Company	
				% of profits before tax	% of turnover
Dr. Ajay Satia (Chairman Cum Managing Director)	224.54	0	60.04	3.36	0.38
Sh. R.K. Bhandari (Joint Managing Director)	79.54	0	21.26	1.19	0.13
Sh. Chirag Satia (Executive Director)	67.25	0	17.98	1.01	0.11
Sh Inderjeet Monga (CFO)	12.70	0	3.39	0.19	0.02
Sh. Rakesh Kumar Dhuria (Company Secretary)	18.96	0	5.06	0.28	0.03

- 1 The median Remuneration of Employees was Rs 3.74 lakh PA.
- 2 In the financial year, there was no increases in the median remuneration of employees.
- 3 There were 1415 permanent employees on the rolls of the Company as on March 31, 2021

- 4 Relationship between average increase in remuneration and Company performance: -

For the financial year 2020-21 key Managerial Personnel were paid 6.03% and 0.67% of the net profit before tax and turnover respectively of the Company.



The ratio of the remuneration of the highest paid director to that of employees who are not director but receive remuneration in excess of the highest paid director during the year-Not applicable.

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, key managerial personnel, senior management personnel and other employees.

#### Detail of Ten Employees in Term of Remuneration

Sr. No	Name of Employee	Designation of the Employee	Qualification	Experience (Yrs.)	Age	Gross Salary	Last Employment
1	Sandeep Pabha	SR.G.M.(Engg. & Projects)	B.E Production Engg.	26.3	48.6	26,99,083.00	Kuatam Paper
2	Venkumahanthi Srinivasa Rao	G.M. (Utilities Projects)	B.Tech (Mech.)	14.3	36.10	26,93,600.00	Concept Technologies
3	Sanjay Jain	G.M. (INSTT.)	DIP Elect. Engg.	32.6	54.0	20,55,468.00	Rainbow Papers Ltd.
4	Deepak Bhardwaj	PRESIDENT – (Paper)	Post Graduate DIP PPT	23.7	48.10	24,96,290.00	N.R. Group of Industries Ltd
5	Parveen Kumar	G.M. (ELECT.)	DIP. in Elect. Engg.	30.0	48.4	19,81,237.00	Punjab Concast Steels (Nahar Intt. Ltd.)
6	S. Madhukar Rao	G.M.(R&D/QC)	B.SC.	35.3	60.0	18,76,980.00	Murli Agro
7	Sanjay Singh	G.M. (CRP)	M.S.C, PG DIP. PPT	27.8	49.10	16,58,311.00	Ruchira Papers Ltd Kala Amb
8	Rakesh Kumar Dhuria	SR.GM (Secretarial)	LL. B, C.S.	31.1	60.0	17,36,842.00	Girnar Fibres Ltd.
9	Manav Sarin	Vice President - Sales	M.B.A.	28.0	48.11	17,12,361.00	Rama Newsprint & Papers Ltd.
10	Sat Pal Arora	SR.G.M.(MKT & PPC)	M.B.A.	29.6	53.11	16,58,160.00	First Employment

#### ANNEXURE III

#### INFORMATION UNDER SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES 2014 AND FORMING PART OF THE REPORT OF THE BOARD OF DIRECTORS.

##### I Conservation of Energy

##### 1 EC Steps taken – FY 2020-21

- 1) Installation of VFDs at Hood fan and Air fan (PM1) for energy conservation & better performance and product quality.
- 2) VFD provided in Sulphate dryer I.D fan motor and now running at 60 % RMP as it was run at full RPM. As RPM of I.D Fan reduced, the air

flow to the dryer also reduced which resulting M.P Steam reduction in dryer.

- 3) VFD Provided in ClO2 transfer pump as earlier absorption tower level was controlled by control v/v, now it is being controlling by motor rpm resulting power reduction.
- 4) Energy efficient LED lights (more than 200) installed in plant
- 5) IE3 premium energy efficient motors installation at PM& PMILL & Utility area.
- 6) Thermal insulation on steam lines, condensate lines. and steam traps repairing.
- 7) Solar lights installed in RM stock Yards from

energy conservation & safety point of view

- 8) Voith Refiner running hours reduced up to 5 to 6 hrs per day after giving dedicated dilution line given in Wood Chips Tower. Resulting power consumption reduced 175/200 unit per day.
- 9) Fin. House broke giving to Decker resulting Intermediate Chest pump running hours reduced.
- 10) FPR & FPAR increased from Dec,20 resulting low Cy% of Back Water (0.17/0.18%) so less load on Disc Filter & ppm of Clear & Cloudy also low.
- 11) Machine Vibrating Screen reject diverted to PCC on all Machines.
- 12) Cup Stock Paper back water taken in system resulting less load on ETP. So fresh water replaced with back water in system.
- 13) Condensate recovery increased. Leakages removed from inside of Insulated line.
- 14) Coagulant consumption started in PM-2 M/Save All. Resulting DAF accept water having 40/50 ppm earlier which were 250/300 ppm.
- 15) Both machines (Pm1& pm2) vibrating screens Accept taken in PCC pump directly, which was going at wire pit, PDF and Mark save all for fiber recovery and its fiber then taken in broke chest and then machine chest and Approach flow system again. Due to this, there was extra energy load on all these pumps and also there was loss of Ash. After diverting this line directly in PCC pump suction, energy load on all these major pumps reduced and also total ash retention increased to some extent for same.
- 16) BY increasing FPR% and FPAR% with running triple polymers properly and continuous on both machines, load on back water as well as on fiber recovery system reduced. SO, energy load on wire pit pump, broke pump, machine chest pump and all approach flow pumps reduced.
- 17) Sec pressure screen reject tank was continuous flowing in wire pit, by doing above points no.1&2

overflow stopped and so energy load on wire pit pump reduced.

- 18) Auto control valves provided to steam line of heat exchangers to maintain temperature of Hood both PV blowers of pm2 for steam saving.
- 19) Broke pulp taken through decker on both machines, so running hours of broke pump reduced.

## II Technological Absorption

- 1) Installation of VFDs at Hood fan and Air fan (PM1) for energy conservation & better performance and product quality.
- 2) VFD provided in Sulphate dryer I.D fan motor and now running at 60 % RMP as it was run at full RPM. As RPM of I.D Fan reduced, the air flow to the dryer also reduced which resulting M.P Steam reduction in dryer.
- 3) VFD Provided in ClO<sub>2</sub> transfer pump as earlier absorption tower level was controlled by control v/v, now it is being controlling by motor rpm resulting power reduction
- 4) Energy efficient LED lights (more than 200) installed in plant
- 5) IE3 premium energy efficient motors installation at PM & PMILL & Utility area.
- 6) Solar lights installed in RM stock Yards from energy conservation & safety point of view .
- 7) Voith Refiner running hours reduced up to 5 to 6 hrs per day after giving dedicated dilution line given in Wood Chips Tower. Resulting power consumption reduced 175/200 unit per day.
- 8) Cup Stock Paper back water taken in system resulting less load on ETP. So fresh water replaced with back water in system.
- 9) Auto control valves provided to steam line of heat exchangers to maintain temperature of Hood both PV blowers of pm2 for steam saving.

**III FOREIGN EXCHANGE EARNINGS AND OUT GO:**

Expenditure for the year ended 31st March, 2021 is as under: -

	(Rs.)
(i) Earning in foreign exchange.	40361216.00
(ii) Expenditure in foreign currency.	
CIF Value of imports	(Rs.)
Waste Paper	75689220
Pulp	93845776
Chemical	52722941
Store & Spares	40196886
Capital Goods	1643805880
Interest	43594614
Bank Charges	178383
Legal, Technical Fees & other fees	36260246

For and on behalf of the Board of Directors

Place : Rupana (Dr. Ajay Satia) (R.K. Bhandari)  
 Date : 13.08.2021 Chairman Cum Joint Managing  
 Managing Director Director

**BUSINESS RESPONSIBILITY REPORT****Annexure-IV****Section A: General Information about the Company**

1. Corporate Identity Number (CIN):	L21012PB1980PLC004329
2. Name of the Company	Satia Industries Limited
3. Registered Address	VPO: Rupana, Malout Muktsar Road, Distt: Muktsar, Punjab-152032
4. Website	www.satiagroup.com
5. Email id	satiapaper@gmail.com
6. Financial Year reported	31.03.2021
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Writing and Printing Paper
8. List three key products /services that the Company manufactures /provides (as in balance sheet):	Writing and Printing Paper Co-generation of Power

9. Total number of locations where business activity is undertaken by the Company	4
Number of International Locations (Provide details of major 5)	0
Number of National Locations	4
10. Markets served by the Company - Local /State /	National / International

**Section B: Financial Details of the Company**

1. Paid up capital (INR)	: 10.00 Crores
2. Total turnover (INR)	: 595.16 Crores
3. Total profit after taxes ( INR)	: 49.55 Crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	: 2% of the average on annual net profit of the preceding three financial year i.e Rs. 205.99 Lakh

**5. List of activities in which expenditure in 4 above has been incurred:**

- 1 Eradicating hunger, poverty & malnutrition
- 2 Improving and preventative health cares
- 3 Promoting education

**Section C: Other Details**

1. Does the Company have any Subsidiary Company / Companies? No
2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s). N.A
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? Nil



## Section D: BR Information

## 1. Details of Director / Directors responsible for BR

## a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

DIN Number : 00732588  
 Name : Rajinder Kumar Bhandari  
 Designation : Joint Managing Director

## b) Details of the BR Head

Name : Rajinder Kumar Bhandari  
 Designation : Joint Managing director  
 Telephone no. : 01633-262001  
 e-mail id : rk smile57@gmail.com

2. Principle-wise (as per NVGs) BR Policy / policies  
(Reply in Y / N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

<b>Principle 1</b>	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
<b>Principle 2</b>	Businesses should provide goods and services that are safe and contribute

	to sustainability throughout their life cycle
<b>Principle 3</b>	Businesses should promote the well-being of all employees
<b>Principle 4</b>	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
<b>Principle 5</b>	Businesses should respect and promote human rights
<b>Principle 6</b>	Businesses should respect, protect, and make efforts to restore the environment
<b>Principle 7</b>	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
<b>Principle 8</b>	Businesses should support inclusive growth and equitable development.
<b>Principle 9</b>	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a Policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If Yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has been signed it by MD / Owner / CEO / appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Our policies are available on the Company's website at <a href="http://www.satiagroup.com">www.satiagroup.com</a>								
7	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

### 3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

#### ANNUALLY

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the hyperlink for viewing the same is [www.satiagroup.com](http://www.satiagroup.com) in the Annual Report

### Section E: Principle-wise Performance

#### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

We are committed to adopting the best corporate governance practices as manifested in the company's functioning to achieve business excellence by enhancing the long-term shareholder's value. Efficient conduct of the business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices being followed at Satia Industries Ltd.

The composition of the Board of Directors of the company is governed by the Company's Act 2013 and SEBI Regulations 2015. As on March 31, 2021, the Company has 11 directors on its board (including the Chairman), of which 7 are independent, 4 are non-independent, and 4 are executive non-independent directors. To ensure accountability and monitoring, the Board has constituted various committees such as: Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee and Risk Management Committee. The committees meet periodically during the year to supervise, review performance and advice on the necessary direction to be taken.

**Code of Conduct:** Satia Industries Ltd has its Code of Conduct which extends to all directors and senior employees of Satia Industries Ltd which aims at maintaining highest standards of business conduct in line with the Ethics of the Company, provides guidance

in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. All senior employees have to read and understand this code and agree to abide by it.

The policy code of conduct is available at the company website at the link <https://www.satiagroup.com> information with the name Policies- Code of Conduct. Vigil Mechanism/ Whistle Blower Policy: The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Uniform Listing Agreement aims to provide a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 1 List up of your products or services whose design has incorporated a social environmental concern, risks and/or opportunities.

All the products manufactured by the Company viz. Agro-waste based Paper are manufactured taking into account social and environmental concerns. The Company continuously strives to innovate and unlock the value of its product to present the best to its customers. At the same time being a socially responsible citizen, the Company reconciles economy with ecology.

The Company is one of the few companies manufacturing paper with wheat straw (Unconventional raw material). Besides, the Company's captive power plant utilizes waste from other processes, strengthening its credentials as an environment- friendly organization. We continued to take several initiatives to reduce water consumption. Substituting different forms of pulp (agro base, plywood industry waste etc), our pulp usage per ton of paper production (in product mix) has been reduced.

- i) The Company make the Paper is a sustainable product and can be recycled.
- ii) The Raw material used is bio waste and wood/ veneer waste processed to make final product

- iii) Chemical especially caustic used for cooking is recovered 90%-95% from black liquor (effluent) and reused as cooking chemicals
- iv) Lime used can be recovered again in the form lime sludge or can be used to make cement.
- v) We use rice husk and rice straw in boiler as fuel and do not use any fossil fuel to make steam and power and earn REC for using the same.
- vi) Maximum possible process back water recycling is done from one process to other process to minimize fresh water consumption per ton Paper
- vii) We are well below the target set by BEE, Govt. of India for consumption of energy per ton of paper made.
- viii) Our eucalyptus plantation leads to carbon sequestration then reducing global climate changes.

**2 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

Yes, the business model of the Company has their roots in an agro-based economy which leads to prosperity of farmers. The Company procures its raw material requirement from within a radius of 150 kms of the plant.

**3 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

Yes, the Company take services from the local and small producers. Further, the raw materials used by the Company are agro-based so they are sourced from local economy.

**(1) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Through its sustained efforts, the Company has helped local farmers and service providers to prosper their respective businesses. The Company procures wheat straw, Sarkanda for Pulp and Paper Making and Rice straw, rice husk as fuel for steam and power generation

and other inputs from local area. Also, the Company provides financial and other assistance to farmers who produce these agriculture products. This increases the capacity and capability of farmers and also the quality of the products produced. The Company's manufacturing sites act as an economic centre for the communities in the vicinity.

The Company ensures that it engages local villagers and small businesses around its manufacturing facilities in variety of productive employment i.e housekeeping, horticulture etc.

**Principle 3: Businesses should promote the well-being of all employees.**

- 1 Please indicate the Total number of employees. –  
1415 permanent employees
- 2 Please indicate the Total number of employees hired on Temporary/contractual/casual basis.  
183 Contractual employees
- 3 Please indicate the Number of permanent women employees. –  
7 Women employees
- 4 Please indicate the Number of permanent employees with disabilities-  
3 Permanent employees with disabilities
5. Do you have an employee association that is recognized by management? – No, however an employer committee from different levels watches the interest of workers supervision.
6. What percentage of your permanent employees is members of this recognized employee association? -  
Nil
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

**No. of complaints filed during the financial year -NIL**

**No. of complaints pending as at end of the financial year - Nil**

- 1 Child labour/forced labour/ involuntary labour - - Nil



2 Sexual harassment -	- Nil
3 Discriminatory employment -	- Nil
<b>8 What percentage of your under mentioned employees were given safety &amp; skill upgradation training in the last year?</b>	
(a) Permanent Employees -	1415
(b) Permanent Women Employees -	7
(c) Casual/Temporary/Contractual - Employees	183
(d) Employees with Disabilities -	9

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has identified key stakeholder groups and mapped its internal and external stakeholders. The key categories include (i) Government and regulatory authorities; (ii) Employees; (iii) Consumers; (iv) Suppliers; (v) Investors, Shareholders & Lenders; (vi) Local Community; (vii) NGOs.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

Yes, the Company has identified the disadvantaged, vulnerable & marginalised stakeholders from the nearby local communities and surrounding villages in the form of contractual employees and marginal farmers.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

The Company values the support of its stakeholders and respects the interest and concerns they have towards the Company. The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent and systematic manner. It

has implemented mechanisms to facilitate effective dialogues with all stakeholders across businesses, identify material concerns and their resolution in an equitable and transparent manner. The Company proactively engages with and responds to those sections in the society that are disadvantaged, vulnerable and marginalized. The Company has a structured CSR program through which it assesses the needs of local stakeholders and carries out initiatives to address societal needs.

**Principle 5: Businesses should respect and promote human rights.**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

The Company is committed to protect the human rights of its stakeholders. Human resource is considered as a valuable resource in the organization. Human resource practices of the Company aim at ensuring not only protection but also respect for human rights, all its policies acknowledge this. The Company discourages its business associates from doing any violation of Human Rights. The Company, within its sphere of influence, promotes the awareness and realization of human rights across its value chain. To this extent, the Company extends its initiatives to promote human rights to external stakeholders including suppliers and contractors. The Company's approach to managing human rights is aligned with internationally recognised principles and guidelines. It is a constant endeavour to ensure that none of the suppliers engage in employment of child, forced or compulsory labour. The Company strongly prohibits the employment of child, forced or compulsory labour in all its operations.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company did not receive any stakeholder complaint in 2020-21 regarding violation of human rights.

**Principle 6: Business should respect, protect, and make efforts to restore the environment.**

**1. Does the policy relate to Principle 6 cover only the**

**Company or extends to the Group /Joint Ventures/ Suppliers/Contractors/ NGOs/others?**

The Company as a responsible corporate citizen considers its obligation to maintain highest standards of the environmental management and ensure for all its members, consultants, contractors and customers a safe and healthy environment free from occupational injury & diseases. However, the policy of the Company in this regard governs the conduct of the Company only.

- Industry has already installed four field ESP with the recovery boiler and power boiler for the control of particulates from the flue gases.
- With the proposed 75 TPH Boiler, Company plans to install four field ESP in order to achieve the prescribed norms of emissions from the stack i.e. 50 mg/Nm<sup>3</sup>.
- The flue gases discharged from the stacks shall be emitting SO<sub>2</sub>, NO<sub>x</sub>, and SPM. Portholes and sampling facilities have been provided for all stacks as per Central Pollution Control Board's guidelines.
- The status of ambient air quality shall be monitored regularly, at least at 3 sampling locations out of which one in the critical down wind direction. Stack flue gas analysis is carried out (3-4 times in a month's) to check the emission levels and adopt corrective measures, if required.
- Regular monitoring shall be done as per the Environmental Monitoring Plan and CC&A for checking the efficiency of control equipment.
- Company has two UASB reactors in parallel with a capacity of 3500 m<sup>3</sup> each to treat wet wash effluent.
- The methane gas is collected on top of the reactors with the help of 3-fold hood, provided to catch even minor gas generation. The gas is collected in a gas holder and sent to boilers to produce steam.
- The effluent is separated from the gas and is taken into two nos. of tube settlers. This helps in removing the excess anaerobic sludge from the effluent and the collected sludge is recycled back into the anaerobic reactor.
- The overflow of the reactors is finally cleared in the secondary clarifier.

**2 Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.**

The Company is very much concerned about the climate change due to industrialisation, so it adopts best of processes & techniques, so that it minimises the negative effect on the environment. Decision to manufacture Paper from wheat straw was one of the most important initiatives taken by the company. This saves thousands of trees from cutting down, which is one of the best ways to preserve our precious environment from being exposed to be polluted.

**3 Does the company identify and assess potential environmental risks? Y/N**

Yes, potential environmental risks are identified as a part of the Company's risk management activity and feature in the Company's risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

**4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?**

- i) The Company's 5 MW Biomass based power project is registered with the Clean Development Mech at UNFCCC and energy efficiency caustic recovery is registered with VERRA.
- ii) The Company has also registered a Co-generation of Power Project under verified carbon standard
- iii) The Company has two solar 1-REC projects registered with International REC standards.
- iv) The Company has a Renewable Cogen Project registered under Indian Renewal Energy Certification Mechanism.

The Company has installed the above projects at its own as a responsible corporate citizen to maintain highest standards of the environmental management and ensure for all a safe and healthy environment.

**5 Has the company undertaken any other initiatives on—clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes. The Company has already adopted elemental chlorine free (ECF) bleaching by using in-house generated chlorine dioxide (ClO<sub>2</sub>) thus drastically reducing the pollution load. For energy efficiency, old lights are being replaced by LED lights. For renewable energy the industry has undertaken the following projects:

**a) Cogen / Power Projects**

The Company has installed Renewable Power/Cogen project for captive consumption. In the absence of the projects, the Company would have purchased the power from GRID, which are based on Fossil Fuel. Thus, the Projects displace the use of electricity that would be purchased from the northern grid and in turn achieve GHG emission reduction.

**b) CRP PROJECT**

The purpose of the project activity is to recover the caustic soda from waste liquor generated at the pulping stage of the paper manufacturing process. Since the electricity consumption for the process of recovery of 1 tonne of soda is much lesser than that consumed in the production of fresh stock, the proposed project activity would help curb the greenhouse gases emissions into the atmosphere. The electricity consumed at project activity is generated inhouse from biomass-based power project.

**6 Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

We meet target much below stringent norms of air emission & particulate matter in ESP stack emission is below 30 against standard of 150 ppm

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.**

There is no show cause / legal notice received from CPCB / SPCB which is pending as on the end of financial year in relation with non-compliance with environmental laws and regulations.

**Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

Yes, our Company was member of the following Organizations as on March 31, 2021

- i Federation of Indian Export Organisation [FIEO]
- ii Indian Agro & Recycled Paper Mill Association (IARPA)
- iii Indian Pulp and Paper Technical Association (IPPTA)

**2. Have you advocated/lobbied through above associations for the advancement/improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

The Company appreciates the importance of trade associations. Trade associations provide a forum for information sharing and discussion with both trade association officials and representatives of various sectors.

- 1. The Company is committed towards environmental protection and has a well-defined corporate environmental policy in place. The Company encourages its suppliers and contractors to employ environment friendly measures in their day-to-day operations.

**2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

Yes, the Company has taken up several initiatives to address global environmental issues such as climate change, global warming, waste minimisation, effluent reduction, water conservation.

The Company has always advocated the cause of Good Governance, Administration and Economic reforms. It actively participates and raises its concern on matters of governance, economic reforms and other public policies in public interest at appropriate forums. The Company continuously advocates the use of alternative fuels, energy conservation and afforestation. Some of the major programmes undertaken on a continual



basis are training of youths in entrepreneurship which enabled them to earn livelihood for themselves and their families.

**Principle 8: Business should support inclusive growth and equitable development.**

**1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

The Company has been one of the foremost proponents of inclusive growth and has continued to undertake projects for overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development and livelihood interventions etc. Accordingly, over the years, its programs have diversified to entrepreneurship sustainable with modern health care and education. The Company has a CSR Policy in accordance with the provisions of the Companies Act 2013 and rules made there under. The contents of the CSR Policy are disclosed on the website of the Company.

**2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/ any other organisation?**

Programmes as covered under CSR Activities are undertaken through Company as well as external organizations also. Activities undertaken by external organizations are directed and monitored by the Company on regular intervals /periods.

**3. Have you done any impact assessment of your initiative?**

The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee of the Board and management periodically to understand the impact of these programmes.

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

During the financial year 2020-21, the Company had contributed 122.00 lakh to Community Development Projects. The details of the community development projects undertaken during the financial year 2020-21 are given in Corporate Social Responsibility

Report which forms part of this Annual Report.

**5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

The CSR team regularly interact with the local communities and these employees visit the areas to understand the problems being faced by the community and determine the action required to be taken to assess the impact of community development projects undertaken to ensure that the objectives and benefits of these projects are being met. The Company strives to reach out to the end user itself to have a maximum impact.

**Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.**

**What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

No Complaint is pending as on 31.03.2021

1. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)
2. The Company has an uncompromising commitment to provide best in-class products and customer satisfaction. The Company fully complies the laws of land. All the display and disclosure requirements as per applicable Statutes are complied with.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof.

There have been no cases relating to unfair trade practices, irresponsible advertising and/or anticompetitive behaviour against the Company in the last five years.

**4 Did your company carry out any consumer survey/ consumer satisfaction trends?**

Customers' satisfaction is the Company's goal, which motivates the company to keep its products as per the

consumers' requirements. To understand the customers better, the Company adopts several procedures including customer surveys, direct feedback. Feedback is also taken by the management during the visit of Customers at the manufacturing facilities. This helps the Company in preparing and planning the future business strategies and profitability

The Company is focused on delivering value to its customers and therefore, customer satisfaction surveys are carried out on a regular basis. This provides valuable feedback for the Company for providing the best possible service to customers and to continuously improve in its engagement with customers.

The Company complies with all laws and regulations concerning marketing communications. In line with this, the required information as mandated by law is inscribed on the product label of the Company

#### Annexure V

#### Corporate Social Responsibility (CSR)

The Company recognizes its responsibility as an important stakeholder in the society and strives to work towards the betterment of the society constantly. With this objective, on the recommendation of the CSR Committee the Board of Directors have approved the CSR Policy which is available at: [https://www.satiagroup.com/investors/Policies/CSR Policy](https://www.satiagroup.com/investors/Policies/CSR%20Policy). Pursuant to clause (o) of sub-section (3) of section 134 of the act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014

The guiding principle of Satia Industries Limited CSR programs is enabling people to lead a better life. The Company's focus areas are Education and Health and Wellness and Environmental Sustainability.

The Company's participation focuses on operations where it can contribute meaningfully either through employee volunteering or by using core competency which develops solutions.

Brief Outline on Company's CSR policy including overview of projects or programs proposed to be undertaken Corporate Social Responsibility Policy (hereinafter

referred to as 'CSR Policy') shall help Satia Industries Limited to pave its path towards the betterment of certain sections of the society by using its resources in the best possible manner.

#### 1. Composition of the CSR Committee.

- |   |                     |                                 |
|---|---------------------|---------------------------------|
| 1 | Sh. A.C. Ahuja:-    | Chairman (Independent Director) |
| 2 | Sh. R.K. Bhandari:- | Joint Managing Director: Member |
| 3 | Sh. Chirag Satia:-  | Executive Director –Member      |

#### 2. Average Net profit of the Company for last three financial years

Rs in Lakh

Particulars	31.03.2020	31.03.2019	31.03.2018	average
Net Profit	11527.99	11008.07	8333.05	10299.70

3. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) Two percent of the amount as in item iii above Rs 205.99 lakh towards CSR. unspent amount from previous year Rs nil.

The Company is required to spend Rs 205.98 lakh towards CSR

#### 4. Details of CSR spent during the financial year

The surge of second wave in COVID-19 in India has happened quite suddenly and several states have imposed renewed COVID restrictions. Resultantly, the Company could be able to expend Rs 122.44 lakh on the CSR activities up to 31st March, 2021 and the balance required amount of Rs 133.55 lakh (including Rs 49,20,833.00 of the previous year) was expended by the Company for undertaking of Medical Oxygen Generation and Storage Plants at local area of District Sri Muktsar Sahib for countering Covid-19 and on promotion of education up to the date of this report and nothing is now outstanding unspent as on the date of this report.

(a) Amount unspent, if any: Nil

## Manner in which the amount spent during the financial year

(Rs. in Lakh)

Sr No.	CSR project or activity identified	Sector in Which the project is covered	Projects or programs (1) Local area or Other (2) Specify the State and district where projects or Program was undertaken	Amount Outlay (budget) projects or Program wise	Amount Spent on the projects or programme Sub-heads (1) Direct Expenditure	Cumulative Expenditure Up to the Reporting period	Amount Spent Direct or through implementing agency
1	Promoting Education, eradication Poverty, hunger and malnutrition, especially in rural areas, empowering women economically, supplementing primary education and participating in rural capacity building programs	Literacy	Sri Muktsar Sahib (Punjab) and in Gujrat (Ahmedabad)	100.00	144.01	144.01	Direct and through Trust
2	Promoting preventive healthcare	Community welfare	Sri Muktsar Sahib (Punjab) and nearby Villages	26.00	73.49	73.49	Direct
3	Eradicating Hunger and Poverty	do	Sri Muktsar Sahib (Punjab) and nearby Villages	47.00	47.08	47.08	Direct

The CSR Committee do hereby undertake that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

(Sd/-)

A. C. Ahuja  
(CHAIRMAN-CSR COMMITTEE)

(Sd/-)

R. K. Bhandari  
(EXECUTIVE DIRECTOR)



**Annexure-V1**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act,  
2013 and rule 9 of the Companies (Appointment and  
Remuneration of Managerial Personnel) Rules, 2014]

**To,  
The Members,  
Satia Industries Limited  
Vill. Rupana, Malout-Muktsar Road, Muktsar (Punjab)  
CIN: L21012PB1980PLC004329**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Satia Industries limited, Muktsar, Punjab. 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 produced before us 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 31st March, 2021 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 herein after:

**We report that-**

- a) 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.
- b) 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 secretarial records. We believe that the processes and practices we followed provide reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statement of the company.
- d) Where-ever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. our examination was limited to the verification of procedures on test basis.
- f) 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. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Satia Industries Limited and produced before us for the financial year ended on 31st March, 2021 according to the provisions of:
  - (i) The companies Act, 2013 (the Act) and the rules made thereunder;  
During the period under review the company has complied with the provisions of the Act, rules, regulations, Guidelines, Standards, etc. mentioned above.
  - (ii) The company has complied with the relevant provisions of Securities contracts (regulation) act, 1956 ('SCRA') and the rules made there under where ever applicable to the company.
  - (iii) The company has complied with the relevant provisions of the Depositories act, 1996 and the regulations and Bye- laws framed there under where ever applicable to the company.
  - (iv) There were no issues which required specific compliance of the foreign exchange Management act, 1999 and the rules and regulations made thereunder.
  - (v) The following regulations and Guidelines prescribed under the Securities and exchange Board of India act, 1992 ('SEBI act'):-
    - (a) there were no acquisition of which required the specific compliance/approval of the Securities and exchange Board of India (Substantial Acquisition of Shares and takeovers) regulations, 2011 amended upto date.
    - (b) there was no acquisition of shares by the

promoters, which required the specific compliance/approval of the Securities and exchange Board of India (Prohibition of Insider trading) regulations, 1992 amended upto date.

- (c) There were no issues which required the specific compliance/approval of the Securities and exchange Board of India (issue of capital and Disclosure requirements) regulations, 2009 amended up to Date.
- (d) There were no issues which required the specific compliance/approval of the Securities and exchange Board of India (employee Stock option Scheme and employee Stock Purchase Scheme) Guidelines, 1999 amended up to date.
- (e) There were no issues which required the specific compliance/approval of the Securities and exchange Board of India (issue and listing of Debt Securities) regulations, 2008 amended up to date.
- (f) There were no issues which required the specific compliance/approval of the Securities and exchange Board of India (registrars to an issue and Share transfer agents) regulations, 1993 regarding the companies Act and dealing with client amended upto date.
- (g) There were no issues which required the specific compliance/approval of the Securities and exchange Board of India (Delisting of equity Shares) regulations, 2009 amended up to date;
- (h) There were no issues which required the specific compliance/approval of the Securities and exchange Board of India (Buy back of Securities) regulations, 1998 amended up to date; and
- (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) The company is into the business of manufacturing of writing and printing paper from virgin pulp. And as per representation given by the company following are some of the laws which are specifically applicable to the company.
  - Water (Prevention and control of Pollution)

act, 1974

- Air (Prevention and control of Pollution) act, 1981
- environment protection act, 1986
- the Hazardous Wastes (Management and Handling) rules 1989
- Labour Laws
- Industrial dispute act, 1947
- Standards for Discharge of environmental Pollutants
- National Green Tribunal Act, 2010
- Bureau of Indian Standards act, 1986
- energy conservation Act, 2001
- the Factories act, 1948

The company has complied with all the provisions of the above-mentioned Acts.

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

- (i) Secretarial Standards issued by the institute of company Secretaries of India to the extent of its applicability.
- (ii) Company had entered into a listing agreement as per SEBI (listing obligations and Disclosure requirements) regulations, 2015 and duly complied the various clauses of SEBI (listing obligations and Disclosure requirements) regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

Due to surge of second wave in COVID-19 in India and imposition of renewed COVID restrictions. the Company could able to expend Rs 122.44 lakh on the CSR activities up to 31st March, 2021 and the balance required amount of Rs 133.55 lakh (including Rs 49,20,833.00 of the previous year) was expended by the Company up to the date of this report and nothing is now outstanding unspent as on the date of this report.

We have checked the compliance management system of the company to obtain reasonable assurance about the adequacy of the system in place to ensure compliance of specifically applicable laws and this verification was

done on test basis. We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the company is seems adequate to ensure compliance of laws specifically applicable to the company.

We further report that:

- the Board of Directors of the company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes. 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 during the audit period the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- a) The Members had passed a Special Resolution under Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sh. Inder Dev Singh, (DIN 00825892), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 01.10.2020 to 30.09.2025 and whose office shall not be liable to retire by rotation.

- b) The Members had passed a Special Resolution Sh. Vinod Kumar Kathuria (DIN:06662559) who was appointed as an Additional Director (Independent) with effect from 08.02.2020 on the Board of the Company in terms of Section 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with the requisite deposit proposing his candidature for the office of independent Director be and is hereby appointed as an independent Director of the company, to hold office as such for a period of 5 (five) consecutive years, with effect from 01.10.2020 and that shall not be liable to retire by rotation."
- c) The Members had passed a Special Resolution under Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and in term of recommendation of Nomination and Remuneration Committee and as approved by the Board of Director, approval of Members be and is hereby accorded for revision in the remuneration of Dr Ajay Satia, (DIN: 00850792) Chairman Cum Managing Director of the Company, as mentioned here below:
  1. Salary: Rs.40,00,000/- Per Month w.e.f. April 01, 2019.
  2. Commission: Not exceeding 1.00 (one) percent of net profit in an accounting year of the Company subject to availability of profit.

**Dated :10-08-2021**

**Place : Bathinda**

**S. Parnami & Associates**

**Company Secretaries**

**Sourabh Parnami**

**FCS No.: 9396**

**CP No.: 11181**

**UDIN: F009396B000565127**



To,  
The Members,  
Satia Industries Limited  
Vill. Rupana, Malout-Muktsar Road, Muktsar (Punjab)  
CIN: L21012PB1980PLC004329

Our Secretarial audit report for the financial year 31st March 2021 is to be read along with this letter.

#### Management's responsibility

1. it is the responsibility of the management of the company to maintain secretarial records, device proper system to ensure compliance with the maintenance of all applicable laws and regulations and to ensure that the system is adequate and operate effectively.

#### Auditor's Responsibility

2. our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Whenever required, we have obtained the management's representation about the compliance of laws, rules and regulation and happening of event etc.

#### Disclaimer

5. the Secretarial Audit report is assurance as to the further viability neither of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.
6. We have not verified the correctness and appropriateness of financial and books of accounts of the company.

Date : 10-08-2021

Place: Bathinda

S. Parnami & Associates

Company Secretaries

Sourabh Parnami

FCS No.: 9396

CP No.: 11181

UDIN: F009396B000565127

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
Satia Industries Limited  
Vill. Rupana, Malout-Muktsar Road, Muktsar (Punjab)  
CIN: L21012PB1980PLC004329

We, S. Parnami & Associates, Practicing company Secretaries, Bathinda, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Satia Industries Limited (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with regulation 34(3) read with Schedule V para-C Sub clause 10(i) of the Securities exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me/us by the Company & its Directors/officers, I/We hereby certify that none of the Directors on the Board of the company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and exchange Board of India, Ministry of corporate Affairs, or any such other Statutory Authority.

Dated : 10-08-2021

Place : Bathinda

S. Parnami & Associates

Company Secretaries

Sourabh Parnami

FCS No.: 9396

CP No.: 11181

UDIN: F009396B000565127

# CORPORATE GOVERNANCE REPORT 2020-21

## Annexure -VI

In accordance with SEBI (Listing Obligation and Disclosure Requirements) regulations 2015 the report containing the details of corporate governance systems at Satia industries Limited is as follows

### 1. Company's philosophy

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition. Your Company has established systems to encourage and recognize employee participation and volunteering in environmental and social initiatives that contribute to Organizational Excellence, Sustainability, Human Resources Development and health of its employees and of the community in which the Company operates. These actions have become an integral part of your Company's operating plans for performing social responsibilities too. Your Company is in compliance with the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations" and also the Guidance Note on Board Evaluation as prescribed by the Securities and Exchange Board of India (SEBI)

### 2 Board of Directors

The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The "Board", being the trustee of the Company,

responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board of the Company is independent in making its decision and also capable and committed to address conflict of interest and impress upon the functionaries of the Company to focus on transparency, accountability, probity, integrity, equity and responsibility. In terms of Company's Corporate Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of supervision, control and direction. The Board has complete access to the information available with the company. Members of the Board have complete freedom to express their views on agenda items and discussions at Board level are taken after due deliberations and full transparency. The Board provides direction and exercises appropriate control to ensure that your company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

### 3 Chairman of the Board

The Chairman and Managing Director is in overall control and responsible for the day-to-day working of the company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committee.

The Board, upon the recommendation of the nomination and remuneration committee, unanimously appointed Dr Ajay Satia as Chairman Cum Managing Director of the company.

The Chairman and Managing Director is the leader of the Board. The chairman is primarily responsible for ensuring that the Board provides effective governance to the company in doing so, the Chairman Cum Managing Director will preside over meetings of the Board and of the shareholders of the company. The chairman will take a lead role in managing the Board and facilitate effective communication among

directors. He is responsible for matters pertaining to governance, including the organization, composition and effectiveness of the Board and its committees and the performance so individual directors in fulfilling their responsibilities. The Chairman and Managing Director will provide independent leadership to the Board, identify guidelines for the conduct and performance of directors and oversee the management of the Board's administrative activities, such as meeting, schedules, agenda, communication and documentation.

### **Composition of the Board of Directors**

The Board of SIL is having an optimum combination of executive and non-executive directors. The Non-Executive Directors include independent professionals. As on March 31, 2021 the Board has 11 directors comprising 4 Executive Directors and 7 Non-Executive Independent Directors (i.e 63.64%). At least half of the total strength of the Board was required to comprise independent Directors as on 31st March, 2021. The composition of the Board is in conformity with Regulation 17 of the SEBI listing regulations read with Section 149 of the Act.

- i. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding committee positions in other public companies as on March 31, 2021 have been made by the Directors. None of the Directors is related to each other except Dr Ajay Satia, Chairman Cum Managing Director and Sh Chirag Satia, Executive Director.
- ii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed there under. In terms

of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are independent of the management.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships /Memberships held by them in other public companies as on March 31, 2021 are given herein below.

Other directorships do not include directorships of Private Limited Companies. Chairmanships/Memberships of Board Committees shall only include Audit Committee.

### **During the financial year 2020-21, Five Board meetings were held on the following dates: -**

1. 22-06-2020
2. 10-08-2020
3. 13-11-2020
4. 21-12-2020
5. 12-02-2021

The Maximum time gap between any two consecutive meetings was less than one hundred and twenty days.

### **Composition of Board of Directors and their attendance at the Board meetings during the year and at last Annual General Meeting of the Company as also the number of other Directorship and committee Membership/ Chairmanship as on 31.03.2021 are as follows:**



Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance Last AGM	Directorship in Other Public Companies excluding Directorship in Satia Industries Ltd	Number of Committee Positions held in Other Public Companies Excluding Satia Industries Ltd		Other listed entities where Directors of the Company held Directorships
						Member	Chairman	
1.	Dr. Ajay Satia	Chairman Cum Managing Director	5	Yes	-	-	-	-
2.	Sh. R. K. Bhandari	Joint Managing Director	5	Yes	-	-	-	-
3.	Sh. A. C. Ahuja	Independent Director	5	Yes	1	-	-	-
4.	Sh. Dinesh Chand Sharma	Independent Director	4	No	1	-	-	-
5.	Sh. I.D. Singh	Independent Director	4	No	-	-	-	-
6.	Sh. Chirag Satia	Executive Director	4	Yes	-	-	-	-
7.	Sh. Hardev Singh	Director (Technical)	5	No	-	-	-	-
8.	Dr. Mrs. Priti Lal Shivhare	Independent Director	3	No	-	-	-	-
9.	Sh. Ashok Kumar Gupta	Independent Director	4	Yes	-	-	-	-
10.	Sh. Arun Kumar Gupta	Independent Director	4	No	0	1	2	2
11.	Sh. Vinod Kumar Kathuria	Independent Director	4	No	2	-	-	-

Number of Companies or committee in which the Director of the Company is Director/Member/Chairman\*

Sr. No.	Name of Director	No. of Directorship in all public companies *	No. of Committee Membership in all Public Companies	
			Member **	Chairman**
1.	Dr. Ajay Satia	1	-	-
2.	Sh. R. K. Bhandari	1	1	-
3.	Sh. A. C. Ahuja	2	-	1
4.	Sh Dinesh Chand Sharma	2	-	-
5.	Sh I. D. Singh	1	1	-
6.	Sh Chirag Satia	1	-	-
7.	Mrs Dr Priti Lal Shivhare	1	-	-
8.	Sh Ashok Kumar Gupta	1	-	-
9.	Sh Arun Kumar Gupta	3	1	2
10.	Sh Hardev Singh	1	-	-
11.	Sh Vinod Kumar Kathuria	3	-	-

Including Satia Industries Ltd and excluding Private Limited Companies, foreign companies and companies under section 8 of the Companies Act, 2013

**\*\* Board committee for this purpose includes Audit committee of Public limited companies (including committees of Satia Industries Limited)**

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the company.

During the year, one meeting of the independent Directors was held on 12.02.2021 inter-alia, reviewed the performance of Non-independent Directors, Chairman of the company and the Board as a whole.

The Board periodically reviews the compliance reports of all laws applicable to the company, prepared by the company.

The details of the familiarization programmer of the independent Directors are available on the website of the Company ([www.satiagroup.com](http://www.satiagroup.com)).

#### **Board Level Committees**

The Board has constituted various committees for smooth and efficient operation of the activities and is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees in line with the laws of land. The chairman, quorum and the terms of reference of each committee have been approved by the Board.

#### **AUDIT COMMITTEE**

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

There are three independent directors having expertise in financial and accounting areas, as members of the Committee. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and

performance of the statutory auditors and the internal auditors

#### **Audit Committee and Attendance at its meeting is given hereunder: -**

The Audit committee reviews the matters falling in its terms of reference and addresses larger issues and examines those facts that could be of vital concerns to the company.

#### **Terms of Reference**

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Audit Committee, inter-alia are as follows:

- (1) Ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment and terms of appointment of auditors.
- (3) 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) changes if any, in accounting policies and practices and reasons for the same;
  - (b) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (c) Significant adjustments made in the financial statements arising out of audit findings;
  - (d) compliance with listing and other legal requirements relating to financial statements;
  - (e) Disclosure of any related party transactions;
  - (f) Modified opinion(s) in the draft audit report;
- (4) reviewing with the management, the quarterly financial statements before submission to the board for approval;
- (5) 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;

- (6) reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (7) approval of transactions of the listed entity with related parties;
- (8) scrutiny of inter-corporate loans and investments;
- (9) evaluation of internal financial controls and risk management systems;
- (10) reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (11) 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;
- (12) discussion with internal auditors of any significant findings and follow up thereon;
- (13) 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;
- (14) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (15) to review the functioning of the whistle blower mechanism;
- (16) approval of appointment of chief financial officer after assessing the qualifications, experience and

background etc. of the candidate;

- (17) carrying out any other function as is mentioned in the terms of reference of the audit committee.

**The Audit Committee shall mandatorily review the following information**

- (1) Management discussion and analysis is of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters/letters of internal control weaknesses issued by the statutory auditors; internal audit reports relating to internal control weaknesses;
- (4) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee

**Internal Audit**

The Company has adequate Internal Control and Internal Audit system commensurate with its size and nature of its Business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors present their reports to the Audit Committee for their consideration.

All the Members on the Audit committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. Sh Rakesh Kumar Dhuria, Company Secretary acts as Secretary of the committee. The Statutory Auditors of the company attend the meetings as Special invitees.

During the year under review, four (4) Meetings of Audit Committee were held on 22-06-2020, 10-08-2020, 13-11-2020 and 12-02-2021. The Composition of Audit Committee attendance of the members at the Committee Meetings during the year are as under: -

Sr. No.	Name of Member	Status in Committee	Directorship	No. of Meetings attended
1	Sh. A. C. Ahuja	Chairman	Independent Director	4
2	Sh. R. K. Bhandari	Member	Joint Managing Director	4
3	Sh. Inder Dev Singh	Member	Independent Director	4
4	Sh. Arun Kumar Gupta	Member	Independent Director	4

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Company is transparent in compensation policy of Directors. Nomination & Remuneration Committee of the Board is constituted as per Section 178 of the

Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2021, Nomination & Remuneration Committee comprises of three non-executive independent directors. the Chairman of this Committee is an Independent Director.

**Composition of the Nomination and Remuneration Committee & attendance of the members at the Committee meetings during the year ended 31.03.2021 are as follows: -**

Sr. No.	Name of Member	Status in Committee	Directorship	Number of Meetings during the year 2020-21	
				Held	Attended
1	Sh. A. C. Ahuja	Chairman	Independent Director	2	2
2	Sh. Inder Dev Singh	Member	Independent Director	2	2
3	Sh. Dinesh Chand Sharma	Member	Independent Director	2	2

### NOMINATION AND REMUNERATION POLICY

The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under

To attract, retain and motivate qualified and competent individuals as Director, Key Managerial and other employee levels to carry out company's business operations as assigned to them.

1. To ensure payment of salaries and perks that are comparable to market salary levels so as to remain competitive in the industry
2. To revise the remuneration of its employees periodically for their performance, potential and value addition after systematic assessment of such performance and potential.
3. To ensure disbursement of salary and perks in total compliance to the applicable statutory provisions and prevailing tax laws of the Country.

In order to meet the above objectives, the company undertakes various processes in an ongoing manner such as conducting of salary surveys, periodic review of its performance appraisal and reward systems, institution of incentive schemes, providing skill and competency development to its manpower on a regular basis, providing

### REMUNERATION OF DIRECTORS

The Nomination and remuneration policy provide a frame work for appointment of Director, Key Managerial Personnel and Senior Management, their performance evaluation and fixing their remuneration based on their performance.

Managing Director and Whole time Directors are appointed as per agreement and are being paid remuneration as approved by the Board and the shareholders. Sitting fees are paid to the Directors for attending the meetings of the Board of Directors/committees thereof. The detail of remuneration paid to directors during the year ended March 31, 2021 is as under: -



Sr. No.	Name of Director	Sitting Fee (Rs.)	Salary	P.F	Others	Total (Rs.)
1	Dr Ajay Satia	0	21466667	0	987473	22454140
2	Sh R. K. Bhandari	0	7381167	0	124010	7505177
3	Sh Chirag Satia	0	4950000	19830	1217900	6187730
4	Sh Hardev Singh	0	3043333	0	55250	3098583
5	Sh A. C. Ahuja	280000	0	0	0	280000
6	Sh Dinesh Chand Sharma	145000	0	0	0	145000
7	Sh I. D. Singh	245000	0	0	0	245000
8	Sh Ashok Kumar Gupta	135000	0	0	0	135000
9	Sh Arun Kumar Gupta	225000	0	0	0	225000
10	Mrs Dr Priti Lal Shivhare	100000	0	0	0	100000
11	Sh Vinod Kumar Kathuria	125000	0	0	0	125000

### Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Act

The composition of the committee as at 31st March, 2021 and detail of member's participation at the meeting of the committee are as under: -

Name of the Member	Designation	Meeting Held	Meeting Attended
Sh A. C. Ahuja	Chairman	1	1
Sh R. K. Bhandari	Member	1	1
Sh Chirag Satia	Member	1	1

**The Meeting of CSR Committee was held on 12.02.2021 under the Chairmanship of Sh A. C. Ahuja, Independent Director**

### Terms of reference

The terms of reference of the CSR Committee are:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act.
- Recommend the amount to be spent on CSR activities.
- Monitor implementation and adherence to the CSR Policy of the Company from time to time.

- Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at the web link: <https://www.satiagroup.com>

### Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the Listing Regulations. The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. during the Financial Year 2020-21, the Committee met on 12.02.2021

The composition of the Risk Management Committee and the details of the meetings attended by its Members during the Financial Year ended March 31, 2021 are as under:

- |                         |                                    |
|-------------------------|------------------------------------|
| 1. # Sh Dinesh Sharma – | Independent Director<br>-Chairman  |
| 2 Sh R. K. Bhandari:-   | Joint managing Director<br>-Member |
| 3 Sh Chirag Satia:-     | Executive Director<br>- Member     |
| 4 Sh Hardev Singh-      | Director (Technical)<br>Member     |

# Sh Dinesh Sharma (Independent Director) was appointed as Chairman of the Risk Management Committee w.e.f 10.05.2021

Business risk evaluation and Management is an ongoing process within the organization. The company has a risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the risk Management committee broadly comprise of

- 1 Oversight of risk management performed by the executive management:
- 2 Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines.
- 3 Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle:
- 4 Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- 5 Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan

#### Stake holder Relation Committee

The Committee's composition and terms of reference are in compliance with the provisions of the companies Act, 2013 and regulation 20 of the listing Regulations. The Committee met on 12.02.2021.

The composition of committee is as below: -

1. Sh Ashok Kumar Gupta, Independent Director: Chairman
2. Sh R.K.Bhandari, Joint Managing Director : Member
3. Sh Chirag Satia, Executive Director: Member

The Stakeholders' relationship Committee is primarily responsible to review all matters connected with the Company's redressal of shareholders'/investors'/security holders' complaints.

Terms of Reference of the Committee inter alia include the following:

Consider, resolve and monitor redressal of investors'/shareholders'/security holders' grievances related to transfer of securities, non-receipt of annual reports, non-receipt of declared dividend, issue/new duplicate certificates, general meetings and so on. Oversee the performance of the Company's registrars and transfer agents. Monitor implementation and compliance with the Company's Code of Conduct for prohibition of Insider trading. Annual performance evaluation of the Committee. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

#### INDEPENDENT DIRECTORS MEETING

During the year under review, the independent Directors met on 12th February, 2021 inter alia to:

- 1 Review the performance of Non independent Directors and the Board of Directors as a Whole:
- 2 Review the performance of the chairman of the company, taking into accounts the views of the executive and Non-Executive Directors.
- 3 Review the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### General Body Meetings

The Last three Annual General Meetings were held as under:

Sr. No.	Financial year	Date	Time	Location	No of Special Resolutions Passed
1	2019-20	30.09.2020	10.30AM	Video Conferencing	Three
2	2018-19	29.09.2019	10.00 AM	At Regd. Office; Muktsar- Malout Road, Vill.Rupana Distt. Muktsar	Seven
3	2017-18	29.09.2018	10.00AM	At Regd. Office; Muktsar- Malout Road, Vill.Rupana Distt. Muktsar	Six

## Postal Ballot

During the year under review, no resolution was passed through Postal Ballot.

## Other Disclosures

### I. Related Party Transactions

All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI listing Regulations during the financial year were in the ordinary course of business. These have been approved by the audit committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

The company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI listing regulations for directors and employees to report concerns about unethical behaviour. No person has been denied access to the chairman of the audit committee. The said policy has been also put upon the website of the company.

### II. Reconciliation of share capital audit: -

A qualified practicing Chartered accountant has carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### Compliance made by the Company

- The company has made the compliance of the stock exchanges, SEBI and other statutory authorities on all matters related to capital market.
- There were no penalties or strictures imposed on the company by Stock exchanges or SEBI, any statutory authority on any matter related to the above.
- The management discussion and Analysis report forms part of the Annual report as an addition to the Directors' report.

### d) Means of Communication

The quarterly, half yearly and Annual Financial Results were published in the financial express and Punjabi Jagran also sent to the Stock exchanges.

- SCORES (SEBI Complaints Redressal System):** The investor complaints are processed in a centralized web BASED complaints redressal system on [www.scores.gov.in](http://www.scores.gov.in), a website maintained by SEBI (Securities and Exchange Board of India). The main feature of this system is central database of all complaints, online upload of action taken reports (ATR's) by the concerned companies and online view by investors of action taken on complaints and its current status. The company has no pending complaints filed through scores.

### f) General Shareholders information

#### Annual General Meeting

Date and Time: 30th September, 2021 (10:30 AM)

Venue : Through Video Conferencing

### g) Financial Calendar

Next Financial Year April 1, 2021 to March 31, 2022

The quarterly financial results will be adopted as per the following tentative schedule

Results	Announced on
For 1st Quarter ended on 30.06.2021	August, 2021
For 2nd Quarter ended on 30.09.2021	November, 2021
For 3rd Quarter ended on 31.12.2021	February, 2022
For the Year ended on 31.03.2021	May, 2022

- Date of Book Closure** 24th September, 2021 to 30th September, 2021 (Both days inclusive)
- Listing on Stock Exchange** : Equity Shares of The Company are listed at BSE & NSE
- Stock Code** :  
**BSE Limited** : 539201  
**NSE Symbol** : SATIA  
**ISIN Number** : INE170E01023

**Corporate**

Identification Number : L21012PB1980PLC004329

Month & Year	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-20	79.50	64.00	79.95	62.60
May-20	80.00	65.00	81.00	62.50
Jun-20	83.80	70.25	85.00	66.95
Jul-20	100.00	71.20	100.00	62.00
Aug-20	138.70	97.00	138.00	62.00
Sep-20	142.90	101.70	143.00	101.00
Oct-20	117.15	94.60	117.35	86.95
Nov-20	106.80	91.85	107.00	92.00
Dec-20	113.00	81.15	104.85	82.20
Jan-21	110.05	82.00	110.80	82.02
Feb-21	94.85	75.80	95.00	75.00
Mar-21	95.00	79.00	95.00	73.00

**k) Market Price Data**

Market Price Data, High, low during each month in the last financial Year

The monthly high low stock quotation during last financial year at BSE and NSE is given below: -

Distribution of shareholding as on March 31,2021

No. of equity shares held	No of Share-holders	%age	Shares	%age total
UP To 5000	4063	96.92	1311720	1.3117
5001 – 10000	44	1.04	310896	0.3109
10001- 20000	30	0.71	435025	0.4350
20001 – 30000	13	0.31	342202	0.3422
30001 – 40000	4	0.09	131750	0.1318
40001 – 50000	2	0.04	92275	0.0923
50001 – 100000	6	0.14	414827	0.4148
100001 and above	30	0.71	96961305	96.9613
TOTAL	4192	100.00	100000000	100.00

**l) Categories of shares as on 31.03.2021**

Sr No.	Particulars	No of Shares	Amount (Rs. In Lacs)	%Age
1	Promoter			
	Core Promoter	51785389	51785389	51.78
	Friends/ Relatives	0	0	0
2	Financial institutes	0	0	0
3	Public	48214611	48214611	48.21
4	Banks	0	0	0
5	Others	0	0	0
	Total	100000000	100000000	100.00

**m) Dematerialization of shares & liquidity**

The shares of the company are in demat and available in depository system of both NSDL and CDSL.

**n) Registrar & Transfer Agents:**

The details of Registrar & Transfer Agent appointed by the Company are as under:

**Beetal Financial & Computer Services (P) Limited**  
**Beetal House,3rd Floor, 99 Madangir, Behind Local Shopping Centre, New Delhi**

**o) Share Transfer System**

The company's shares are in compulsory dematerialized list and are transferable through depository system. Shares in physical form are processed and approved by M/s Beetal Financial and Computer Services Pvt. Ltd., the Registrar and transfer Agents,

**p) Stake Holder Relation Committee**

The Stake Holder relation committee of the company for the year ended 31.03.2021 looks after the work of redressal of investors/shareholders complaints. The members of the committee are Sh Ashok Kumar Gupta, (Chairman) Sh R.K.Bhandari and Sh Chirag Satia. The company has not received a single grievance/complaint from the investors/shareholders.

q) Plant location : Muktsar- Malout Road, VPO  
 Rupana Distt. Muktsar (Punjab).



r) Investors

Correspondence : Muktsar-Malout Road, VPO  
Rupana, Distt. Muktsar-152026  
(Punjab)

Website the Company's website (www.satiagroup.com) contains a separate dedicated section "investor relation" where shareholders information is available. The Company's annual report is also available in a user-friendly and down-loads form.

**For and on behalf of the Board of Director**

<b>(Dr. Ajay Satia)</b>	<b>(R.K.Bhandari)</b>
<b>Chairman-cum-Managing</b>	<b>Joint Managing</b>
<b>Director</b>	<b>Director</b>

**Place : VPO: Rupana**

**Dated : 13-08-2021**

The Members,  
Satia Industries Ltd.  
VPO: Rupana

**DECLARATION BY THE MANAGING DIRECTOR AND CEO  
ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF  
SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING  
OBLIGATION AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015**

I hereby confirm that all Board Members and Senior Managerial personnel have affirmed compliance with the code of conduct for the Directors and Senior Management Personnel as approved by the Board, for the Financial Year ended 31st March, 2021 in terms of regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**(Dr. Ajay Satia)**  
**Chairman-Cum-Managing Director**

**Place : VPO: Rupana**

**Date : 13-08-2021**

**Members,**  
**Satia Industries Ltd.**  
**VPO: Rupana**

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief: -

i) These statements do not contain any materially

untrue statement or omit any material fact or contain statements that might be misleading;

ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief; no transactions entered into by the company during the year, which are fraudulent, illegal or Violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken nor propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee that:

i) Significant changes in internal control over financial reporting during the year.

significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and there are no instances of significant fraud of which they have become aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**(Inderjeet Monga)**  
**Chief Financial Officer**

**(Dr. Ajay Satia)**  
**Chairman-Cum-Managing**  
**Director**

**Place : VPO: Rupana**

**Date : 13-08-2021**

**AUDITORS' CERTIFICATE****To****The Members of Satia Industries Ltd.**

We have examined the compliance of conditions of corporate governance by Satia industries Limited for merely known as Satia Paper Mills Ltd., for the year ended on 31st March 2021 as per regulations stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The compliance of conditions of corporate governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company. In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of corporate Governance as stipulated in the above-mentioned listing regulations, as applicable. We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Share transfer committee and Stake holder relation committee. We further state that such compliance is neither an assurance as to the future liability of the Company nor the efficiency or effectiveness with which with the management has conducted the affairs of the company.

**For Deepak Grover & Associates**  
**Chartered Accountants**

**Date : 13.08.2021**  
**Place : VPO-Rupana**

**Deepak Grover**  
**(Proprietor)**

## ANNEXURE VII

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021

Pursuant to Section 92 (3) of the Companies act, 2013 and rule 12(1) of the Company (management & administration) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

1. CIN	L21012PB1980PLC004329
2. Registration Date	26.11.1980
3. Name of the Company	SATIA INDUSTRIES LIMITED
4. Category/Sub-category of the Company	PUBLIC
5. Address of the Registered office & contact details	VPO: RUPANA, MALOUT-MUKTSAR ROAD, DISTT : MUKTSAR (PUNJAB)-152026 Phone No:- 01633-262001
6. Whether listed company	LISTED
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services (P)Ltd Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi-110062 Contact No:- 011-29961281-83, FAX 011-29961284 E-mail beetal@rediffmail.com

## 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)

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Writing and printing paper	17093	100%

## III. Particulars of Holding, Subsidiary and Associate Companies

The Company has no holding, Subsidiary and Associate Companies

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. promoters									
(1) Indian									
a) individual/HuF	51676390	00	51676390	51.67	51785389	00	51785389	51.78	0.11
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / Fi									
f) any other									
total shareholding of promoter (a)	51676390	00	51676390	51.67	51785389	00	51785389	51.78	0.11
2) foreign									
total Shareholding of promoter (a)	51676390	00	51676390	51.67	51785389	00	51785389	51.78	0.11
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / Fi									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) insurance Companies									
g) Fiis									
h) Foreign Venture Capital Funds									
i) others (specify) other individual Huf	76887	00	76887	0.076	76304	00	76304	0.0763	-0.0003
Sub-total (B)(1):-	76887	00	76887	0.076	76304	00	76304	0.0763	-0.0003



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. non-institutions									
a) Bodies Corp.	41217932	127500	41345432	41.34	40387042	127500	40514542	40.51	-0.83
individuals									
i) individual shareholders holding nominal share capital upto Rs. 2 lakh	664003	410800	1074803	1.074	2625293	595550	3220843	3.220	2.146
ii) individual shareholders holding nominal share capital in excess of Rs 2 lakh	5527688	278850	5806538	5.806	4236523	100	4236623	4.236	-1.57
c) others (specify)									
Non resident Indians	14581	00	14581	0.0146	15165	00	15165	0.0152	0.0006
overseas corporate Bodies									
foreign nationals									
clearing Members	5369	0	5369	0.005	151134	0	151134	0.151	0.1461
trusts									
foreign Bodies - D R									
Sub-total (B)(2):-	47506460	817150	48323610	48.32	47491461	723150	48214611	48.21	-0.11
total Public Shareholding (B)=(B)(1)+ (B)(2)	47506460	817150	48323610	48.32	47491461	723150	48214611	48.21	-0.11
c. Shares held by custodian for GDRs&ADrs									
Grand total (a+B+C)	99182850	817150	100000000	100.00	99276850	723150	100000000	100.00	

## Shareholding of Promoter:-

Sr No	Shareholder's Name	Shareholding at the beginning of the year 31-03-2020			Shareholding at the end of the year 31-03-2021			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Dr Ajay Satia	22352990	22.3529	9.022	22352990	22.35	0	-
2	Smt Bindu Satia	8115940	8.12	0	8115940	8.12	0	-
3	Sh Chirag Satia	6851670	6.85	0	6960669	6.96	0	+ 0.11
4	Sh Dhruv Satia	7974540	7.97	0	7974540	7.97	0	-
5	Ms Yachana Mehta	2587500	2.59	0	2587500	2.59	0	-
6	Ms Priyanka Satia	3600000	3.60	0	3600000	3.60	0	-
7	Dr Ajay Satia (HUF)	193750	0.193	0	193750	0.19	0	-
	Total	51676390	51.673	9.022	51785389	51.78	0	+ 0.11

## V. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.03.2020		-Decrease (Sale)/ +Increase (Purchase)	Cumulative shareholding Increase during the year 31.03.2021	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1	Muktsar Logistics and Trading Private Limited	15728000	15.73	0	15728000	15.73
2	SDS Cotton Private Limited	14935860	14.94	-50000	14885860	14.89
3	Adya Design Private Limited	4853190	4.85	-144489	4708701	4.71
4	RKB Sales Private Limited	2733780	2.73	- 403957	2329823	2.33
5	White Gold Transport Private Ltd	2522090	2.52	- 240000	2282090	2.28
6	Bhai Apminder Singh	306870	0.31	0	306870	0.31
7	Sh. Rasbeer Singh	1250000	1.25	0	1250000	1.25
8	Smt. Jasminder Kaur	257260	0.25	0	257260	0.26
9	Sh. Jaskaran Singh	252500	0.25	0	252500	0.25
10	Sh Saroop Singh Brar	635900	0.63	-635900	0	0

## VI. Shareholding of Directors and Key Managerial Personnel:

Sr No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 31.03.2020		Cumulative Shareholding during the Year 31.03.2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr Ajay Satia				
	At the beginning of the year	22352990	22.35	22352990	22.35
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	22352990	22.35	22352990	22.35
2	Sh R.K.Bhandari				
	At the beginning of the year	261000	0.26	250000	0.25
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	11000			
	At the end of the year	250000	0.25	250000	0.25
3	Sh Inder Dev Singh				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	0.00	0.00	0.00	0.00
4	Sh Chirag Satia				
	At the beginning of the year	6851670	6.85	6960669	6.96
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	108999			
	At the end of the year	6960669	6.96	6960669	6.96

Sr No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 31.03.2020		Cumulative Shareholding during the Year 31.03.2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Sh A.C.Ahuja				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	0.00	0.00	0.00	0.00
6	Sh Dinesh Chander Sharma				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	0.00	0.00	0.00	0.00
7	Sh Hardev Singh				
	At the beginning of the year	10	0.0001	100	0.0001
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	10	0.0001	100	0.0001
8	Dr Mrs Priti Lal Shivhare				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	0.00	0.00	0.00	0.00



Sr No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 31.03.2020		Cumulative Shareholding during the Year 31.03.2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	Sh Ashok Kumar Gupta				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	0.00	0.00	0.00	0.00
10	Sh Inderjeet Monga (CFO)				
	At the beginning of the year	0	0	1000	0.0010
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	1000			
	At the end of the year	1000	0.0010	1000	0.0010
11	Sh Rakesh Kumar Dhuria, (Company Secretary)				
	At the beginning of the year	100	0.0001	100	0.0001
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	100	0.0001	100	0.0001

**VII. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	26,988.38	220.16	-	27,208.54
ii) interest due but not paid	-	-	-	-
iii) interest accrued but not due	10.28		-	10.28
<b>Total (i+ii+iii)</b>	26,998.66	220.16	-	27,218.82
<b>Change in Indebtedness during the financial year</b>				
* Addition	11,650.53	-	-	11,650.53
* Reduction	-4,164.89	-220.16	-	-4,385.05
<b>Net Change</b>	7,485.64	-220.16	-	7,265.48
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	34,484.30	-	-	34,484.30
ii) interest due but not paid	-	-	-	-
iii) interest accrued but not due	7.33	-	-	7.33
<b>Total (i+ii+iii)</b>	34,491.63	-	-	34,491.63

**VIII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

Rs in lakh

S. N.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Dr Ajay Satia	Sh R.K. Bhandari	Sh Chirag Satia	Sh Hardev Singh	
1	Gross salary					
	Salary as per provisions contained in section 17(1) of the income-tax Act, 1961	214.66	73.81	49.50	30.43	368.4
	Value of perquisites u/s 17(2) income-tax Act, 1961	98.74	12.40	12.17	0.5	123.81
	Profits in lieu of salary under section 17(3) income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	313.4	86.21	61.67	30.93	492.21

**B. Remuneration to other directors**

S. N.	Particulars of Remuneration	Name of Directors						
		Sh A. C. Ahuja	Sh Dinesh Chand Sharma	Sh I.D.Singh	Sh Ashok Kumar Gupta	Sh Arun Kumar Gupta	Mrs. Dr. Priti Lal Shiv hare	Sh. Vinod Kumar Kathuria
1	Independent Directors							
	Fee for attending board committee meetings	280000	145000	245000	135000	225000	100000	125000
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (1)	280000	145000	245000	135000	225000	100000	125000
2	Other Non-Executive Directors	0	0	0	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0	0	0	0
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0	0
	Total (B)= (1+2)	280000	145000	245000	135000	225000	100000	125000

**Independent Auditor's Report****To the Members of Satia Industries Limited, V Rupana.****Report on the Standalone Financial Statements****Opinion**

We have audited the accompanying the standalone Ind AS financial statements of Satia Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to standalone Ind AS Financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further

described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

**Key Audit Matters**

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the standalone Ind AS financial statements for the Financial Year ended March 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of audit procedures performed by us provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

	Key Audit Matter	Auditor's response
	<b>Capitalisation and useful life of property, plant and equipment</b>	
	<p>(a) The company is going in the expansion phase and there is substantial capital out flow of funds for erection of various properties plants and equipment. The amount of capital expenditure incurred on various projects or components during the year ended March 31, 2021, has been included in capital work in progress and intangible assets under development.</p> <p>Further, the items of property, plant and equipment that are ready for its intended</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>Tested the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories. Reviewed operating expenses to determine appropriateness of accounting and criterion for capitalisation determined by the management including monitoring thereof for timing of capitalization.</li> <li>Reviewed the reasonableness of management's</li> </ul>



Key Audit Matter	Auditor's response
<p>use as determined by the management have been capitalized to its respective heads during the current year. Judgment is involved to determine that the aforesaid capitalization meet the recognition requirement under Ind AS specifically in relation to determination of whether the criteria for intended use of the management has been met.</p> <p>Further the Company has assessed the useful life of its Building, plant and machinery, electrical installation and vehicle as well as residual value different from as defined under Schedule II of Companies Act, 2013 on the basis of reviewed by a Chartered Engineer. Assessment of useful life involves management judgment, technical assessment, consideration of historical experiences, anticipated technological changes, etc.</p> <p>Accordingly, the above has been determined as a key audit matter.</p> <p>(b) The Company have reported capitalization under Intangible Assets under Development as key audit matter as significant judgement is involved in identification of expenses that are directly attributable and reasonably allocable to development of intangible assets and timing of capitalization.</p> <p>Accordingly, it has been considered as a key audit matter.</p>	<p>assessment of the ability of intangible asset to generate future economic benefits with respect to expenses Examined the cost of the additions made to property, plant and equipment, intangible assets, capital work in-progress and intangible asset under development on a test check basis to test whether they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16 – Property, Plant and Equipment, including basis used to form intended use of management.</p> <ul style="list-style-type: none"> <li>• Examined the standard operating practices listed by the management to assess the commercial operation date of a particular item/component being capitalised.</li> <li>• Assessment of the assumptions considered in estimation of useful life.</li> <li>• Examined the useful economic lives with reference to the Company's historical experience and technical evaluation by third party specialist appointed by management.</li> <li>• Assessed the objectivity and competence of the Company's external specialists involved in the process.</li> <li>• Substantive testing procedures including, verifying the mathematical accuracy of computation of amortisation/ depreciation charge for the year with respect to the assessed use full life and residual value.</li> <li>• Obtained understanding and evaluated the design and operating effectiveness of controls over identification of such costs and criterion for capitalisation of such intangible asset in compliance with Ind AS 38.</li> <li>• For the sample selected, verified the appropriateness of expenses capitalised.</li> </ul>

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and

we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise

professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules 2015 as amended, unless stated otherwise.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements Refer Note No. 43 to Standalone Financial Statement;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deepak Grover & Associates**

**Place : V.Rupana**  
**Date : 10-05-2021**

**Chartered Accountants**  
**Deepak Grover**  
**Proprietor**  
**M.No.505923**  
**FRN:020678N**  
**UDIN: 21505923AAAAEU6142**

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Satia Industries Limited of even date)

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

We have audited the internal financial controls over financial reporting of Satia Industries Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgement, 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 internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **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, to the best of our information and according to the explanations given to us, the Company has, 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 March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deepak Grover & Associates**

**Place : V.Rupana Chartered Accountants**  
**Date : 10-05-2021 Deepak Grover**  
**Proprietor**  
**M.No.505923**  
**FRN:020678N**  
**UDIN: 21505923AAAAEU6142**

### Annexure - B to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property Plant and Equipment.
- (b) As explained to us, Property Plant and Equipment have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the Property Plant and Equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals by the Management.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories except for material lying on floor & work in progress (which has been determined during the physical verification at the yearend) and the stocks of REC/CER/E-CERTS as nil (which are being accounted on cash sale basis only). The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
- (iii) In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act 2013, in our opinion, the rate of interest and other terms and conditions on which the loans have been granted not prejudicial to the interest of the company. There is no overdue amount in the loan accounts.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public during the year. According the explanation given to us the securities lying with the company have been received from the vendors/customers/employees in the course of trade transactions and are exempt as per the provisions of Acceptance of Deposit Rules.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section

148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.

(vii) In respect of Statutory Dues:

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, Goods & Services Tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, Goods & Services Tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Nature of Statute	Nature of Dues	Forum where Dispute is pending	Period to which relates	Amount (R-In Lakhs)
Central Excise Act, 1944	Central Excise	Punjab & Haryana High Court, Chandigarh.	1994-95	3.84
Custom Duty	Custom Duty	Commissioner (Appeal)	2010-11	1.73
Custom Duty	Custom Duty	Commissioner (Appeal)	2019-20	17.45

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans (Except from banks). Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not

entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Deepak Grover & Associates**

**Place : V.Rupana**

**Chartered Accountants**

**Date : 10-05-2021**

**Deepak Grover**

**Proprietor**

**M.No.505923**

**BALANCE SHEET AS AT MAR 31, 2021**  
**(in Indian rupee lacs, unless otherwise stated)**

(Rs. in Lacs)

Particulars	Notes No.	Year ended As at March 31, 2021	Year ended As at March 31, 2020
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2	43,159.07	37,090.90
(b) Capital work-in-progress	3	31,780.45	21,474.00
(c) Financial assets			
(i) Investments	4	379.49	327.67
(ii) Other financial assets	5	106.40	102.00
(d) Other Non- Current Assets	6	806.86	519.25
(e) Deferred tax asset (net)	7	-	319.63
<b>Total non-current assets</b>		<b>76,232.27</b>	<b>59,833.45</b>
<b>(2) Current assets</b>			
(a) Inventories	8	9,177.51	5,310.66
(b) Biological assets other than bearer plants	9	2,997.11	2,812.75
(c) Financial assets			
(i) Trade receivables	10	9,080.07	13,228.37
(ii) Cash and cash equivalents	11	68.46	172.41
(iii) Bank balances other than above	12	1,047.29	1,374.73
(iv) Other financial assets	13	468.82	234.50
(d) Current tax assets	14	-	220.99
(e) Other current assets	15	1,075.48	1,321.32
<b>Total current assets</b>		<b>23,914.74</b>	<b>24,675.73</b>
<b>Total assets</b>		<b>100,147.01</b>	<b>84,509.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	1,000.00	1,000.00
(b) Other equity	17	43,534.52	38,548.10
<b>Total equity</b>		<b>44,534.52</b>	<b>39,548.10</b>
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	22,790.61	15,876.73
(ii) Other financial liabilities	19	10,293.91	8,503.45
(b) Other non current liabilities	20	2,022.18	691.51
(c) Provisions	21	1,025.58	931.19
(d) Deferred tax Liability (net)		311.52	-
<b>Total non-current liabilities</b>		<b>36,443.80</b>	<b>26,002.88</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	6,742.89	5,958.97
(ii) Trade payables	23		
Total Outstanding dues of micro enterprises and small enterprises		644.90	440.47
Total Outstanding dues of creditors other than micro enterprises and small enterprises		4,380.58	4,860.51
(iii) Other financial liabilities	24	6,306.56	6,670.17
(b) Current tax liabilities	25	518.56	-
(c) Other current liabilities	26	432.20	927.66
(d) Provisions	27	143.00	100.42
<b>Total current liabilities</b>		<b>19,168.69</b>	<b>18,958.20</b>
<b>Total liabilities</b>		<b>55,612.49</b>	<b>44,961.08</b>
<b>Total equity and liabilities</b>		<b>100,147.01</b>	<b>84,509.18</b>

The accompanying notes are an integral part of these financial statements  
 In terms of our report attached

**Deepak Grover & Associates**  
 Chartered Accountants

For and on behalf of the Board of Directors

**Dr. Ajay Satia**  
 Chairman-Cum Managing Director  
 DIN : 00850792

**R.K Bhandari**  
 Joint Managing Director  
 DIN : 00732588

**Deepak Grover**  
 (Proprietor)  
 M.No.505923  
 FRN : 020678N

Place : Rupana  
 Date : 10.05.2021

**Inderjeet Monga**  
 Chief Financial Officer

**Rakesh Kumar Dhuria**  
 Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**  
(in Indian rupee lacs, unless otherwise stated)

(Rs. in Lacs)

Particulars	Notes No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Revenue from operations	28	58,843.95	80,863.72
Other income	29	671.62	1,519.79
<b>Total Revenue (I)</b>		<b>59,515.57</b>	<b>82,383.51</b>
<b>Expenses</b>			
Cost of material consumed	30 A	23,872.98	33,562.38
Purchases of traded goods	30 B	-	1,576.29
Change in inventory of finished goods, stock in progress and stock in trade	30 C	(1,042.67)	192.30
Employee benefits expense	31	4,502.34	5,283.16
Depreciation	32	5,842.55	5,462.01
Impairment loss/(Gain) on financial assets	33	(51.83)	(16.60)
Finance cost	34	1,757.24	2,021.55
Other expenses	35	17,951.38	22,774.43
<b>Total expenses (II)</b>		<b>52,831.99</b>	<b>70,855.52</b>
<b>Profit before tax (I - II = III)</b>		<b>6,683.58</b>	<b>11,527.99</b>
Tax expense: (IV)			
Current tax	36	1,549.54	2,350.02
Deferred tax		179.19	-5.82
Net tax expense / (benefit)		<b>1,728.72</b>	<b>2,344.20</b>
<b>Profit after tax (III - IV = V)</b>		<b>4,954.86</b>	<b>9,183.79</b>
<b>Profit for the year (V)</b>		<b>4,954.86</b>	<b>9,183.79</b>
<b>Other Comprehensive Income (VI)</b>			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit obligation		47.76	(47.52)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(16.20)	16.12
<b>Total Other Comprehensive Income (A (i-ii)) = VI</b>		<b>31.56</b>	<b>(31.40)</b>
<b>Total Comprehensive Income for the year, net of tax (V+VI=VII)</b>		<b>4,986.42</b>	<b>9,152.40</b>
Earnings per equity share (for continuing operation)			
1 Basic		4.95	9.18
2 Diluted		4.95	9.18

The accompanying notes are an integral part of these financial statements  
In terms of our report attached  
**Deepak Grover & Associates**  
Chartered Accountants

**Deepak Grover**  
(Proprietor)  
M.No.505923  
FRN : 020678N

Place : Rupana  
Date : 10.05.2021

**Dr. Ajay Satia**  
Chairman-Cum Managing Director  
DIN : 00850792

**Inderjeet Monga**  
Chief Financial Officer

For and on behalf of the Board of Directors

**R.K Bhandari**  
Joint Managing Director  
DIN : 00732588

**Rakesh Kumar Dhuria**  
Company Secretary

**Statement of Changes in Equity for the year ended March 31, 2021**  
**(in Indian Rupees lacs, unless otherwise stated)**

**Statement of Change in Equity**

<b>a. Equity share capital</b>	<b>Number of Shares</b>	<b>Equity share capital</b>
Balance at April 1, 2019	1000.00	1,000.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	1000.00	1,000.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	1000.00	1,000.00

**b. Other Equity**

<b>Particulars</b>	<b>Retained earnings</b>	<b>Other reserve</b>	<b>Total</b>
Balance at March 31, 2019	29,757.38	-	29,757.38
Profit for the year	9,183.79	-	9,183.79
Other comprehensive income for the year, net of income tax	(31.40)	-	(31.40)
Payment of dividends	(300.00)	-	(300.00)
Tax on dividends	(61.67)	-	(61.67)
	-	-	-
<b>Balance at March 31, 2020</b>	<b>38,548.10</b>	<b>-</b>	<b>38,548.10</b>
Balance at April 1, 2020	38,548.10	-	38,548.10
Profit for the Period	4,954.86	-	4,954.86
Other comprehensive income for the year, net of income tax	31.56	-	31.56
Payment of dividends	-	-	-
Tax on dividends	-	-	-
<b>Balance at March 31, 2021</b>	<b>43,534.52</b>	<b>-</b>	<b>43,534.52</b>

The Company has one class of equity shares only having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The distribution will be in proportion to the number of equity shares held by the shareholders.

Deepak Grover & Associates  
Chartered Accountants

**Deepak Grover**  
(Proprietor)  
M.No.505923  
FRN : 020678N

**Dr. Ajay Satia**  
Chairman-Cum Managing Director  
DIN : 00850792

**R.K Bhandari**  
Joint Managing Director  
DIN : 00732588

For and on behalf of the Board of Directors

Place : Rupana  
Date : 10-05-2021

**Inderjeet Monga**  
Chief Financial Officer

**Rakesh Kumar Dhuria**  
Company Secretary

**Cash Flow Statement for the year ended March 31, 2021**  
(in Indian rupee lacs, unless otherwise stated)

(INR in Lacs)

Particulars	Notes No.	Year ended As at March 31, 2021	Year ended As at March 31, 2020
<b>A. Cash flow from Operating Activities:</b>			
Net profit before tax		6,683.58	11,527.99
<b>Adjustments for:</b>			
Depreciation and amortisation		5,842.55	5,462.01
Finance costs		1,757.24	2,021.55
Interest income		(99.66)	(96.71)
Net loss (gain) on sale / discarding of fixed assets		(24.95)	(0.39)
Gain on government grant		(4.92)	(5.96)
Gain on fair valuation of biological assets		(391.60)	(493.59)
Exchange Rate (Gain)/loss		(54.80)	(37.57)
Impairment loss/(Gain) on financial assets		(51.83)	(16.60)
<b>Operating Profit before Working Capital changes</b>		<b>13,655.61</b>	<b>18,360.73</b>
<b>Adjustments for changes in Working Capital :</b>			
- Increase/(decrease) in trade payables & other payables		1,070.25	1,523.41
- (Increase)/decrease in trade receivables & Other receivables		4,539.61	(4,079.25)
- Increase/(decrease) in other financial liabilities & provisions		136.97	188.04
- (Increase)/decrease in inventories		(3,659.61)	1,386.49
<b>Cash generated from Operating Activities</b>		<b>15,742.83</b>	<b>17,379.42</b>
- Taxes (paid)		(374.22)	(2,410.82)
<b>Net Cash from Operating Activities</b>		<b>15,368.61</b>	<b>14,968.60</b>
<b>B. Cash flow from Investing Activities:</b>			
Purchase of Property, plant and equipment		(11,952.62)	(4,312.94)
Payment for Capital WIP		(10,306.45)	(15,861.09)
Other Non Current Asset		(287.61)	(519.25)
Sale of Property, plant and equipment		66.85	25.00
Interest received		99.66	78.83
<b>Net Cash from Investing Activities</b>		<b>(22,380.18)</b>	<b>(20,589.45)</b>
<b>C. Cash flow from Financing Activities:</b>			
Proceeds of short term borrowings (Net)		423.26	2,110.89
Proceeds of long term borrowings (Net)		6,913.88	5,336.13
Other Financial Liabilities		1,330.67	663.33
Interest paid		(1,760.19)	(2,002.33)
Dividend paid		-	(300.00)
Corporate dividend tax paid		-	(61.67)
<b>Net Cash from Financing Activities</b>		<b>6,907.62</b>	<b>5,746.35</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>		<b>(103.95)</b>	<b>125.50</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>172.41</b>	<b>46.91</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>68.46</b>	<b>172.41</b>
<b>Cash and cash equivalents comprise</b>			
Cash & cheques in hand		4.43	34.71
Balance with banks		64.03	137.70
		<b>68.46</b>	<b>172.41</b>

The accompanying notes are an integral part of these financial statements

In terms of our report attached

**Deepak Grover & Associates**

Chartered Accountants

For and on behalf of the Board of Directors

**Deepak Grover**

(Proprietor)

M.No.505923

FRN : 020678N

Place : Rupana

Date : 10.05.2021

**Dr. Ajay Satia**

Chairman-Cum Managing Director

DIN : 00850792

**R.K Bhandari**

Joint Managing Director

DIN : 00732588

**Inderjeet Monga**

Chief Financial Officer

**Rakesh Kumar Dhuria**

Company Secretary

## 1. NOTE FORMING PART OF THE FINANCIAL STATEMENTS

### Corporate Information

Satia Industries Limited (herein after referred to as ('The Company')) was incorporated on 26 November, 1980 under the Companies Act with the registration no L21012PB1980PLC004329 is presently dealing in the following business a) Manufacturer of Writing and Printing Paper b) Generation of Power c) Trading activities in Cotton & Yarn, d) Agricultural & Plantation Operations etc. The shares of the Company are listed on BSE Limited (BSE) & (NSE).

### 1: Significant Accounting Policies:-

#### 1.1 Statement of compliance, Basis of Preparation & Presentation:

"The financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs') as notified under section 133 of the Act read with Companies (Indian Accounting Standards) Rule, 2015 and Companies (Indian Accounting Standards) amendment Rules, 2016 and other relevant provisions of the Act as amended from time to time.

#### 1.2 Property, plant and equipment:

- (i) Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes net of interest on capital advances and duty credits and is inclusive of freight, duties, taxes and other incidental expenses. Items such as spare parts, stand-by equipment and servicing equipment are recognised in

accordance with this Ind AS 16 when they meet the definition of property, plant and equipment.

- (ii) Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date.

- (iii) Depreciation/ Amortization:

Depreciation on tangible property, plant and equipment has been provided on the Written Down Value Method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc and accordingly the useful life of the referred Property plant and equipment has been reviewed by Chartered Engineer for the financial year 2020-21 as per below :-

Item	Useful Life (Years)	Basis
Building	20	Based on CE certificate
Machinery	12	Based on CE certificate
Electrical Installations	12	Based on CE certificate
Vehicles	5	Based on CE certificate

\* Machinery excludes Co-generation and Solar Division

Useful life of all other Assets is as per the Schedule II of the Companies Act, 2013.

The estimated useful life ,depreciation method and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.



- iv) Capital expenditure on enabling assets, the ownership of which is not with the Company are charged off to revenue in the accounting period of incurrence of such expenditure. However, capital expenditure on enabling assets, ownership of which rests with the company and which have been created on land not belonging to the Company is written off to the Statement of Profit & Loss over its approximate period of utility. For this purpose, land is not considered to be belonging to the company, if the same is not owned or leased/licensed to the company.
- v) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.
- vi) The management of the company has considered it to be appropriate to seek the opinion of chartered engineer in order to ascertain the remaining useful life and residual value of the assets (existing as well as additions), as it may deem fit on yearly basis.
- vii) On the basis of technical advice the management of the company has considered it to be appropriate to keep the residual value of all the assets at 10% of the historical cost.

### 1.3 Intangible Assets:

Expenditure on computer software, which is not an integral part of hardware, is capitalised as an intangible asset. The cost of software includes license fee and implementation cost and is capitalised in the year of its implementation. Patent and Software is amortized over useful life

of assets over which economic benefits will be derived. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Software, Patents and trademarks, etc. are accounted at their cost of acquisition and amortized over their estimated economic life not exceeding 10 years.

### 1.4 Impairment of Non-financial Assets:

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Component of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

## 1.5 Financial Instruments

### 1.5.1 Financial assets

Financial assets are recognised when the company becomes a party to the contractual provisions of the instruments

#### Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities which are not recognised through profit & Loss account are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

### 1.5.2 De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

### 1.5.3 Impairment of financial asset

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

#### 1.5.3.1 Trade receivable

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rate observed over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivables are similar. on the basis of above analysis suitable provision for allowance for credit impaired is to be made.

### 1.5.4 Other financial assets

Impairment loss on other financial assets is recognised based on the difference between the present value of the expected cash flows and carrying value.

### 1.5.5 Financial Liabilities

#### i. Initial recognition and measurement

Financial liabilities are initially measured at fair value except Trade Securities. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### ii. Subsequent measurement

The Company's financial liabilities are not held for trading and are also carried at amortized cost using effective interest rate except Trade Securities.

### 1.5.6 De-recognition of financial liabilities

A financial liability is de-recognised when they are discharged.

### 1.5.7 Offsetting of financial instruments

Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 1.5.8 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at

their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

## 1.6 Revenue Recognition

“Under Ind As 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when ‘control’ of the goods underlying the particular performance obligation were transferred to the customer. Ind AS 115 establishes a five-step model i.e. i). Identify the contract with the customer ii). identify the performance obligation iii). determine the transaction price iv). Allocate the transaction price v). recognise revenue when performance obligations are satisfied to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Company exercised judgements, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers in accordance with Ind As 115. The standard also specified the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.”

### Income from CER/VER

Income from Carbon Emission Reductions (CER)/ Voluntary Emission Reductions (VER) is recognized when the project is registered with the United Nations Framework Convention on Climate Change (UNFCCC).

### Income from REC/E-Certs/Dividend

keeping in view of the Nature REC/E-Certs/ dividend Income is recognised on cash realization basis unlike other Incomes.

## Insurance Claims / Counter-claims / Penalties / Awards:

Claims / counter-claims / penalties/awards are accounted for in the year of its settlement / crystallize.

Insurance Claims / counter-claims / penalties / awards are shown separately under the head other income and corresponding expenses are shown under respective expense head in the Profit and Loss a/c. Revenue from these claims are recognised as and when the realization from the insurer is ascertained.

## 1.7 Valuation of Inventories:-

### Raw Materials, Stores & Spares:

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products, in which they will be incorporated, are expected to be sold at or above cost. Cost of Raw materials is determined on a monthly moving weighted average basis and cost of chemicals, stores and spares is determined on transaction moving weighted average.

### Work-in-Progress and Finished Goods:

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods except lying in the factory premises includes Taxes, Duties etc. on which input credit is not available

### By Products and Waste:

#### Net realizable value

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Agriculture Operations Inventory valuation for agricultural produce are as follows:

- i. Eucalyptus & poplar trees: Trees has been categorised based on their ageing. Company has follows mix approach i.e. cost and fair value approach. Trees ageing below 3 years are

valued at cost and trees ageing more than 3 years are valued on the basis of fair value less cost to sell of the trees.

Fair value of the trees at different age group is based on the realisable value of the tree at that age group.

- ii. Crops: Inventory for crops are recognised when the same is full grown up and is under saleable condition at fair market value less cost to sell.

## 1.8 Foreign Currency Transactions

### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction

### Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

### Forward Exchange Contracts

"In respect of forward exchange contracts, other than the liabilities incurred for acquiring fixed assets from a country outside India, entered into by the Company is recognized as gain or loss over the period of contract and charged to the statement of profit and loss in the year in which the exchange rates change. However if exchange rate pertains to acquiring fixed assets then such difference is adjusted in the carrying amount of the respective fixed assets. Any profit or loss arising on cancellation or renewal

of forward exchange contract is recognized as income or as expense for the year. "

## 1.9 Government Grants:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are deferred and recognised in profit or loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government Grants relating to the specific assets are disclosed as deduction from the gross value of the assets concerned.

## 1.10 Employee Benefits

- i. Liability for gratuity, leave salary and post-retirement medical benefits payable to employees is provided for on accrual basis using the Projected Accrued Benefit Method (Projected Unit Credit Method with control period of one year) done by an independent actuary as at the annual closing Balance Sheet date.

Remeasurement, comprising actuarial gains and losses the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

\*Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);



\*net interest expense or income; and

\*Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item ['employee benefits expenses]. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Termination benefits are immediately recognised in the statement of profit or loss account. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs

- ii. The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognized as an expense during the period when the employees render the services.

### 1.11 Taxes on Income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the provisions of Income Tax Act. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary

differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 1.12 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of the qualifying assets, which are assets that necessarily take a substantial period of time to get ready for

their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the Statement of Profit or Loss in the period in which they are incurred.

- 1.13 Export incentive scrips in case of export are valued on the specific rates allowed on the relevant item of export.

- 1.14 Provisions, Contingent Liabilities & Contingent Assets:

#### **Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### **Onerous contracts**

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a

provision is established, the company recognises any impairment loss on the assets associated with that contract.

#### **a. Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### **b. Contingent Assets**

Contingent assets are not recognized in the accounts. However they are disclosed when the possible right to receive exists.

#### **1.15 Earnings per share (EPS)**

Basic earnings per share ('EPS') is computed by dividing the net profit or loss without impact of Other Comprehensive Income for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti-dilutive.

#### **1.16 Leases**

"The Company's lease asset classes consist both tangible and intangible assets. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy applies to contractsexistingandenteredonorafter1April2019. The Company elected to use the following practical expedients on initial application:

- 1 Application of a single discount rate to a portfolio of leases of similar assets in unifrom

economic environment with an identical end date.

2. Application of the exemption not to recognize right-of-use assets and liabilities for leases with a term less than 12 months on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Application of the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.”

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the period of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable, impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease

liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement in statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the statement of profit or loss over the lease term.

#### **As Lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

### 1.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 1.18 Cash and Cash Equivalent

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.19 Loan to Employees and KMP

The Company has policy to provide Loan to Employees and KMP as per the provisions of the Companies Act 2013. In case a period of loan is more than twelve months, a discount rate is applied to to check the variation where the interest being is charged is different from the discount rate. if any variation is assessed then same will be recognised as income or expense in the statement of profit and loss account.

### 1.20 Significant management judgement in applying accounting policies and estimation uncertainty

#### i. Significant management judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets: The extent to which deferred tax assets can be recognised

is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

#### ii. Estimation

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual result may be substantially different.

Defined benefit obligation: Management estimates of these obligation is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses.

Provisions: At each balance sheet date based on management judgement, changes in facts and legal aspects, the company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future /outcome may be differ from this judgement.

### 1.21 Estimation of uncertainties related to the global health pandemic from COVID-19

In the Continuous process of risk assessment the company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements, has used internal and external source of information.



## 2. Property, plant and equipment

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Freehold Land	904.92	904.92
Plant and Equipment	23,125.24	20,851.87
Turbine	13,442.42	9,373.35
Solar	1,520.82	1,857.01
Roads	28.22	42.20
Buildings	3,526.53	3,304.71
Electrical installation	109.17	116.43
Office equipment	37.33	22.17
Furniture and fixtures	78.68	29.44
Vehicles	336.06	550.19
Computers	49.68	38.61
	<b>43,159.07</b>	<b>37,090.90</b>

Notes forming part of financial statements (In Indian Rupees lacs, unless otherwise stated)

## 2.1 Property, plant and equipment

(Rs. in Lacs)

Particulars	Freehold Land	Plant and Equipment	Turbine	Solar	Road	Building	Electrical installation	Office equipments	Furniture and fittings	Vehicles	Com- puters	Total
<b>At Cost of Deemed cost</b>												
<b>Balance at March 31, 2019</b>	744.90	31,689.04	10,730.68	2,867.62	106.82	4,085.62	198.74	82.26	36.71	642.32	94.61	51,279.32
Additions	160.02	3,042.84	233.66	-	5.50	463.66	4.94	2.20	14.70	365.53	19.89	4,312.94
Disposals	-	-	-	-	-	-	-	-	-	129.21	-	129.21
<b>Balance at March 31, 2020</b>	904.92	34,731.88	10,964.34	2,867.62	112.32	4,549.28	203.68	84.46	51.41	878.64	114.50	55,463.04
Additions	-	6,572.36	4,625.77	-	1.79	612.04	8.22	25.24	58.36	20.22	28.62	11,952.62
Disposals	-	-	-	-	-	-	-	-	-	166.38	-	166.38
<b>Balance at March 31, 2021</b>	904.92	41,304.24	15,590.11	2,867.62	114.11	5,161.32	211.90	109.70	109.77	732.48	143.12	67,249.29
<b>Accumulated Depreciation</b>												
<b>Balance at March 31, 2019</b>	-	10,027.12	1,043.21	600.11	47.37	893.77	68.84	40.46	12.59	226.44	55.01	13,014.92
Depreciation expense	-	3,852.89	547.78	410.50	22.75	350.80	18.41	21.83	9.38	206.79	20.88	5,462.01
Eliminated on disposals of assets	-	-	-	-	-	-	-	-	-	104.78	-	104.78
<b>Balance at March 31, 2020</b>	-	13,880.01	1,590.99	1,010.61	70.12	1,244.57	87.25	62.29	21.97	328.45	75.89	18,372.15
Depreciation expense	-	4,298.99	556.70	336.19	15.77	390.22	15.48	10.07	9.12	192.46	17.55	5,842.55
Eliminated on disposals of assets	-	-	-	-	-	-	-	-	-	124.49	-	124.49
<b>Balance at March 31, 2021</b>	-	18,179.00	2,147.69	1,346.80	85.89	1,634.79	102.73	72.36	31.09	396.42	93.44	24,090.21
<b>Net block</b>												
<b>Balance at March 31, 2019</b>	744.90	21,661.92	9,687.47	2,267.51	59.45	3,191.85	129.90	41.80	24.12	415.88	39.60	38,264.40
<b>Balance at March 31, 2020</b>	904.92	20,851.87	9,373.35	1,857.01	42.20	3,304.71	116.43	22.17	29.44	550.19	38.61	37,090.90
<b>Balance at March 31, 2021</b>	904.92	23,125.24	13,442.42	1,520.82	28.22	3,526.53	109.17	37.33	78.68	336.06	49.68	43,159.07

INR in lakhs

Depreciation/Amortization for the year

5,837.63

Add : Dep. related to IND AS adjustment of Govt. Grants

4.92

Depreciation/Amortization Charged to statement of profit &amp; Loss

5,842.55

## Notes forming part of the financial statements

## 3. Capital work-in-progress

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Building under construction	2,769.94	1,582.22
Plant and Machinery under erection	28,876.57	19,891.78
Intangible assets under development	133.94	-
<b>Total</b>	<b>31780.45</b>	<b>21,474.00</b>

## 4. Financial assets: Other Investments

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Carried at Fair Value through Profit and Loss</b>		
<b>Unquoted investments (all fully paid)</b>		
<b>Investment in Equity Instruments</b>		
35,50,000 Equity shares of Rs.10/- each fully paid up in YCD Industries Limited (Formally known as Bhandari Exports Industries Ltd.).		
(Value determined by registered valuer)	327.66	311.07
	327.66	311.07
Less: Impairment loss (Gain) in value of investments	(51.83)	(16.60)
<b>Total investment carrying value</b>	<b>379.49</b>	<b>327.67</b>
Aggregate value of unquoted investments	379.49	327.67
Current	-	-
Non-current	379.49	327.67
<b>Total</b>	<b>379.49</b>	<b>327.67</b>

There are no quoted investments.

## 5. Other financial assets

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Carried at amortised cost - Unsecured, Considered good		
Security deposits	106.40	102.00
<b>Total</b>	<b>106.40</b>	<b>102.00</b>

## 6. Other Non Current assets

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Right to Use Assets	806.86	519.25
<b>Total</b>	<b>806.86</b>	<b>519.25</b>

Note : In accordance with Ind AS 116 Right to Use Assets represent the right over leasehold land.

**7. Deferred tax balances**

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated balance sheet:

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	1,307.64	1,955.47
Deferred tax liabilities	(1,619.16)	(1,635.84)
Deferred tax assets (Liability)	(311.52)	319.63

**8. Inventories**

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials	3359.50	1,796.58
Work-in-progress	707.41	619.50
Finished goods	1603.32	648.56
Stores and spares (including packing material)	3507.28	2,246.02
<b>Total</b>	<b>9177.51</b>	<b>5,310.66</b>

**9. Biological Assets other than bearer plants**

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balance at the beginning of the year</b>	2,812.75	3,029.20
Other adjustments	391.60	493.59
Disposal during the year	(207.24)	(710.04)
<b>Balance at the end of the year</b>	<b>2,997.11</b>	<b>2,812.75</b>

**10. Financial assets: Trade receivables**

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>Unsecured - considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	23.45	24.54
Others	9,056.62	13,203.83
	9,080.07	13,228.37
Less Allowances for credit Impaired	-	-
<b>Total</b>	<b>9,080.07</b>	<b>13,228.37</b>

Age of trade receivables is as follows

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Within the credit period	9,056.62	13,203.83
Upto 6 Months	-	-
More than 6 Months	23.45	24.54
<b>Total</b>	<b>9,080.07</b>	<b>13,228.37</b>

**11. Financial assets: Cash and cash equivalents****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	4.43	4.71
Draft in transit	-	30.00
<b>Bank balances</b>		
Current accounts	64.03	137.70
<b>Cash and Cash Equivalents</b>	<b>68.46</b>	<b>172.41</b>

**12. Financial assets: Bank balances other than above****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits held as margin money	1047.29	1,374.73
<b>Total</b>	<b>1047.29</b>	<b>1,374.73</b>

**13. Other financial assets****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Carried at amortised cost</b>		
Unsecured, Considered good		
Security/ tender deposits	427.34	189.84
Interest accrued on deposits	38.04	42.33
Other	3.44	2.33
<b>Total</b>	<b>468.82</b>	<b>234.50</b>

**14. Current tax assets/(Liability)****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax / TDS (net of provisions)	-	220.99
	-	220.99

**15. Other current assets****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - Considered Good		
Advance to supplier	615.66	929.46
GST Input	69.06	-
Advance rent	146.19	134.25
Other Advance	15.53	18.02
Prepaid insurance	83.92	75.74
Prepaid expense (others)	90.76	77.19
Export incentive receivable	12.20	37.16
DEPB Recoverable	0.04	7.38
Miscellaneous recoverable	42.12	42.12
<b>Total</b>	<b>1075.48</b>	<b>1,321.32</b>



## Statement of Changes in Equity for the period ended Mar 31, 2021

## 16. Equity

## a. Equity share capital

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised capital</b> 22,00,00,000 equity shares of Re 1 each (Previous year 22,00,00,000 equity shares of Re.1 each)	2,200	2,200
<b>Issued, Subscribed and Paid up</b> 10,00,00,000 equity shares of Re 1 each	1,000	1,000
	<b>1,000</b>	<b>1,000</b>

## (i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening balance	Fresh issue	Change	Bonus	Closing balance
<b>Equity shares</b>					
Year Ended March 31, 2020					
No. of Shares 1,000	-	-	-	-	1,000
Amount 1,000	-	-	-	-	1,000
Year Ended March 31, 2021					
No. of Shares 1,000	-	-	-	-	1,000
Amount 1,000	-	-	-	-	1,000

## (ii) Rights, preferences and restriction attached to shares

The Company has one class of equity shares only having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (iii) Details of shares held by each shareholder holding more than 5% shares in the Company:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	%	Number of shares held	%
<b>Equity shares</b>				
Sh. Ajay Satia	223.53	22.35%	223.53	22.35%
Smt. Bindu Satia	81.16	8.12%	81.16	8.12%
Mr. Dhruv Satia	79.75	7.97%	79.75	7.98%
S.D.S Cotton (P) Ltd	148.86	14.89%	149.36	14.94%
Muktsar Logistics and Trading (P) Ltd.	157.28	15.73%	157.28	15.73%
Chirag Satia	69.61	6.96%	68.52	6.85%

iv) No shares allotted as fully paid up without payment being received in cash during 5 years immediately preceding March 31, 2021.

**17. Other Equity****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings	43,534.52	38,548.10
<b>Total</b>	<b>43,534.52</b>	<b>38,548.10</b>

**17.1 Retained Earnings****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balance at the beginning of the year</b>	38,548.10	29,757.38
Profit for the year	4,954.86	9,183.79
Other comprehensive income for the year (net of tax)	31.56	(31.40)
Payment of dividends	-	(300.00)
Tax on dividends	-	(61.67)
<b>Balance at the end of the year</b>	<b>43,534.52</b>	<b>38,548.10</b>

**Reserves and surplus**

Particulars	General reserve	Retained earnings	Other reserve (Capital reserve)	Other reserve (Investment allowance utilization reserve)	Total
<b>Balance at March 31, 2019</b>	-	29,757.38	-	-	29,757.38
Profit for the year	-	9,183.79	-	-	9,183.79
Other comprehensive income for the year, net of income tax	-	(31.40)	-	-	(31.40)
Payment of dividends	-	(300.00)	-	-	(300.00)
Tax on dividends	-	(61.67)	-	-	(61.67)
<b>Balance at March 31, 2020</b>	-	<b>38,548.10</b>	-	-	<b>38,548.10</b>
<b>Balance at April 1, 2020</b>	-	<b>38,548.10</b>	-	-	<b>38,548.10</b>
Profit for the Period	-	4,954.86	-	-	4,954.86
Payment of dividends	-	-	-	-	-
Tax on dividends	-	-	-	-	-
Other comprehensive income for the year, net of income tax	-	31.56	-	-	31.56
<b>Balance at March 31, 2021</b>	-	<b>43,534.52</b>	-	-	<b>43,534.52</b>

**18. Non current borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured (Carried at amortised cost)</b>		
<b>Term loan from banks</b>		
Punjab National Bank	1,939.67	2,742.97
Central Bank of India	1,806.51	2,716.58
Indusind Bank	3,631.39	2,891.53
Andhra Bank	43.74	218.29
Union Bank of India	3,100.86	4,028.70
AKA Bank	8,708.53	2,543.24
UCO Bank	3,490.36	554.03
Vehicle loans	69.55	181.39
<b>Total</b>	<b>22,790.61</b>	<b>15,876.73</b>

**Term loans:**

- The loans due to Punjab National Bank, Central Bank of India, Union Bank, Andhra Bank and Indusind Bank are secured by way of equitable mortgage on all present and future immovable properties, hypothecation of company's present and future movable assets except Vehicles which have been specifically hypothecated which rank pari-passu among the lenders. All these borrowings are personally guaranteed by the Chariman Cum Managing Director and Joint Managing Director of the company.
- Company entered into a swap agreement against Indusind bank loan amounting to INR 3019.55 lakhs with loan amounting to Euro 38,54,187. The impact of Mark to market gain/(loss) under the

Swap agreement has been separately provided and charged to statement of profit and loss account.

- The loan due to AKA Bank Frankfurt Germany is an external commercial borrowing amounting to EURO 1,27,55,020 at the rate of 1.40% + EURIBOR."
- Vehicle loans are secured by hypothecation of vehicles acquired against such loans.
- Installment for repayment of term loans due to be paid in the next year amounting Rs. 4950.81 lacs (2019-20 5372.84 Lacs) has been treated as current liability and are not included in long term liability.

**4) Terms of repayment:**

Normal Repayment Period : 5-7 Years

**19. Other financial liabilities****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured</b>		
Security deposits	9928.84	8,176.70
Derivative Financial Liability - Currency Swap	365.07	326.75
<b>Total</b>	<b>10293.91</b>	<b>8,503.45</b>

**20. Other non current liabilities****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred capital government grants	19.20	23.26
Lease Liability	1002.95	668.25
Deferred Creditors	1000.03	-
<b>Total</b>	<b>2022.18</b>	<b>691.51</b>

**21. Long term provisions****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits</b>		
Leave encashment	290.83	264.69
Gratuity obligation	734.75	666.50
<b>Total</b>	<b>1025.58</b>	<b>931.19</b>

The provision for employee benefits includes annual leave and gratuity. Relevant factors related to Provision are explained in Note No.39.

**22. Current borrowings****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
<b>Working capital loans from Banks</b>		
Punjab National Bank	3,425.77	5,238.54
Union Bank of India	443.42	-
Central Bank of India	834.85	720.43
UCO Bank	1,180.27	-
INDUSIND Bank	858.58	-
<b>Total</b>	<b>6,742.89</b>	<b>5,958.97</b>

Working capital Borrowings' are secured by hypothecation of all stocks of raw material, stores, work in progress finished stock and book debts in addition to personal guarantee by C.M.D & J.M.D of the company. In addition to this the working capital limits are further secured by way of second parri passu charge on all the fixed assets of the company.

**23. Financial liabilities: Trade payables****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Total Outstanding dues of micro enterprises and small enterprises	644.90	440.47
Total Outstanding dues of creditors other than micro enterprises and small enterprises	2488.10	3,155.56
Acceptances Against LC	1892.48	1,704.95
<b>Total</b>	<b>5,025.48</b>	<b>5,300.98</b>

**24. Other financial liabilities****(Rs. in Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due	7.33	10.28
<b>Current maturities of non-current borrowings</b>	<b>4950.81</b>	<b>5,372.84</b>
Punjab National Bank	849.47	1,484.64
Central Bank of India	900.01	1,190.20



Andhra Bank	175.00	175.00
AKA Bank	1405.91	1,094.27
Indusind Bank	601.29	128.02
Union Bank	900.00	900.00
Vehicle loans	119.12	180.55
Unsecured loans	-	220.16
Others	1318.18	1,273.44
Derivative Financial Liability - Currency Swap	30.24	13.61
<b>Total</b>	<b>6306.56</b>	<b>6,670.17</b>

**25. Current tax liabilities** (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax payable	518.56	-
<b>Total</b>	<b>518.56</b>	<b>-</b>

**26. Other current liabilities/(Assets)** (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers	266.29	711.51
Statutory dues	161.85	204.52
Deferred capital government grants	4.06	4.92
Others	-	6.71
<b>Total</b>	<b>432.20</b>	<b>927.66</b>

**27. Short term provisions** (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Leave encashment	47.87	32.28
Gratuity obligation	95.13	68.14
<b>Total</b>	<b>143.00</b>	<b>100.42</b>

The provision for employee benefits includes annual leave and gratuity. Relevant factors related to Provision are explained in Note No.39.

**28. Revenue from operations** (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross sales	70,064.94	95,860.27
Less: Inter divisional sale	11,216.38	14,959.99
Less: Discount	4.61	36.56
<b>Total</b>	<b>58,843.95</b>	<b>80,863.72</b>

## Sales of Products

(Rs. in Lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Particulars of sale of products comprises		
<b>I PAPER DIVISION</b>		
<b>MANUFACTURED GOODS</b>		
Writing & Printing Paper	57,886.24	77,007.19
Sale of Chemicals	86.22	87.57
Sale Of Scrap	124.02	18.93
Sale of of Waste	97.16	94.41
Sale Of Wood Pulp	39.91	182.24
Others	64.79	-
<b>TRADED GOODS</b>		
Sale of writing & printing paper	-	1,969.19
<b>Gross Sales</b>	<b>58,298.34</b>	<b>79,359.53</b>
<b>Sales Less Returns</b>	<b>58,298.34</b>	<b>79,359.53</b>
<b>II COTTON &amp; YARN DIVISION (TRADE)</b>		
Sale (Cotton)	-	18.66
<b>III CO-GENERATION DIVISION</b>		
Sale Of Electricity & Steam	11,216.38	14,959.99
<b>IV SOLAR DIVISION</b>		
Sale of Solar Power	225.77	233.45
<b>V AGRICULTURE DIVISION</b>		
Agriculture division	324.45	1,288.64
	<b>70,064.94</b>	<b>95,860.27</b>

## 29. Other Income

(Rs. in Lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	99.66	78.83
Interest income on employee loan	-	17.88
Insurance claims	53.55	158.45
Miscellaneous income	4.82	5.52
Exchange Rate fluctuation, Gain	54.80	37.57
Discount earned on DEPB and SHIS purchase	-	2.05
Export incentive	0.73	54.04
Income from Renewable energy certificate	91.53	1005.87
Profit on sale of capital assets (net of loss on assets sold/scrapped/ written off)	24.95	0.39
Gain on fair valuation of Biological assets	391.60	493.59
Government grant income	4.92	5.96
Cash Discount	-	-
MTM Gain (Loss) on Derivative Instrument	(54.94)	(340.36)
<b>Total Other Income</b>	<b>671.62</b>	<b>1,519.79</b>

**30 A. Cost of material consumed****(Rs. in Lacs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw materials	13,513.90	20338.45
Chemicals	9,762.54	11704.38
Biological assets	596.54	1117.33
Harvested Goods	-	402.22
<b>Total</b>	<b>23,872.98</b>	<b>33562.38</b>

**30 B. Cost of purchase of stock in trade****(Rs. in Lacs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cotton	-	18.66
Paper	-	1557.63
Less : Inter Division Transfer	-	-
<b>Total</b>	<b>-</b>	<b>1576.29</b>

**30 C. Change in inventory****(Rs. in Lacs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock		
Finished goods	648.56	471.72
Stock in process	159.18	240.30
Semi finished	460.32	748.34
	<b>1,268.06</b>	<b>1460.36</b>
Closing stock		
Finished goods	1603.32	648.56
Stock in process	247.33	159.18
Semi finished	460.08	460.32
	<b>2310.73</b>	<b>1268.06</b>
<b>(Increase)/ decrease in stocks</b>	<b>(1,042.67)</b>	<b>192.30</b>

**31. Employee Benefits Expense****(Rs. in Lacs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salary, Allowances & Other Employee Benefits	3,224.31	4017.83
Contribution to PF, EPS	215.32	197.03
Staff Welfare Expenses	1,062.71	1068.30
<b>Total Employee Benefit Expense</b>	<b>4,502.34</b>	<b>5,283.16</b>

**32. Depreciation****(Rs. in Lacs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation	5,842.55	5462.01
<b>Total depreciation and amortisation expense</b>	<b>5,842.55</b>	<b>5,462.01</b>

**33. Impairment in value of Financial Assets****(Rs. in Lacs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Impairment in value of Investments	(51.83)	(16.60)
	<b>(51.83)</b>	<b>(16.60)</b>

**34. Finance Cost****(Rs. in Lacs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on term loans	873.61	1066.96
Interest on working capital	777.02	807.95
Bank and other charges	106.61	146.64
<b>Total</b>	<b>1,757.24</b>	<b>2,021.55</b>

**35. Other Expenses**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Printing and Stationery	7.14	8.78
Traveling and Conveyance	31.71	103.49
Fuel	5,428.00	7770.80
Stores and spare parts consumed	2,424.88	3330.31
Packing material and expense	1,698.35	1914.49
Power consumed	419.24	308.17
Water supply charges	548.70	52.16
Electricity & Water	14.71	10.33
Repairs and maintenance - Buildings	119.82	143.32
Repairs and maintenance - Plant and Machinery	233.38	345.65
Repairs and maintenance - Others	50.81	43.26
Raw Material and chemical expense	520.21	549.32
Handling and Shifting - Fuel	107.18	83.46
Insurance expenses	214.88	131.41
Freight and handling outward/ export expenses	2,427.88	2931.32
Vehicle Running & Maintenance Expenses	60.21	68.94
Postage, telegram and telephone	17.19	19.35
Disposal and cartage	174.42	192.15
Rent	59.25	51.42
Legal & Professional Charges	113.44	120.59
Fees & Subscriptions	53.88	90.86
Advertisement	1.51	2.21
Board meeting expenses	12.55	7.52
Rebate & Discounts	101.88	6.74
Charity and donations	3.63	2.78
Auditors remuneration and expenses	8.89	6.71
Commission	2,875.64	4247.57
Computer expense	22.42	41.55
CSR Expenses	122.19	108.24
Other Interest	0.56	-
Entrepreneur Social Commitment (ECS)	-	5.00
Loss By Fire	20.83	-
Miscellaneous Expenses	56.00	76.53
<b>Total Other Expenses</b>	<b>17,951.38</b>	<b>22774.43</b>

**36. Tax expense****(Rs. in Lacs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	1,155.98	1,977.38
Minimum Alternate Tax (MAT) credit availed	(44.68)	294.26
Short / (Excess) provision for tax relating to prior years	438.24	78.38
<b>Net current tax expense</b>	<b>1,549.54</b>	<b>2,350.02</b>

**37. Earning Per Share****(Rs. in Lacs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Basic earning Per Share</b>		
From Continuous Operations	4.95	9.18
<b>Total basic earning Per Share</b>	<b>4.95</b>	<b>9.18</b>

There are no dilutive instruments issued by the company.

**Basic earning per share**

The earnings and weighted average number of equity shares used in the calculation of basic earning per share are as follows:

**(Rs. in Lacs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year attributable to owners of the Company	4954.86	9183.79
Earning used in the calculation of basic earnings per share	4954.86	9183.79
Earning used in the calculation of basic earnings per share from Continuing operations	4954.86	9183.79
Weighted average number of equity shares for the purposes of basic earning per share	1000.00	1000.00
i) Existing Shares as on the first date of year	1000.00	1000.00
ii) Issued during the Year	-	-
iii) Share application money received during the year	-	-
iv) Weighted average at the end of the year	1000.00	1000.00

**Impact of changes in accounting policies**

There are no changes in the accounting policies which had impact on the amounts reported for earning per share.

**38. Operating lease arrangements****38.1 Leases:****Effect of Ind AS 116**

Background- The new leases standard i.e. Ind AS 116, Lease is applicable for the period beginning on or after 1 April 2019. Ind AS 116 replaces Ind AS 117, Lessees. It eliminates the classification of lease either finance or operation lease as required under Ind AS 17. A Lease is required to recognize a "Right to use Asset" along with a lease liability on its balance sheet if it has the right to control the use of an identified asset in a contract.

To ease the implementation, the standard provides different transition options and practical expedients, which can be selected independently of each other or can also be elected on a lease-by-lease basis. The Choice of transition option and practical expedient selected will affect the costs and timing of implementation of the standard. These choices will also affect financial statements for years to come.

Transition- The Company has adopted Ind AS 116, an effective annual reporting period beginning April 1, 2019, and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the company has not restated comparative information. As on April 1, 2019, the company has recognized a right to use asset



equivalent to the lease liability, and consequently, there has been no adjustment to the opening balance of retained earnings as on April 1, 2019. The effect of the adoption of Ind AS 116 on the financial results was insignificant.

On April 1, 2019, the company has adopted Ind AS 116 "Leases", using the modified retrospective approach. Accordingly, the Comparatives have not been retrospectively adjusted.

<b>The Following is the movement in lease liabilities during the year ended 31 March 2021</b>		<b>INR in Lakhs</b>
Balance at the beginning		668.25
Addition		495.08
Finance Cost accrued during the period		107.61
payment of lease liabilities		267.99
Balance of lease liabilities as on 31 march 2021		1002.95
<b>The Following is the movement in Right to use asset during the year ended 31 March 2021</b>		
Balance at the beginning		519.26
Reclassified on account of adoption of Ind as 116		495.07
Depreciaton for the year		207.47
Balance of lease liabilities as on 31 march 2020		806.86
<b>The Following is the movement in lease liabilities during the year ended 31 March 2020</b>		
Balance at the beginning		0.00
Reclassified on account of adoption of Ind as 116		771.46
Finance Cost accrued during the period		75.22
payment of lease liabilities		178.43
Balance of lease liabilities as on 31 march 2020		668.25
<b>The Following is the movement in Right to use asset during the year ended 31 March 2020</b>		
Balance at the beginning		0.00
Reclassified on account of adoption of Ind as 116		771.46
Depreciaton for the year		252.21
Balance of lease liabilities as on 31 march 2020		519.26

### 39. Employee benefit plans

#### A. Defined Contribution Plans

The Company makes contribution towards employees' provident fund and employees' pension scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the

schemes, to these defined contribution schemes. The Company recognized 147.51 lacs (2019-20 -149.77 lacs) during the year as expense towards contribution to these plans.

During the year the Company has recognised the following amounts in the statement of profit and loss :-

(Rs. in Lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Employers contribution to Employee's Pension Scheme 1995	103.44	100.92
b) Employers contribution to Provident fund	44.07	48.85
	<b>147.51</b>	<b>149.77</b>

## B. Defined Benefit Plans and Other Long Term Benefits

### a) Contribution to Gratuity Funds - Employee's Gratuity Fund.

The Company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is non funded. The liability for the same is recognized on the basis of actuarial valuation.

### b) Leave Encashment/Compensated Absence

The company has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves and medical leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment have been provided on the basis of actuarial valuation.

These plans typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability(denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life's expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation and the present value of the defined benefit obligation were carried out as at March 31, 2021 by Ashok Kumar Garg. The present value of the defined benefit obligation, and the related current service cost and past service cost, were

measured using the projected unit credit method.

**An actuarial valuation was carried out in respect of the aforesaid defined benefit plans and other long term benefits based on the following assumptions.**

Particulars	March 31, 2021		March 31, 2020	
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund
Economic Assumptions				
Discount rate (per annum)	7.00%	7.00%	7.00%	7.00%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%
Rate of return on plan assets	0	0	0	0
Demographic Assumptions				
Employee Turnover/ Withdrawal Rate	5.00%	5.00%	5.00%	5.00%
Retirement Age	60 Years	60 Years	60 Years	60 Years
Mortality	IALM 2012-2014	IALM 2012-2014	IALM 2012-2014	IALM 2012-2014

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and in the employment market.

Amounts recognised in statement of profit or loss in respect of the defined benefit plans are as follows-

Particulars	March 31, 2021		March 31, 2020	
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund
Current service cost	36.51	60.86	42.20	60.49
Company's Contribution	-		-	-
Past Service Cost	-		-	-
Remeasurements	-		-	-
Net Interest cost	20.79	51.42	16.05	43.00
Net actuarial (Gains)/loss	(36.41)	-	30.33	-
<b>Components of defined benefit costs recognised in profit or loss*</b>	<b>20.89</b>	<b>112.28</b>	<b>88.57</b>	<b>103.49</b>
	-	-	-	-
Remeasurement on the net defined benefit liability	-	-	-	-
-Return on plan assets (excluding amounts included in net interest expense)	-	-	-	-
-Actuarial (gains) / losses arising from changes in demographic assumptions	-	-	-	-
"-Actuarial (gains) / losses arising from changes in financial assumptions"	-	-	-	-
-Actuarial (gains) / losses arising from experience adjustments	-	(47.76)	-	47.52
<b>Components of defined benefit costs recognised in other comprehensive income(OCI)**</b>	<b>-</b>	<b>(47.76)</b>	<b>-</b>	<b>47.52</b>
<b>Total</b>	<b>20.89</b>	<b>64.52</b>	<b>88.57</b>	<b>151.01</b>

\* Included in "Employee benefits expense" line item in the statement of profit and loss.

\*\* Included in "Other Comprehensive Income"

Movement in the present value of the defined benefit obligation are as follows-

Particulars	March 31, 2021		March 31, 2020	
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund
Present value of obligation as at beginning of the year	296.97	734.64	229.23	614.34
Adjustment in beginning balance	-	-	-	-
Interest cost	20.79	51.42	16.05	43.00
Past Service Cost	0.00	0.00	0.00	0.00
Current service cost	36.51	60.86	42.20	60.49
Contribution by plan participants	-	-	-	-
Benefits paid	(37.96)	(47.98)	(20.84)	(30.71)
Transfer In	-	-	-	-
Actuarial (gain) / loss on obligations due to remeasurements	-	-	-	-
a. Effect of change in Financial Assumptions	-	-	-	-
b. Effect of change in Demographic Assumptions	-	-	-	-
c. Experience (Gain)/Losses	(36.41)	(47.76)	30.33	47.52
Present value of obligation as at the year end	279.90	751.18	296.97	734.64

Reconciliation of present value of defined benefit obligation and fair value of assets

Particulars	March 31, 2021		March 31, 2020	
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund
Present value of obligation as at the year end	279.90	751.18	296.97	734.64
Fair value of plan assets as at the year end	-	-	-	-
<b>Net (asset)/ liability recognised in balance sheet</b>	<b>279.90</b>	<b>751.18</b>	<b>296.97</b>	<b>734.64</b>
<b>Classified as non- current</b>	<b>232.03</b>	<b>656.05</b>	<b>264.68</b>	<b>666.50</b>
<b>Classified as current</b>	<b>47.87</b>	<b>95.13</b>	<b>32.28</b>	<b>68.14</b>
<b>Total</b>	<b>279.90</b>	<b>751.18</b>	<b>296.96</b>	<b>734.64</b>

### Sensitivity Analysis (Based on most likely/possible changes in assumptions used)

#### Gratuity

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 52.00 lacs (increase by Rs.59.55) (as at March 31, 2020: decrease by Rs. 51.69 lacs (increase by Rs.59.23 lacs).
- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 60.15 lacs (decrease by Rs. 53.40 lacs) (as at March 31, 2020: increase by Rs. 58.91 lacs (decrease by Rs. 52.12 lacs))
- The estimated term of the benefit obligations in case of gratuity is 12 years( As at March 31, 2020:13 years )

#### Leave Encashment

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 19.60 lacs (increase by Rs.22.65 lacs) (as at March 31, 2020: decrease by Rs. 22.01 lacs (increase by Rs. 25.72 lacs))
- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs.22.88 lacs (decrease by Rs. 20.12 lacs) (as at March 31, 2020: increase by Rs. 25.99 lacs (decrease by Rs. 22.61 lacs))

The estimated term of the benefit obligations in case of leave encashment is 13 years( As at March 31, 2020: 15 years )

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit

obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

### 40. Segment information

Information reported to the chief operating decision maker (CODM) i.e. Managing director for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The directors of the Company have chosen to organise the Company around differences in products and services. No operating segments have been aggregated in arriving at the reportable segments of the Company.

Specifically, the Group's reportable segments under Ind AS 108 are as follows

1. Paper division
2. Yarn and cotton division
3. Cogeneration division
4. Agriculture division
5. Solar division

**Note:** The note should state the the judgements made by management in applying the aggregation criteria. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.



Year ended 31 March 2021

(Rs. in Lacs)

Particulars	Paper division		Yarn and cotton division		Cogeneration division		Agriculture division		Solar division		Total Segments
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
<b>1 Revenue</b>											
Segment Revenue											
*-'External Sales	58,293.73	79,322.97	-	18.66	-	-	324.45	1,288.64	225.77	233.45	58,843.95
*-'Inter Segment Sales	-	-	-	-	11,216.38	14,959.99	-	-	-	-	11,216.38
- Interest Income	99.66	96.71	-	-	-	-	-	-	-	-	99.66
- Other Income	480.43	417.21	-	-	91.53	1,005.87	-	-	-	-	571.96
<b>Total revenue</b>	<b>58,873.82</b>	<b>79,836.89</b>	<b>0.00</b>	<b>18.66</b>	<b>11,307.91</b>	<b>15,965.86</b>	<b>324.45</b>	<b>1,288.64</b>	<b>225.77</b>	<b>233.45</b>	<b>70,731.95</b>
<b>2 Segment results</b>											
Unallocated corporate expenses (net off unallocated Income)											
Profit before interest and tax	4054.54	6905.92	0.01	-	4491.33	6590.96	75.76	306.25	(180.82)	(253.59)	8,440.82
Interest expense	1,517.97	1676.45	-	-	195.7	291.86	-	-	43.57	53.24	1,757.24
Provision for taxation	1,728.72	2344.2	-	-	-	-	-	-	-	-	1,728.72
Share of profit/loss from associate(s)	-	-	-	-	-	-	-	-	-	-	-
<b>3 Profit/(loss) after tax</b>	<b>807.85</b>	<b>2,885.27</b>	<b>0.01</b>	<b>-</b>	<b>4,295.63</b>	<b>6,299.10</b>	<b>75.76</b>	<b>306.25</b>	<b>(224.39)</b>	<b>(306.83)</b>	<b>4,954.86</b>
<b>4 Other information</b>											
a Segment assets	77973.89	68119.77	9.51	367.33	16652.83	10391.19	3985.71	3769.85	1525.07	1861.03	100,147.01
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>77973.89</b>	<b>68119.77</b>	<b>9.51</b>	<b>367.33</b>	<b>16652.83</b>	<b>10391.19</b>	<b>3985.71</b>	<b>3769.85</b>	<b>1525.07</b>	<b>1861.03</b>	<b>100,147.01</b>
b Segment liabilities	21418.60	18873.07	1.06	399.72	780.44	1276.16	13.20	28.80	3.15	3.15	22,216.45
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>21418.6</b>	<b>18873.07</b>	<b>1.06</b>	<b>399.72</b>	<b>780.44</b>	<b>1276.16</b>	<b>13.2</b>	<b>28.80</b>	<b>3.15</b>	<b>3.15</b>	<b>22,216.5</b>
<b>Others</b>											
Capital Expenditure	18731.55	18778.55	-	-	3,527.52	1395.50	-	-	-	-	22,259.07
Depreciation	4861.93	4429.73	-	-	643.02	619.60	1.41	2.23	336.19	410.50	5,842.55
Material non cash items other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 1. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, investment income, other gains and losses, as well as

finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Revenue and expenses directly identifiable to the segments have been allocated to the relatively primary reportable segments.

Segment revenue and expenses which are not directly identifiable to the primary reportable segments have been disclosed under unallocable, which primarily includes interest and other income and Corporate Expenses. Other income includes interest income, export incentives Income. Corporate Expenses includes Employee staff benefit expense, Administrative expense and Depreciation expense of Corporate office.

**For the purposes of monitoring segment performance and allocating resources between segments:**

- all assets are allocated to reportable segment.
- all liabilities are allocated to reportable segments other than Rs. 44534.52 (As at March 31, 2020: Rs. 39548.10) on account of share capital, other equity, deferred tax liabilities and other liabilities of corporate office.

**Other segment information**

Particulars	Paper division		Yarn and cotton division		Co Generation division		Agriculture division		Solar division		Total Segments
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	
Capital Expenditure	18731.55	18778.55	-	-	3527.52	1395.50	-	-	-	-	22259.07
Depreciation and amortisation	4861.93	4429.73	-	-	643.02	619.60	1.41	2.23	336.2	410.50	5842.55
Non cash expenses other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-

**Notes:**

Capital Expenditure includes addition during the year to Fixed Assets and CWIP.

**Geographical information:**

The geographical segments considered for disclosure are based on markets , broadly as under :

- India
- Rest of the World

**Revenue from external customers**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
India	56,135.01	76,845.29
Rest of the world	2,708.94	4,018.43
	<b>58,843.95</b>	<b>80,863.72</b>

**Information about major customers**

No single customer contributed 10% or more to company's revenue for both 2020-21 and 2019-20.

**41. Financial Instruments**

**41.1 Capital management**

The company manages it's capital to ensure that it will be able to continue as a going concern while maximising

the return to stakeholders through the optimization of the capital structure.

The capital structure of Company consist of equity and external borrowings.

**Gearing ratio**

The gearing ratio at the end of the reporting period was as follows;

Particulars	As at March 31, 2021	As at March 31, 2020
Debt *	34484.30	27208.54
Cash and bank balances	1115.75	1547.14
Net debt	33368.55	25661.40
Equity**	44534.52	39548.10
<b>Net debt to equity ratio</b>	<b>74.93%</b>	<b>64.89%</b>

\*Debt is defined as long-term and short-term borrowings (excluding derivatives and financial guarantee contracts).

\*\* Equity includes all capital and reserve of the company that are managed as capital.

#### 41.2 Categories of financial instruments

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Financial assets</b>		
Measured at amortised cost		
(a) Cash and bank balances	1115.75	1547.14
(b) Trade and other receivables	9080.07	13228.37
(c) Other Financial Assets	575.22	336.50
Measured at Fair Value through Profit and Loss		
(a) Investments	379.49	327.67
<b>Financial liabilities</b>		
Measured at amortised cost		
(a) Borrowings	29533.50	21835.70
(b) Trade payables	5025.48	5300.98
(c) Other Financial Liabilities	16600.47	15173.62

#### 41.3 Financial risk management objectives

The Company's corporate treasury function monitors and manages the financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

##### 41.3.1 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Company's exposure

to market risks or the manner in which these risks are being managed and measured.

##### 41.3.2 (a) Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

Currency	Liabilities as at		Assets as at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD	1,064,700	301,041	12,243.92	105799
EURO	16,198,096	9,250,838	34,661.59	55,844
JPY	48,100,000	-	-	-

#### 41.3.2 (b) Foreign Currency sensitivity analysis

For the year ended March 31, 2021, every one rupee depreciation/appreciation in the exchange rate against U.S. dollar, might have affected the Company's incremental operating margins approximately by 0.01 % the Company's exposure to foreign currency changes for all other currencies is not material. And for every one rupee depreciation/appreciation in the exchange rate against Euro, might have affected the Company's incremental operating margins approximately by 0.28 %

#### 41.3.3 (a) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long term debt obligations with floating interest rates.

#### 41.3.3 (b) Interest rate sensitivity analysis

For the year ended March 31, 2021, every 1 percent increase/ decrease in weighted average bank interest rate might have affected the company's incremental operating margins approximately by 0.52%

#### 41.3.4 Other price risks

The company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The company doesn't actively trade these investments.

#### 41.4 Credit risk management

"Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has limited exposure to credit risk owing to the balance of trade receivables as explained in Note no. 10. Company's bank balances are held with a reputed and creditworthy banking institution resulting to limited credit risk from the counterparties."

#### 41.5 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

**The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021:**

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd year	Due in 4th Year	Due after 5th and above	Total contracted cash flows
<b>Financial Liabilities</b>							
Accounts payable & acceptances	5025.48	5025.48	0.00	0.00	0.00	0.00	5025.48
Borrowings	27741.42	5010.95	6687.52	6512.52	6495.81	3901.03	28607.83
Other financial liabilities	10293.91	10293.91	0.00	0.00	0.00	0.00	10293.91

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2020:

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd year	Due in 4th Year	Due after 5th and above	Total contracted cash flows
<b>Financial Liabilities</b>							
Accounts payable & acceptances	5300.98	5300.98	-	-	-	-	5300.98
Borrowings & interest thereon	21249.57	5372.84	4106.12	3786.85	4327.45	4666.15	22259.41
Other financial liabilities	8503.45	8503.45	-	-	-	-	8503.45

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2021:

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
Non-current investments	379.49	-	-	-	379.49	379.49
Trade receivables	9080.07	9080.07	-	-	-	9080.07
Other financial assets	575.22	468.8	-	-	106.40	575.22

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2020:

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
Non-current investments	327.67	-	-	-	327.67	327.67
Trade receivables	13228.37	13228.37	-	-	-	13228.37
Other financial assets	336.5	234.5	-	-	102.00	336.50

#### 42. STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

Name of related party and nature of related party relationship

##### A. Individual owning directly or indirectly substantial interest in the voting power of the company

T.C Spinners Pvt Ltd  
 Satia Paper Mills Pvt. Ltd  
 YCD Industries Ltd (Formerly known as Bhandari Export Industries Ltd)  
 RYM Realtors private limited

##### B. Others

M/s Satia Paper Mills  
 M/s Chirag Satia & Sons

##### B. Key Management Personnel and other relatives

Dr. Ajay Satia	Mr. R.K. Bhandari
Mr. Chirag Satia	Mr. Hardev Singh



Mrs Bindu Satia

Mrs Priyanka Satia

Mrs. Archana Saluja

Mrs. Yachna Satia

Mrs. Pushpa Bhandari

Ms. Vasudha Bhandari

Mr. Vineet Bhandari

Mr. Amit Kumar

Mr. Dhruv Satia

Mrs. Renu Pahwa

Mr. Anil Satia

Mr. Rajat Mehta

Mrs. Kiran Bhandari

Mr. Ankit Dani

Mrs Suman Rani

**“The following table summarizes related-party transactions and balances included in the financial statements for the year ended and as at March 31, 2021:”**

Particulars	Individual owning directly or indirectly substantial interest in the voting power of the company		Key Management Personnel		Relatives of Key management Personnel	
	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Repayment Loan and advances	-	-	-	186.00	-	-
Rent	-	-	-	-	38.02	38.88
Managerial Remuneration	-	-	392.46	1097.80	-	-
Salary	-	-	-	-	27.14	23.55
Sales	508.51	272.99	-	-	1321.64	1709.46
Purchases	-	35.60	1.11	1.00	0.94	0.82

**The following table summarizes related-party transactions outstanding balances included in the financial statements for the year ended and as at March 31, 2020:**

Particulars	Individual owning directly or indirectly substantial interest in the voting power of the company		Key Management Personnel		Relatives of Key management Personnel	
	As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2021	As at 31-Mar-2020
Managerial Remuneration	-	-	56.24	247.97	-	-
Salary	-	-	-	-	1.88	1.96
Investment in Equity Shares	379.49	327.66	-	-	-	-
Rent	-	-	-	-	22.08	38.88
Debtors	5.22	50.72	-	-	580.22	3170.20
Advance from Customers	26.85	-	-	-	-	-

**Compensation of key management personnel:**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits	392.46	1097.8
Post-employment benefits	-	-
<b>Total</b>	<b>392.46</b>	<b>1097.8</b>

**43. Contingent liabilities and contingent assets**

Contingent Liabilities and Commitments to the extent not provided for :-

Particulars	As at 31st March, 2021	As at 31st March, 2020
i) Bank Guarantee	1,436.19	2062.25
ii) Pending Litigations - Excise & Customs duty demand in dispute	23.02	23.02
iii) Custom Duty in respect of Export Obligations (EPCG)	4,141.85	55.03
iv) Other Pending Litigation	365.94	365.94

**Commitments for expenditure**

- (a) Estimated amounts of contracts remaining to be executed on capital account, net of advances - Rs. 0 (2020: 0 lakhs)

**44. Dividend**

The Board of Directors have recommended a final dividend of 10% (₹ 0.10/- per Equity Share of ₹ 1/- each) for the financial year 2020-2021 subject to the approval of the shareholders in the ensuing

Annual General Meeting of the Company and are not recognised as a liability as at March 31, 2021. During the financial year 2019-20, the Board of Directors had declared interim dividends of 15% each (₹ 0.15/- per Equity Share of ₹ 1/- each).

**45. The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Principal amount due to suppliers under MSMED Act at the year end.	644.90	440.47
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid at the year end.	-	-
Payment made to suppliers (other than interest) beyond the appointed date during the year	-	-
Interest paid to suppliers under section 16 of MSMED Act during the year	-	-
Interest due and payable to suppliers under MSMED Act for payments already made.	-	-
Interest accrued and not paid to suppliers under MSMED Act up to the year end.	-	-

Note: The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

**46. Payment to Auditors**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Statutory Audit (including consolidated accounts)	1.00	1.00
Tax audit and other audits	0.60	0.60
For taxation matters	0.80	0.75
Cost Audit Fees	2.00	1.50
Out of Pocket Expenses	0.40	0.30
<b>Total</b>	<b>4.80</b>	<b>4.15</b>

Note : The above amount are exclusive of taxes.

**48. Approval of financial statements****47. Events after the reporting period**

There were no adjusting events occurred subsequent to the balance sheet date and before date of approval of financial statements.

The financial statements were approved for issue by the board of directors on May 10, 2021.

**Note 49. - Fair Value Measurement****Fair Valuation Techniques and Inputs used - recurring Items**

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	3/31/2021	3/31/2020			
Investments in Equity	379.49	327.67	Level 3	Fair valuation of investment is based on weighted average Discounted of cash flow and Net asset value.  Future cash flows are estimated based on the management projections, discounted at weighted average cost of capital of the Company."	Weighted average cost of capital

There are no significant changes observed in fair value of investment due to change in unobservable input.

**Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring)**

Particulars	3/31/2021		3/31/2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<i>Financial assets carried at Amortised Cost</i>				
– trade and other receivables	9655.29	9655.29	13564.87	13564.87
<b>Total</b>	<b>9655.29</b>	<b>9655.29</b>	<b>13564.87</b>	<b>13564.87</b>

Particulars	3/31/2021		3/31/2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>				
<b>Financial Instruments not carried at Fair Value</b>				
– bank loans	34484.31	34484.31	27208.54	27208.54
– trade and other payables	16675.14	16675.14	15101.76	15101.76
<b>Total</b>	<b>51159.45</b>	<b>51159.45</b>	<b>42310.30</b>	<b>42310.30</b>

**Fair value hierarchy as at 31-March-2021**

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial assets carried at Amortised Cost				
– loans to related parties	-	-	-	-
– trade and other receivables	-	-	9655.29	9655.29
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9655.29</b>	<b>9655.29</b>
<b>Financial liabilities</b>				
Financial Instruments not carried at Fair Value				
– bank loans	-	-	34,484.31	34,484.31
– trade and other payables	-	-	16,675.14	16,675.14
<b>Total</b>	<b>-</b>	<b>-</b>	<b>51,159.45</b>	<b>51,159.45</b>

**Fair value hierarchy as at 31-March-2020**

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial assets carried at Amortised Cost				
– trade and other receivables	-	-	13,564.87	13,564.87
<b>Total</b>	<b>-</b>	<b>-</b>	<b>13,564.87</b>	<b>13,564.87</b>
<b>Financial liabilities</b>				
Financial Instruments not carried at Fair Value				
– bank loans	-	-	27208.54	27208.54
– trade and other payables	-	-	15101.76	15101.76
<b>Total</b>	<b>-</b>	<b>-</b>	<b>42310.30</b>	<b>42310.30</b>

The fair values of the financial assets and financial liabilities included in the level 3 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

## Reconciliation of Level 3 fair value measurements - Recurring items

Particulars	3/31/2021	3/31/2020
Opening balance	327.67	311.07
Total gains or losses:		
– in profit or loss	51.83	16.60
– in other comprehensive income		
Reclassification	-	-
from investment in associate to FVTOCI following partial sale of interest		
Purchases	-	-
Issues	-	-
Disposals/settlements	-	-
Transfers out of level 3	-	-
<b>Closing balance</b>	<b>379.50</b>	<b>327.67</b>



*If undelivered please return to:*

**Satia Industries Limited**

Malout-Muktsar Road, Village Rupana  
Distt. Muktsar, Punjab-152032