



SATIA
INDUSTRIES
LIMITED

CIN: - L21012PB1980PLC004329

Manufacturer of Quality
Writing, Printing & Speciality Paper with ECO MARK



SIL/CS

Date: 26.02.2021

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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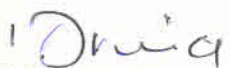
Dear Sir/Madam

Pursuant to Regulation 30 read with Para A of Schedule. III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, Please find enclosed Investor Presentation.

This is for your record and dissemination.

Thanking you,

Yours faithfully,
For Satia Industries Limited


(Rakesh Kumar Dhuria)
Company Secretary

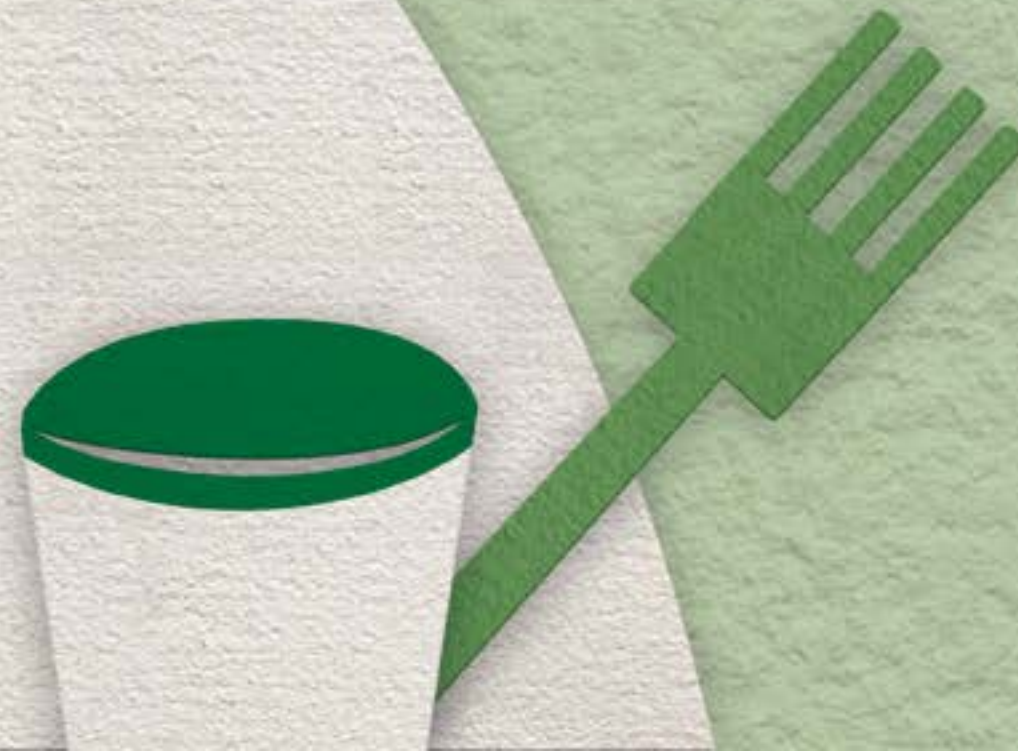
February 2021
Investor Presentation
Satia Industries Limited



Safe Harbor

Certain statements in this document may be forward looking statements. Such forward looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

Satia Industries Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



In-line with Government Initiatives.....



In-line with the govt. initiative to eliminate all single-use plastic products by integrating the use of paper packaging in the country by 2022



Excellent effluent treatment, Eucalyptus plantations and zero water discharge into any water body makes SIL's manufacturing set-up as one of the most environment friendly in the industry



Progressive expansion with diverse product line, earmarked SIL a stronger and reliable choice for government's demand for the paper, replacing single use plastic and reducing import dependency

'SIL is in-line with govt. initiative to reduce dependency on import of papers and eliminate single use plastic from Indian market'

Chairman's Message



Dr. Ajay Satia – Chairman
and Managing Director

**“Once you start building a business,
it is like planting a tree; you feed it
and work on it daily, so you grow
to love it. This is like my first child –
I like to call it that”**

Chairman's Message *(Contd.)*

Dr. Ajay's entry into business fired a passion that burns just as brightly today as it did all those years ago. He loves the business, with all its challenges and thrills, just as much now as he did when he began, and he looks at his creation as much more than simply a business. As a measure of success within the organisation, he believes in delegation of authority to his team and is always open to new ideas, new technology and new projects. This has made the company what it is today with an increasing top and bottom line, and with greater levels of sustainability.

Further quoting, "Global economy is on a rebound, with growth pegged at 3.3% by IMF in 2020 and at the same time it was getting riskier not only due to the pandemic but also fallout from recent trade standoff between the US and China and fresh Brexit negotiations which threatens financial stability.

The complete lockdown in India is one of the most stringent, for 40 days, where almost two-thirds of all economic activity came to a grinding halt. While the advanced countries are set to experience prolonged pains, India is expected to be one of the few bright spots in the world economy, sustaining positive growth at 4.2% for 2019-20. Unfortunately, the COVID-19 pandemic

arrived at a time when the Indian economy was already experiencing a growth slowdown, as reflected in lower discretionary spending over the last 12 months, particularly in automobiles, consumer durables and high-end FMCG products.

Despite these bottlenecks, the paper industry has been growing at a healthy rate of 6%. The robust demand outlook and rising consumerism bodes well for the Indian paper industry, which is expected to maintain its growth momentum in the near future. Amidst such uncertainty, your company has managed to achieve gross sales of over ₹4187.76 mn for the period of first nine months of FY21

The strengthening macro fundamentals coupled with enhanced digitisation and upbeat consumer sentiments are perfectly aligned with your Company's thrust on high quality and valued-added products. Your Company is well poised to take the 'front-seat' of that growth drive.

Instead of focusing on short-term gains, we prioritised continuous improvement to strengthen our performance across the value chain. I am pleased to share that SIL is a carbon-positive company and over the years, our thrust on plantation within area near our manufacturing facilities, continues to supplement our wood requirement and provide

sustainable livelihoods to the local rural population. SIL has been continuously working on enriching its product mix to service customer demand better, besides enhancing average sales realisations. Your Company was able to validate the fact that green business is indeed good business. A combination of lower debt, upgraded credit rating and efficient working capital management helped reduce finance costs complementing higher operating margins to result in increased PAT.

Beyond our commitment to make the SIL more valuable, we also achieved high manpower productivity from the integration of core organisational values into our employees, who were recruited selectively, trained intensively and retained effectively to emerge as outperformers Your Company's emphasis on qualitative excellence, coupled with farsighted growth initiatives undertaken to promote value addition, will ensure SIL to stay ahead of its peers. Even as we have a long way to go, our vision is clear and with the active support of our stakeholders we should be able to make it happen again."

Message from Joint Managing Director Mr. R. K. Bhandari

“We operate in a non-cyclical industry which produces a truly sustainable product. Paper is based on wood and agro, a truly biodegradable, renewable and sustainable resource. SIL is demystifying the myths relating to the paper industry and progressing on sustainable development. Paper industry has significantly improved upon its environmental performance.

Large integrated mills in India, such as SIL has set a new benchmarks with state-of-the-art pulp and paper machines that consumes 100% inhouse power. Paper mills today are on the cutting edge of scientific research,

mills have set up R&D centres to develop high-yielding, drought-tolerant and disease resistant eucalyptus varieties. Paper is a growing industry in India with large headroom for growth, as per capita consumption in India is below the global average of ~57 kg. Paper industry plays an important role in meeting the three national objectives, i.e. Education, Literacy, and Employment Generation. Hence, the industry is better placed to drive Government’s initiatives including ‘Make in India’. Paper Industry has potential and capabilities to service the growing demand and create huge employment avenues.”

“SIL is demystifying the myths relating to the paper industry and progressing on sustainable development.”



Overview – Satia Industries Limited

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 FY20 achieved a capacity utilisation of **~126%**. 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



‘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’



‘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’

Visionary Team – Our KMP's

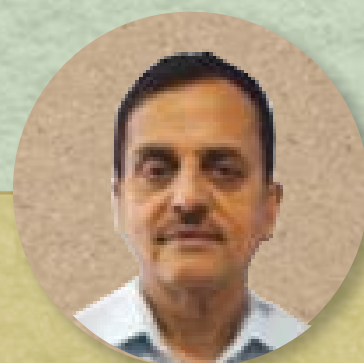


Dr. Ajay Satia

Chairman & MD

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. 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.



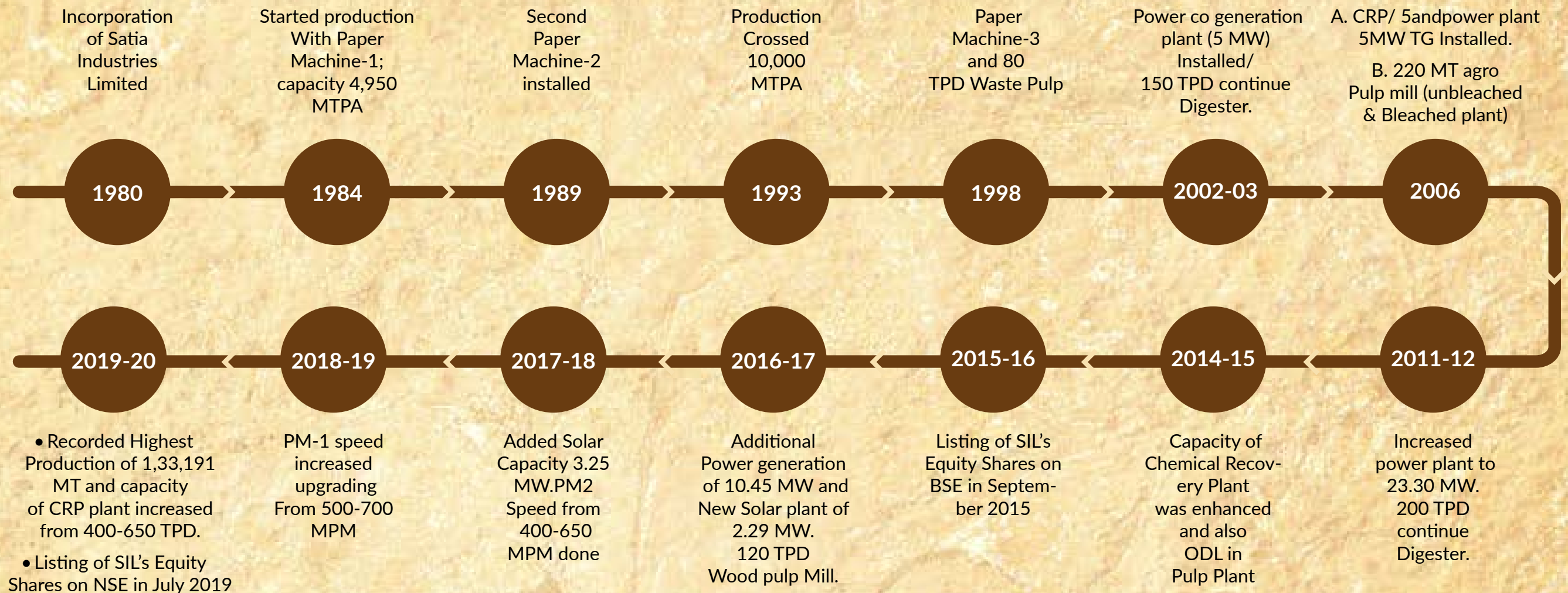
Mr. Chirag Satia

Executive Director

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

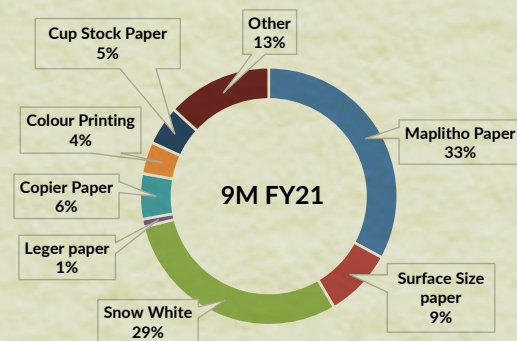
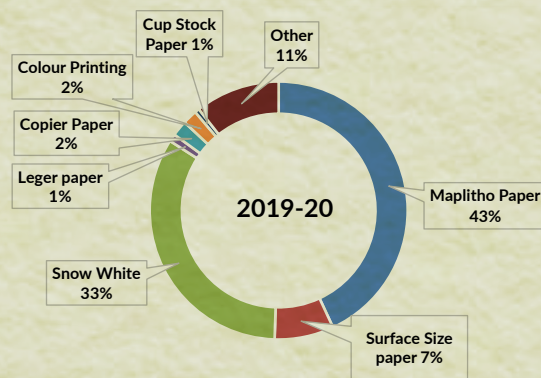
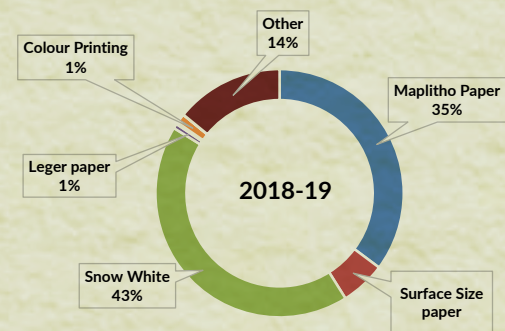
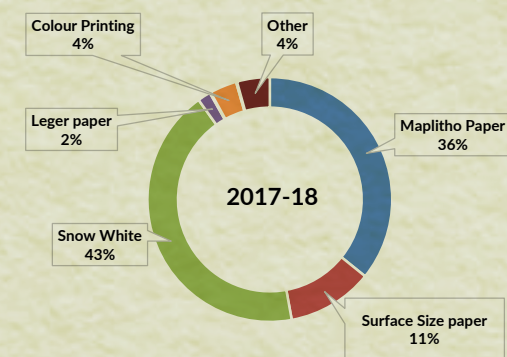
His enterprising spirit and visionary outlook has added new energy and fresh air to the organisation.

The Journey & Key Milestones

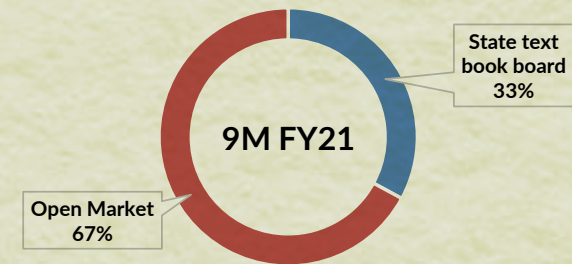
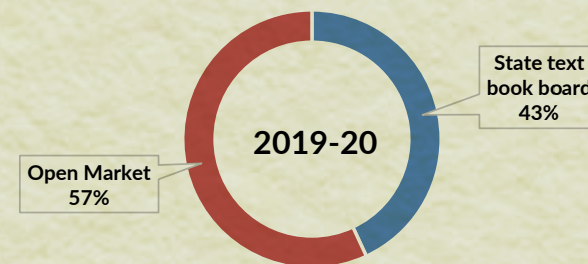
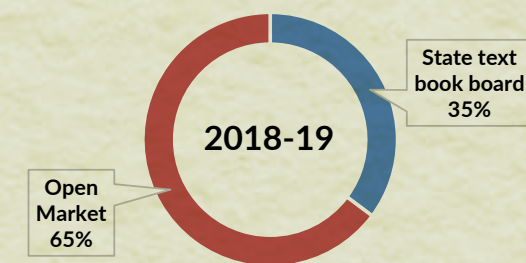
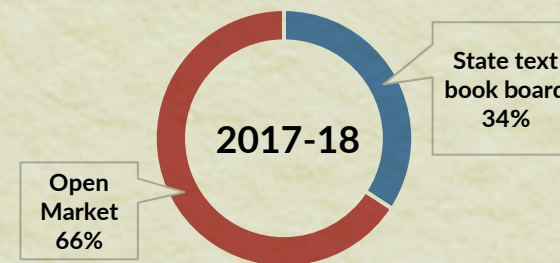


Revenue Model

Product wise Sales



Segment-wise revenue breakup



SIL's Strategic and Sustainable Revenue Model

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.

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



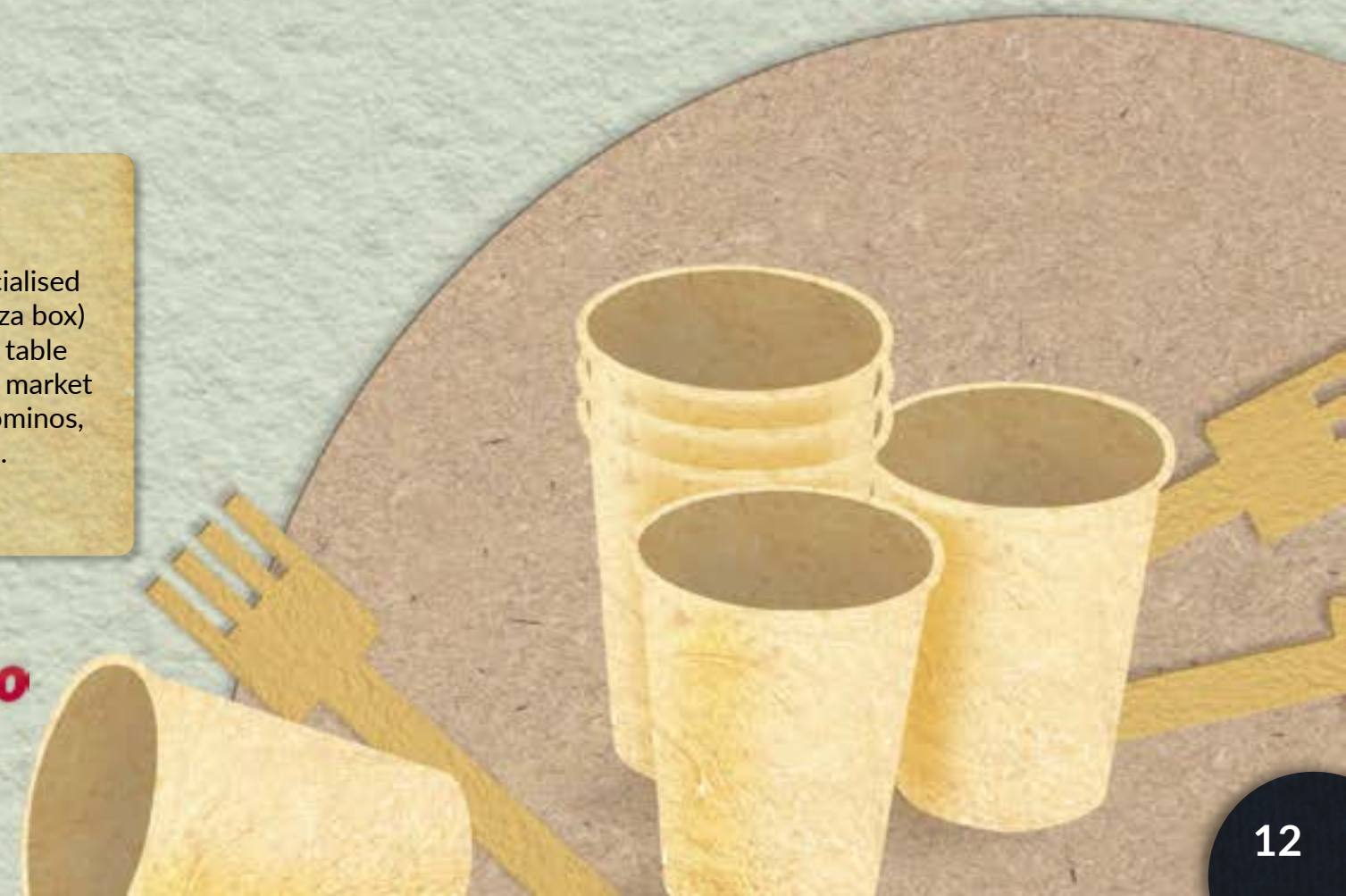
SIL's Strategic and Sustainable Revenue Model *(Contd.)*

New addition in the Revenue stream Paper Cups & Cutlery:

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.

With aggressive efforts, SIL has made a strong foothold in this segment which will increase significantly once new machine commences production of cups & cutlery.

SIL is also exploring opportunities in manufacturing specialised food packaging (pizza box) and bio-degradable table cutlery, which finds market with players like Dominos, Swiggy, Zomato etc.



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



SIL's Competitive Strength *(Contd.)*

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 ₹ 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.



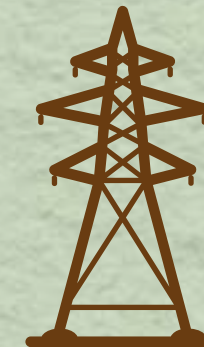
SIL's Competitive Strength (Contd.)

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 3 turbines with total capacity of 27.95 MW (12.5 MW, 10.45 MW and 5 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 ₹2 per unit. Whereas, withdrawing power from the grid would costs approx. ₹ 7.50 /unit
- **Additional income generation:** SIL has managed to consistently generate additional income of ₹ 50-100 mn p.a. by way of trading of RECs on the power exchange.
- **Major Income Tax benefit.**



SIL's Competitive Strength *(Contd.)*

Effluent Discharge Handling

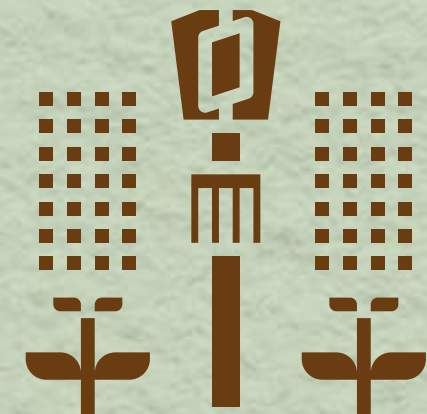
- SIL has planted Eucalyptus trees in over 540 acres (leased and partly-owned).
- This plantation gives multi-fold benefits as it not only handles total treated-effluent (Karnal Technology); it also supplements the SIL's future raw material requirements.
- All effluents are treated to the desired standards 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 helps SIL to earn an agriculture tax free income (~₹50 mn - ₹100 mn pa).
- Plantation Sequesters CO2 emissions from the environment.

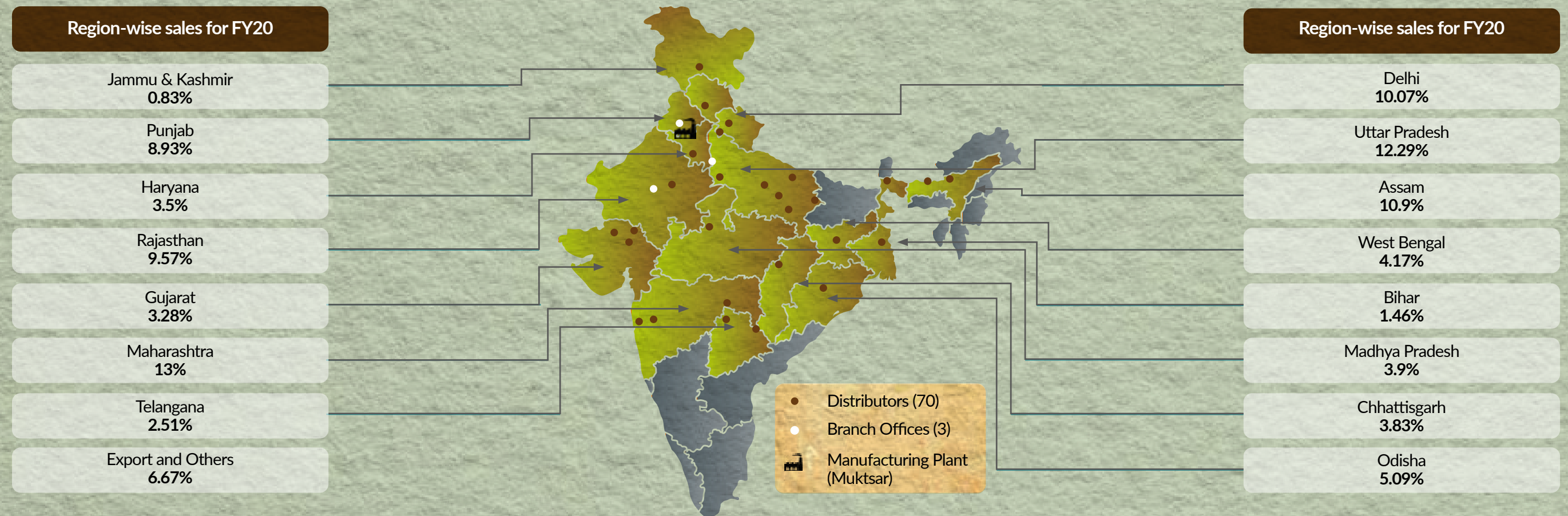
Water

- 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.



Strong Dealers & Distributors Network

SIL has Pan India presence with 3 branch offices and a network of 70+ distributors. SIL also has a dedicated customer base due to long standing relationships with State Text-Book Boards across India.



Marquee Clients with long-standing Relationship



Bal Bharti



Assam State Text Book Production & Publication Corporation Ltd



Odisha State Bureau of Textbook



Chhattisgarh Pathya Pustak Nigam



Rajasthan Rajya Pathyapustak Mandal



Burda Druck India Private Limited



West Bengal Text Book Corporation Ltd



Himachal Pradesh Board of School Education



Indian Railway



State Election Commission (UP)

SIL's Manufacturing Strength

Manufacturing Capacity: To aid volume expansion

SIL currently has 3 machines with a total installed capacity of 1,05,000 MTPA. This is expected to double (2,00,000 TPA) by July 2021. The capex is already underway.



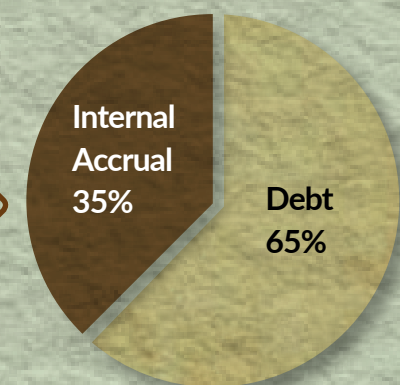
	Earlier	Current	After Brownfield expansion (on-going)
1st Machine	15 TPD	100 TPD	100 TPD
2nd Machine	15 TPD	100 TPD	100 TPD
3rd Machine	60 TPD	180 TPD	180 TPD
4 th Machine	---	---	300 TPD

Current Capacity
1,05,000 MT of Paper

Capex of ₹ 5,000 MN

Capacity Expansion of
1,00,000 MTPA of Paper

To be funded through >



Growth Strategy - CAPEX Plan

Plant to be commissioned by July 2021

Agro-Residue



Current capacity 200 MT per day will be expanded to 250 MT per day

Wood chips



Current capacity of 150 MT per day will be expanded to 300 MT per day

Waste Paper



Current capacity of 100 MT per day will be expanded to 150 MT per day

CRP



With setting-up of 4th paper machine, the total production capacity will expand from 400 MT per day to 650 MT per day.

In-house power generation



Addition of 14 MW turbine in the existing capacity

Update on the CAPEX progress:

Most of the parts of the New European Paper Manufacturing Machine has reached the site.

Civil structure required for new project is almost complete.

Final Environmental Clearance already received from the Ministry of Environment & Forests, Delhi.

A total of ₹2,950 mn has been spent on the development of the new project out of which ₹1,830 mn is disbursed by the Banks and ₹1,120 mn is financed from Internal Accruals

Updates on the Paper Cups & Cutlery Segment

A capacity of 3,000 TPA is proposed to be set up to cater to this demand.

The management estimates a peak revenue of ₹ 600 mn from this new vertical on a full year basis, post commercialisation of the project on full scale.

SIL has finalised machinery and part machinery has already been received.

With in-house pulping capacity and low cost power generation, the EBIDTA margin is estimated to be in the range of 35%-40% from Paper Cups & Cutlery Segment

Specialised patented design items will be produced to report a better realisation



Offering wide range of products

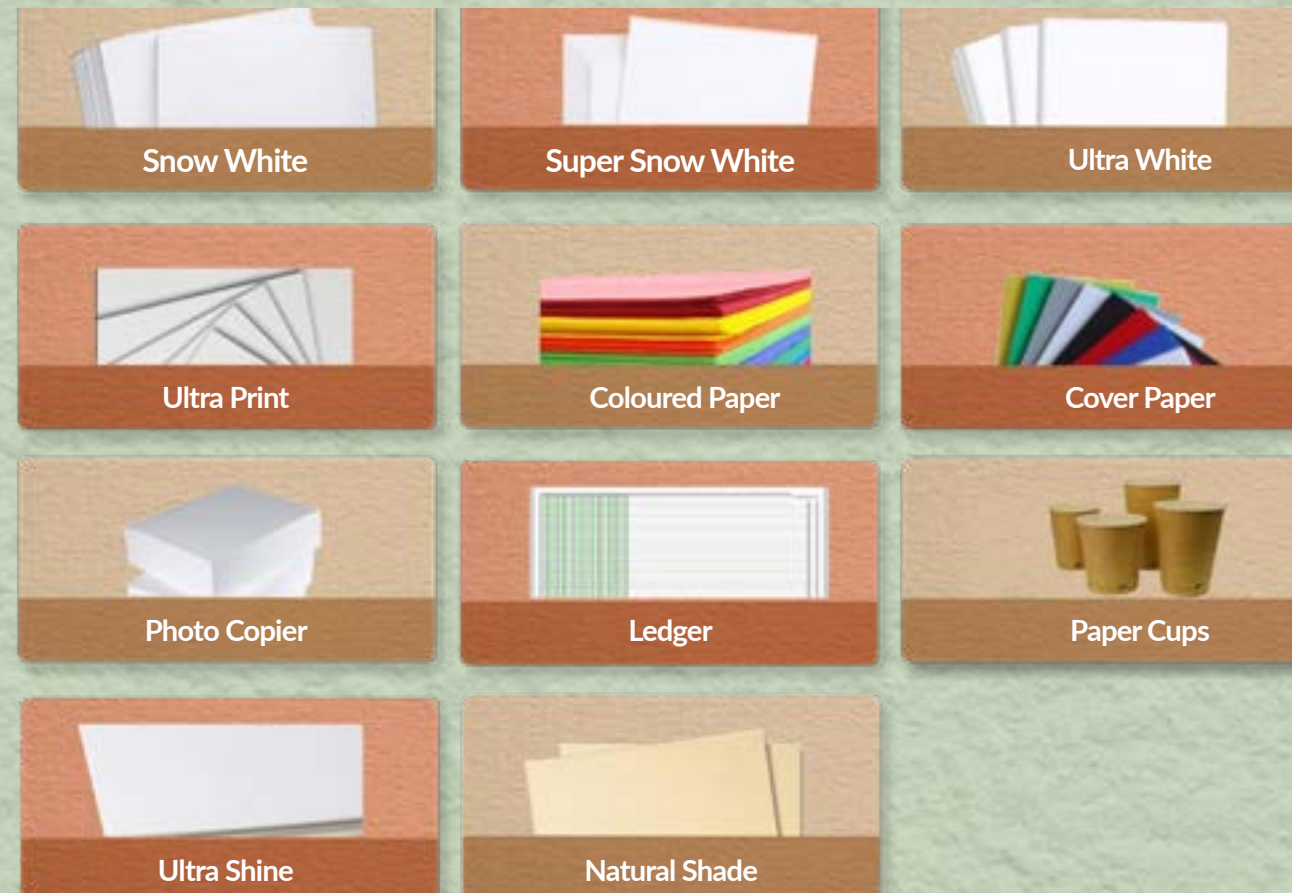
SIL started with a single paper machine in the year 1984 and has over the years expanded its capacity to 1,05,000 MTPA by installing two new paper machines. All 3 machines have been continuously upgraded technologically to achieve higher speed, better quality and lower energy consumption.

The products include: Super Snow White paper, Snow White paper, Maplitho paper, Coloured paper, Ledger paper, Cartridge paper, Bond paper, Duplicating paper, Copier paper.

These products are extensively used in printing of books, directories, envelopes, diaries, calendars, computer stationery, copier papers, annual reports and high grade printing segment for domestic as well as exports. SIL also manufactures cup stock paper which is used in disposable cutlery.

SIL has a wide range of product mix coupled with premium quality in the market.

Product Portfolio



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 ₹70,000 crores in 2019-20, contributing ₹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 under-utilisation 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 ₹4,941 crores in 9M of FY20 compared to ₹4,128 crores in 9M of FY19

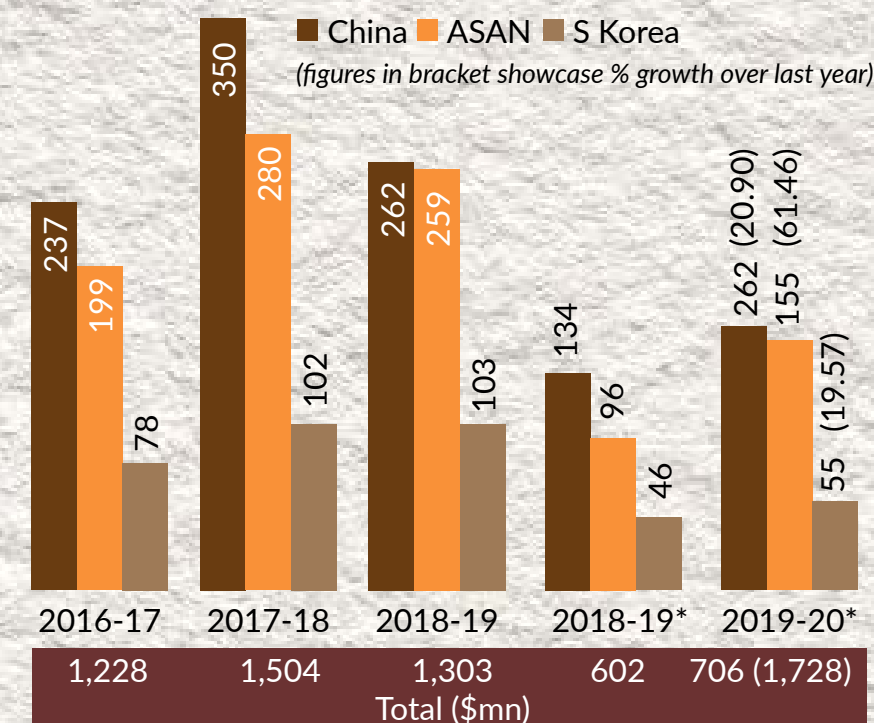
Source: <http://ipma.co.in/overview/>

Indian Government aims to reduce Paper Import dependency.....

India imported paper and paperboard (excluding newsprint) to the tune of ₹ 5,000 crore during the first six months of current fiscal while domestic industry has more than adequate capacity to meet the demand.

Rising Bill: In Dollar Terms

India's imports of paper & paperboard (excluding newsprint) (DGCL & S)



*April-September

Total includes imports from other nations

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

Recent Developments

1

SIL has been awarded orders of 5,000 tonnes from the Chhattisgarh Text-book board and 7,000-tonne orders from Orissa Text-book board with an average realization of ₹ 55,000 per tonne.

2

SIL's Multifuel, 75 ton steam per hour capacity, boiler has been commissioned and presently SIL is burning rice straw as fuel in this boiler which is cheaper by over 50% as compared to rice husk.

3

This initiative of SIL has gone a long way in curbing air pollution which would have been caused by burning of over 1,00,000 ton rice straw by farmers in their farms without any protection of Electrostatic precipitator.

4

Paper machine erection is in full swing and is likely to be completed mechanically by end of April, 2021.

5

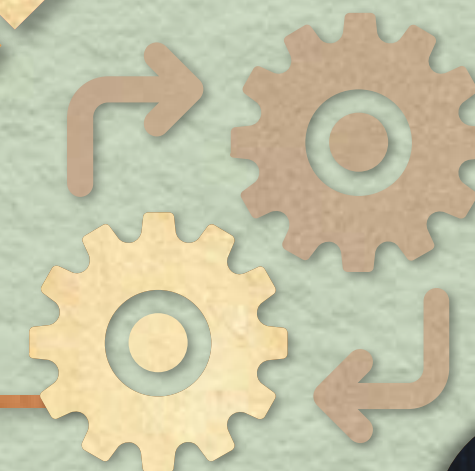
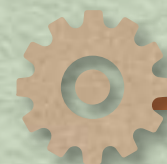
Wood pulping equipment, mainly washers, are under mechanical erection and digester will be received in the factory shortly.

6

Deinking machinery has all been despatched from Andritz, China and shall be within SIL's premises for immediate erection thereafter.

7

Soda recovery plant upgradation, 14 MW Turbine and ETP upgradation has already been done and mechanical trials of the Paper machine are likely to begin in May, 2021.



Financial comparison of 9M FY21 performance v/s 9M FY20

Particulars (INR MN)	9M FY 21	9M FY 20
Revenue from Operations	4,156.42	6,295.79
Other Income	31.34	140.07
Total Revenue	4,187.76	6,435.86
Total Expenses	3,814.96	5,470.59
EBITDA	927.95	1,516.78
EBITDA Margin (%)	22.16%	23.57%
Depreciation & Amortization Expenses	428.78	393.87
Finance Cost	126.37	157.65
PBT with Exceptional Item	372.80	965.27
Exceptional Items	-	-
PBT	372.80	965.27
Current Tax	64.08	217.74
Deferred Tax	22.08	-10.33
Tax	86.16	207.40
PAT	286.64	757.86
Other comprehensive profit / loss	-2.36	1.55
Net PAT	284.28	759.42
TOTAL Comprehensive PAT Margin %	6.79%	11.80%
Diluted EPS	2.87	7.58

Financial Performance Comparison - 9M FY21 v/s 9M FY20

The total Revenue from operations declined by 34% from ₹ 6,295.79 mn in 9M FY20 to ₹ 4,156.42 mn in FY21 owing to shut down and stressed demand scenarios for paper in the market due to Covid-19 lockdown.

Despite lower realizations, EBITDA margins have minutely contracted and reported at 22.16% in 9M FY21, compared to 23.57% in 9M FY20

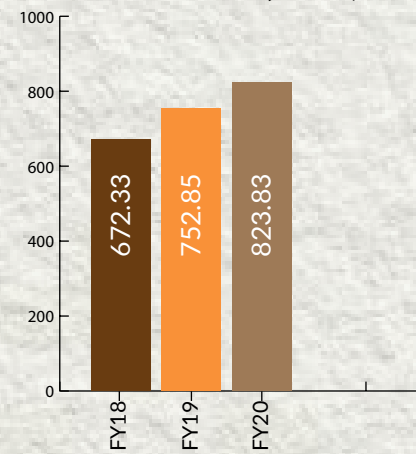
Finance Cost declined by 19.8% from ₹ 157.65 mn in 9M FY20 to ₹ 126.37 mn in 9M FY21

EBITDA declined by 38.8% from ₹ 1,516.78 mn in 9M FY20 to ₹ 927.95 mn in 9M FY21, mainly due to lower average realization of ₹44,000 per tonne versus average realization pre-Covid levels were around ₹55,000 per tonne.

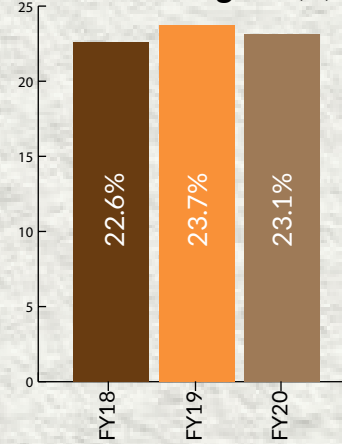
Net profit stood at ₹ 284.28 mn in 9M FY21, compared to ₹ 759.42 mn in 9M FY20 “

Financial Snapshot

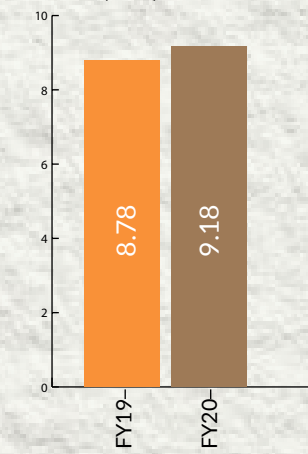
Total Revenue (₹in mn)



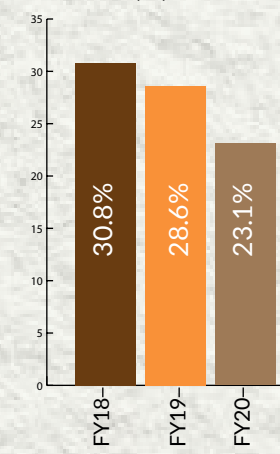
EBITDA Margins (%)



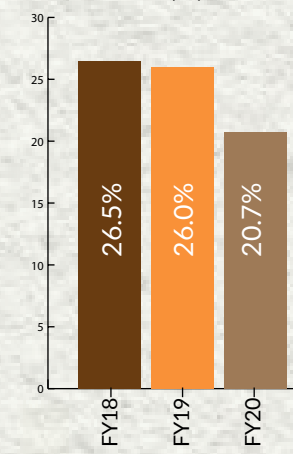
EPS (in ₹)



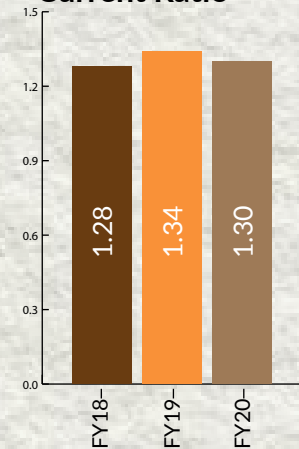
ROE (%)



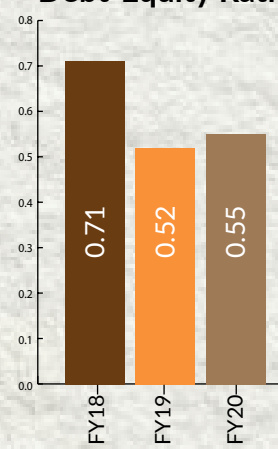
ROCE* (%)



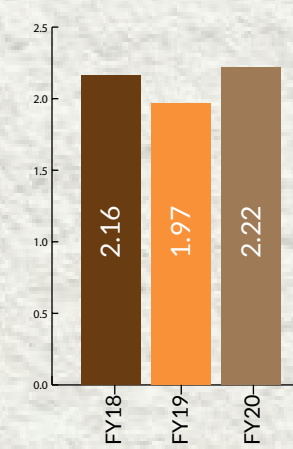
Current Ratio



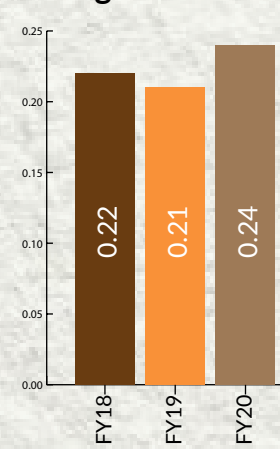
Debt-Equity Ratio



Fixed Asset Turnover Ratio



Long Term Gearing Ratio



*ROCE is calculated on EBIT (PBT+ finance cost)



Abridge Financial Highlights

Profit & Loss Statement

Particulars (₹ MN)	FY19	FY20
Revenue from Operations	7,384.06	8,086.37
Other Income	144.46	151.98
Total Revenue	7,528.51	8,238.35
Total Expenses	6,427.71	7,085.55
EBITDA	1,785.87	1,901.16
EBITDA Margin (%)	23.72%	23.08%
Depreciation	477.32	546.20
Finance Cost	207.75	202.16
PBT before Exceptional Item	1,100.81	1,152.80
Exceptional Items	-	-
PBT	1,100.81	1,152.80
Tax	223.09	234.42
PAT before Minority Interest	877.71	918.38
Minority Interest	-	-
Total Other Comprehensive Income	2.05	-3.14
PAT	879.76	915.24
PAT Margin %	11.69%	11.11%
Diluted EPS	8.78	9.18



Abridge Financial Highlights *(Contd.)*

Consolidated Balance sheet

Assets (₹ MN)	FY19	FY20
Fixed Assets		
Tangible Assets	3,826.44	3,709.09
Capital Work in Progress	561.29	2,147.40
Total Fixed Assets	4,387.73	5,856.49
Non Current Investment & Other Financial Asset	41.30	42.97
Loans	16.81	-
Deferred Tax & Other tax Assets	58.77	31.96
Other Non-Currents Assets	-	51.93
Total Non-Current Assets	4,504.61	5,983.35
Current Assets		
Inventories	598.71	531.07
Biological Assets Other than bearer plants	302.92	281.28
Trade Receivable	1,057.42	1,322.84
Cash & Cash Equivalent	4.69	17.24
Bank Balances other than cash & cash Equivalent	35.40	137.47
Other Financial Assets	26.28	23.45
Current Tax Assets	-	22.10
Other Current Assets	73.73	132.13
Total Current Assets	2,099.15	2,467.57
Total	6,603.76	8,450.92

Abridge Financial Highlights *(Contd.)*

Consolidated Balance sheet

Liabilities (₹ MN)	FY19	FY20
Shareholders Fund		
Share Capital	100.00	100.00
Reserve and Surplus	2,975.74	3,854.81
Total Shareholders Fund	3,075.74	3,954.81
Non-Current Liabilities		
Long term Borrowing	1,054.06	1,587.67
Other Financial Liabilities	822.91	850.35
Other Non-current Liabilities	2.82	69.15
Long Term Provision	77.18	93.12
Total Non Current Liability	1,956.96	2,600.29
Current Liabilities		
Short Term Borrowing	536.67	595.90
Trade Payable	453.81	530.10
Other Financial Liabilities	516.26	667.02
Other Current Liabilities	44.15	92.77
Short Term Provision	7.18	10.04
Current Tax Liabilities	12.99	-
Total Current Liabilities	1,571.06	1,895.82
Total	6,603.76	8,450.92



Financial commentary on YoY

Total income from operation increased by 9.5% YoY from ₹7,384.06 mn in FY19 to **₹ 8,086.37** mn in FY20

Net profit increased by 4% from **₹ 879.76** mn in FY19 to **₹ 915.24** mn in FY20.

Return on Equity (ROE) reduced from 28.6% in FY19 to **23.1%** in FY20

India Ratings and Research (Ind-Ra) has affirmed Satia Industries Limited (SIL) Long-Term Issuer Rating at 'INDA-' The Outlook is Stable.

The EBITDA expanded by 6.5% from ₹ 1,785.87 mn in FY19 to **₹ 1,901.16** in FY20

PAT margins stood at **11.11%** in FY20, compared to **11.69%** in FY19.

Total Fixed Assets grew by 33.5% from ₹ 4,387.73 mn in FY2019 to **₹ 5,856.49** mn in FY20

Finance cost decreased by 2.7% from ₹ 207.75 mn in FY19 to **₹ 202.16** mn in FY20.

Return on Capital Employed (ROCE) reduced from 26% in FY19 to **20.7%** in FY20.

Total Current Assets stood at **₹ 2,467.57** in FY20, Compared to **₹ 2,099.15** mn in FY19



Growth Outlook



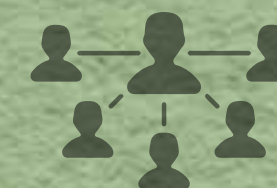
Capex – To double the capacity and move up the value chain

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.



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.



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.

Growth Outlook *(Contd.)*



Change in product mix would stoke margins

Upon commencement of the new capacity, SIL estimates a reasonable uptick in its operating margins driven by change in product mix in favour of Grade 1 copier paper (high realisations) & higher operational leverage



Limited Covid -19 impact

SIL claims limited net business impact on account of CoVID-19, SIL losing only 24 days of production (April-2020). Any loss on account of lower price realisation is likely to be compensated with cost reduction in materials consumed. The management estimates the state book boards vertical to remain intact (~50% of production) in the current fiscal, with the commencing of the tenders over the next couple of months. The management foresees pent up demand once educational institutions reopen across India. With several smaller peers keeping their production shut, SIL estimates some market share gains in its open market sales.



NEP to boost the demand for text-book paper

The Union Cabinet approved a new National Education Policy (NEP) on July 29,2020.

Various State text-book boards expect a significant increase in requirement of paper for new syllabus text-book printing due to NEP 2020.

Additional demand could be anywhere between 30-50% over and above the old requirement in coming year

With enhanced capacities and well established, long standing credibility and performance in this segment, SIL stands to gain incremental market share in this segment.

Forward Guidance

SIL is in process of commencing its planned capex of **₹ 5,000** mn which is halfway done as **₹2,950** mn has been spent and trial production is expected to start in July, 2021 and full capacity utilization of new capex of 1,00,000 tones is expected by July 2021

SIL is positive about the new education policy as creates opportunity for paper industry because of new books printing according to the latest system. Additional demand could be anywhere between 30-50% additional demand

SIL is strongly positioned to reward the shareholders in the coming times considering a planned capex of **₹ 5,000** mn

SIL expects an demand of 10 tons per day and annual production of 3,000 tons for paper cutlery segment, at an average realization of **₹ 200**/kg which will add ₹600 mn to revenues. With in-house pulping capacity and cheap power of **2-2.5 ₹**/unit, SIL expects higher EBITDA of around 35-40% in this segment

SIL expects to report a very healthy growth of 50% in the Revenue and corresponding growth in margins in FY22 compared to FY21 whilst assuring that peak debt levels to be around ₹3,750 mn to ₹ 4,000 mn.

Change in product mix upon commencement of new capacity is likely to augment improvement in operating margins

CSR Initiatives

SIL believes that the corporate sector are economic organs of the society and therefore endeavors to make a positive difference to the society by trying to build a better tomorrow.

<p>₹10.8 million Total amount spent on CSR activities in FY20</p>	<p>₹11.2 million Total amount spent on CSR activities in FY19</p>	<p>₹25 million Approved amount for spending in different CSR activities in and around the villages of SIL's presence within a time frame of 5 years (2017-18 to 2021-22)</p>
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The sectors identified under the scope of CSR activities are as follows:

- Community Health Improvement:** Periodical medical checkups, blood donation camps to be organized near the project site, eye check-up camps, health awareness camps for mother and child and health and hygiene practices
- Community Education Facilities:** Augmentation of furniture, blackboard, etc. in village schools, award scholarships to meritorious students, distribution of educational books, stationary, uniforms, aids, etc.
- Community Welfare activities:** Development of worship places as well as beautification, distribution of seeds & saplings, promotion & support to various Govt. schemes
- Community Water Conservation:** Rain water harvesting, ground water recharge pits and water conservation awareness programs
- Community Capacity Building:** Development of vocational training for technical skills, self employment trainings for women, such as, stitching, embroidery, tailoring, and handicrafts, etc.
- Infrastructural Development:** Village pond retrieval and R.O installation
- A forestation Programs:** *Plantation of trees in village road-sides*

Capital Market Indicators

Shareholding as on 31st December 2020

Particulars	No. of Shareholders	Shareholding as a % of Total Shares held
Promoters & Promoters group	7	51.75%
Public	3,771	48.25%
Total	3,778	100%

Sources; <https://www.bseindia.com/stock-share-price/satia-industries-ltd/satia/539201/shareholding-pattern/>

Market Indicators:

Listed on	BSE/NSE
Issued Shares	10,00,00,000
Share Price (08-Feb-2021)	86.80
Market Capitalization	8,680
52 Weeks High / Low	142.90/57.00

Stock performance from Dec'2019 - Dec'2020



Awards and Recognitions



Thank you

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