

# **37th Annual Report 2017-18**



**Satia Industries Limited**



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**Chief Financial Officer**

*Sh. Ashok Kumar Khurana*

**Company Secretary**

*Sh. Rakesh Kumar Dhuria*

**Statutory Auditors**

*M/s. Deepak Grover*

*Chartered Accountant*

*45, Opp. Thana Sadar*

*Red Cross Complex*

*The Mall,*

*Ferozepur City-152002 (Pb)*

**Registered Office & Works**

*Malout - Muktsar Road,*

*Village Rupana*

*Distt. Muktsar - 152032*

*(Punjab)*

**Branch Offices**

*613-615, Naurang House,  
21 K.G. Marg, New Delhi-110001*

*SCO 90-92, Sector 80 C,  
Madhya Marg,  
Chandigarh - 160018*

*304, Navjeevan Complex,  
29 Station Road,  
Jaipur - 302006*

**BANKERS**

*Punjab National Bank*

*Central Bank of India*

*Andhra Bank*

*Indian Overseas Bank*

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BOARD OF DIRECTORS

**DR. AJAY SATIA**  
*CHAIRMAN CUM MANAGING DIRECTOR*

**SH. R.K.BHANDARI**  
*JOINT MANAGING DIRECTOR*

**SH. CHIRAG SATIA**  
*EXECUTIVE DIRECTOR*

**SH. HARDEV SINGH**  
*DIRECTOR (TECHNICAL)*

**SH. AVINASH CHANDER AHUJA**  
*INDEPENDENT DIRECTOR*

**SH. DINESH CHAND SHARMA**  
*INDEPENDENT DIRECTOR*

**SH. S.K. ARORA**  
*INDEPENDENT DIRECTOR*

**SH. I.D. SINGH**  
*INDEPENDENT DIRECTOR*

**DR. MRS. PRITI LAL SHIVHARE**  
*ADDITIONAL DIRECTOR (INDEPENDENT)*

**SH. ASHOK KUMAR GUPTA**  
*ADDITIONAL DIRECTOR (INDEPENDENT)*

**SH. ARUN KUMAR GUPTA**  
*ADDITIONAL DIRECTOR (INDEPENDENT)*



**Dear Shareholders,**

Today with humble pride I avail this occasion to state that your Company holds a place of its own amongst mills making writing and printing paper in integrated pulp and paper mills using agricultural residues, wood chips, veneer waste and other pulp substitutes achieving and entering the club of mills making over one lac ton paper per year.

This has happened with your consistent support and planning and hard work of our managerial team leaving no stone unturned to implement latest technologies of oxygen delignification and ECF bleaching to make quality pulp. Paper machines were upgraded to produce more as well as to make quality paper especially surface sized paper. This was reciprocated by the highly encouraging response of our customers, distributors and the market in general. Needless to mention that financial results of the year, profitability and the dividend bears testimony to our commitment to share the fruits with all the stake holders.

Your company has always fulfilled its obligations towards corporate social responsibility and has always been environmentally conscious of its duties and can boast of taking most advanced measures to achieve results over and above the prescribed environmental standards.

In future, we have plans to expand and modernise our paper machines further to increase their speed for better production and hope to achieve a growth of minimum 15-20% in all parameters of production, revenue and profitability especially with enhanced chemical recovery and power production.



**Dear Shareholders,**

Paper and paper board is one of the oldest organised manufacturing industry in India and the first paper making unit was started in 1812 in West Bengal. It accounts for just 4% of world's paper production and its growth is almost directly linked to our GDP growth. Consequently, our share in global demand of paper is growing while demand in Western countries is contracting.

Still per capita consumption of paper at 13 kg in India is much lower than world average of 57 kg and 200 kg in North America.

Demand of writing and printing paper has witnessed growth mainly because of Govt. thrust in education sector coupled with rising income and expenditure level in the country. Your company made most of it and sales grew at over 13.5%; Profit after tax jumped up by over 50% and dividend was increased to 25% as compared to 20% in the last year. This has become possible with the continuous capital infusion in modernisation & technology upgradation, cogeneration and energy efficiency. As a result, your company achieved higher targets in energy saving than given by Bureau of Energy Efficiency and earned 3300 Ecerts. Company also resorted to burning nonconventional fuel to make steam and power to save tremendously on emission of Green gases and in turn got 52953 REC valuing over Rs 5.30 crores during the year.

With a dedicated and experienced team, robust production base, trustworthy dealer/customer network and a bullish market scenario; your Company is confident to maintain the growth in the coming years and has a bright future.

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of Satia Industries Ltd. will be held on Saturday, 29<sup>th</sup> September, 2018 At 10:00 A.M. at the Registered Office of the Company at VPO Rupana, Malout Muktsar Road, Distt: Muktsar to transact the following businesses:-

### **Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2018 and Profit and Loss Account for the year ended on that date along with the Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Sh R.K. Bhandari, Joint Managing Director who retires by rotation, being eligible and offer himself for re-appointment.
3. To declare dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2018.
4. To ratify and confirm the interim dividend of Rs. 10/- per equity share already paid during the financial year 2017-18.
5. **To Consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:-**

#### **Ratification of appointment of Auditors**

**“RESOLVED** that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time, and pursuant to the resolution passed by the members at the AGM held on 29<sup>th</sup> September, 2017, the appointment of M/s Deepak Grover & Associates, Chartered Accountants (Firm registration number: 505923 ) as the Auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified”

### **Special Business**

6. **To appoint Dr Mrs Priti Lal Shivhare (Din No 08031894) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**  
**“RESOLVED** that Dr Mrs Priti Lal Shivhare (Din: 08031894) who was appointed as an Additional Director with effect from 14.11.2017 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 requisite deposit, proposing her 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 the date of appointment of additional Director and that she shall not be liable to retire by rotation”.

7. **To appoint Sh. Ashok Kumar Gupta (Din: 08068465) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED** that Sh Ashok Kumar Gupta (Din: 08068465 ) who was appointed as an Additional Director (Independent) with effect from 08.02.2018 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 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 the date of appointment of additional Director and that he shall not be liable to retire by rotation”.

8. **To appoint Sh Arun Kumar Gupta (Din No 00371289) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED** that Sh Arun Kumar Gupta (Din: 00371289) who was appointed as an Additional Director (Independent) with effect from 08.02.2018 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 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



the date of appointment of additional Director and that he shall not be liable to retire by rotation”

**9. Increase in Salary of Dr Ajay Satia, (Din: 00850792) Chairman Cum Managing Director of the Company**

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

“**RESOLVED** that Pursuant to the provisions of 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.3400000/- Per Month w.e.f. April 01, 2017.
2. Commission: Not exceeding 1.00 (one) percent of net profit in an accounting year of the Company subject to availability of profit w.e.f. financial year 2017-18.
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 in the event of absence or inadequacy of profits in any financial year, the remuneration shall be governed by Section II of Part II of Schedule V of the Act or any statutory modification thereof and the same shall be treated as the minimum remuneration payable to the CMD.”

“**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to do all necessary acts, deeds, matter and things, which may be usual, expedient or proper to give effect to the above resolution

**10. Increase in Salary of Sh Chirag Satia, (Din: 03426414) Executive Director, of the Company**

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

“**RESOLVED** that pursuant to the provisions of 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 the 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 Sh Chirag Satia (DIN: 03426414) Executive Director of the Company as mentioned here below:

1. Salary: Rs.3000000/- per month w.e.f. April 01, 2017. Including payment of Insurance premium for life Insurance for such amount as may be consider appropriate by the Board.
2. 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.
3. Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
4. Personal accidents and mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.

“**RESOLVED FURTHER** that in the event of absence or inadequacy of profits in any financial year, the remuneration shall be governed by Section II of Part II of Schedule V of the Act or any statutory modification thereof and the same shall be treated as the minimum remuneration payable to the Executive Director.”

“**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to do all necessary acts, deeds, matter and things, which may be usual, expedient or proper to give effect to the above resolution

**11. 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 01<sup>st</sup> October, 2018 to 30<sup>th</sup> September, 2021, 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.3400000/- 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.”

**12. 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 01<sup>st</sup> October, 2018 to 30<sup>th</sup> September, 2021, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Sh R.K.Bhandari, a draft whereof is placed before the meeting and initialed by the Chairman for the purpose of identification and as given below”

**I. Terms:**

- 1) Salary: Rs.310000/- PM with an annual increment of Rs 25000/- 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. 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 for the time being in force .



- 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.”

### 13. Re-appointment of Sh Chirag Satia, Executive 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 Chirag Satia (DIN : 03426414) as Executive Director of the Company and to his receiving remuneration, benefits and amenities for a period from 01<sup>st</sup> October, 2018 to 30<sup>th</sup> September, 2021, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Sh. Chirag Satia, a draft whereof is placed before

the meeting and initialed by the Chairman for the purpose of identification and as given stated here below”

#### I. Terms:

- i) Salary: Rs.3000000/- per month including payment of Insurance premium for life insurance policy for such amount as may be consider appropriate by the Board.
- ii) 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.
- iii) Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
- iv) Personal accidents and mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.
- v) “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;
- vi) Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service; and Encashment of leave;

“**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. 14:

#### Approval for Continuation of current term of Sh. A.C. Ahuja Independent Director.

**To consider and if thought fit, to pass with or without modification, the following resolution as special resolution:-**

“**RESOLVED** that pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, sanction be and is hereby accorded to Sh A.C. Ahuja, (DIN: 00327032) Director of the Company to continue to hold office of Independent Director under the current tenure of appointment which ends on 30th September, 2019 notwithstanding that he has attained the age of 75 years on 20th January, 2018.”

Place : New Delhi  
Dated : 13.08.2018

By Order of the Board  
For Satia Industries Ltd.

(Rakesh Kumar Dhuria)  
Company Secretary

**NOTES:**

- 1) A Member entitled to attend and vote at the Meeting is entitled to appoint proxy to attend and vote on poll instead of himself and the proxy need not be a Member of the Company. The proxies should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 2) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
- 3) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting
- 4) Members are requested to bring their copies of Annual Report at the Meeting.
- 5) Members are requested to notify immediately any change in their address, to the Registered Office of the Company.
- 6) All documents as referred in the above notice and explanatory statement are open for inspection at the Registered Office of the Company during office hours on all working days between 11:00 A.M. to 1:00 P.M. up to the date of Annual General Meeting.
- 7) 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.
- 8) The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2018 to 29.09.2018 both days inclusive.
- 9) 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) to facilitate E-voting. E-voting is optional and Members shall have the option to vote either through e-voting or in person at the General Meeting. 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

- 10) The instructions for shareholders voting electronically are as under:-
  - i) The voting period begins on 26.09.2018, 10.00 AM and ends on 28.09.2018 at 5.00 PM. During these period shareholders holding share either in physical form or in dematerialized form as on the cut-off date 22.09.2018 (record date) may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting thereafter.
  - ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - iv) Click on Shareholders.
  - v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - vi) Next enter the Image Verification as displayed and Click on Login.
  - vii) 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 voting of any company, then your existing password is to be used.



viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</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>Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on the label of address affixed on the Annual Report.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
Dividend Bank Details <b>OR</b> 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 as mentioned in instruction (v).</li> </ul>

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting

through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the Satia Industries Ltd on which you choose to vote.
- xiii) 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.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) 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.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity

should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e.22.09.2018 may follow the same instructions as mentioned above for e-Voting.
- (ii) 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

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 with in 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.

11. 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.

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

**Item Nos 6, 7 and 8**

Pursuant to the provisions of SEBI (Listing deligation and Disclosure Requirement) Regulation, 2015 and Remuneration Policy of the Company and Provisions of Section 149, 152, 161, Schedule IV and other applicable Provisions of the Companies Act, 2013. Every listed public Company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation, the Nominations Committee has recommended the appointment of these directors as Independent Directors. Dr. Mrs. Priti Lal Shivhare, Sh Ashok Kumar Gupta, Sh Arun Kumar Gupta, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval. The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday

**A brief profile of the Independent Directors to be appointed is given below:**

Dr. Mrs. Priti Lal Shivhare is a MSC (Chemistry) and PhD. she is a Scientist E-1 at Central Pulp and Paper Research Institute, Saharnpur. She was awarded by International Fellowship by SIDA (Swedish International Development Council Association).

Sh Ashok Kumar Gupta is a B.SC and MBA (Finance) having 35 years experience in all areas of Banking (viz. Credit, Forex, Risk Management, Stressed Assets) out of which 14 Years in Senior Management Position in Punjab National Bank and Last 2 Postings were as General Manager of Agra Zone

Arun Kumar Gupta Bachelor of Commerce From Shri Ram College of Commerce, New Delhi in 1968 Crtered Accountant from the Institute of Chartered Accountant of India in (1972).; Cost and Works Accountants from the Institute of Cost & Works Accountant of India (1973); Management Accountant from Institute of Chartered Accountants of India (1974). Extensive experience in practice of Corporate Laws, Tax Law, International



Arbitration MIS, Mergers And acquisitions, Corporate Restructuring & Planning, Foreign Collaborations, Banking & Loan Syndications, Audits both Internal & External. He is a Director in Ahluwalia Contracts (India) Ltd., Ahlcon Parenterals (India) Ltd,

#### Item No 9

The Nomination and Remuneration Committee and the Board of Directors, in their respective meetings held on 30.05.2018, have approved the revision in remuneration of Rs 3400000/- per month and Commission of 1% on net profit of the Company payable to Dr Ajay Satia, Chairman Cum Managing Director with effect from 01.04.2017 for remainder of duration of appointment subject to the approval of the shareholders in the General Meeting. The payment of remuneration was approved by the Board based on industry standards, work responsibilities handled by the Chairman and Managing Director of the Company.

Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment commencing from 01<sup>st</sup> April, 2017 to Dr Ajay Satia as Chairman Cum Managing Director.

The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution. None of the Directors except Dr Ajay Satia, CMD himself and Mr. Chirag Satia being related to him is concerned or interested in the resolution. None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

#### Item No 10

The Nomination and Remuneration Committee and the Board of Directors, in their respective meetings held on 30.05.2018, approved the payment of remuneration of Rs 3000000/- per month to Sh. Chirag Satia (holding DIN 03426414), as Executive Director of the Company with effect from 01<sup>st</sup> April, 2017 for remainder of duration of appointment subject to the approval of the shareholders in the General Meeting and Schedule V to the Companies Act, 2013. Sh Chirag Satia is a C.A. The appointment as well as payment of remuneration was approved by the Board based on industry standards, work responsibilities handled by the Executive Director of the Company.

Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment commencing from 01<sup>st</sup> April, 2017 to Sh Chirag Satia as Executive Director of the

Company. Mr. Chirag Satia shall be deemed to be concerned or interested in the resolution to the extent of remuneration payable to Sh. Chirag Satia under the resolution. The Board of Directors considered it to be desirable to approve ratification and approval of remuneration payable to him for his current tenure of appointment as Executive Director.

The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution. None of the Directors except Mr. Chirag Satia himself and Dr Ajay Satia, CMD being related to him is concerned or interested in the resolution. None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

#### Item No 11.

Keeping in view the performance of the Company under the leadership of Dr.Ajay Satia in the past and ongoing projects and up gradation of projects of the Company, the remuneration Committee and Board of Directors in their respective meeting held on 13.08.2018 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. 2018 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:

### I. General Information

#### Nature of Industry

Satia Industries limited is manufacturing writing and printing paper.

#### Commercial Production

As on March. 31<sup>st</sup>, 2018 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 2017-18, net revenue from operation was Rs. 67233.63 Lakh and the net profit after tax of the Company is Rs. 6867.03 Lakh

**II Information about the appointee**

**Background details**

Dr Ajay Satia aged 64 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 of the Company. He is person behind the growth of the Company.

**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 3400000/- PM and 1% Commission on profit 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 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.

**III 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 expect Dr Ajay Satia himself, and Sh Chirag Satia being related to him.

**Item No 12**

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 13.08.2018 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 01.10.2018 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. 31<sup>st</sup>, 2018 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 2017-18, net revenue from operation was Rs. 67233.63 and the net profit after tax of the Company is Rs. 6867.03 lakh.

**11 Information about the appointee**

**Background details**

Sh R.K. Bhandari is a MBA and associated with the Company since 01<sup>st</sup> December, 1986 and 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. The proposed remuneration is competitive with responsibilities.

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 expect Sh R. K. Bhandari

#### Item No 13

Keeping in view the performance of the Company, expansion in the area of co-generation of power and recovery and growing requirement of management control, remuneration Committee and Board of Directors in their respective meeting held on 11.08.2018 have approved the re-appointment of Sh Chirag Satia, as Executive Director of the Company for a period of three years with effect from 01.10.2018 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. 31<sup>st</sup>, 2018 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 2017-18, net revenue from operation was Rs. 67233.63 lacs and the net profit after tax of the Company is Rs 6867.03 lacs

#### 11 Information about the appointee

##### Background details

Sh Chirag Satia aged 26 years is in CA (Final)

##### Job Profile and his suitability

Sh Chirag Satia is 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 re-appoint Sh Chirag Satia as Executive Director of the Company on the monthly salary of Rs 300000/- 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.

**Place : New Delhi  
Dated : 13.08.2018**

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 expect Sh Chirag Satia himself and Dr Ajay Satia being related to him.

#### **Item No. 14**

Sh. A.C. Ahuja Independent Director was appointed on 30.09.2014 in term of Companies Act, 2013. At the time of appointment his age was 71 years.

SEBI has amended the LODR Regulation, 2015 Vid Circular dated 9th may, 2018 which require re-appointment/ continuance of any Non-Executive Director who has attained the age of 75 years to be approved by the shareholders by way of special resolutions. Hence the special resolution is placed before the share holders.

No Director, Key Managerial Personnel or their relative except Sh. A.C. Ahuja to whom the resolution relates, is interested or concerned in the resolution.

Your Director recommend the resolution for approval of the members.

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

**(Rakesh Kumar Dhuria)  
Company Secretary**



Dear Members,

The Directors have the pleasure of presenting the 37<sup>th</sup> Annual Report of your Company for the financial year 2017-18.

### Financial Result:

The financial performance of your Company for the year ended March 31, 2018 is summarized below:-

(Rs in Lakhs)

Particulars	Current Year	Previous Year
Revenue and other income	67233.63	59185.66
Profit before interest, depreciation and Tax	15209.71	11201.15
Interest and Financial charges	2372.59	2447.07
Depreciation	4504.07	4002.77
Profit from operations (before tax) Prior Year adjustment & exceptional Item	8333.05	4751.31
Tax Expenses		–
Current Tax	639.26	6.68
Deferred Tax	826.76	189.46
Profit/ (Loss) after tax	6867.03	4555.16
Less: Proposed Appropriation		
Dividend on Equity Shares	250.00	200.00

### Industry Review

#### 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.

### Operational Review

The Highlight of the Company's Performance for the year ended March 31, 2018 are as below:-

1. Production of paper of the Company increased by 9.58% to 113517.8 MTs as compared to 103588.5 MT of last year
2. Net revenue of your Company increased by 12.48% to Rs 64207.32 Lakh as compared to Rs 57078.52 Lakh during the corresponding period of previous year 2016-17.
3. Profit Before Depreciation and Tax increased by 46.64% to Rs 12837.12 Lakh as compared to Rs 8754.08 Lakh during the corresponding period of previous year 2016-17
4. Profit before Tax increased by 75.38% to Rs 8333.05 Lakh as compared to Rs 4751.31 Lakh during the corresponding period of previous year 2016-17
5. Net Profit Increased by 49.82 % to Rs 6791.40 Lakh as Compared to Rs 4533.17 Lakh in the previous Year.

### Dividend

During the year under review, the Board declared Interim Dividends -Rs 1.00 (10%) per equity share of Rs 10/- each in its meeting held on 08.02.2018. Your Directors are pleased to recommend a Final Dividend of Rs1.50 (15%) per equity share of Rs 10/- each for Financial Year 2017-18, for the approval of the equity shareholders at the ensuing Annual General Meeting. If approved, the total dividend payout (interim and final dividend) for the financial year 2017-18 will be Rs 2.50 (25%) per equity share of Rs 10/- each.

### Financial Review

#### Share Capital

The paid up equity capital as on March 31, 2018 was Rs.10,00,00,000/-. During the year under review, the Company has not issued any shares.

#### Reserves

The Company does not propose to carry any amount to any reserves.

#### Fixed Deposit

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**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 Central Systems and their adequacy**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal auditor 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 the respective department needs to undertake in their respective areas and thereby strengthen the controls.

**Directors:**

As on 31st March, 2018, the company have 11 Directors consisting of 4 Executive Director Non-Independent Directors, 4 Non- Executive Independent Directors and 3 Additional Director (Independent) Non-executive ,

Sh. R.K.Bhandari is proposed to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for reappointment.

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.

During the year under review, Dr Mrs Priti Lal Shivhare (Din No 08031894) Sh Ashok Kumar Gupta, (Din No 08068465) and Sh Arun Kumar Gupta (Din No 00371289) were appointed as an Additional Directors (Independent) and their appointment will be placed for approval by the shareholders at the ensuing Annual General Meeting

**Performance of the Board**

Your Company has devised a Policy for determining qualifications, positive attributes of Directors, performance evaluation of Independent Directors, Board Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. In accordance with the provisions of

Companies Act,2013 and Regulation 17(10) of SEBI (LODR) Regulations,2015, the evaluation process for the performance of the Board, its Committees and individual Directors was carried out internally. The Independent Directors met on 08th February, 2018 for performance evaluation of the Non Independent Directors and the entire Board of Directors including the Chairman and Managing Director and Executive Directors. The Independent Directors were satisfied with the functioning of the Board and Committees. The Independent Directors appreciated the leadership role of the Chairman and Managing Director in upholding the Company performance, values and Corporate Governance standards. The results of the review by the Independent Directors was shared with the Board of directors. The Board of directors have expressed their satisfaction with the evaluation results.

**Key Managerial Personnel**

The following employees were designated as Whole Time key Managerial personnel by the Board of Directors during the financial year:-

Dr Ajay Satia: CMD & CEO

Sh Ashok Kumar Khurana: CFO

Sh Rakesh Kumar Dhuria: Company Secretary

**Remuneration Policy**

The Board has on the recommendation of the Remuneration Committee framed a policy for selection & appointment of Directors. Senior Management and their remuneration. The Remuneration Policy is stated in the Annexure-I.

**Meetings**

During the year four board meeting and four Audit Committee Meetings were convened and held. The detail of which are given in the Corporate Governance Report. The Intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**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 were adequate and operating effectively.

### Audit reports and Auditors

#### Audit Reports

The Auditors Report for the year 31.03.2018 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 505923) 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 necessitated by the Act from time to time. The first year of audit was of the financial statements for the year ending March 31, 2018, which included the audit of the quarterly financial statements for the year. Accordingly, the appointment of M/s Deepak Grover & Associates is being placed before the shareholders for ratification.

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 V. The secretarial audit report for the year under review requires no comments. The said report does not contain any qualification, reservation or adverse remarks.

#### Internal Auditors

During the year under review M/s G. Baksh & Associates, Internal Auditors carried out the internal audit and submitted their report.

#### Cost Audit

Pursuant to the provisions of the Companies Act, 2013 M/s HMVN & Associates, Cost Accountants, New Delhi has conducted the cost audit of the Company.

#### Indian Accounting Standard

Your Company has adopted Indian Accounting Standards (INDAS). The Financial Statement for the year ended March 31, 2018 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**

In line with Regulation 22 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of the Listing Agreement, the Company has adopted a Whistle Blower Policy. The mechanism encourages the Whistle Blower to report genuine concerns or grievances. It also provides adequate safeguard to the Whistle Blower against victimization. The functioning of the Vigil Mechanism is reviewed by the Audit Committee and the Whistle Blower has direct access to the Chairman of the Audit Committee. The Policy on whistle blower may be accessed on the 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 -VI

**Business Risk Management**

Pursuant to Section 134 (3) (n) of the Companies Act, 2013, the Board of Directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company.

**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 an Annexure-III to the Director's Report.

**Industrial Relations:**

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

**Corporate Social Responsibility Initiatives**

Satia Industries Limited realizes its responsibility towards the society at large. Satia Industries Limited recognizes that Corporate are economic organs of society and therefore believes in making a positive difference to the society by trying to build a better tomorrow. The Company assists in running the local Schools and directly organizes various programs for social welfare.

The Company has carried out 'Need Assessment Study' to fulfill the requirements of its social responsibility under CSR Programs and based on that assessment of demand, the management has approved Rs.2.50 crores for CSR program in surrounding villages. 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:

**CSR Activities**

Sr. No.	Planned activities under CSR as per specific needs	Budgetary Plan (Rs.)					
		1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	Total
<b>1.</b>	<b>Community Health Improvement</b>						
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



Sr. No.	Planned activities under CSR as per specific needs	Budgetary Plan (Rs.)					
		1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	Total
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
	<b>Total</b>	<b>9,00,000</b>	<b>10,00,000</b>	<b>13,00,000</b>	<b>14,00,000</b>	<b>14,00,000</b>	<b>60,00,000</b>
<b>2.</b>	<b>Community Education Facilities</b>						
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
	<b>Total</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>50,00,000</b>
<b>3.</b>	<b>Community Welfare activities</b>						
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
	<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>4.</b>	<b>Infrastructural Development</b>						
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
	<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>5.</b>	<b>Community Water Conservation</b>						
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
	<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>

Sr. No.	Planned activities under CSR as per specific needs	Budgetary Plan (Rs.)					
		1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	Total
<b>6.</b>	<b>A forestation Programs</b>						
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.</b>	<b>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 and medical aid.

The Annual Report on CSR activities is annexed herewith as: Annexure- IV

#### Report on Corporate Governance

Our corporate governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At Satia Industries Limited, our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long-term shareholder value and respect minority right in all our business decisions. The report on the Corporate Governance as stipulated under SEBI listing regulation forms part of the Annual Report

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.

Place : New Delhi  
Date : 13.08.2018

(Dr Ajay Satia )  
Chairman Cum Managing Director

#### Management Discussion and Analysis Report

A detailed review of the Management Discussion and Analysis Report for the year under review is presented in separate section forming part of the Annual Report.

#### Acknowledgement:

The Directors wish to place on record their sincere gratitude and appreciation for the assistance and co-operation received from the Government of India, Government of Punjab, the Financial Institutions, Punjab National Bank, Central Bank of India, Indian Overseas bank, Andhra Bank, Members, Customers and Business Constituents for their continued support and co – operation.

We also place on record our sincere appreciation for the contribution made by the employees at all levels. Our consistent growth is made possible by their devout, sincere and unstinted services.

For and on behalf of the Board of Directors

(R.K.Bhandari)  
Joint Managing Director



## 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:

- To carry out evaluation of the Director's performance and recommend to the Board appointment / removal based on his / her performance.
- To formulate a criteria for determining qualifications, positive attributes and Independence of a Director.
- 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.
- To ensure that the remuneration for Directors is reasonable and sufficient to attract, retain and motivate appropriate Directors required for running the Company effectively.
- 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.
- 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

The 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, 2018 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 & Managing Director	411.15	183.00	151.16	4.93	0.61
Sh. R.K. Bhandari (Joint Managing Director)	32.70	45.81	17.53	0.57	0.07
Sh. Chirag Satia (Executive Director)	360.10	100.00	132.39	4.32	0.54
Sh. Ashok Kumar Khurana CFO	16.46	27.10	6.05	0.20	0.02
Sh. R.K. Dhuria Company Secretary	14.99	14.34	5.51	0.18	0.02



- 1) The median Remuneration of Employees was Rs 2.72 lakh P.A.
- 2) In the financial year, there was an increase of 9.90% in the median remuneration of employees.
- 3) There were 1245 permanent employees on the rolls of the Company as on March 31,2018
- 4) Relationship between average increase in remuneration and Company performance:-

**The following factors are considered while giving increase in remuneration:**

- (a) Financial performance of the Company.
- (b) Comparison with peer companies, and
- (c) Industry benchmarking and consideration towards cost of living adjustment/inflation

Comparison of the remuneration of the Key Managerial Personnel(s) against the Performance of the Company:-

For the financial year 2017-18 key Managerial Personnel were paid 12.49% and 1.26% 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.

**2. Detail of ten employees in term of remuneration**

Sr. no	Name of Employee	Designation of the Employee	Remuneration Received (Rs)	Qualification	Experience (Yrs.)	Age	The last Employment
1	Leeladhar Bagla	Sr G.M(Paper)	759024.00	B.Sc.	23	44.1	BILT Graphic Paper Products Ltd
2	Kalam Singh Saini	G.M. (Pulp Mill)	1689800.00	Dip. Pulp & PaperTech.	31	58.4	Naini industries ltd
3	Ashok kumar Khurana	V.P.(Finance)	1645923.00	B.Com & C.A.	36	62.2	-
4	Parveen Kumar	G.M.(Elect.)	1965370.00	Dip.Elect..Engg	21	45.8	Punjab Concast Steels (Nahar International Ltd)
5	Manav Sarin	G.M.(Mkt. & Instl.Sales)	1497900	M.B.A	25	46.2	Rama News Print & Papers Ltd
6	Rakesh Kumar Dhuria	G.M.(Secretarial)	1499700	LLB, C.S.	28	56.10	Girnar Fibres Ltd.
7	Sanjay Jain	G.M.(Instt.)	1423500	Dip.Elect.Engg.	27	51.4	Raibow Papers Ltd.
8	Sanjay Singh	G.M.(CRP)	1389430	M.Sc,PG DIP,PPT	19	47.2	Ruchira Paper Ltd. Kala Amb
9	Satpal Arora	G.M.(Mkt.& PPC)	1302660	MBA	27	51.3	-
10	S.Madhukar Rao	G.M.(QC)	1430100	B.S.c.	24	57.5	-



### 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

Energy conservation is an ongoing process in the Company

- 1) Modification of PM2 – HOOD WIRE PART & HEAD BOX replacement for increasing machine speed & its overall productivity. Also PM2 Vacuum pumps capacity increased & energy efficient vacuum pumps installed for increasing machine run-ability & productivity.
- 2) TG 10.45 MW (double extraction & condensing) and HP boiler installation (in place of low pressure existing boiler) for meeting & balancing the increased demand of power, steam and for increasing the overall productivity. Hence saving in fuel & power cost, also reduced grid import & grid dependency so now consuming / importing power equivalent to MMC.
- 3) Decanters installed in ETP to replace existing Drum washers for power saving and to improve consistency of sludge.
- 4) Evaporator modification by installing 2A & 1 A Body for increasing Black Liquor concentration (62% Total solids to 65% TS) for increasing steam generation and recovery efficiency. With increase in steam generation power generation increased hence saving of other boiler fuel.
- 5) Energy Efficient transformer installed at paper machine (3MVA 11KV/433V) in place of old transformer.
- 6) Energy efficient LED lights installation in plant.
- 7) IE3 premium energy efficient Motors installation at paper machines Vacuum pumps.
- 8) Thermal insulation on steam lines, condensate lines.

##### II Technology Absorption

Your Company is keeping constant watch in technology up gradation in existing Products. Up gradation and automation in various areas of plant and machinery is Continuously carried out.

##### Efforts made towards technology Absorption

- 1) TDRs installed in Hardwood Street (H/W pulp supply to machine) for increasing the pulp physical properties i.e. tear, breaking length & strength of fiber to improve machine productivity & product quality.
- 2) Cal coil system installed at PM1, 2 and 3 for improving paper quality, steam & fiber saving.
- 3) Micro filters (ST Machine make) installed at Stock1, 2,3 for back water fiber recovery and clear water for reusing at PM in place of fresh water /to reduce fresh water consumption.
- 4) ETP- Jet aeration system installed after anaerobic process in ETP to reduce COD & Discharge.
- 5) EOP Bleaching converted to oxy bleaching with using sodium per- carbonate to reduce power, steam & chemical consumption.
- 6) Oxygen plant generation capacity increased by enhancing the capacity of existing oxygen plant (from 200 NM3 to 400 NM3) to meet increased demand of oxygen hence reduced production cost of pulp.
  - ii) Benefit Derived
    - a Improved Paper Quality
    - b Improve productivity

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

Expenditure for the year ended 31st March, 2017 is as under :-

	(Rs. in Lacs)
(i) Earning in foreign exchange.	1198.07
(ii) Expenditure in foreign currency.	
CIF Value of imports	
(a) Capita Goods	1702.27
(b) Store & Spares	218.83
(c) Raw Material	1300.83
Interest	26.01
Bank Charges	3.71
Travelling	24.23
Legal & Technical Fees	9.48

for and on behalf of the Board of Directors

Place : New Delhi (Ajay Satia) (R. K. Bhandari)  
 Date : 13.08.2018 Chairman-Cum- Joint Managing  
 Managing Director Director

**Annexure IV**

**Corporate Social Responsibility (CSR)**

**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**

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.

**i. Purpose:**

SIL realizes its responsibility towards the society at large. SIL recognizes that Corporate are economic organs of society and therefore believes in making a positive difference to the society by trying to build a better tomorrow..

**ii. 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 |
|-----------------------|-----------------------------|

**III Average Net Profit of the Company for last three financial years**

Rs-in lacs

Particulars	31.03.2017	31.03.2016	31.03.2015	Average
Net Profit	2690.04	1007.86	-1.47	1232.14

Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

Two percent of the amount as in item III above Rs.24.64 lakh towards CSR.

Unspent amount from previous year Rs nil

The Company is required to spend Rs 24.64 lakh towards CSR

**IV Details of CSR spent during the financial year**

- |   |               |
|---|---------------|
| (a) Total amount spent during the financial year: | Rs 49.21 Lakh |
| (b) Amount unspent, if any:                       | NIL           |



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

S 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 on projects or programs (2) Overheads	Cumulative Expenditure Upto 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 programmes and such other initiatives	Literacy	Sri Muktsar Sahib(Punjab)	27.35	27.35	27.35	Direct
2	Promoting preventive healthcare	Community welfare	1.Sri Muktsar Sahib(Punjab) 2 Vilalge : Kauni 3 Village Rupana	8.49	8.49	8.49	Direct
3	Eradicating Hunger and Poverty	do	do	1.87	1.87	1.87	Direct
4	Environmental sustainability	do	do	11.50	11.50	11.50	Direct

6. 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-V**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH, 2018**

**[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 Satia Industries Limited, Muktsar. 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, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**We 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 followed provide a 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, 2018 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under; 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 there under.
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) During the year under review, there was acquisition of shares by the promoters due to transfer of shares between the promoters of the company, for which the company has duly complied and made proper disclosures with respect to Regulation 10(7) of the



Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 amended upto date.

- (b) In respect to the acquisition of shares by the promoters, the company has made proper disclosures in respect to the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 amended up to 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 upto 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 upto 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 upto 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 upto date; and
- (h) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 amended upto date;
- (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 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 LODR (Regulation), 2015 and duly complied the various Clauses of LODR (Regulation), 2015.

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.

- The Director remuneration of Sh. Chirag Satia, Director of the company was increased from Rs. 8.00 Lacs p m to Rs. 15.00 Lacs p m. which was approved by the Nomination and Remuneration Committee of the company and for which the company has complied with all the provisions of Schedule V of the Companies Act, 2013. Further, the company had also passed special resolution and had duly filed Form MGT-14 in this regard.
- 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 net profit (before tax) in balance sheet is not same as given in the calculation of CSR because of the applicability of Indian Accounting Standards Amendment Rules, 2018. But the company had made adequate expenditure on CSR as required under Section 135 (5) of the Companies Act, 2013.

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 Section 196, 197, 198 and 203 read with schedule V and all other applicable provisions, if any, of the Companies Act 2013, Remuneration Committee and as approved by the Board of Directors, Sh Chirag Satia, Executive Director of the Company be paid a remuneration of Rs 1500000/- (Rupees Fifteen Lakh only PM) with effect from 1st April, 2016"

- b) The Members had passed a Special Resolution under Section 196 of the Companies Act, 2013 for the change in designation of Sh R.K. Bhandari, Whole-time Director to Joint Managing Director for the remaining period of his tenure"
- c) The Members had passed a Special Resolution under 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, to the appoint Mr.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, 2017 to 30th September, 2020, upon the terms, conditions and stipulations contained in the Agreement entered into between the Company.
- d) The Members had passed a Special Resolution under Section 188 of the Companies Act, 2013 and all other applicable Provisions, Rules and Regulations, for holding the office of profit by Smt Suman Rani, Assistant Manager (Process) at monthly salary of Rs75000/-PM plus all other allowances and perquisites on terms and condition and in pursuance of service rules as applicable to the employee of the Company.
- e) The Members had passed a Special Resolution under Section 185 and all other applicable provisions of the Companies Act,2013 and Rules, for the Scheme of loan for its Chairman Cum Managing Director, whole-time director or other senior Employees of the Company and also ratify any loans given earlier and to finalize, sanction and disburse the loans to CMD, whole-time director, and also to delegate all or any of the above powers to any one Director of the Company. 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.

**Dated : 03<sup>rd</sup> August, 2018**  
**Place : Bathinda (Pb.)**

**For S. Parnami & Associates**  
**Company Secretaries**  
**Sourabh Parnami**  
**M. No. F9396**  
**CP No. 11181**



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

Our Secretarial Audit Report for the financial year 31<sup>st</sup> march 2018 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 mainstain of all applicable laws and regulations and to ensure that the system are 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.

**Dated : 03<sup>rd</sup> August, 2018**  
**Place : Bathinda (Pb.)**

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 not 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.

**For S. Parnami & Associates**  
**Company Secretaries**  
**Sourabh Parnami**  
**M. No. F9396**  
**CP No. 11181**



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**

The Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensures that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, supplier, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We, at SIL, ensure that we follow the corporate governance guidelines and best practices. We consider it our responsibility to disclose timely and accurate information regarding our financial performance as well as the leadership and governance of the Company. The Company is in compliance with the requirements stipulated under Regulation 27 of the SEBI Listing Regulations, as applicable, with regard to corporate governance

### **2. Board of Directors**

The Company recognize that the importance of a diverse Board in its success. We believe that truly diverse Board will leverage differences in thought, perspective, Knowledge, skill and industry experience. In Satia Industries Ltd, Board plays a pivotal role in ensuring that the Company runs on sound business principles and that its resources are utilized for creating sustainable growth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders. With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee. Each of these Committees has been mandated to operate within a given framework.

The Board has complete access to any information

with your 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 fulfills stakeholder's aspirations and societal expectations.

#### **Chairman of the Board**

Dr Ajay Satia is the Chairman and Managing Director of the Company.

Responsibilities of the Chairman, and the Chief Executive Officer and Managing Director.

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 and Managing Director of the Company.

The responsibilities and authority of these officials are as follows:

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 performances of 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**

As on 31st March, 2018 the composition of the Board of Directors is given herein below:

1. An Executive Chairman-Cum-Managing Director,



2. Joint Managing Director
3. Two Whole Time Directors
4. Four independent non-executive Directors,
5. One Additional (Independent) Non Executive woman Director, appointed w.e.f 14.11.2017.
6. Two Additional (independent) Non Executive Director appointed w.e.f 08.02.2018.

The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds vision, strategic direction and value in the decision making process of the Board of Directors.

The Composition of the Board is in conformity with clause 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Act, which requires that at least 50 percent of the Board consist of non-executive Directors and in case the Chairman is a non executive Director at least one third of the Board should comprise of Independent Directors and where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of independent Directors.

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. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

The Board monitors compliance of objectives by holding management accountable for its activities through quarterly performance reporting. Board and committee meetings are held in an atmosphere of intellectual honesty, requiring reporting of the highest standard by management and constructive debate among Board and Committee Members.

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, 2018 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 2017-18, four Board Meetings were held on the following dates:-

- 1) 30-05-2017
- 2) 29-08-2017
- 3) 14-11-2017
- 4) 08-02-2018

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

The 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 31.03.2018 are as follows:

Sr. No.	Name of Director	Category of Directorship	No. Board Meetings attended	Attendance Last AGM	No. of other Directorship (See note)	No. of Committee Membership	
						Member	Chairman
1.	Dr. Ajay Satia	Chairman & Managing Director	4	Yes	–	–	–
2.	Sh. R. K. Bhandari	Joint Managing Director	4	Yes	–	1	–
3.	Sh. A. C. Ahuja	Independent Director	4	Yes	2	2	2
4.	Sh. S. K. Arora	Independent Director	1	No	–	1	–

Sr. No.	Name of Director	Category of Directorship	No. Board Meetings attended	Attendance Last AGM	No. of other Directorship (See note)	No. of Committee Membership	
						Member	Chairman
5.	Sh. Dinesh Sharma	Independent Director	4	No	-	-	-
6.	Sh. I.D. Singh	Independent Director	3	No	-	1	
7.	Sh. Chirag Satia	Executive Director	4	Yes	-	-	-
8.	Sh. Hardev Singh	Director (Technical)	1	No			
9.	Dr. Mrs. Priti Lal Shivhare##	Additional Director (Independent)	0	No	-	-	-
10.	Sh. Ashok Kumar Gupta###	Additional Director (Independent)	1	No	-	-	-
11.	Sh. Arun Kumar Gupta ###	Additional Director (Independent)	0	No	2	1	2

SNo 9 ## Dr Mrs Priti Lal Shivhare Appointed as Additional Director (Independent) w.e.f 14.11.2017

Sr No 11 #### Sh Arun Kumar Gupta Appointed as Additional Director (Independent) w.e.f 08.02.2018

Sr No 10 ### Sh Ashok Kumar Gupta Appointed as Additional Director (Independent) w.e.f 08.02.2018



e) Number of Companies or committee in which the Director of the Company is a 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	3	2	2
4.	Sh S.K.Arora	1	1	-
5.	Sh Dinesh Sharma	1	-	-
6.	Sh I.D.Singh	1	1	-
7.	Sh Chirag Satia	1	-	-
8.	Mrs Dr Priti Lal Shivhare	1	-	-
9.	Sh Ashok Kumar Gupta	1	-	-
10.	Sh Arun Kumar Gupta	3	1	2
11.	Sh Hardev Singh	1	-	-

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.

- viii. During the year, one meeting of the Independent Directors was held on 08.02.2018 Independent Directors, inter-alia, reviewed the performance of non-Independent Directors, Chairman of the Company and the Board as a whole.
- ix. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- x. The details of the familiarization programme of the Independent Directors are available on the website of the Company (<http://www.satiagroup.com/investors>).

#### 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 of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act

#### 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. The terms of reference of the Audit Committee constituted by the Board in terms of Section 177 of the Companies Act, 2013 and the Corporate Governance Code as prescribed under Listing Regulations, which broadly includes matters pertaining to adequacy of internal control

systems, review of financial reporting process, discussion of financial results, interaction with auditors, appointment and remuneration of auditors, adequacy of disclosures and other relevant matters

**The role of the audit committee shall include the following:**

- (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 there on;
- (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 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.



**The Audit Committee as on March 31, 2018 comprised of four Directors**

**Following Directors were the members of the Audit Committee:-**

1. Sh. A.C. Ahuja, Chairman Independent Non Executive Director
2. Sh. S.K. Arora, Independent Non Executive Director (ceased from the membership of Audit Committee w.e.f 08.02.2018)
3. Sh. Inder Dev Singh Independent Non Executive Director
4. Sh. R. K. Bhandari. Joint Managing Director
5. Sh. Arun Kumar Gupta, Additional Director Independent (Appointed w.e.f 08.02.2018)

All these Directors possess knowledge of Corporate Finance/Accounts/ Company Law/Industry. Sh Ashok Kumar Khurana Chief Finance Officer regularly attends the meetings and Sh Rakesh Kumar Dhuria, Company Secretary acts as Secretary of the Committee. The Statutory Auditors of the Company attend the meetings as Special Invitees. 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.

**During the year under review, four (4) Meetings of Audit Committee were held on 30.05.2017, 29.08.2017, 14.11.2017 and 08.02.2018 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. S.K. Arora *	Member	Independent Director	1
4.	Sh. Inder Dev Singh	Member	Independent Director	3
5.	Sh Arun Kumar Gupta***	Member	Independent Director	-

\*\* ceased wef 08.02.2018

\*\*\* appointed wef 08.02.2018

Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

**Nomination and Remuneration Committee**

**Term of Reference:**

The nomination and remuneration committee of the Company is constituted in line with the provisions of

The term of reference of this committee are wide enough covering the matter specified under the SEBI Listing Regulations and the Companies Act, 2013

Composition of the Remuneration Committee & attendance of the members at the Committee Meetings during the year ended 31.03.2018 are as follows:-

Sr. No.	Name of Member	Status in Committee	Directorship	Number of Meetings during the year 2017-18	
				Held	Attended
1	Sh. A.C. Ahuja	Chairman	Independent Director	1	1
2	Sh. Inder Dev Singh	Member	Independent Director	1	1
3	Sh. Dinesh Sharma	Member	Independent Director	1	1

## NOMINATION AND REMUNERATION POLICY

Nomination and Remuneration policy of the Company is designed to attract, motivates and retain manpower in competitive market. The main provision of this policy is given in the Board's Report.

## REMUNERATION OF DIRECTORS

The Nomination and Remuneration policy provides a framework 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 period ended March 31, 2018 is as under:-

Sr. No.	Name of Director	Sitting Fee (Rs.)	Salary	P.F	Others	Total (Rs.)
1	Dr Ajay Satia	–	40800000	–	315176	41115176
2	Sh R.K. Bhandari	–	3190000	–	79763	3269763
3	Sh Chirag Satia	–	36000000	–	10500	36010500
4	Sh Hardev Singh	–	1350000	–	–	1350000
5	Sh A.C.Ahuja	105000	–	–	–	105000
6	Sh S.K.Arora	15000	–	–	–	15000
7	Sh Dinesh Sarma	70000	–	–	–	70000
8	Sh I.D.Singh	80000	–	–	–	80000
9	Sh Ashok Kumar Gupta	30000	–	–	–	30000
10	Sh Arun Kumar Gupta	–	–	–	–	–
11	Mrs Dr Priti Lal Shivhare	–	–	–	–	–

## Corporate Social Responsibility

### (CSR) Committee

As required under Section 135 of the Companies Act, 2013 the Company has formed a CSR Committee.

The Composition of the Committee as at 31<sup>st</sup> March, 2018 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	0

The meeting of CSR Committee was held on 08<sup>th</sup> February, 2018 under the chairmanship of Sh A.C. Ahuja, Independent Director

## INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 08<sup>th</sup> February, 2018 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.



### Business Risk Management Committee

The company has formed a business risk evaluation/management committee consisting of the following members

- |    |                  |                                       |
|----|------------------|---------------------------------------|
| 1) | Sh R.K.Bhandari, | Joint Managing Director<br>(Chairman) |
| 2) | Sh Hardev Singh  | Director (Technical)                  |
| 3) | Sh A.K. Khurana  | CFO-(Member)                          |

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

### General Body Meetings

The last three Annual General Meetings were held as under:-

S. No.	Financial year	Date	Time	Location	No of Special Resolution Passed
1	2016-17	29.09.2017	10.00AM	At Regd. Office; Muktsar-Malout Road, Vill.Rupana Distt. Muktsar	Four
2	2015-16	30.09.2016	10.00AM	At Regd. Office; Muktsar-Malout Road, Vill.Rupana Distt. Muktsar	Two
3	2014-15	30.09.2015	10.00AM	At Regd. Office; Muktsar-Malout Road, Vill.Rupana Distt. Muktsar	Four

### Postal Ballot

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

The said policy has been also put up on the website of the Company.

### 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

#### iii. 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.

- ii. 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 behavior. No person has been denied access to the Chairman of the audit committee.

### Compliance made by the Company

- a) The Company has made the compliance of the stock exchanges, SEBI and other statutory authorities on all matters related to capital market.
- b) 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.

d) The management discussion and Analysis Report forms part of the Annual Report as an addition to the Directors' Report.

**e) Means of Communication**

The quarterly, half yearly and Annual Financial results were published in The Financial Express and also sent to the Stock Exchanges.

f) 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.

**g) General Shareholders information**

**Annual General Meeting**

Date and time : 29<sup>th</sup> September, 2018 (10 AM)

Venue : At Regd. Office : VPO Rupana Muktsar-Malout Road, Distt. Muktsar – 152032

**h) Financial Calendar**

Next Financial Year April 1, 2018 to March 31, 2019

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

Results	Announced on
For 1 <sup>st</sup> Quarter ended on 30.06.2018	August, 2018
For 2 <sup>nd</sup> Quarter ended on 30.09.2018	November. 2018
For 3 <sup>rd</sup> Quarter ended on 31.12.2018	February, 2019
For the year ended on 31.03.2019	May, 2019

i) **Date of Book closure** : 25<sup>th</sup> September, 2018 to 29<sup>th</sup> September,2018 (Both days inclusive)

j) **Listing on Stock Exchanges** : Equity shares of the company has been included in the "XT- group/Index of BSE Limited, Mumbai(BSE)

k) **Stock Code** :

BSE Limited 539201

ISIN Number INE 170E01015

Corporate Identification Number L21012PB1980PLC004329

**l) 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 are given below:-

Month & Year	Share Price at BSE LTD	
	High	Low
April, 2017	65.35	65.35
June, 2017	76.90	68.60
July, 2017	76.90	76.90
Aug, 2017	76.90	76.90
Sept, 2017	76.90	76.90
Oct, 2017	135.30	80.70
Nov, 2017	135.30	135.29
Dec , 2017	135.30	135.30
Jan, 2018	202.20	142.05
Feb, 2018	202.20	202.20
March, 2018	202.20	202.20



## Distribution of shareholding as on March 31, 2018

No. of equity shares held	No of Share-holders	%age	Shares	%age total
UPTO 5000	447	84.02	41893	0.4189
5001 – 10000	31	5.82	22802	0.2280
10001- 20000	13	2.44	18400	0.1840
20001 – 30000	11	2.06	25095	0.2510
30001 – 40000	3	0.56	9375	0.0938
40001 – 50000	3	0.56	14165	0.1417
50001 – 100000	1	0.18	6500	0.0650
100001 AND ABOVE	23	4.32	9861770	98.6177
TOTAL	532	100.00	10000000	100.0000

## (I) Categories of shares as on 31.03.2018

Sr. No.	Particulars	No. of shares	Amount (Rs. in lacs)	%age
1.	Promoter			
	(a) Core Promoter	5097852	50978520	50.98
	(b) Friends/ Relatives			
2.	Financial Institutions	0	0	0.00
3.	Public	4902148	49021480	49.02
4.	Banks	0	0	0.00
5.	Others	0	0	0.00
	Total	10000000	100000000.00	100.00

## m) Dematerialization of shares &amp; liquidity

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

## n) Registrar &amp; Transfer Agents :

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

**Beetal Financial & Computer Services (P) Ltd**  
**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 and approved by the Share Transfer Committee. The physical share transfers are generally processed within a period of 15 days from the date of receipt of transfer documents by M/s Beetal Financial and Computer Services Pvt. Ltd

## p) Investor Grievance Committee

The Investor Grievance Committee of the Company for the year ended 31.03.2018 looks after the work of redressal of investors/ shareholders complaints. The members of the Committee are Dr. Ajay Satia & Sh. R. K. Bhandari. No meeting of Investor Grievance Committee was held during the year under review, as the company has not received a single grievance/complaint from the investors/ shareholders.

**q) Plant location : Muktsar-Malout Road**  
**Vill. Rupana Distt. Muktsar**  
**(Punjab)**

**(r) Investors**  
**correspondence : Muktsar-Malout Road,**  
**Vill Rupana, Distt.**  
**Muktsar- 152026(Punjab)**

**Website** The Company's website ([www.satiagroup.com](http://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 downloads form.

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

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

**(R.K.BHANDARI)**  
**Joint Managing**  
**Director**

**PLACE : New Delhi**  
**DATED : 13.08.2018**

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **GLOBAL ECONOMY OVERVIEW**

The acceleration in global activity that started in 2016 gathered steam in 2017, reflecting firmer domestic demand growth in advanced economies and improved performance in other large emerging market economies. Global growth is set to be just over 3.5% in this calendar year 2018, the fastest for seven years, with improved outcomes in both advanced economies and the EMEs. Confidence measures and levels of new orders for businesses remain strong. This long awaited lift to global growth, supported by policy stimulus, is being accompanied by solid employment gains, a moderate upturn in investment and a pick-up in trade growth. The continued expansion depends on robust global growth and governments' support for right trade policies. However, there are signs that escalating trade tensions may already be affecting business confidence and investment decisions, which could compromise the current outlook. Also, during the year crude oil witnessed a 30% increase in the price and hovered around USD 50 for most part of the year. (Source: IMF and OECD)

### **INDIAN ECONOMY OVERVIEW**

Indian economic growth is giving a positive signal for the current and future scenario. It is projected to strengthen to above 7%, gradually recovering from the transitory adverse impact of rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetization. India's GDP grew 7.2% in the third quarter of 2018, surpassing expectations and wresting back the mantle of fastest growing economy from China on the back of a rebound in industrial activity, especially manufacturing and construction, and an expansion in agriculture. Reserve Bank of India has estimated GDP growth in a range from 7.4% to 7.9% for the Financial Year 2019- 2020. (Source: OECD and Economic Times) Fiscal deficit for 2017-18 is revised to INR 5.95 lakh Cr at 3.5% of the GDP which is approximately the same as 2016-17 in spite of transformation in the economy. In addition to initiatives like "Make in India", "Housing for All" and "Digital India" government has also introduced "Sagar Mala" and "Bharat Mala" initiatives which are expected to boost the domestic growth of the country.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

India embraces 15th rank among paper manufacturing nations in the world. The sum of capacity is around 12.7 million tonnes. For each capital expenditure of paper is around 11 kgs alongside the global average of 56 kgs and the Asian average of 40 kgs. India's share in globe paper

manufacture is about 2.6%. The business is fragmented with over 750 paper mills, of which only 50 mills have a power of 50,000 TPA or more. 72% of the total installed capacity of paper production in India is accounted by West Bengal, Andhra Pradesh, Gujarat, Orissa, Karnataka, and Maharashtra, Uttar Pradesh, Tamil Nadu, Haryana, Kerala, Bihar, and Assam together account for about 26% of the total paper production in India. The manufacturing is working at 89 percent capacity utilization. The present demand is estimated at 13.1 million tonnes with domestic production of 11.4 million tonnes, export of 0.5 million tonnes and import of 2.2 million tonnes. The demand is projected to boost to 23.5 million tonnes by 2024- 25. India is the greatest growing market for paper in the world with a growth rate of about 6 percent yearly. The increase of per capita paper utilization by one kg will raise the demand by about 1.25 million tonnes per annum. Generally, the industry is categorized into two main sections- Paper and Paperboard and Newsprints. In terms of demand subset, Indian paper industry market containing printing & writing paper newsprint industrial paper (5.1 million tonnes) and specialty paper (0.6 million tonnes). The packaging board market size is projected at 2.4 million tonnes, mounting 11.6 %. The paper industry in India has to turn into further promising as the domestic demand is on the rise. Escalating population and literacy rate, development in GDP, development in the manufacturing sector and lifestyle of individuals are probable to account for the development in the paper industry of India. The center of the paper industry is now shifting towards more eco-friendly goods and technology.

Satia Industries Limited has a very strong pulping base having capacity to make sufficient agro waste pulp besides significant capacity to make deinked pulp. along with a Strong marketing network and loyal customer base to fulfill increasing market demand with increase in production and productivity. Three different machines that give your company flexibility to cater to a wider range of market are major strengths. At the same time, the major threat being faced by your company is the stringent environmental regulation being imposed by the government. Increasing competition with globalization and emergence of new units with latest technology, threat of Zero import duty on paper inputs, raw material shortage and economy of scale.

### **SEGMENTATION OR PRODUCT WISE PERFORMANCE**

Your company has introduced a premium quality paper 'super snow white paper' excelling in all qualities like brightness, formation, bulk and strength properties and its share in total production is increasing. This product has made a place for itself in the market. Plans to introduce photocopier paper under a brand name in near future are underway.



There has been good demand for colored and azure laid paper made by your company. There has been more than full capacity utilization of manufacturing capacity of your company.

#### Internal Control Systems and their adequacy

There is adequate internal control system in the company through Internal Audit and regular operations review and efforts are being made to strengthen.

#### Operating & Financial Performance

The net revenue from operation of the Company was Rs 64207.32 Lakh as compared to Rs 57078.52 Lakh during the corresponding period of the previous year 2016-17 and the net profit after tax of the Company was Rs 6867.03 lacs from Rs 4555.16 Lakh recorded for the previous year.

#### Development in Human Resources/Industrial Relations

The human capital of the company has been motivated and committed to bring good operating performance. The industrial relations are cordial. strives to provide the best work environment with ample.

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

#### DECLARATION BY THE MANAGING DIRECTOR

I hereby confirm that all Board Members and Senior Management 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, 2018 in terms of Regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

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

**Place : New Delhi  
Date : 13.08.2018**

#### CMD & CFO CERIFICATE

**The 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 or 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.
  - ii) 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 wey have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

**Ashok Kumar Khurana  
Chief Financial Officer**

**Place : New Delhi  
Date : 13.08.2018**

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

**AUDITORS' CERTIFICATE**

**TO**  
**The Members of Satia Industries Ltd.**

We have examined the compliance of conditions of corporate governance by Satia industries limited formerly known as Satia Paper Mills Ltd., for the year ended on 31<sup>st</sup> March 2018 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 Shareholders/Investor Grievance 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**

**Place : New Delhi  
Date : 13.08.2018**

**Deepak Grover  
( Proprietor )**

**ANNEXURE VI**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2017**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & 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, 3 <sup>rd</sup> Floor,99, Madangir, Behind Local Shopping Complex,Near Dada Harsukhdas Mandir,New Delhi-110062  CONTACT NOS 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
	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-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. promoters									
(1) Indian									
a) Individual/ HUF	1496199	3469028	4965227	49.65	2238268	2859584	5097852	50.98	1.33
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	1496199	3469028	4965227	49.46	2238268	2859584	5097852	50.98	1.33
2) Foreign	-	-	NIL	-	-	-	-	-	-
Total Shareholding of Promoters	1496199	3469028	4965227	49.46	2238268	2859584	5097852	50.98	1.33
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Other Individual HUF	2024	00	2024	0.020	574	-	574	-	-0.014
Sub-total (B)(1):-		-							
<b>2. Non-Institutions</b>									
a) Bodies Corp.	1581035	2549698	4130733	41.31	1581260	2547448	4128708	41.29	-0.02
Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	57596	117785	175381	1.75	52796	104125	156921	1.57	-0.19
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	124885	601750	726635	7.27	148810	467135	615945	6.16	-1.11
c) Others (specify)									
Non Resident Indians	0								
Overseas Corporate Bodies	0								
Foreign Nationals	0								
Clearing Members	0								
Trusts	0								



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Bodies - D R	0								
Sub-total (B)(2):-	1765540	3269233	5034773	50.35	1783440	3118705	4902145	50.34	-1.33
Total Public Shareholding (B)=(B)(1)+(B)(2)	1765540	3269233	5034773	50.35	1783440	3118708	4902145	50.34	-1.33
C. Shares held by Custodian for GDRs & ADRs	0								
Grand Total (A+B+C)									

#### 11) Shareholding of Promoter-

S.N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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 the company	% of total Shares of Pledged / encumbered to total shares	% of Shares	
1	Dr Ajay Satia	2234799	22.35	902200	2234799	22.35	902200	-
2	Smt Bindu Satia	751094	7.51	0	811594	8.12	0	0.61
3	Sh Chirag Satia	455165	4.55	0	636865	6.37	0	1.82
4	Sh Dhruv Satia	673169	6.73	0	775969	7.76	0	1.03
5	Smt. Krishna Satia	212875	2.13	0	500	0.005	0	-2.125
6	Ms Yachana Satia	258750	2.59	0	258750	2.59	0	0
7	Ms Priyanka Satia	360000	3.60	0	360000	3.60	0	0
8	Dr Ajay Satia(HUF)	19375	0.193	0	19375	0.193	0	0
	Total	4965227	49.65	902200	5097852	50.98	902200	1.33



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

S.N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	4965227	49.65	4965227	49.65
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	21.03.2018	132625	1.33	132625	1.33
	At the end of the year	5097852	50.98	5097852	50.98

**1V) 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 (As on 31.03.2017)		No of Shares held at the end of the year (As on 31.03.2018)		% change in shareholding during the year.
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	Muktsar Logistic and Trading (P) Limited	1572800	15.73	1572800	15.73	0
2	SDS Cotton Private Limited	1513285	15.18	1513285	15.18	0
3	Adya Design Private Limited	485319	4.85	485319	4.85	
4	RKB Sales Private Limited	280869	2.81	280869	2.81	
5	White Gold Transport Private Ltd	247700	2.47	247700	2.47	0
6	Bhai Apminder Singh	112750	1.13	112750	1.13	0
7	Sh Gurcharan Kaur	110000	1.10	110000	1.10	0
8	Smt. Jasminder Kaur	106875	1.07	106875	1.07	0
9	S. Jaskaran Singh	106250	1.06	106250	1.06	
10	Krishan Kumar	72125	0.72	0	0	-0.72


**Ev Shareholding of Directors and Key Managerial Personnel:**

S.N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1.	Dr Ajay Satia				
	At the beginning of the year	2234799	22.35	2234799	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	2234799	22.34	2234799	22.34
2.	Sh R.K. Bhandari				
	At the beginning of the year	25625	0.256	25625	0.256
	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	25625	0.256	25625	0.256
3.	Sh Inder Dev Singh	0.00	0.00	0.00	0.00
	At the beginning of the year	0.00	0.00	10	0
	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	10	0
4.	Sh Chirag Satia				
	At the beginning of the year	455165	4.55	455165	4.55
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	16.08.2017	109575	1.10	109575	1.10
	21.03.2018	72125	0.72	72125	0.72

S.N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year	636845	6.37	636845	6.37
5.	Sh S.K.Arora				
	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 A.C. Ahuja				
	At the beginning of the year	0	0	0	0
	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	0	0	0
7.	Sh Dinesh Sharma				
	At the beginning of the year	0	0	0	0
	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	0	0	0
8.	Sh Hardev Singh		0.00	0.00	0.00
	At the beginning of the year	0	0	0	0
	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	0	0	0
9.	Dr Mrs Priti Lal Shivhare	0			
	At the beginning of the year	0			



S.N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0			
	At the end of the Year	0			
10.	Sh Ashok Kumar Gupta				
	At the beginning of the year	0			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0			
	At the end of the Year	0			
11.	Sh Arun Kumar Gupta	0			
	At the beginning of the year	0			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0			
	At the end of the Year	0			
	Key Managerial Personnel				
12.	Sh Ashok Kumar Khurna CFO				
	At the beginning of the year	500	0	0	500
	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	500	0	0	500
13.	Sh Rakesh Kumar Dhuria, Company Secretary	0	0	10	0

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

Particulars	Secured Loans	Unsecured Loans	Deposits	Total
<b>Opening</b>				
i) Principal	11,835.67	1,060.20	-	12,895.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	124.00	12.00	-	136.00
<b>Total (i+ii+iii)</b>	<b>11,959.67</b>	<b>1,072.20</b>	<b>-</b>	<b>13,031.87</b>
<b>Change</b>				
+ Addition	4,185.87	0	-	4,185.87
- Reduction	3,464.78	318.7	-	3,783.48
<b>Net Change</b>	<b>721.09</b>	<b>-318.7</b>	<b>-</b>	<b>402.39</b>
<b>Closing</b>				
i) Principal	12,556.76	741.50	-	13,298.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	108.9	5.21	-	114.11
<b>Total (i+ii+iii)</b>	<b>12,665.66</b>	<b>746.71</b>	<b>-</b>	<b>13,412.37</b>

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

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

(Rs. in Lacs)

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					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40800000	3190000	37019400	1350000	82359400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	315176	79763	10500	0	405439
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					


**B. Remuneration to other directors**

S N.	Particulars of Remuneration	Name of Directors						
		Sh A.C.Ahuja	Sh Dinesh Sharma	Sh I.D.Singh	Sh S.K. Arora	Sh Ashok Kumar Gupta	Sh Arun Kumar Gupta	Dr Priti Lal Shivhare
1	Independent Directors							
	Fee for attending board committee meetings	105000	70000	80000	15000	30000	0	0
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (1)	105000	70000	80000	15000	30000	0	0
2	Other Non-Executive Directors						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)	105000	70000	80000	15000	30000	0	0

**INDEPENDENT AUDITOR'S REPORT TO THE  
MEMBERS OF SATIA INDUSTRIES LIMITED  
V. RUPANA**

We have audited the accompanying standalone Ind AS financial statements of Satia Industries Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, and 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 then ended and a summary of the significant accounting policies and other explanatory information.

**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 Companies Act, 2013 ("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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, except stated otherwise in the notes appended to the Balance sheet.

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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**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 books of account.
- d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the 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 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.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on longterm 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 : New Delhi  
Date : 13.08.2018

**Chartered Accountant  
Deepak Grover  
Proprietor  
M. No. 505923  
FRN: 020678N**

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

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, fixed assets 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 fixed assets at reasonable intervals. According to the information and explanations given to us, no

material discrepancies were noticed on such verification.

- (ii) (a) As explained to us, the inventories of finished goods, semifinished goods, stores, spare parts and raw materials were physically verified at regular intervals/ (at the end of the year) 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 etc (which are being accounted on 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, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 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 exciser 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 (Rs- In Lakhs)
Central Excise Act, 1944	Central Excise Act, 1944	Punjab & Haryana High Court, Chandigarh	1994-95	3.84
Custom Duty	Custom DUTy	Commissioner (Appeal)	2010-11	1.73
Punjab VAT Act 2005	VAT	DETC CUM JOINT DIRECTOR INVESTIGATION, BATHINDA	2017-18	1.24

(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 give 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 give 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.

30.05.2018

**For Deepak Grover & Associates  
Chartered Accountant**

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

### **Annexure - A to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Satia Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the

standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

In our opinion, 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 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

30.05.2018

**For Deepak Grover & Associates  
Chartered Accountant**

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



## BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Lacs)

Particulars	Notes No.	Year ended As at March 31, 2018	Year ended As at March 31, 2017	Year ended As at April 1, 2016
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	5	31,193.77	29,135.68	25,070.90
(b) Capital work-in-progress	6	2,949.56	987.94	2,664.97
(c) Financial assets				
(i) Investments	7	293.59	297.85	660.20
(ii) Loans	8	349.18	311.54	-
(iii) Other financial assets	9	99.73	101.77	101.97
(d) Deferred tax asset (net)	10	479.39	320.04	-
(e) Other non-current assets	11	37.07	78.43	-
<b>Total non-current assets</b>		<b>35,402.29</b>	<b>31,233.25</b>	<b>28,498.04</b>
<b>(2) Current assets</b>				
(a) Inventories	12	5,260.55	2,783.02	5,517.95
(b) Biological assets other than bearer plants	13	2,951.65	1,790.58	853.56
(c) Financial assets				
(i) Trade receivables	14	11,793.96	10,488.37	9,770.85
(ii) Cash and cash equivalents	15	134.61	29.87	10.81
(iii) Bank balances other than above	16	635.01	738.45	494.51
(iv) Other financial assets	17	234.79	186.77	117.61
(d) Current tax assets (net)	18	213.42	189.99	-
(e) Other current assets	19	1,560.18	2,150.89	1,294.07
<b>Total current assets</b>		<b>22,784.17</b>	<b>18,357.94</b>	<b>18,059.36</b>
<b>Total assets</b>		<b>58,186.46</b>	<b>49,591.19</b>	<b>46,557.40</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	20	1,000.00	1,000.00	1,000.00
(b) Other equity	21	21,261.08	14,830.76	10,297.60
<b>Total equity</b>		<b>22,261.08</b>	<b>15,830.76</b>	<b>11,297.60</b>
<b>(1) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	22	9,095.92	9,101.82	10,865.24
(ii) Other financial liabilities	23	8,373.27	8,381.52	7,683.58
(b) Other non current liabilities	24	34.15	41.37	50.12
(c) Provisions	25	689.26	498.84	443.35
(d) Deferred tax liabilities (net)	10	-	-	11.67
<b>Total non-current liabilities</b>		<b>18,192.60</b>	<b>18,023.55</b>	<b>19,053.96</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	26	6,759.03	7,441.16	8,484.78
(ii) Trade payables	27	4,472.98	2,958.76	2,845.67
(iii) Other financial liabilities	28	4,676.33	4,653.65	4,168.89
(b) Current tax liabilities (net)	29	1.15	-	175.88
(c) Other current liabilities	30	1,640.10	535.13	264.83
(d) Provisions	31	183.19	148.18	265.79
<b>Total current liabilities</b>		<b>17,732.78</b>	<b>15,736.88</b>	<b>16,205.84</b>
<b>Total liabilities</b>		<b>35,925.38</b>	<b>33,760.43</b>	<b>35,259.80</b>
<b>Total equity and liabilities</b>		<b>58,186.46</b>	<b>49,591.19</b>	<b>46,557.40</b>

The accompanying notes are an integral part of these financial statements 1 to 52

In terms of our report attached

**Deepak Grover & Associates**  
Chartered Accountants
**Deepak Grover**
 (Proprietor)  
M.No.505923  
FRN : 020678N  
Place : Lalru (Mohali)  
Date : 30-05-2018

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

**A.K Khurana**  
Chief Financial Officer

For and on behalf of the Board of Directors

**R.K Bhandari**  
Whole Time Director  
DIN : 00732588

**Rakesh Kumar Dhuria**  
Company Secretary

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

(Rs. in Lacs)

Particulars	Note	Year ended As at March 31, 2018	Year ended As at March 31, 2017
I Revenue from operations	32	64,207.32	57,078.52
II Other income	33	3,026.32	2,107.14
<b>III Total Income (I+II)</b>		<b>67,233.64</b>	<b>59,185.66</b>
<b>IV Expenses</b>			
Cost of material consumed	34 A	22,387.57	22,330.31
Purchases of stock-in-trade	34 B	1,603.36	463.97
Change in inventories of finished goods, stock-in-trade and work-in-progress	34 C	(832.28)	1,064.79
Excise duty expense		796.89	2,867.24
Employee benefits expense	35	4,359.13	3,539.56
Depreciation	36	4,504.07	4,002.77
Impairment loss on financial assets	37	4.26	0.36
Finance cost	38	2,372.59	2,447.07
Other expenses	39	23,705.00	17,718.28
<b>Total expenses (IV)</b>		<b>58,900.59</b>	<b>54,434.35</b>
<b>V Profit before tax (III - IV)</b>		<b>8,333.05</b>	<b>4,751.31</b>
VI Tax expense:	40		
(1) Current tax		1,566.88	509.53
(2) Minimum Alternate Tax (MAT) credit		(946.09)	(509.53)
(3) Short / (Excess) provision for tax relating to prior years		18.47	6.68
Net current tax expense		<b>639.26</b>	<b>6.68</b>
Deferred tax		826.76	189.46
Net tax expense / (benefit)		<b>1,466.02</b>	<b>196.14</b>
<b>VII Profit for the year (V-VI)</b>		<b>6,867.03</b>	<b>4,555.17</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit obligation		(115.66)	(33.63)
(ii) Income tax relating to items that will not be reclassified to profit or loss		40.03	11.64
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>VIII Total Other Comprehensive Income (A (i-ii)+B(i-ii))</b>		<b>(75.63)</b>	<b>(21.99)</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>6,791.40</b>	<b>4,533.18</b>
X Earnings per equity share (for continuing operation):			
1 Basic	41	68.67	45.55
2 Diluted		68.67	45.55

The accompanying notes are an integral part of these financial statements 1 to 52

**Deepak Grover & Associates**  
Chartered Accountants

**Deepak Grover**  
(Proprietor)  
M.No.505923  
FRN : 020678N  
Place : Lalru (Mohali)  
Date : 30-05-2018

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

**A.K Khurana**  
Chief Financial Officer

For and on behalf of the Board of Directors

**R.K Bhandari**  
Whole Time Director  
DIN : 00732588

**Rakesh Kumar Dhuria**  
Company Secretary



## Cash Flow Statement for the year ended March 31, 2018

(Rs. in Lacs)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. Cash flow from Operating Activities:</b>			
Net profit after tax (V)		6,867.03	4,555.17
<b>Adjustments for:</b>			
Income tax expense		1,506.05	207.78
Depreciation and amortisation		4,504.07	4,002.77
Finance costs		2,372.59	2,447.07
Interest income		(66.02)	(64.98)
Interest income on employee loan		(37.23)	(3.64)
Net loss on sale / discarding of fixed assets		(26.07)	(3.51)
Income from financial guarantee		-	(33.17)
Gain on government grant		(8.75)	(10.60)
Gain on fair valuation of biological assets		(1,010.68)	(924.40)
Impairment loss on financial assets		4.26	0.36
<b>Operating Profit before Working Capital changes</b>		<b>14,105.25</b>	<b>10,172.85</b>
<b>Adjustments for changes in Working Capital :</b>			
- Increase in trade payables		1,514.18	113.09
- Increase/(decrease) in short term provisions		35.01	(117.61)
- Increase in long term provisions		74.76	21.86
- Increase in other current liabilities		1,134.50	595.24
- Increase/(decrease) in other long term liabilities		(8.24)	717.46
- (Increase) in trade receivables		(1,305.59)	(717.52)
- (Increase)/decrease in inventories		(2,627.92)	2,722.31
- (Increase) in long term loans and advances		(0.41)	(307.90)
- (Increase)/decrease in short term loans and advances		646.13	(1,169.92)
- (Increase)/decrease in other non current assets		43.40	(78.23)
<b>Cash generated from Operating Activities</b>		<b>13,611.07</b>	<b>11,951.63</b>
- Taxes (paid)		(1,648.80)	(717.84)
<b>Net Cash from Operating Activities</b>		<b>11,962.27</b>	<b>11,233.79</b>
<b>B. Cash flow from Investing Activities:</b>			
Purchase of Property, plant and equipment		(6,744.75)	(8,088.36)
Payment for Capital WIP		(1,961.61)	1,677.02
Sale of Property, plant and equipment		208.67	24.34
Sale of investments		-	361.99
Interest received		66.02	64.98
<b>Net Cash from Investing Activities</b>		<b>(8,431.67)</b>	<b>(5,960.03)</b>
<b>C. Cash flow from Financing Activities:</b>			
Repayment of short term borrowings		(682.13)	(1,043.62)
Repayment of long term borrowings (Net)		(5.90)	(1,763.44)
Interest paid		(2,376.75)	(2,447.64)
Dividend paid		(300.00)	-
Corporate dividend tax paid		(61.08)	-
<b>Net Cash from Financing Activities</b>		<b>(3,425.86)</b>	<b>(5,254.70)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>		<b>104.74</b>	<b>19.06</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>29.87</b>	<b>10.81</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>15</b>	<b>134.61</b>	<b>29.87</b>
<b>Cash and cash equivalents comprise</b>			
Cash & cheques in hand		121.83	1.67
Balance with banks		12.78	28.20
		<b>134.61</b>	<b>29.87</b>

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

1 to 52

For and on behalf of the Board of Directors

**Deepak Grover & Associates**  
Chartered Accountants

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

**R.K Bhandari**  
Whole Time Director  
DIN : 00732588

**Deepak Grover**  
(Proprietor)  
M.No.505923  
FRN : 020678N  
Place : Lalru (Mohali)  
Date : 30-05-2018

**A.K Khurana**  
Chief Financial Officer

**Rakesh Kumar Dhuria**  
Company Secretary

**Statement of Changes in Equity for the year ended March 31, 2018**  
**Statement of Changes in Equity**

a. Equity share capital	Number of Shares	Equity share capital
Issued and paid up capital at April 1, 2016	100.00	1,000.00
Balance at April 1, 2016	100.00	1,000.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2017	100.00	1,000.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2018	100.00	1,000.00

**b. Other Equity  
Reserves and surplus**

Particulars	General reserve	Retained earnings	Other reserve (Capital reserve)	Other reserve (Investment allowance utilisation reserve)	Total
Balance at April 1, 2016 (as perviously reported)		9,306.32	65.00	78.43	9,449.75
Changes in accounting policy (Refer Note 52)		912.84	(65.00)	-	847.84
Restated balance at April 1, 2016		10,219.16	-	78.43	10,297.59
Balance at April 1, 2016	-	10,219.16	-	78.43	10,297.59
Profit for the year	-	4,555.17	-	-	4,555.17
Other comprehensive income for the year, net of income tax	-	(21.99)	-	-	(21.99)
Total comprehensive income for the year	-	14,752.34	-	78.43	14,830.77
<b>Balance at March 31, 2017</b>	-	<b>14,752.34</b>	-	<b>78.43</b>	<b>14,830.77</b>
Balance at April 1, 2017	-	14,752.34	-	78.43	14,830.77
Profit for the year	-	6,867.03	-	-	6,867.03
Other comprehensive income for the year, net of income tax	-	(75.63)	-	-	(75.63)
Payment of dividends	-	(200.00)	-	-	(200.00)
Tax on dividends	-	(40.72)	-	-	(40.72)
Payment of dividends	-	(100.00)	-	-	(100.00)
Tax on dividends	-	(20.36)	-	-	(20.36)
<b>Balance at March 31, 2018</b>	-	<b>21,182.66</b>	-	<b>78.43</b>	<b>21,261.09</b>

The Company declared an interim dividend of 1.00 Rs. (March 31, 2017 : Rs 0.00 ) and final dividend of 1.5 Rs. (March 31, 2017 : Rs 2.00) per equity share during the year

On 14.10.2017, a dividend of Rs.2 per share (total dividend Rs.200 lacs) was paid to holders of fully paid equity shares. In 2016, the dividend paid was Rs.1 per share (total dividend Rs.100 lacs).

In respect of the year ended March 31, 2018, the directors propose that a dividend of Rs.1.5 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs.150 lacs.

For and on behalf of the Board of Directors

**Deepak Grover & Associates**  
Chartered Accountants

**Deepak Grover**  
(Proprietor)  
M.No.505923  
FRN : 020678N  
Place : Lalru (Mohali)  
Date : 30-05-2018

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

**A.K Khurana**  
Chief Financial Officer

**R.K Bhandari**  
Whole Time Director  
DIN : 00732588

**Rakesh Kumar Dhuria**  
Company Secretary



## 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).

### Application of New & Revised Ind AS

At the date of preparation of these financial statements, there were neither new Ind ASs issued nor there were any amendments issued to the existing Ind ASs, after the initial notification issued by the MCA.

#### 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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments and biological assets which are measured at fair value as explained in Note 52. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards. Upto the year ended March 31, 2017 the Company prepared its financial statement in accordance with the requirement of previous GAAP which includes standards notified under Company (Accounting Standards) Rules, 2006. These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. The details of optional exemptions and certain exceptions availed on first time adoption are mentioned in Note 52

#### 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. On transition to Ind AS, the Company has adopted fair value as deemed cost of property, plant and equipment as at 1st April 2016 under Ind AS 101 and revisited and revised useful life of various categories of assets. Subsequent to adoption of fair value as deemed cost of property, plant and equipment as at 1st April 2016 under Ind AS 101, property, plant and equipment are measured in accordance with Ind AS 16's requirements for cost model.
- (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) In a fire at the industrial premises of the company a part of machinery with WDV of Rs 83.03 lakhs has been damaged which has been reinstated. The claim for loss due to fire has been lodged with insurance company and will be recognised in the books of accounts as per accounting policy of company (Ref para no. 1.7 Revenue Recognition of Accounting policies)

#### 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 2017-18 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

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

- (iv) Land leases where the lease term is for the significant economic life of the asset are considered as finance leases. Such leases are included in property plant and equipment and are depreciated over the lease period. Freehold land or perpetual land leases are not depreciated. Land leases where the lease term is not for the significant economic life of land are considered as operating leases and are classified as prepayments. Such leases are amortized over the lease terms.

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.

- v) 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.

- (vi) 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.

1.3.2 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.

1.3.3 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.

#### 1.4 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.

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

#### 1.5 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.

## 1.6 Financial Instruments

### 1.6.1 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.

### 1.6.2 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.

### 1.6.3 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.

#### 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.

### 1.6.4 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.

### 1.6.5 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.

**1.6.6 De-recognition of financial liabilities**

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

**1.6.7 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.

**1.6.8 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.

**1.7 Revenue Recognition**

Revenue is measured at fair value of the consideration received or receivable. The Company recognizes revenue from sale of products net of discounts, sales incentives, rebates granted, returns, VAT, sales tax and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when significant risks and rewards of ownership pass to the customer, Sale of product is presented gross of manufacturing taxes like excise duty, wherever applicable.

**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**

After implementation of IND AS the receipt from REC has been reclassified as company income of the company.

Income from dividend/REC/E-Certs is recognised on receipt basis.

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

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

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.

**1.8 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.

The company has incurred an abnormal loss of stock of Rs 32.95 Lacs due to fire as on 10.04.2017. As the impact on overall consumption of stock is small the same, the management has deemed it appropriate to consider it a normal consumption.

**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 excise duty.



### 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.

## 1.9 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 entered into by the Company, the difference between the contracted rate and the rate at the date of transaction is recognized as gain or loss over the period of contract except for difference in respect of liabilities incurred for acquiring fixed assets from a country outside India, in which case such difference is adjusted in the carrying amount of the respective fixed assets. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

### 1.10 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.

### 1.11 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 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.

#### **1.12 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. 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 for the year**

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.



### 1.13 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.

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

### 1.15 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.

### 1.16 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.

### 1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit & loss on a Straight-Line basis over the lease term.

#### The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower,

at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Company balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **1.18 Segment reporting**

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

#### **1.19 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.

#### **1.20 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.

#### **1.21 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 certainty**

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.



## 5. Property, plant and equipment

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Carrying amounts of:</b>			
Freehold Land	376.68	214.83	117.94
Plant and Equipment	18,086.87	18,628.78	17,948.46
Turbine	7,071.21	6,607.78	4,269.32
Solar	2,130.28	-	-
Roads	43.92	23.07	-
Buildings	2,756.14	2,918.78	2,214.37
Electrical installation	131.52	142.98	159.54
Office equipment	53.00	26.64	21.94
Furniture and fixtures	25.47	25.31	17.76
Vehicles	482.23	508.05	292.89
Computers	36.45	39.46	28.68
	<b>31,193.77</b>	<b>29,135.68</b>	<b>25,070.90</b>

Depreciation is provided in accordance with the companies Act, 2013 except otherwise specifically stated in policy.

Freehold land and buildings with a carrying amount of Rs. 3,132.82 Lacs as at March 31, 2018; (Rs. 3,133.61 Lacs as at 31st March 2017 ; as at April 1, 2016: Rs 2,332.31 Lacs.) have been under equitable mortgage to secure borrowings of the Company.

Plant and equipment with a carrying amount of Rs.27,288 Lacs as at March 31, 2018; (Rs.25,237 Lacs; as at April 1, 2017: Rs.22,218 Lacs as at April 1, 2016) have been hypothecated to secure Corresponding borrowings of the Company.

### 5.1 Property, plant and equipment

Particulars	Freehold Land	Plant and machinery	Turbine	Solar	Roads	Building	Electrical installation	Office equipments	Furniture and fittings	Vehicles	Com-puters	Total
<b>At Cost or Deemed cost</b>												
<b>Balance at April 1, 2016</b>	117.94	17,948.46	4,269.32	-	-	2,214.37	159.54	21.94	17.77	292.90	28.68	25,070.92
Additions	96.89	4,017.26	2,577.28	-	32.67	966.47	7.96	13.67	10.80	335.87	29.49	8,088.36
Disposals	-	-	-	-	-	-	-	-	-	50.15	-	50.15
<b>Balance at March 31, 2017</b>	214.83	21,965.72	6,846.60	-	32.67	3,180.84	167.50	35.61	28.57	578.62	58.17	33,109.13
Additions	161.85	2,819.65	856.69	2,313.98	30.41	161.93	9.64	38.93	4.81	329.10	17.76	6,744.75
Disposals	-	37.54	-	-	-	-	-	-	-	350.79	-	388.33
<b>Balance at March 31, 2018</b>	376.68	24,747.83	7,703.29	2,313.98	63.08	3,342.77	177.14	74.54	33.38	556.93	75.93	39,465.55
<b>Accumulated Depreciation</b>												
<b>Balance at April 1, 2016</b>	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	3,336.94	238.82	-	9.60	262.06	24.52	8.97	3.26	99.89	18.71	4,002.77
Eliminated on disposals of assets	-	-	-	-	-	-	-	-	-	29.32	-	29.32
<b>Balance at March 31, 2017</b>	-	3,336.94	238.82	-	9.60	262.06	24.52	8.97	3.26	70.57	18.71	3,973.45
Depreciation expense	-	3,334.56	393.26	183.70	9.56	324.57	21.10	12.57	4.65	199.32	20.77	4,504.06
Eliminated on disposals of assets	-	10.54	-	-	-	-	-	-	-	195.19	-	205.73
<b>Balance at March 31, 2018</b>	-	6,660.96	632.08	183.70	19.16	586.63	45.62	21.54	7.91	74.70	39.48	8,271.78
<b>Net block</b>												
<b>Balance at April 1, 2016</b>	117.94	17,948.46	4,269.32	-	-	2,214.37	159.54	21.94	17.77	292.90	28.68	25,070.92
<b>Balance at March 31, 2017</b>	214.83	18,628.78	6,607.78	-	23.07	2,918.78	142.98	26.64	25.31	508.05	39.46	29,135.68
<b>Balance at March 31, 2018</b>	376.68	18,086.87	7,071.21	2,130.28	43.92	2,756.14	131.52	53.00	25.47	482.23	36.45	31,193.77



**6. Capital work-in-progress**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Building under construction	539.55	8.94	506.49
Plant and Machinery under erection	2,410.01	979.00	2,158.48
<b>Total</b>	<b>2,949.56</b>	<b>987.94</b>	<b>2,664.97</b>

**7. Financial assets: Other Investments**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Carried at Fair Value through Profit and Loss</b>			
<b>Unquoted investments (all fully paid)</b>			
<b>Investment in Equity Instruments</b>			
Equity shares of Rs.10/- each fully paid up in Bhandari Exports Industries Ltd.	297.85	298.21	345.00
Equity shares of Rs.10/- each fully paid up in T.C. Spinners(P) Ltd.	-	-	372.00
	<b>297.85</b>	<b>298.21</b>	<b>717.00</b>
Less: Impairment in value of investments	4.26	0.36	56.80
<b>Total investment carrying value</b>	<b>293.59</b>	<b>297.85</b>	<b>660.20</b>
Aggregate value of unquoted investments	293.59	297.85	660.20
Aggregate value of quoted investments	-	-	-
Market value of quoted investments *	-	-	-
Aggregate value of provision for diminution other than temporary in value of investments	-	-	-
Current	-	-	-
Non-current	293.59	297.85	660.20
<b>Total</b>	<b>293.59</b>	<b>297.85</b>	<b>660.20</b>

There are no quoted investments.

**8. Financial Assets: Loans**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Carried at amortised cost</b>			
Unsecured, Considered good	-	-	-
<b>Loans to directors and other officers</b>			
Loan to Key Management Personnel	349.18	311.54	-
<b>Total</b>	<b>349.18</b>	<b>311.54</b>	<b>-</b>

**9. Other financial assets**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Carried at amortised cost</b>			
Unsecured, Considered good	-	-	-
Security deposits (Unsecured)	99.73	101.77	101.97
<b>Total</b>	<b>99.73</b>	<b>101.77</b>	<b>101.97</b>



## 10. 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, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets	1,965.54	1,599.00	1,090.38
Deferred tax liabilities	1,486.15	1,278.96	1,102.05
	<b>479.39</b>	<b>320.04</b>	<b>(11.67)</b>
<b>Components of Deferred Tax Asset and Liability:</b>			
<b>Deferred Tax Liability</b>			
Depreciation and Amortization expenses	1,486.15	1,278.96	1,147.89
Fair valuation of guarantee	-	-	(11.48)
Other	-	-	(34.36)
	<b>1,486.15</b>	<b>1,278.96</b>	<b>1,102.05</b>
<b>Deferred Tax Asset:</b>			
Expenditure covered by section 43B of I.T. Act, 1961	330.61	265.60	271.76
Fair Value of Employee loan	1.66	0.23	-
Recognition of Borrowings at Effective Interest Rate	(75.36)	(110.17)	(115.06)
MAT credit entitlement	1,687.38	741.30	231.77
Unabsorbed losses and depreciation	-	682.26	682.26
Fair value of investment	21.25	19.78	19.65
	<b>1,965.54</b>	<b>1,599.00</b>	<b>1,090.38</b>
<b>Net Deferred Tax Liability/( Asset)</b>	<b>(479.39)</b>	<b>(320.04)</b>	<b>11.67</b>

(Rs. in Lacs)

2017-2018	Opening balance	Recognised in profit or loss comprehensive income	Recognised in other	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Fair Value of Employee loan	0.23	1.43	-	1.66
Recognition of Borrowings at Effective Interest Rate	(110.17)	34.81	-	(75.36)
MAT credit entitlement	741.30	946.08	-	1,687.38
Unabsorbed losses and depreciation	682.26	(682.26)	-	-
Fair value of investment	19.78	1.47	-	21.25
Expenditure covered under section 43B	265.60	24.98	40.03	330.61
Property plant and equipment	(1,278.96)	(207.19)	-	(1,486.15)
	<b>320.04</b>	<b>119.32</b>	<b>40.03</b>	<b>479.39</b>

(Rs. in Lacs)

2016-2017	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Fair Value of Employee loan	-	0.23	-	0.23
Recognition of Borrowings at Effective Interest Rate	(115.06)	4.89	-	(110.17)
MAT credit entitlement	231.77	509.53	-	741.30
Unabsorbed losses and depreciation	682.26	0.00	-	682.26
Fair value of investment	19.65	0.13	-	19.78
Expenditure covered under section 43B	271.76	(17.80)	11.64	265.60
Property plant and equipment	(1,147.89)	(131.07)	-	(1,278.96)
Fair valuation of guarantee	11.48	(11.48)	-	-
Other	34.36	(34.36)	-	-
	<b>(11.67)</b>	<b>320.07</b>	<b>11.64</b>	<b>320.04</b>

**Note :-** Provision for Tax on Income is made after taking into consideration benefit admissible under the provisions of the Income Tax Act, 1961 except for Deduction u/s 80IA.

**11. Other non current assets**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred employee cost	37.07	78.43	-
<b>Total</b>	<b>37.07</b>	<b>78.43</b>	<b>-</b>

**12. Inventories**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials	1,799.31	811.28	2,223.00
Work-in-progress	908.38	378.51	621.23
Finished goods	382.39	271.63	671.51
Stock-in trade	-	-	-
Stock of Cotton	191.64	-	43.77
Stock of Equity Shares held for Trading	-	-	169.58
Stock of Yarn	-	-	208.85
Stores and spares	1,978.83	1,321.60	1,580.01
<b>Total</b>	<b>5,260.55</b>	<b>2,783.02</b>	<b>5,517.95</b>

The cost of inventories recognised as an expense during the year in respect of continuing operations was 23,869.74 lacs (31 March, 2017: 23,438.64 lacs).

The mode of valuation of inventories has been stated in note.



## 13. Biological Assets other than bearer plants

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Balance at the beginning of the year</b>	1,790.58	853.56	89.19
Addition during the year			
Other adjustments	1,191.12	1,363.46	764.37
Disposal during the year	(30.05)	(426.44)	-
<b>Balance at the end of the year</b>	<b>2,951.65</b>	<b>1,790.58</b>	<b>853.56</b>
<b>Balance for linking</b>			
Balance at the end of the year	2,951.65	1,790.58	853.56
	0.00	0.00	0.00

The Company had 201,319 numbers of Eucalyptus trees (2017 - 201,319 numbers, 2016 - 194,621). During the year, output of agricultural produce is Nil (2017 - 18,089).

## 14. Financial assets: Trade receivables

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
<b>Unsecured - considered good</b>			
Outstanding for a period exceeding six months from the date they are due for payment	22.12	110.18	13.94
Others	11,771.84	10,378.19	9,756.91
	1,793.96	10,488.37	9,770.85
Less Provision for doubtful debts	-	-	-
<b>Total</b>	<b>11,793.96</b>	<b>10,488.37</b>	<b>9,770.85</b>

## 14.1 Trade receivables

The average credit period on sales of goods is 60 days. No interest is charged on trade receivables.

The Company has no history of bad debts and based on historical trend the company has not provided any provision on trade receivables. The Company's exposure and credit worthiness of its counterparties is regularly monitored.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

## Age of trade receivables is as follows

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within the credit period	9,011.84	9,458.55	9,283.96
Upto 6 Months	2,760.00	919.64	472.95
More than 6 Months	22.12	110.18	13.94
<b>Total</b>	<b>11,793.96</b>	<b>10,488.37</b>	<b>9,770.85</b>

The concentration of credit risk is limited.

**15. Financial assets: (i) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Cash and Cash Equivalents</b>			
Cash on hand	4.39	1.67	2.46
Draft in transit	117.44	-	-
<b>Bank balances</b>			
Current accounts	12.78	28.20	6.84
Deposit accounts with original maturity upto 3 months	-	-	1.51
<b>Total</b>	<b>134.61</b>	<b>29.87</b>	<b>10.81</b>
<b>Cash and Cash Equivalents as per Cash Flows Statement</b>	<b>134.61</b>	<b>29.87</b>	<b>10.81</b>

There are no material non cash transactions.

**16. Financial assets: Bank balances other than (i) above**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed deposits held as margin money	635.01	738.45	494.51
<b>Total</b>	<b>635.01</b>	<b>738.45</b>	<b>494.51</b>

**Fixed deposits held as margin money**

The amount in deposit accounts represents the restricted balance in respect of letter of credits/Bank Guarantee issued by the banks in favour of the Company.

**17. Other financial assets**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Carried at amortised cost</b>			
Unsecured, Considered good			
Security/ tender deposits	207.57	157.47	98.86
Interest accrued on deposits	27.22	22.55	18.75
Insurance Claims Recoverable	-	6.75	-
<b>Total</b>	<b>234.79</b>	<b>186.77</b>	<b>117.61</b>

**18. Current tax assets (net)**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance income tax / TDS (net of provisions)	213.42	189.99	-
	<b>213.42</b>	<b>189.99</b>	<b>-</b>



## 19. Other current assets

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance to supplier	1,253.11	1,426.39	811.29
Advance lease rent - agriculture	89.94	42.04	10.62
Advance rent	0.30	0.30	0.30
Other Advance	14.26	16.95	15.77
Prepaid expenses			
Prepaid insurance	25.94	26.08	23.34
Prepaid expense (others)	58.86	12.35	12.34
Balance with Government Authorities			
Excise duty and service tax receivable (including Cenvat credit)	-	520.81	377.72
Export incentive receivable	33.71	18.56	0.25
DEPB Recoverable	0.42	3.80	0.16
Deferred employee cost	41.36	41.36	-
Miscellaneous recoverable	42.28	42.25	42.28
<b>Total</b>	<b>1,560.18</b>	<b>2,150.89</b>	<b>1,294.07</b>

## 20. Equity

## Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>Authorised capital</b>			
22,000,000 equity shares of Rs 10 each (previous year 22,000,000 equity shares of Rs 10 each)	2,200	2,200	1,200
<b>Issued, Subscribed and Paid up</b>			
10,000,000 equity shares of Rs 10 each (previous year 10,000,000 equity shares of Rs 10 each) fully paid up	1,000	1,000	1,000
	<b>1,000</b>	<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, 2018	<b>No. of Shares</b>	100	-	-	-	100
	<b>Amount</b>	1,000	-	-	-	1,000
Year Ended March 31, 2017	<b>No. of Shares</b>	100	-	-	-	100
	<b>Amount</b>	1,000	-	-	-	1,000
As at April 1, 2016	<b>No. of Shares</b>	100	-	-	-	100
	<b>Amount</b>	1,000	-	-	-	1,000

**(ii) Rights, preferences and restriction attached to shares**

The Company has one class of equity shares having a par value of Rs 10 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: (In Lacs)**

Particulars	As March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Number of shares held	%	Number of shares held	%	Number of shares held	%
<b>Equity shares</b>						
Sh. Ajay Satia	22.3	22.35%	22.3	22.35%	14.76	14.76%
Smt. Bindu Satia	8.1	8.12%	7.5	7.51%	7.51	7.51%
Sh. Anil Satia	-	0.00%	-	0.00%	5.68	5.68%
Mr. Ankit Satia	-	0.00%	-	0.00%	7.93	7.93%
Mr. Dhruv Satia	7.8	7.76%	6.7	6.73%	5.43	5.43%
S.D.S Cotton (P) Ltd	15.1	15.13%	15.1	15.13%	15.13	15.13%
Muktsar Logistics and Trading (P) Ltd.	15.7	15.73%	15.7	15.73%	15.73	15.73%
Chirag Satia	6.37	6.37%	4.55	4.55%	-	0.00%

No shares allotted as fully paid up without payment being received in cash during 5 years immediately preceding March 31, 2017.

**21. Other Equity (In Lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Retained Earnings	21,182.66	14,752.34	10,219.16
Investment Allowance utilisation reserve	78.42	78.42	78.44
<b>Total</b>	<b>21,261.08</b>	<b>14,830.76</b>	<b>10,297.60</b>

**21.1 Retained Earnings (Rs. in Lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Balance at the beginning of the year</b>	14,752.34	10,219.16
Profit for the year	6,867.03	4,555.17
Other comprehensive income for the year (net of tax)	(75.63)	(21.99)
Payment of dividends	(300.00)	-
Tax on dividends	(61.08)	-
<b>Balance at the end of the year</b>	<b>21,182.66</b>	<b>14,752.34</b>



## 22. Non current borrowings

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured (Carried at amortised cost)</b>			
<b>Term loan from banks</b>			
Punjab National Bank	4,627.18	4,197.22	5,314.87
Central Bank of India	3,095.28	2,784.75	3,084.99
Indian Overseas Bank	262.66	432.78	584.70
Andhra Bank	559.76	716.73	769.09
<b>Vehicle loans</b>	113.42	239.41	268.42
<b>Unsecured (at amortised cost)</b>			
HDB Financial Services	437.62	725.41	834.94
Magma Fincorp Limited	-	4.27	6.98
From Directors	-	1.25	1.25
<b>Total</b>	<b>9,095.92</b>	<b>9,101.82</b>	<b>10,865.24</b>

**Term loans:**

The loans due to Punjab National Bank, Central Bank of India, Indian Overseas Bank and Andhra 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. The mortgages and charges referred to above rank pari-passu among the lenders. All the borrowings are personally guaranteed by the Chariman Cum Managing Director and joint managing director of the company. The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

The loans due to Punjab National Bank are further secured by pledge of 24 lacs equity shares of the Company.

**Vehicle loans:**

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 4,202.36 lacs (2017- 3,892.22 Lacs, 2016 - 3, 689.95 lacs) has been treated as current liability and are not included in long term liability.

The weighted average effective interest rate on the bank loans is 10.32% per annum.

**Terms of repayment:**

Normal Repayment Period - 5 Years

## 23. Other financial liabilities

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured</b>			
Security deposits	8,373.27	8,381.52	7,664.06
Guarantee issued	-	-	19.52
<b>Total</b>	<b>8,373.27</b>	<b>8,381.52</b>	<b>7,683.58</b>



**24. Other non current liabilities**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred capital government grants	34.15	41.37	50.12
<b>Total</b>	<b>34.15</b>	<b>41.37</b>	<b>50.12</b>

**25. Long term provisions**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for employee benefits (Refer note 42)</b>			
Leave encashment	159.63	138.58	141.63
Gratuity obligation	529.63	360.26	301.72
<b>Total</b>	<b>689.26</b>	<b>498.84</b>	<b>443.35</b>

The provision for employee benefits includes annual leave and gratuity. The increase in the carrying amount of the provision for the current year results from increase in number of employees, increase in salaries and change in other assumptions.

**26. Current borrowings**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured (Carried at amortised cost)</b>			
<b>Working capital loans from Banks</b>			
Punjab National Bank	5,375.01	7,046.69	7,222.32
Central Bank of India	1,384.02	394.46	1,262.46
<b>Total</b>	<b>6,759.03</b>	<b>7,441.16</b>	<b>8,484.78</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 & joint managing director 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.

**27. Financial liabilities: Trade payables**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Due to Micro and Small enterprises	37.05	27.95	36.33
Others	1,906.34	651.67	965.09
Acceptances Against LC	2,529.59	2,279.14	1,844.25
<b>Total</b>	<b>4,472.98</b>	<b>2,958.76</b>	<b>2,845.67</b>

The Company pays its vendors within 60 days and no interest during the year has been paid or is payable under terms of the Micro, Small and Medium Enterprises Development Act, 2006. The company has been obtaining confirmation from suppliers who have registered themselves under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED ACT, 2006). Refer note 48 for information available related to Micro & Small Enterprises as defined under the MSMED ACT, 2006.

**28. Other financial liabilities**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Carried at amortized cost</b>			
Interest accrued but not due	25.31	29.47	30.02
Guarantee issued	-	-	13.65
Current maturities of non-current borrowings	4,202.35	3,892.22	3,689.95
Others	448.67	731.96	435.27
<b>Total</b>	<b>4,676.33</b>	<b>4,653.65</b>	<b>4,168.89</b>

**29. Current tax liabilities**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income tax payable	1.15	-	175.88
<b>Total</b>	<b>1.15</b>	<b>-</b>	<b>175.88</b>

**30. Other current liabilities**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers	1,216.88	156.78	117.30
Statutory dues	416.00	369.60	136.93
Deferred capital government grants	7.22	8.75	10.60
<b>Total</b>	<b>1,640.10</b>	<b>535.13</b>	<b>264.83</b>

**31. Short term provisions**

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits (Refer note 43)			
Leave encashment	132.18	101.49	213.98
Gratuity obligation	51.01	46.69	51.81
<b>Total</b>	<b>183.19</b>	<b>148.18</b>	<b>265.79</b>

**32. Revenue from Operations**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gross sales (including excise duty of INR 796.89 lacs for the year ended March 31, 2018, INR 2,867.24 lacs for the year ended March 31, 2017)	75,670.86	63,550.62
Less: Inter divisional sale of power and steam	11,452.27	6,460.32
Less: Discount	11.27	11.78
<b>Total</b>	<b>64,207.32</b>	<b>57,078.52</b>

**Total Revenue from Operations**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Particulars of sale of products comprises		
<b>I PAPER DIVISION</b>		
<b>MANUFACTURED GOODS</b>		
Writing & Printing Paper (Including Excise Duty)	62,211.53	55,421.90
Sale Of Soda Ash	-	-
Sale of Sodium Sulphite	29.45	-
Sale Of Scrap	207.87	171.98
Sale of of Waste	101.81	-
<b>TRADED GOODS</b>		
Sale Of Wood Pulp	82.15	219.53
Sale of Shares held for trading	-	169.58
Sale Of Waste Paper	65.28	18.61
<b>Gross Sales</b>	<b>62,698.09</b>	<b>56,001.60</b>
<b>Sales Less Returns</b>	<b>62,698.09</b>	<b>56,001.60</b>
<b>II COTTON &amp; YARN DIVISION (TRADE)</b>		
Sale (Cotton)	1,082.81	320.29
Sale (Yarn)	299.80	341.98
<b>III CO-GENERATION DIVISION</b>		
Sale Of Electricity	7,024.05	4,349.06
Sale Of Steam	4,428.21	2,111.26
<b>IV SOLAR DIVISION</b>		
Sale of Solar Power	107.85	-
<b>V AGRICULTURE DIVISION</b>		
Agriculture division	30.05	426.43
	<b>75,670.86</b>	<b>63,550.62</b>

**33. Other Income**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income	66.02	64.98
Interest income on employee loan	37.23	3.64
Insurance claims	30.67	42.15
Net gain on foreign currency transactions	-	6.71
Discount earned on DEPB and SHIS purchase	3.59	4.99
Export incentive	51.64	28.43
Income from Renewable energy certificate	1,737.05	972.48
Income from E scerts	40.21	-
Sale of Voluntary Emission Reduction	-	6.76
Profit on sale of capital assets (net of loss on assets sold /scrapped / written off)	26.07	3.51
Government grant income	8.75	10.60
Gain on fair valuation of Biological assets	1,010.68	924.40
Guarantee income	-	33.17
Miscellaneous income	14.41	5.32
<b>Total</b>	<b>3,026.32</b>	<b>2,107.14</b>

**34 A. Cost of material consumed**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw materials	12,621.93	14,412.97
Chemicals	9,729.07	7,906.17
Biological assets	36.57	11.17
<b>Total</b>	<b>22,387.57</b>	<b>22,330.31</b>

**34 B. Cost of purchase of stock in trade**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cotton	1,304.77	270.41
Yarn	298.59	193.56
<b>Total</b>	<b>1,603.36</b>	<b>463.97</b>

**34 C. Change in inventory**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock		
Finished goods	274.90	671.51
Stock in process	136.43	120.18
Semi finished	229.97	492.22
Scrap	8.83	8.83
Cotton	-	43.77
Yarn	-	208.85
Stock of Equity Shares	-	169.58
Sub-Total A	650.13	1,714.94
Closing stock		
Finished goods	382.39	271.63
Stock in process	206.15	136.65
Semi finished	702.23	233.03
Scrap	-	8.83
Cotton	191.64	-
Sub-Total B	1,482.41	650.13
<b>(Increase)/ decrease in stocks (B-A)</b>	<b>(832.28)</b>	<b>1,064.79</b>

**35. Employee Benefits Expense**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salary, Allowances & Other Employee Benefits	3,124.25	2,241.53
Contribution to PF, EPS	156.84	177.76
Staff Welfare Expenses	1,078.04	1,120.27
<b>Total</b>	<b>4,359.13</b>	<b>3,539.56</b>

**36. Depreciation**

INR in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation	4,504.07	4,002.77
<b>Total</b>	<b>4,504.07</b>	<b>4,002.77</b>

**37. Impairment in value of Financial Assets**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Impairment in value of Investments	4.26	0.36
<b>Total</b>	<b>4.26</b>	<b>0.36</b>

**38. Finance Cost**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on term loans	1,295.27	1,200.59
Interest on working capital	968.42	1,115.96
Bank and other charges	108.90	130.52
<b>Total</b>	<b>2,372.59</b>	<b>2,447.07</b>

The weighted average capitalisation rate on funds borrowed generally is 10.32% per annum (2016-2017: 10.36% per annum).

**39. Other Expenses**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Printing and Stationery	6.58	6.64
Traveling and Conveyance	118.09	175.65
Fuel	6,420.70	4,506.91
Stores and spare parts consumed	4,423.16	3,305.60
Packing material and expense	2,369.95	1,605.61
Power consumed	984.78	993.22
Water supply charges	51.51	84.28
Electricity & Water	9.18	9.44
Effluent treatment expense	0.58	-
Repairs and maintenance - Buildings	323.24	246.65
Repairs and maintenance - Plant and Machinery	452.00	374.70
Repairs and maintenance - Others	27.57	74.10
Raw Material and chemical expense	430.10	364.39



Handling and Shifting - Fuel	103.46	-
Insurance expenses	97.24	62.94
Freight and handling outward/ export expenses	2,471.98	2,338.78
Reversal of Cenvat credit of excise duty	-	0.49
Vehicle Running & Maintenance Expenses	42.53	54.40
Postage, telegram and telephone	23.37	18.29
Sales tax	55.81	-
Disposal and cartage	142.01	191.53
Rent	53.12	55.15
Legal & Professional Charges	88.52	58.15
Fees & Subscriptions	68.71	52.99
Advertisement	17.58	4.33
Board meeting expenses	3.00	3.48
Rebate & Discounts	284.23	206.12
Charity and donations	16.13	37.62
Auditors remuneration and expenses	11.22	3.10
Commission	4,458.67	2,591.95
Net loss on foreign currency transactions	42.73	-
Computer expense	23.77	18.09
CSR Expenses	49.21	30.99
Miscellaneous Expenses	34.27	242.69
<b>Total Other Expenses</b>	<b>23,705.00</b>	<b>17,718.28</b>

## 40. Income tax recognised in profit or loss

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Current tax</b>		
In respect of the current year	1,566.88	509.53
In respect of prior years	18.47	6.68
Mat Credit Entitlement	(946.09)	(509.53)
	<b>639.26</b>	<b>6.68</b>
<b>Deferred tax</b>		
In respect of the current year	826.76	189.46
	<b>826.76</b>	<b>189.46</b>
Total income tax expense recognised in the current year relating to continuing Operations	<b>1,466.02</b>	<b>196.14</b>

**Income tax recognised in other comprehensive income**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Deferred tax</b>		
Remeasurement of defined benefit obligation (Deferred Tax Asset)	40.0	11.64
<b>Total income tax recognised in other comprehensive income</b>	<b>40.0</b>	<b>11.64</b>
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	40.0	11.64
Items that may be reclassified to profit or loss	-	-
	<b>40.0</b>	<b>11.64</b>

**41. Earning per share**

IN INR

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Basic earning per share</b>			
From continuing operations	68.67	45.55	13.12
<b>Total basic earnings per share</b>	<b>68.67</b>	<b>45.55</b>	<b>13.12</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 earnings per share are as follows.

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Profit for the year attributable to owners of the Company	6,867.03	4,555.17	1,311.62
Earnings used in the calculation of basic earnings per share	6,867.03	4,555.17	1,311.62
Earnings used in the calculation of basic earnings per share from continuing operations	6,867.03	4,555.17	1,311.62
Weighted average number of equity shares for the purposes of basic earnings per share	100.00	100.00	100.00

**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



#### 42. Operating lease arrangements

The Company has entered into Operating leases arrangements for agriculture land and branch office

with lease terms between 7 and 10 years. All operating lease contracts are for a period over 5 years. The company does not have an option to purchase the leased land at the expiry of the lease periods.

##### Payments recognised as an expense

(Rs. in Lacs)

Particulars	2018	2017	2016
Payments recognised as an expense	53.12	55.15	47.01

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease

payments are recognized as an expense in the Profit & Loss Account on a Straight-Line basis over the lease term.

#### 43. 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 125.3 lacs (2016-17 -157.69 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, 2018	For the year ended March 31, 2017
a) Employers contribution to Employee's Pension Scheme 1995	85.35	107.92
b) Employers contribution to Provident fund	39.95	49.77
	<b>125.3</b>	<b>157.69</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, 2018 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, 2018		March 31, 2017		March 31, 2016	
	Leave Encashment/Compensated Absence	Employees Gratuity Fund	Leave Encashment/Compensated Absence	Employees Gratuity Fund	Leave Encashment/Compensated Absence	Employees Gratuity Fund
<b>Economic Assumptions</b>						
Discount rate (per annum)	7.75%	7.75%	7.50%	7.50%	8.00%	8.00%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%	4.00%	4.00%
Rate of return on plan assets	0	0	0	0	0	0
<b>Demographic Assumptions</b>						
Employee Turnover/Withdrawal Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Retirement Age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years
Mortality	IALM2006-2008	IALM2006-2008	IALM2006-2008	IALM2006-2008	IALM2006-2008	IALM2006-2008

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand 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, 2018		March 31, 2017	
	Leave Encashment/Compensated Absence	Employees Gratuity Fund	Leave Encashment/Compensated Absence	Employees Gratuity Fund
Current service cost	57.71	52.97	43.64	34.20
Company's Contribution	0.00	0.00	0.00	0.00
Past Service Cost	0.00	10.97	0.00	0.00
Remeasurements	0.00	0.00	0.00	0.00
Net Interest cost	18.61	31.54	26.67	26.51
Net actuarial (Gains)/loss	116.01	0.00	203.20	0.00
<b>Components of defined benefit costs recognised in profit or loss*</b>	<b>192.33</b>	<b>95.48</b>	<b>273.51</b>	<b>60.71</b>
	0.00	0.00	0.00	0.00
Remeasurement on the net defined benefit liability	0.00	0.00	0.00	0.00
-Return on plan assets (excluding amounts included				



in net interest expense)	0.00	0.00	0.00	0.00
-Actuarial (gains) / losses arising from changes in demographic assumptions	0.00	0.00	0.00	0.00
-Actuarial (gains) / losses arising from changes in financial assumptions	0.00	15.18	0.00	14.02
-Actuarial (gains) / losses arising from experience adjustments	0.00	100.49	0.00	19.62
<b>Components of defined benefit costs recognised in other comprehensive income(OCI)**</b>	<b>0.00</b>	<b>115.67</b>	<b>0.00</b>	<b>33.64</b>
<b>Total</b>	<b>192.33</b>	<b>211.15</b>	<b>273.51</b>	<b>94.35</b>

\* Included in "Employee benefits expense" line item in the statement of profit and loss.

\*\* Included in "Other Comprehensive Income"

(Rs. in Lacs)

**Movement in the present value of the defined benefit obligation are as follows-**

Particulars	March 31, 2018		March 31, 2017	
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund
Present value of obligation as at beginning of the year	240.07	406.95	355.61	353.53
Adjustment in beginning balance	0.00	0.00	0.00	0.00
Interest cost	18.61	31.54	26.67	26.51
Past Service Cost	0.00	10.97	0.00	0.00
Current service cost	57.71	52.97	43.64	34.20
Contribution by plan participants	0.00	0.00	0.00	0.00
Benefits paid	140.58	37.46	389.06	40.92
Transfer In	0.00	0.00	0.00	0.00
Actuarial (gain) / loss on obligations due to remeasurements	0.00	0.00	0.00	0.00
a. Effect of change in Financial Assumptions	7.59	15.18	6.53	14.02
b. Effect of change in Demographic Assumptions	0.00	0.00	0.00	0.00
c. Experience (Gain)/ Losses	108.42	100.49	196.67	19.62
<b>Present value of obligation as at the</b>				

year end	291.82	580.64	240.06	406.96 (Rs. in Lacs)		
Particulars	March 31, 2018		March 31, 2017		March 31, 2016	
	Leave Encashment/Compensated Absence	Employees Gratuity Fund	Leave Encashment/Compensated Absence	Employees Gratuity Fund	Leave Encashment/Compensated Absence	Employees Gratuity Fund
Present value of obligation as at the year end	291.81	580.64	240.07	406.95	355.60	353.53
Fair value of plan assets as at the year end	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net (asset)/ liability recognised in balance sheet</b>	<b>291.81</b>	<b>580.64</b>	<b>240.07</b>	<b>406.95</b>	<b>355.60</b>	<b>353.53</b>
<b>Classified as non- current</b>	159.63	529.63	138.58	360.26	141.63	51.81
<b>Classified as current</b>	132.18	51.01	101.49	46.69	213.97	301.72
<b>Total</b>	<b>291.81</b>	<b>580.64</b>	<b>240.07</b>	<b>406.95</b>	<b>355.60</b>	<b>353.53</b>

**Reconciliation of present value of defined benefit obligation and fair value of assets**

**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. 39.26 lacs (increase by Rs.44.84) (as at March 31, 2017: decrease by Rs.26.46 lacs (increase by Rs.29.96 lacs)) (as at April 1, 2016: decrease by Rs. 22.08 lacs (increase by Rs.24.93 lacs)).
- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 44.92 lacs (decrease by Rs. 39.81 lacs) (as at March 31, 2017: increase by Rs. 30.26 lacs (decrease by Rs. 27.03 lacs)) (as at April 1, 2016: increase by Rs. 25.55 lacs (decrease by Rs. 22.97 lacs)).
- The estimated term of the benefit obligations in case of gratuity is 13 years( As at March 31, 2017:12 years )

**Leave Encashment**

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 12.61 lacs (increase by Rs.14.52 lacs) (as at March 31, 2017: decrease by Rs. 11.82 lacs (increase by Rs. 13.53 lacs))
- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs.14.78 lacs (decrease by Rs. 13.03 lacs) (as at March 31, 2017: increase by Rs. 13.88 lacs

(decrease by Rs. 12.30 lacs))

The estimated term of the benefit obligations in case of leave encashment is 15 years( As at March 31, 2017: 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.

**44. 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. Co generation 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

Year ended 31 March 2018

(Rs. in Lacs)

Particulars	Paper division		Yarn and cotton division		Co Generation 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	62,686.81	55,989.82	1,382.61	662.27	-	-	30.05	426.43	107.85	-	64,207.32
*-'Inter Segment Sales					11,452.27	6,460.32					11,452.27
- Interest Income	103.24	68.62	-	-	-	-	-	-	-	-	103.24
- Other Income	1,398.44	1,238.32	-	-	1,524.63	800.20	-	-	-	-	1,398.44
<b>Total revenue</b>	<b>64,188.49</b>	<b>57,296.76</b>	<b>1,382.61</b>	<b>662.27</b>	<b>12,976.90</b>	<b>7,260.52</b>	<b>30.05</b>	<b>426.43</b>	<b>107.85</b>	<b>-</b>	<b>78,685.90</b>
<b>2 Segment results</b>											
Unallocated corporate expenses (net off unallocated Income)	-	-	-	-	-	-	-	-	-	-	-
Profit before interest and tax	4,016.06	3,361.98	(30.38)	(54.51)	5,820.02	2,632.71	982.00	1,258.20	(82.06)	-	<b>10,705.64</b>
Interest expense	2,120.30	2,394.23	-	-	186.59	52.84	-	-	65.70	-	<b>2,372.59</b>
Provision for taxation	1,466.02	509.53	-	-	-	-	-	-	-	-	<b>1,466.02</b>
<b>3 Profit/(loss) after tax</b>	<b>429.74</b>	<b>458.22</b>	<b>(30.38)</b>	<b>(54.51)</b>	<b>5,633.43</b>	<b>2,579.87</b>	<b>982.00</b>	<b>1,258.20</b>	<b>(147.76)</b>	<b>-</b>	<b>6,867.03</b>
<b>4 Other information</b>											
a Segment assets	42,922.85	39,853.63	484.76	838.53	8,754.42	6,951.37	31,309.56	1,947.67	2,714.88	-	<b>58,186.47</b>
<b>Total assets</b>	<b>42,922.85</b>	<b>39,853.63</b>	<b>484.76</b>	<b>838.53</b>	<b>8,754.42</b>	<b>6,951.37</b>	<b>31,309.56</b>	<b>1,947.67</b>	<b>2,714.88</b>	<b>-</b>	<b>58,186.47</b>
b Segment liabilities	16,964.82	15,996.63	366.23	14.40	1,118.38	264.76	6.76	1.30	-	-	18,456.19
<b>Total liabilities</b>	<b>16,964.82</b>	<b>15,996.63</b>	<b>366.23</b>	<b>14.40</b>	<b>1,118.38</b>	<b>264.76</b>	<b>6.76</b>	<b>1.30</b>	<b>-</b>	<b>-</b>	<b>18,456.19</b>
<b>Others</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital Expenditure	4,092.25	5,102.11	-	-	1,430.21	2,936.10	4.86	-	2,790.72	-	<b>8,318.04</b>
Depreciation	3,886.58	3,766.91	-	-	432.95	235.86	0.84	-	183.70	-	<b>4,504.07</b>

aggregated operating segments share similar economic characteristics.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. 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.

deferred tax liabilities and other liabilities of corporate

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. 22261.08 (As at March 31, 2017: Rs. 15830.76) on account of share capital, other equity,

(Rs. in Lacs)

Particulars	Paper division		Yarn and cotton division		Co Generation division		Agriculture division		Solar division		Total Segments
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	
<b>1 Revenue</b>											
Capital Expenditure	4,092.25	5,102.11	-	-	1,430.21	2,936.10	4.86	-	2,790.72	-	8,318.04
Depreciation and amortisation	3,886.58	3,766.91	-	-	432.95	235.86	0.84	-	183.70	-	4,504.07
Non cash expenses other than depreciation and amortisation			-	-	-	-	-	-	-	-	-

office.

#### Other segment information

#### 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:

1. India

2. Rest of the World

Particulars	Revenue from external customers	
	Year ended March 31, 2018	Year ended March 31, 2017
India	61,134.29	54,479.23
Rest of the world	3,073.03	2,599.29
	<b>64,207.32</b>	<b>57,078.52</b>

#### Information about major customers

No single customer contributed 10% or more to company's revenue for both 2017-18 and 2016-17.



## 45. Financial Instruments

### 45.1 Capital management

The company manages its 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;

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Debt *	20,057.30	20,435.19	23,039.98
Cash and bank balances	769.62	768.32	505.32
Net debt	19,287.68	19,666.87	22,534.66
Equity**	22,261.08	15,830.76	11,297.60
<b>Net debt to equity ratio</b>	<b>86.64%</b>	<b>124.23%</b>	<b>199.46%</b>

\*Debt is defined as long-term and short-term borrowings (excluding derivatives and financial guarantee contracts).

\*\* Equity includes all capital and reserved of the company that are managed as capital.

### 45.2 Categories of financial instruments

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Financial assets</b>			
Measured at amortised cost			
(a) Cash and bank balances	769.62	768.32	505.32
(b) Trade and other receivables	11,793.96	10,488.37	9,770.85
(c) Loans	349.18	311.54	-
(d) Other Financial Assets	334.52	288.54	219.58
Measured at Fair Value through Profit and Loss			
(a) Investments	293.59	297.85	660.20
<b>Financial liabilities</b>			
Measured at amortised cost			
(a) Borrowings	15,854.95	16,542.98	19,350.02
(b) Trade payables	4,472.98	2,958.76	2,845.67
(c) Other Financial Liabilities	13,049.60	13,035.17	11,852.47

### 45.3 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.

#### 45.3.1 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.

#### 45.3.2 (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 denomi-

nated 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.

(Rs. in Lacs)

Currency	Liabilities as at			Assets as at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
USD	726.64	1,131.99	1,059.74	85.26	28.44	11.70
EURO	981.78	536.30	160.48	-	-	-

#### 45.3.2 (b) Foreign Currency sensitivity analysis

For the year ended March 31, 2018, every one rupee depreciation/appreciation in the exchange rate against U.S. dollar, might have affected the Company's incremental operating margins approximately by 0.02 % 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 0.03 %

#### 45.3.3 (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.

#### 45.3.3 (b) Interest rate sensitivity analysis

For the year ended March 31, 2018, every 1 percent increase/ decrease in weighted average bank interest rate might have affected the company's incremental operating margins approximately by 0.34%

#### 45.3.4 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.

#### 45.4 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. 14. Company's bank balances are held with a reputed and creditworthy banking institution resulting to limited credit risk from the counterparties.

#### 45.5 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, 2018:

(Rs. in Lacs)

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	4,472.98	4,472.98	-	-	-	-	4,472.98
Borrowings & interest thereon	20,531.28	10,961.38	3,926.42	2,808.12	1,609.82	969.31	20,275.05
Other financial liabilities	8,373.27	8,373.27	-	-	-	-	8,373.27



The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017:

(Rs. in Lacs)

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	2,958.76	2,958.76	-	-	-	-	2,958.76
Borrowings & interest thereon	21,196.63	11,235.23	4,202.35	3,926.42	1,388.31	-	20,752.31
Other financial liabilities	8,381.52	8,381.52	-	-	-	-	8,381.52

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at April 1, 2016 ;

(Rs. in Lacs)

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	2,845.67	2,845.67	-	-	-	-	2,845.67
Borrowings & interest thereon	23,518.91	11,945.10	3,794.07	4,202.35	3,429.66	-	23,371.18
Other financial liabilities	7,683.58	7,683.58	-	-	-	-	7,683.58

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2018:

(Rs. in Lacs)

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 Year	Total contracted cash flows
Non-current investments	293.59	-	-	-	293.59	293.59
Trade receivables	11,793.97	11,793.97	-	-	-	11,793.97
Loans and advances	349.18	-	432.00	-	-	432.00
Other financial assets	334.52	-	-	-	334.52	334.52

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2017:

(Rs. in Lacs)

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 Year	Total contracted cash flows
Non-current investments	297.85	-	-	-	297.85	297.85
Trade receivables	10,488.37	10,488.37	-	-	-	10,488.37
Loans and advances	311.54	-	-	432.00	-	432.00
Other financial assets	288.54	-	-	-	288.54	288.54



The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at 31 March 2016: (Rs. in Lacs)

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 Year	Total contracted cash flows
Non-current investments	660.20	372.00	288.20	-	-	660.20
Trade receivables	9,770.85	9,770.85	-	-	-	9,770.85
Other financial assets	219.58	-	-	-	219.58	219.58

**46. 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)

**B. Key Management Personnel and other relatives**

Dr. Ajay Satia (Chairman-cum-Managing Director)  
Mr. R.K. Bhandari (Joint Managing Director)  
Mr. Chirag Satia ( Director)  
Mr. Hardev Singh ( Director)  
Mr. J.R Sharma (Director ceased to be director as on 30.09.2017)  
Mrs Bindu Satia (Wife of Dr. Ajay Satia)  
Mr. Dhruv Satia (Son of Dr Ajay Satia)  
Mrs Priyanka Satia (Daughter in Law of Dr. Ajay Satia)  
Mrs. Renu Pahwa (Sister of Dr. Ajay Satia)  
Mrs. Archana Saluja (Sister of Dr. Ajay Satia)  
Mr. Anil Satia (Brother of Dr. Ajay Satia)  
Mrs.Yachna Satia (Daughter of Dr. Ajay Satia)  
Mr. Rajat Mehta (son in law of Dr.Ajay Satia)  
Mrs.Pushpa Bhandari (Mother of Mr. R.K. Bhandari)  
Mrs. Kiran Bhandari (Wife of Mr. R.K. Bhandari)  
Ms.Vasudha Bhandari (Daughter of Mr. R.K. Bhandari)  
Mr. Ankit Dani (Son in law of Mr. R.K Bhandari)  
Mr. Vineet Bhandari (Son of R.K Bhandari)  
Satia Paper Mills (Enterprise of Mr. Dhruv Satia)  
Mrs Suman Rani ( Wife of Mr. Hardev Singh)  
Mr. Amit Sharma (Son of Mr. J.R Sharma)



The following table summarizes related-party transactions and balances included in the financial statements for the year ended and as at March 31, 2018: (Rs. in Lacs)

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-2018	For the year ended 31-Mar-2017	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Loan and advances	-	-	-	432.00	-	-
Rent	-	-	11.40	11.40	12.06	11.36
Manageral Remuneration	-	-	888.08	700.93	-	-
Salary	-	-	-	-	19.42	7.96
Sales	108.47	127.68	-	-	2,041.31	1,945.94
Purchases	1,268.85	-	-	-	-	-
Investment (Purchases)	-	10.00	-	-	-	-
Commision	523.40	-	-	-	-	-
Consultancy Fees	-	-	1.02	-	-	-
Sale of Investment	-	-	-	(322.00)	-	(77.86)

The following table summarizes related-party transactions outstanding balances included in the financial statements for the year ended and as at March 31, 2018: (Rs. in Lacs)

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-2018	As at 31-Mar-2017	As at 31-Mar-2016	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
Loan & Advances Credit	-	-	-	-	1.25	1.25	-	-	-
Loan & Advances Debit	-	-	-	349.18	311.54	-	-	-	-
Manageral Remuneration	-	-	-	36.41	5.21	6.25	-	-	-
Salary	-	-	-	-	-	-	0.72	0.34	0.42
Investment in Equity Shares	293.59	297.85	345.00	-	-	-	-	-	-
Rent	-	-	-	-	0.63	-	1.26	0.80	0.28
Debtors	42.15	307.59	414.43	-	-	-	1,207.12	1,717.54	1,404.80
Corporate guarantee	-	-	536.00	-	-	-	-	-	-

**Compensation of key management personnel:**

(Rs. in Lacs)

	Year ended March 31, 2018	Year ended March 31, 2017
Short-term benefits	888.08	700.93
Post-employment benefits	10.47	107.99
<b>Total</b>	<b>898.55</b>	<b>808.92</b>

**47. Contingent liabilities and contingent assets**

Contingent Liabilities and Commitments to the extent not provided for

(Rs. in Lacs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016
i) Bank Guarantee	1,477.88	1,380.98	2,123.61
ii) Excise & Customs duty demand in dispute	5.57	5.57	3.83
iii) Custom Duty in respect of Export Obligations	-	30.96	1.88
IV) Corporate Gurantee in favour of UCO Bank on behalf of T.C Spinners Pvt Ltd	-	-	536.00
v) Punjab Vat, demand in dispute	1.24	-	-

**Commitments for expenditure**

(a) Estimated amounts of contracts remaining to be executed on capital account, net of advances - Rs. 0 (2017: 0 lakhs)

**48. The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act,2006 ("MSMED Act")**

(Rs. in Lacs)

Particulars	As at 31st March,2018	As at 31st March,2017	As at 31st March,2016
Principal amount due to suppliers under MSMED Act at the year end.	37.05	27.95	36.33
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.

**49. Payment to Auditors**

(Rs. in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Statutory Audit (including consolidated accounts)	1.00	2.00
Tax audit and other audits under Income-tax Act	0.60	0.60
For taxation matters	0.75	3.00
Cost Audit Fees	1.00	1.00
Out of Pocket Expenses	0.40	0.40
<b>Total</b>	<b>3.75</b>	<b>7.00</b>

Note : The above amount are exclusive of taxes

**50. 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.

**51. Approval of financial statements**

The financial statements were approved for issue by the board of directors on May 30, 2018.

**RECONCILIATION OF EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO IND-AS As at April 1, 2016****52. Transition to Ind-AS**

The effect of the company's transition to Ind AS, described in note below, is summarized in this note as follows:

- (i) Transition election
- (ii) Reconciliation of equity as previously reported under Indian GAAP to Ind-AS
- (iii) Adjustments to the statement of cash flows.

**(i) Transition election**

Prior preparation of its first Ind AS financial statements, the Company's financial statements were prepared in accordance with the previous GAAP. These financial statements, for the year ended March 31, 2018 are their Ind AS financial statements and have been prepared in accordance with Ind AS as issued by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015.

Accordingly, the Company has adopted all of the new and revised standards and interpretations as issued by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 that are relevant to its operations and effective as on March 31, 2018 and applied the same in preparation of these financial statements, which

have been prepared to assess the impact of the transition to Ind AS on the equity of the Company.

The guidance for first time adoption of Ind AS is set out in Ind AS 101 'First time adoption of Indian Accounting Standards'. Ind AS 101 requires an entity to comply with each Ind AS effective at the reporting date for its full set of Ind AS financial statements. As a general principle, Ind AS 101 requires the standards effective at the reporting date to be applied retrospectively. However, retrospective application is prohibited in some areas; particularly where retrospective application would require judgments by the management after the outcome of the particular transaction is already known and where mandatory exceptions are available to retrospective application of certain Ind ASs (Appendix B of Ind AS 101). In addition, a number of limited optional exemptions from full retrospective application of Ind ASs are granted where the cost of compliance is deemed to exceed the benefits to the users of the financial statements.

On adoption of Ind ASs, the Other Equity of the Company have increased by Rs 847.84 lacs on transition date and as explained in part (ii) below. This note includes reconciliations as required by Ind AS 101.

The company has applied the following transition exemptions apart from mandatory exceptions in Ind-AS 101:

Particulars	Note No.
Deemed Cost of property, plant and equipment	1
Leases	2
Designation of previously recognised financial instruments	3
Fair value measurement of financial assets or financial liabilities at initial recognition	4
Compound financial instruments	5
Decommissioning liabilities included in the cost of property, plant and equipment	6

1. In accordance with Ind-AS transitional provisions, the company opted to consider previous GAAP carrying value of property, plant and equipment as deemed cost on transition date.
2. In accordance with Ind-AS transitional provisions, the company opted to determine whether an arrangement existing at the date of transition contains a lease on the basis of facts and circumstances existing at the date of transition rather than at the inception of the arrangement.
3. Designation of previously recognized financial instruments exemption- The Company do not have any investments in equity instruments of Companies (other than subsidiaries, joint ventures and associates) which company opted for transition option to be measured at FVOCI or at amortised cost.
4. Fair value measurement of financial assets or liabilities at initial recognition: Ind AS 109 require that all financial liabilities and assets must be recognised at fair value (adjustment of transaction costs for financial assets and liabilities not measured at fair value through Profit and Loss) with the exception of trade receivable.
5. Compounded financial instrument: Ind AS 32 requires compound financial instruments to be separated at their inception into equity and liability components, based on the substance of the arrangement rather than their legal form. Ind AS 32 requires convertible bonds (i.e. convertible by the holder into a fixed number of ordinary shares) and mandatorily redeemable non-cumulative preference shares with discretionary dividends to be separated into two individual equity and liability components. However, after the assessment of the financial statements there are no such compounded financial instruments identified.
6. Decommissioning liabilities included in the cost of property, plant and equipment: Under Appendix A to Ind AS 16, specified changes in a decommissioning, restoration or similar liability are added to or deducted from the cost of the asset to which it relates, and the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. As per the transition provision the Company may elect not to comply with requirements of Appendix A to Ind AS 16 for changes in such liabilities that occurred before the date of transition to Ind ASs. Where this exemption is taken, the first-time adopter should measure the liability as at the date of transition to Ind ASs in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. On the assessment of the contracts for leasehold land and other arrangement, there are no such clauses identified where liability is required to be created under Ind AS 37.

**(ii) Reconciliation of equity and comprehensive income as previously reported under Indian GAAP to Ind-AS**

Particulars	Note No.	As at Mar 31, 2017	As at April 1, 2016
<b>Equity as reported under IGAAP</b>		13,739.97	10,449.75
a. Ind-AS Adjustments increase:			
Proposed dividend and related distribution tax	1	241.85	-
Effective interest rate- Secured term loan	2	293.46	307.43
Effective interest rate -Unsecured loan	2	24.88	25.03
Biological assets recognised at fair value less cost to sell	3	1,678.60	754.22
Recognition of loans to employees using effective interest rate	4	119.79	-
b. Ind-AS Adjustments (decrease):			
Guarantees issued recognized at fair value	5	-	(33.17)
Prior period expenses	6	-	(99.30)
Recognition of loans to employees using effective interest rate	4	(120.46)	-
Deferred tax adjustment of GAAP adjustments	7	(90.16)	(49.57)
Fair valuation of investment	8	(57.16)	(56.80)
<b>Equity as reported under Ind-AS</b>		15,830.77	11,297.59



Particulars		As at Mar 31, 2017
<b>Profit as reported under IGAAP</b>		2,559.57
a. Increase (decrease) in net income for:		
Interest on term loan	2	(13.97)
Interest on employee loan	4	(0.67)
Interest on unsecured loan	2	(0.15)
Biological assets recognised at fair value less cost to sell	3	924.40
Guarantees issued recognised at fair value	5	33.17
Prior period expenses	6	99.30
Income from trading of renewable energy certificate*		972.48
Deferred tax adjustment of GAAP adjustments	7	(40.59)
Employee future benefits – actuarial gains and losses	9	33.63
Employee future benefits – actuarial gains and losses- Deferred tax	9	(11.64)
Changes in fair value of investment	8	(0.36)
<b>Profit as reported under Ind AS</b>		4,555.17
<b>Other Comprehensive Income as reported under IGAAP</b>		-
a. Increase (decrease) in net income for:		-
b. Increase (decrease) in othe comprehensive income for:		
Actuarial gain \ loss	9	(33.63)
Deferred tax on OCI Items	9	11.64
		(21.99)
<b>Other Comprehensive Income as reported under Ind AS</b>		(21.99)

**Notes:**

- Under Ind-AS dividends payable and the associated corporate dividend tax are recorded as a liability in the year in which these are declared and approved. Under previous Indian GAAP, dividends payable are recorded as a provision in the year to which they relate.
- Under previous Indian GAAP, the Company amortizes the processing fees over the tenure of the borrowings. Under Ind AS, these fee considered as part of the effective interest rate on the underlying borrowings.
- Under previous Indian GAAP Biological assets were measured at cost. Under Ind AS, biological assets are measured at fair value less cost to sell.
- Under Ind-AS, loans are measured at market interest rate as a result of which any employee cost which is the difference between market rate of interest and contractual interest rate is recognized over the usage pattern of the loan. Under previous Indian GAAP such employee cost are not accounted for and interest cost is recognized based on the contractual interest rate.
- Under Ind-AS, guarantees issued are recognized at fair value at inception and measured at the higher of the amortized value or the obligation amount in case it is probable that the guarantee amount is payable. Under previous Indian GAAP, guarantee issued are not recognized unless it is probable that the guarantee amount is payable.
- Prior Period Adjustments is with respect to an expense booked in FY 2016-17 which pertains to FY 2015-16. Under Ind AS such prior period items are required to be reinstated and account for in the year to which they pertains.
- Consequential deferred tax on all the above adjustments.
- Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS,

these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in profit or loss.

9. Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss.

\* Under previous GAAP income from REC has been considered as capital receipt and booked under capital reserve.

**(iii) Adjustments to the statement of cash flows .**

The transition from Indian GAAP to Ind-AS had no significant impact on cash flows generated by the company. Cash flows relating to interest are classified in a consistent manner as operating, investing or financing each period.

**Note. - 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)
	3/31/2018	3/31/2017	3/31/2016			
Investments in Equity	297.85	298.21	717.00	Level 3	Fair valuation of investment is based on weighted average of Discounted 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	3/31/2018		3/31/2017		3/31/2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
<i>Financial assets carried at Amortised Cost</i>						
– loans to related parties	349.18	349.18	311.54	311.54	-	-
– trade and other receivables	12,128.48	12,128.48	10,776.91	10,776.91	9,990.43	9,990.43
<b>Total</b>	12,477.66	12,477.66	11,088.45	11,088.45	9,990.43	9,990.43



Particulars	3/31/2018		3/31/2017		3/31/2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>						
<u>Financial Instruments not carried at Fair Value</u>						
– bank loans	20,057.30	20,057.30	20,435.20	20,435.20	23,039.96	23,039.96
– trade and other payables	13,320.23	13,320.23	12,101.71	12,101.71	11,008.20	11,008.20
<b>Total</b>	<b>33,377.53</b>	<b>33,377.53</b>	<b>32,536.91</b>	<b>32,536.91</b>	<b>34,048.17</b>	<b>34,048.17</b>

#### Fair value hierarchy as at 31-March-2018

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<u>Financial assets carried at Amortised Cost</u>				
– loans to related parties	-	-	349.18	349.18
– trade and other receivables	-	-	12,128.48	12,128.48
<b>Total</b>	-	-	12,477.66	12,477.66
<b>Financial liabilities</b>				
<u>Financial Instruments not carried at Fair Value</u>				
– bank loans	-	-	20,057.30	20,057.30
– trade and other payables	-	-	13,320.23	13,320.23
<b>Total</b>	-	-	33,377.53	33,377.53

#### Fair value hierarchy as at 31-March-2017

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<u>Financial assets carried at Amortised Cost</u>				
– loans to related parties			311.54	311.54
– trade and other receivables			10,776.91	10,776.91
<b>Total</b>			11,088.45	11,088.45
<b>Financial liabilities</b>				
<u>Financial Instruments not carried at Fair Value</u>				
– bank loans			20,435.20	20,435.20
– trade and other payables			12,101.71	12,101.71
<i>Financial lease payables</i>				
<b>Total</b>			32,536.91	32,536.91



**Fair value hierarchy as at 31-March-2016**

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<u>Financial assets carried at Amortised Cost</u>				
– trade and other receivables			9,990.43	9,990.43
Total			9,990.43	9,990.43
<b>Financial liabilities</b>				
<u>Financial Instruments not carried at Fair Value</u>				
– bank loans			23,039.95	23,039.95
– trade and other payables			11,008.21	11,008.21
Total			34,048.17	34,048.17

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	3/31/2018	3/31/2017	3/31/2016
Opening balance	297.84	660.20	717.00
Total gains or losses:			
– in profit or loss	(4.26)	(0.36)	(56.80)
– in other comprehensive income			
Reclassification from investment in associate to FVTOCI following partial sale of interest		10.00	-
Purchases			
Issues			
Disposals/settlements		372.00	-
Transfers out of level 3			
<b>Closing balance</b>	<b>293.58</b>	<b>297.84</b>	<b>660.20</b>



**SATIA INDUSTRIES LTD**  
 VILL. RUPANA, MALOUT-MUKTSAR ROAD, MUKTSAR, PB 152026  
 CIN: - L21012PB1980PLC004329

To  
**Beetal Financial & Computer Services (P) Ltd**  
 Office: Beetal House, 3<sup>rd</sup> Floor, 99 Madangir,  
 Behind Local Shopping Centre,  
 Near Dada Harsukhdas Mandir,  
 New Delhi-110062

**Updation of Shareholders Information as mandated by SEBI**

I/We request you to record the following information against my/our Folio No:

<b>General Information:</b>	
<b>Folio No.:</b>	
<b>First Holder Name :</b>	
<b>Second Holder Name :</b>	
<b>Third Holder Name :</b>	
<b>PAN :</b> Enclose self attested copy all holders/ joint holders	
<b>E-mail id:</b>	
<b>Mobile No. :</b>	
<b>Bank details of First Holder</b>	
<b>Bank Name :</b>	
<b>Bank Branch Address:</b>	
<b>Account Number (as appearing in cheque): #</b>	
<b>Bank A/c Type (Savings/Current/NRE/NRO):</b>	
<b>IFSC (11 digit) :</b>	
<b>MICR (9 digit) (as appearing in cheque) :</b>	

#A blank cancelled cheque with name of the first holder is enclosed to enable verification of bank details. Checklist for Shareholder:

**Satia  
Industries  
Limited**

Particulars	Mark ✓ if enclosed
☞ Self-attested copy of PAN Card all holders / joint holders	
☞ Cancelled Cheque with name of the first holder (if name is not printed, bank attested copy of the first page of pass book showing name of account holder)	
☞ Address proof of the first holder(self-attested copy of Aadhar-card / Electricity bill / Telephone bill / Passport)	

**(Note: all enclosures are mandatory)**

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the securities under the above mentioned Folio No. Further, as Green Initiative, I / We hereby agree to receive all future correspondence / documents of the Company in electronic mode at the E-mail Id mentioned above.

**Signatures :**

X
X
X

---

**First Holder**
**Second Holder**
**Third Holder**

Date :

Place :



**SATIA INDUSTRIES LTD**  
VILL. RUPANA, MALOUT-MUKTSAR ROAD, MUKTSAR, PB 152026  
CIN: - L21012PB1980PLC004329

**PROXY FORM**

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

Name of the member (s)	
Registered address	:
Folio No/DP ID/Client Id	:

I/We, being the member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint :

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him
2. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him
3. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

As my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 10:00 AM at the Registered Office of the Company at VILL. RUPANA, MALOUT-MUKTSAR ROAD, MUKTSAR, PB 152032, India and any adjournment thereof in respect of such resolutions as are indicated below

Resolution No.	Resolutions	# For	# Against
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2018 along with Reports of the Auditors and Directors thereon.		
2.	To appoint a Director in place of Sh R.K.Bhandari, Joint Managing Director, who retires by rotation, being eligible and offer himself for re-appointment.		
3.	To declare dividend on Equity Shares for the year ended 31th March, 2018		
4.	To ratify and confirm the interim dividend of Rs. 10/- per equity share already paid during the financial year 2017-18.		
5.	Ratification of appointment of Auditors		
6.	To appoint Dr Mrs Priti Lal Shivhare (Din No 08031894) as an Independent Director		
7.	To appoint Sh. Ashok Kumar Gupta (Din: 08068465) as an Independent Director		
8.	To appoint Sh Arun Kumar Gupta (Din No 00371289) as an Independent Director		
9.	Increase in Salary of Dr.Ajay Satia,(DIN: 00850792) Chairman Cum Managing Director of the Company		
10.	Increase in Salary of Sh Chirag Satia,(DIN: 03426414) Executive Director of the Company		

11.	Re-appointment of Dr Ajay Satia, Chairman Cum Managing Director and fixation of his remuneration		
12.	Re-appointment of Sh R.K.Bhnadari, Joint Managing Director and fixation of his remuneration		
13.	Re-appointment of Sh Chirag Satia, Executive Director and fixation of his remuneration		
14.	Approval for Continuation of current term of Sh. A.C. Ahuja Independent Director		

Signature of shareholders \_\_\_\_\_ Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of first proxy holder \_\_\_\_\_

Signature of second proxy holder \_\_\_\_\_

Signature of third proxy holder \_\_\_\_\_

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the scheduled commencement of the meeting.
2. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
3. # Please put a '☐' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

**ELECTRONIC VOTING PARTICULARS**

EVSN (AGM) [Electronic Voting Sequence Number]	Sequence Number

**SATIA INDUSTRIES LTD**  
VILL. RUPANA, MALOUT-MUKTSAR ROAD, MUKTSAR, PB 152026  
CIN: - L21012PB1980PLC004329

**ATTENDANCE SLIP**

Member's Folio No. :  
Client ID No. :  
DP ID No. :  
Name of the Member :  
Name of Proxy holder :  
No. of shares held :

I hereby record my presence at the 37<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 10:00 AM at the Registered office of the Company at VILL. RUPANA, MALOUT-MUKTSAR ROAD, MUKTSAR, PB 152026, India.

**Notes :**

1. Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall.
2. Members are requested to bring their copy of Annual Report.

Signature of Member/Proxy

**BOOK - POST**

If undelivered please return to:

**SATIA INDUSTRIES LTD.  
MALOUT - MUKTSAR ROAD  
VILLAGE RUPANA  
DISTT. MUKTSAR  
PUNJAB - 152032**