



SATIA INDUSTRIES LIMITED

INVESTOR PRESENTATION
January 2019



SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Executive Summary



Company Overview



- Incorporated in 1980, Satia Industries Limited (SIL), is one of the biggest and completely integrated Wood and Agro based paper manufacturer.
- SIL's products are extensively used in the printing of books, directories, envelopes, diaries, calendars, computer stationery, copy manufacture annual reports, etc.

Manufacturing and Distribution Network:



- Manufacturing plant based out of Muktsar with capacity to manufacture over 1,00,000 MT per annum.
- Completely integrated manufacturing operations with 3 paper machines, 100% in-house power generation and adequate effluent treatment plant.

- Strong Distribution Network: 70 dealers and 3 branch offices.

Key Clientele



- SIL has long standing relationship with State Text book Corporations and around 50% of revenue comes from these organisations.
- The remaining revenue attributes to the Public and Private Sector Companies.

FY18 Financial Snapshot

Revenue INR 6,723 Mn	EBITDA INR 1,521 Mn	EBITDA Margin 22.62%	
PAT INR 687 Mn	PAT Margin 10.22%	ROE 31%	ROCE 26%



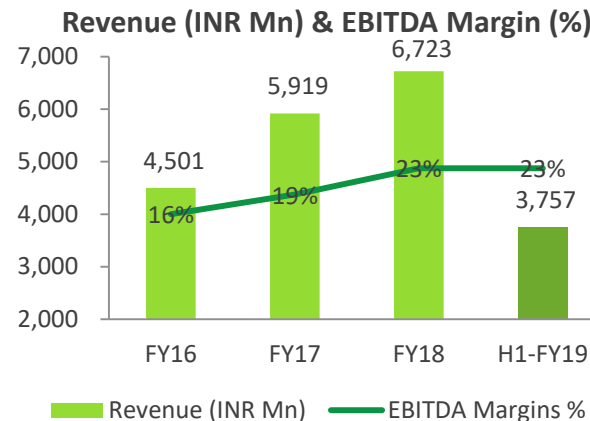
SATIA INDUSTRIES LIMITED
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Company Overview

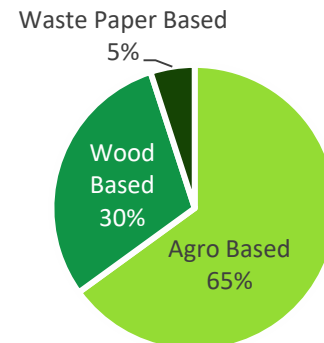
About The Company



- Incorporated in 1980 by Dr. Ajay Satia, Satia Industries Limited (SIL) started its commercial production of printing and writing paper at Muktsar, Punjab in 1984.
- SIL is one of the biggest Wood and Agro based paper plants in India manufacturing paper using wood chips, veneer waste, wheat straw, sarkanda, etc.
- The Company has a fully integrated manufacturing facility, which includes paper machines, pulping machinery, chemical recovery plant and power generation plant.
- Fully integrated production facility gives superior advantage in terms of cost efficiency and environmental compliance, ultimately leading to superior margin profile compared to peers.
- With a view to meet environment challenges and improve the quality of pulp; Oxygen delignification and ECF pulping has been introduced by the Company.
- The product profile includes Super Snow White, Snow White, Photocopier paper, Map litho, Colored paper, Ledger paper, Cartridge paper, Duplicating, bond paper - with and without watermarks and Chromo (Art) paper from GSM range 42 to 200 GSM.
- Satia Industries Limited markets its products through dealer network located all over India and through Branches at Jaipur, Delhi & Chandigarh.



Raw Materials Used of Total Volumes



Key Management Personnel



Dr. Ajay Satia
Chairman & M.D

- Dr. Satia set up the integrated paper mill in 1984.
- His vision to adopt technological changes and economies of scale along with timely capital infusion has brought the unit among the best in the industry in terms of pulping strength, power self-sufficiency, effluent treatment and meeting the environmental norms.
- Dr. Satia has a passion for work and possesses unparalleled enterprising spirit for expansion and modernisation.
- His greatest strength lies in building and retaining a strong and trusted team which has turned his dreams into reality.

R.K. Bhandari (MBA) - Joint Managing Director

Looks after marketing and other administrative responsibilities since the last 32 years

Chirag Satia - Executive Director

Chirag has been driving force behind new initiatives since he joined in 2015 and looks after Finance, Accounts and Commercial Operations. His enterprising spirit and forward looking vision has added new energy to the workforce.

A.C. Ahuja – Director

Ex. Executive Director IFCl, Delhi

Hardev Singh - Director (Technical)

Has a wide experience in installation of projects

Arun Kumar Gupta - Director (Independent)

Senior Chartered Accountant

Ashok Kumar Gupta - Director (Independent)

A CAIIB and has 35 years of experience in Banking

Dr. Priti Lal Shivhare (MSc, Ph.D. Chemistry) - Director (Independent)

A scientist in Central Pulp and Paper Research Institute, Saharanpur, (U.P)

Inder Dev Singh – Director (Independent)

A retired personnel of PNB and has studied B.Com. and LLB and is a CAIIB

Dinesh Sharma – Director (Independent)

Masters in Chemical Engineering

S. K. Arora – Director (Independent)

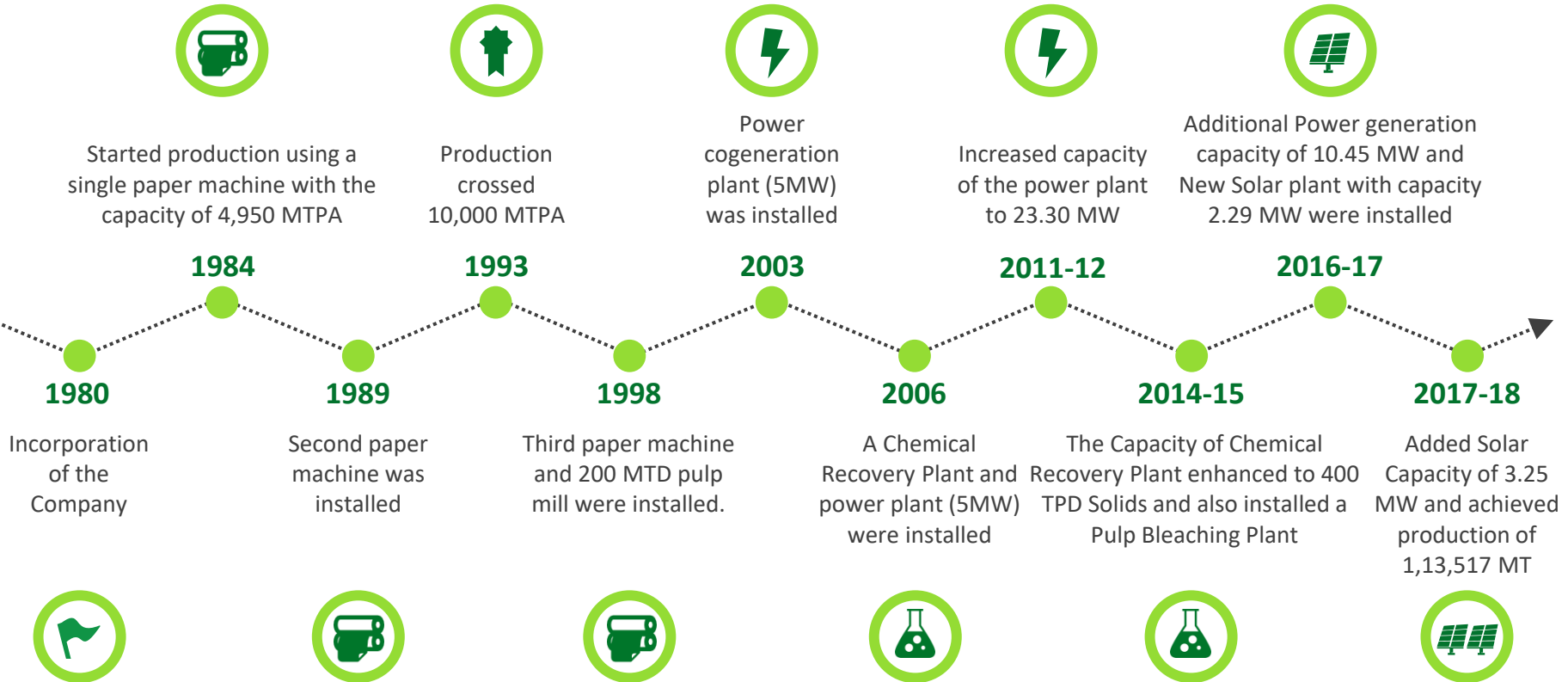
Senior Chartered Accountant

Ashok Khurana (C.A.) - VP-Finance

R. K. Dhuria – Company Secretary

L.L.B.

Key Milestones

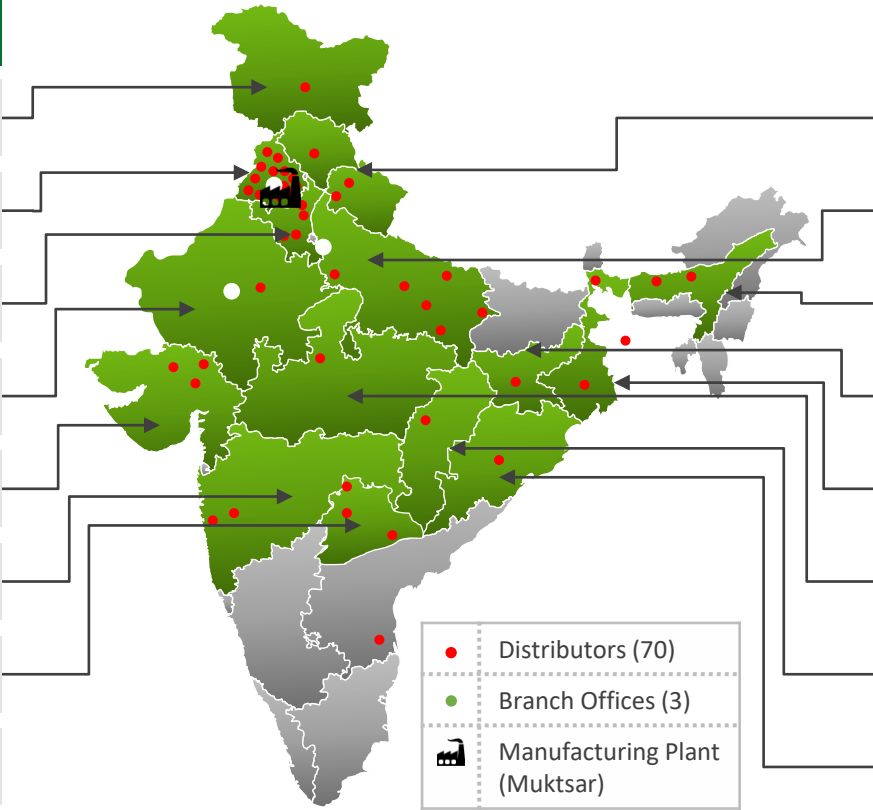


Geographical Presence



Region-wise sales for FY18

Jammu & Kashmir	1.6%
Punjab	11.3%
Haryana	3.4%
Rajasthan	8.3%
Gujarat	2.2%
Maharashtra	14.8%
Telangana	3.1%
Export and Others	5.2%






- Distributors (70)
- Branch Offices (3)
- Manufacturing Plant (Muktsar)

Region-wise sales for FY18

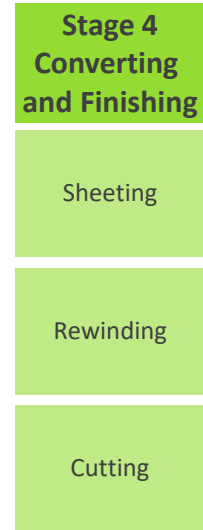
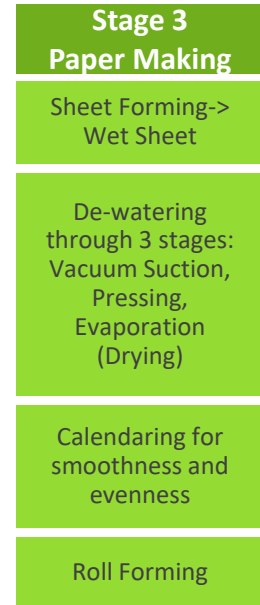
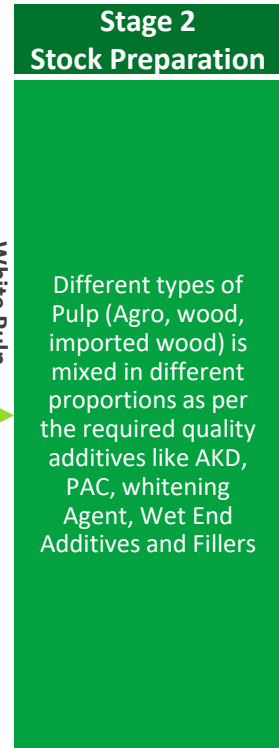
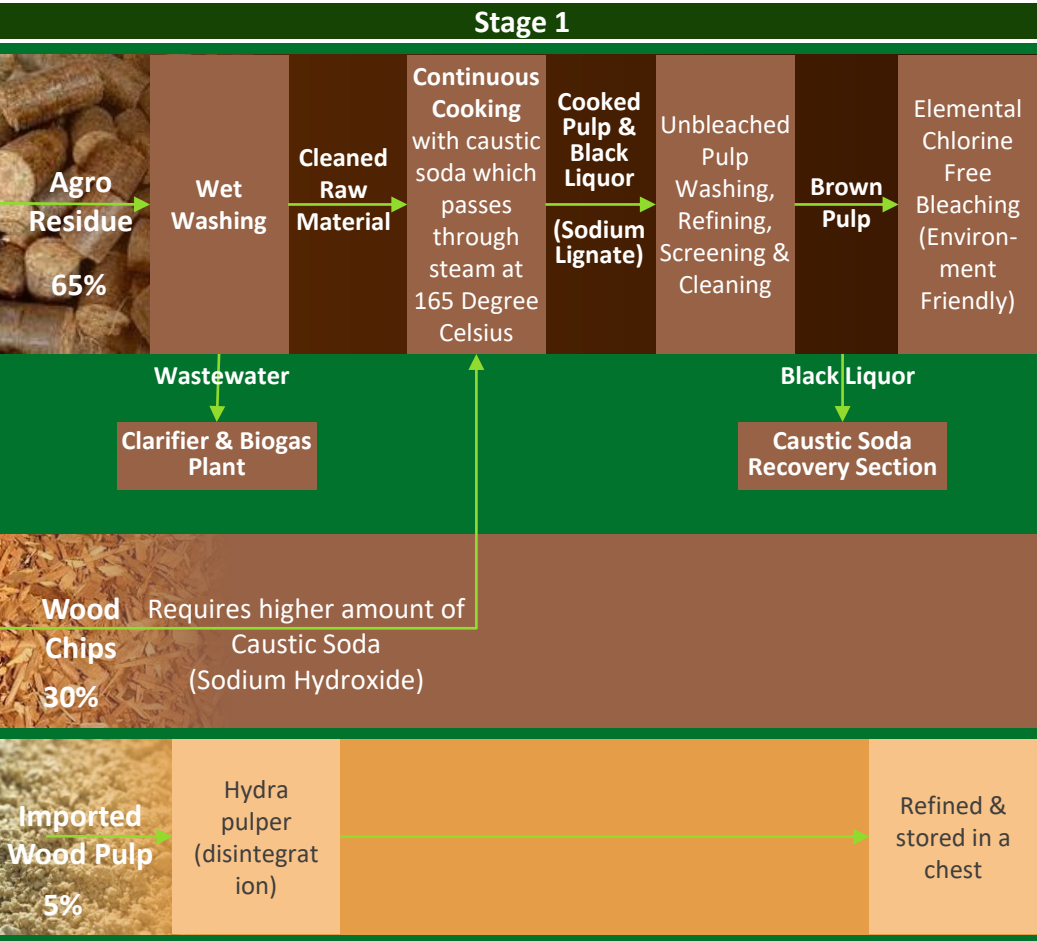
Delhi	16.3%
Uttar Pradesh	11.6%
Assam	2.3%
West Bengal	3.1%
Bihar	0.6%
Madhya Pradesh	5.1%
Chhattisgarh	8.4%
Odisha	2.7%

Manufacturing Facilities

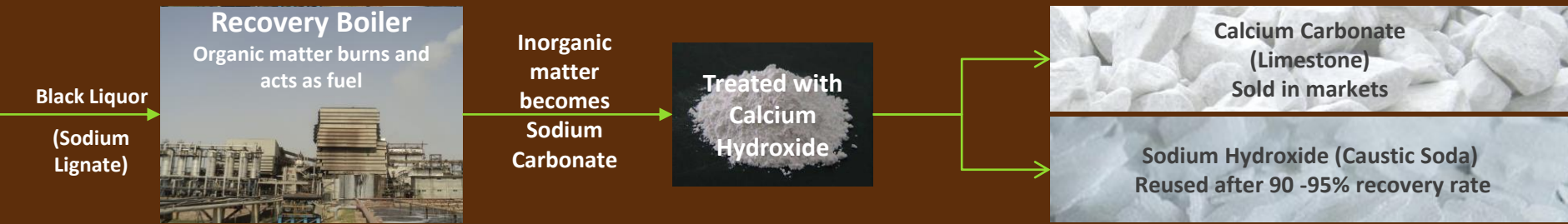


	Pulping Facilities	Paper Machines	Chemical Recovery Plant	Power Generation
Segment				
Capacity	<ul style="list-style-type: none"> • Total Capacity: 400 TPD • Agro based pulp: 200 TPD • Wood pulp: 120 TPD • Waste paper pulp: 80 TPD 	<ul style="list-style-type: none"> • Total capacity: 350 TPD • Machine 1: 100 TPD • Machine 2: 100 TPD • Machine 3: 150 TPD 	<ul style="list-style-type: none"> • Total Capacity: 600 Solids TPD 	<ul style="list-style-type: none"> • Thermal Power: 33.75 MW • Solar Power: 5.54 MW
Description	<ul style="list-style-type: none"> • Continuous Digester for cooking pulp, oxygen delignification and chlorine dioxide bleaching has been installed. 	<ul style="list-style-type: none"> • Capacity of paper machines varies with operating speed and GSM of paper. • Proposed: 300 TPD, already applied for Environment Clearances • Project target for commissioning is two and a half years subject to all Govt. permissions. 	<ul style="list-style-type: none"> • Installed two Chemical Recovery boilers with a capex of INR 850 Mn to process black liquor for reversion into caustic soda. • It also helps in environment compliance. 	<ul style="list-style-type: none"> • Installed three turbine generating sets at a total capex of INR 871.6 Mn and a solar power plant at capex of INR 224.2 Mn.

Paper Making Process



Effluent Treatment



Wheat straw wet washing waste water is used to produce Biogas



Waste water from paper machine is clarified and reused in washing of pulp in bleaching stages



Maximum circulation of bleaching plant filtrate



Final effluents are first treated at the Effluent Treatment Plant & then passed to the Eucalyptus Plantations

Top Clients



Bal Bharti



Kokuyo Riddhi Paper Products Pvt. Ltd.



Odisha State Bureau of Textbook



M. P. Pathyapustak Nigam



Chhattisgarh Pathya Pustak Nigam



Navneet Prakashan



Rajasthan Raja Pathyapustak Mandal



Rajeev Prakashan Allahbad



Indian Railways

Myths Vs Realities of the Paper Industry



← Myth	Reality →
Denuding forests	Paper industry in India is also agro and rural based. Industry led agro/farm forestry in collaboration with farmers have brought over 125,000 hectares under pulp wood plantations.
Disturbs ecological balance	It is wood positive. The industry grows more trees through its agro-forestry initiative than it harvests. Moreover, pulp and paper industry consumes only 3% of the national requirement of wood while major consumption is as fuel wood (89.5%) and timber (7.5%).
The sun has set on India's paper industry	Overall paper consumption is projected to increase to 24 million ton in 2024-25 from 15 million ton currently. Every one kg increment per capita consumption results in additional demand of more than 1 MTPA.
Technologically outdated	An investment of more than USD 5 Bn. has been made by the industry during the last five years in capacity enhancement, technology upgradation and various acquisitions.
Unsustainable industry	Paper is biodegradable, recyclable and sustainable.
Puts undue strain on water and energy resources	Earlier, paper mills used to consume 200 cubic meters of water to produce a ton of paper. Now, the integrated mills have reduced the usage to 50 cubic meters with efforts on for 40 cubic meters.
Lobbies for access to forests repeatedly	Out of the total degraded forest land of 29 Mn hectares, the paper industry is asking for only 10%. Growing pulpwood trees on degraded land will lead to a fillip in rural employment and add to the green cover of India.

Certifications



Certificate of Registration

This is to certify that

Satia Industries Ltd.

Village - Rupana, Muktsar - Malout Road, Muktsar - 152032 (Punjab), India.

has been assessed by RICL and found to comply with the requirements of

ISO 9001 : 2015 Quality Management System

For the following activities:

Manufacturing and Supply of Writing & Printing Paper

This Certificate is Valid from 21/04/2017 Until 20/04/2019

Date of Initial Certification: 21/04/2017
1st Surveillance Successfully Conducted
In/nd Surveillance on or before: 20/03/2019
Certification Valid Unit: 20/04/2020

Certificate No.:
17RQ04BQ



Director
Royal Impact Certification Ltd.
Certificate details entered into JAS-ANZ register on 21/04/2017

A-88, Ground Floor, Sector - 2, Noida - 201301, India.

www.isointernational.org, info@isointernational.org

Phone: +91 122 4113263, 9761616754

This Certificate can be verified at: www.isointernational.org and www.jas-anz.org

www.jas-anz.org/register

Certificate remains the property of Royal Impact Certification Limited. Must be returned on request or if certificate is invalid. Validity of this certificate is subject to successful surveillance audits. RICL is accredited by JAS-ANZ, URL: www.jas-anz.org/register. JAS-ANZ is a full member of International Accreditation Forum (IAF), the membership status can be verified at www.iaf.org. Validity of this certificate is subject to successful surveillance audits as per dates given above.



Certificate of Registration

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Satia Industries Ltd.

Village - Rupana, Muktsar - Malout Road, Muktsar - 152032 (Punjab), India.

has been assessed by RICL and found to comply with the requirements of

ISO 14001 : 2015 Environmental Management System

For the following activities:

Manufacturing and Supply of Writing & Printing Paper

This Certificate is Valid from 13/06/2018 Until 12/06/2019

Date of Initial Certification: 13/06/2018
1st Surveillance on or before: 12/05/2019
Certification Valid Until: 12/06/2020
UAF is a full member of International Accreditation Forum (IAF)

Certificate No.:
18U06AU



United Accreditation Foundation
3510, Colmar, Norfolk, VA 23509,
United States of America.

Director
Royal Impact Certification Ltd.

A-88, Ground Floor, Sector - 2, Noida - 201301, India.

www.isointernational.org, info@isointernational.org

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OHSAS 18001:2007 Occupational Health & Safety Management System

For the following activities:

Manufacturing and Supply of Writing & Printing Paper

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United Accreditation Foundation
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Rainforest Alliance

SATIA INDUSTRIES LIMITED
VILLAGE - RUPANA, MUKTSAR - MALOUT ROAD
MUKTSAR, PUNJAB - 152032
INDIA

IS CERTIFIED FOR FOREST STEWARDSHIP COUNCIL™
CHAIN OF CUSTODY

Certificate Scope

Certificate Type: Single Chain of Custody
Standard(s): FSC-STD-40-004 V2-1; FSC-STD-40-007 V2-0
Product group(s): Writing, copying and printing paper
Valid from September 14, 2015 to September 13, 2020
Certificate Registration Code: RA-COC-00729

FSC License Code: FSC-C126556

Certificate Issue Number: IN-2015-1

Additional details regarding the scope, including a full list of products and species, are available at info.fsc.org.

Jon Jelling

Jon Jelling, Director Certification
Rainforest Alliance
233 Broadway, 25th Floor New York, NY 10079 USA

RAINFORREST ALLIANCE IS AN FSC® ACCREDITED CERTIFIER

The validity of this certificate shall be verified on info.fsc.org.
This certificate does not constitute evidence that a particular product supplied by the certificate holder is FSC certified and/or FSC Controlled Wood. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required FSC data is clearly stated on invoices and shipping documents.

This certificate is the property of Rainforest Alliance. This certificate and all copies or reproductions of this certificate shall be returned or destroyed if requested by Rainforest Alliance.

Version July 2013



Key Strengths



Wheat Straw is cheap and easily available locally



Low cost raw materials

No other paper mill in a 100 Km radius



Secure access to raw materials

Chemical Recovery Plant to treat Black Liquor, oxygen plant for Delignification, production of Chlorine Dioxide for Bleaching & Pulping



Tremendous cost savings through in-house effluent treatments/intermediates



Co-power generation to reduce cost

33.75 MW capacity run on Biomass and process intermediates



Pan India distribution network

3 Branch Offices and 70 Distributors

Long standing relationships with State Text Book Boards



Environment compliant manufacturing facilities

In-house treatment of pollutants and 540 Acres of Eucalyptus Plantations and Carbon Credit Surplus



SATIA INDUSTRIES LIMITED
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Business Overview

Business Mix



Writing and Printing Paper

Revenue
(INR Mn)
FY18
6,269

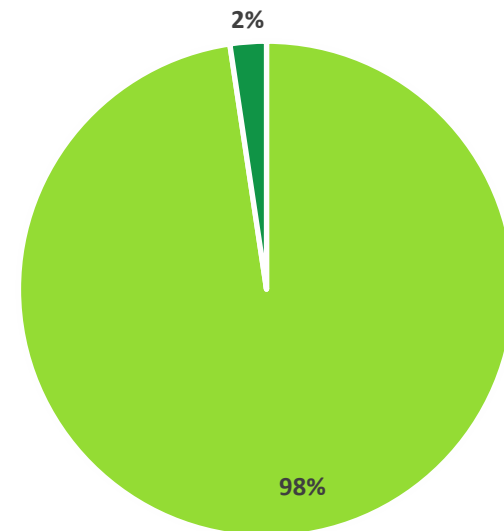
- Wood and Agro-based paper plants manufacturing paper using wood chips, veneer waste, wheat straw and sarkanda
- 9 different types of paper: Super Snow White, Snow White, Map litho, Colored paper, Ledger paper, Cartridge paper, Duplicating, bond paper, Photocopier paper and natural shade paper.



Others

- Engaged in trading of cotton and yarn
- Co-generation of power and steam
- Engaged in cultivation of crops including Eucalyptus Trees

FY18 Revenue Contribution (%)



■ Writing & Printing Paper ■ Others

Writing and Printing paper : Products



Snow White

Features:

Brightness: 85%
Whiteness: 133%
Opacity: 85-96%

Variants:

Copy Segment: 52-64 GSM
Printing Segment: 52-90 GSM

Pricing:

INR 60,500 to 64,000 PMT

RM Composition:

Agro Pulp: 75%
Hard Wood Pulp: 25%



Super Snow White

Features:

Brightness: 89%
Whiteness: 142%
Opacity: 85-96%

Variants:

Copy Segment: 52-64 GSM
Printing Segment: 52-90
GSM

Pricing:

INR 61,500 to 65,000 PMT

RM Composition:

Agro Pulp: 70%
Hard Wood Pulp: 30%



Ultra White

Features:

Brightness: 85%
Whiteness: 133 %
Opacity: 85-96%

Variants:

Copy Segment: 52-64 GSM
Printing Segment: 52-90
GSM

Pricing:

INR 62,500-65,800 PMT

RM Composition:

Agro Pulp: 75%
Hard Wood Pulp: 25%



Ultra Shine

Features:

Brightness: 88%
Whiteness: 142 %
Opacity: 85-96%

Variants:

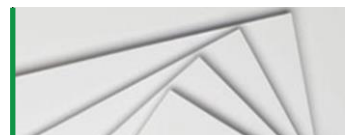
Copy Segment: 52-64 GSM
Printing Segment: 52-90
GSM

Pricing:

INR 62,000 to 65,500 PMT

RM Composition:

Agro Pulp: 70%
Hard Wood Pulp: 30%



Ultra Print

Features:

Brightness: 90%
Whiteness: 145 %
Opacity: 78-96%

Variants :

58-100 GSM

Pricing:

INR 63,000 to 66,500
PMT

RM Composition:

Agro Pulp: 65%
Hard Wood Pulp: 25%
Imported Hard/Soft
Wood Pulp: 10%

Writing and Printing paper : Products



Coloured Paper

Features:

Brightness- NA
Whiteness- NA
Opacity – 78-96%

Variants:

48-180 GSM

Pricing:

INR 67,000 to 71,000 PMT

RM Composition:

Agro Pulp- 70%
Hard Wood Pulp -30%



Cover Paper

Features:

Brightness- 85%
Whiteness- 133%
Opacity – 94-96%

Variants:

100-170 GSM

Pricing:

INR 62,000 PMT

RM Composition:

Agro Pulp- 75%
Hard Wood Pulp -25%



Natural Shade

Features:

Brightness- 82%
Whiteness- 70%
Opacity – 92-95%

Variants:

80-120 GSM

Pricing:

INR 62,000 PMT

RM Composition:

Agro Pulp- 70%
Hard Wood Pulp -30%



Photo Copier

Features:

Brightness- 90%
Whiteness- 142%
Opacity – 92%

Variants:

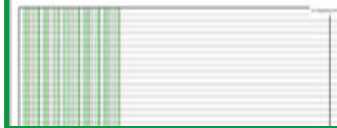
70-80 GSM

Pricing:

INR 69,500-70,000

RM Composition:

Agro Pulp- 65%
Hard Wood Pulp -20%
Imported Hard/Soft Wood
Pulp- 15%



Ledge

Features:

Brightness- 58%
Whiteness- 11%
Opacity – 88-90%

Variants :

58-90 GSM

Pricing:

INR 65,000 to 66,000
PMT

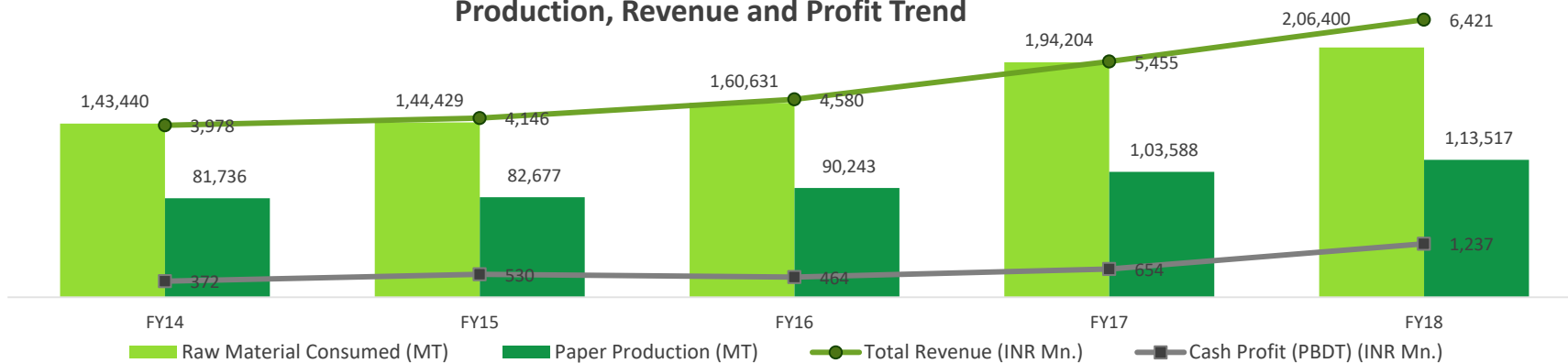
RM Composition:

Agro Pulp- 75%
Hard Wood Pulp- 25%

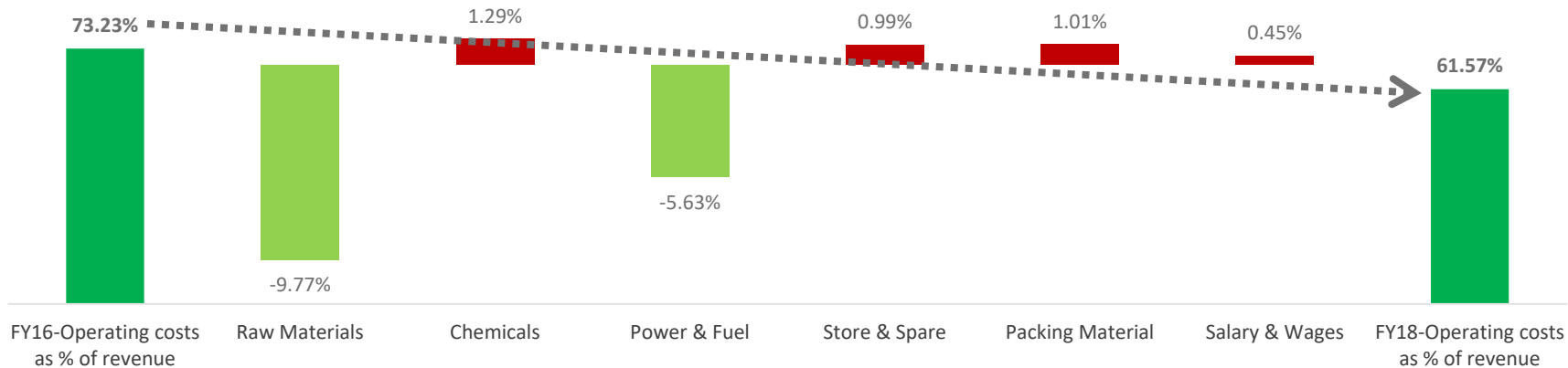
Operating Efficiency



Production, Revenue and Profit Trend



Operating Cost Bridge



Strategic Advantage



Raw Material Security

- SIL has the capability and flexibility to use all three kinds of pulp made from agro residue, wood and waste paper.
- It procures raw materials like wheat straw, sarkanda and wood chips from the area adjacent to the manufacturing plant in Punjab.
- No other paper mill, in a 100 km, radius ensures easy and cheap availability.

Water Security

- Water is imperative at each stage of production and can lead to loss of machine days in case of shortage.
- The fresh water requirement is 18,500 m³ /day for Agro & Wood-Based Pulp to produce writing & printing paper 390 TPD.
- The Company has an approval from the state irrigation department for fresh water withdrawal of 7.5 cusec from Arniwala Canal, which is at a distance of 1.8 km.

Captive Power Generation

- With the high cost of power directly affecting profits of paper industries, the best option is to install own captive power plants to manage production schedules without unplanned downtime and lower costs.
- Against the huge requirement of steam at 10Kg/cm² pressure for pulp making and steam at 4Kg/cm² pressure for drying paper; SIL has installed 62Kg/cm² steam pressure boilers and 33.75 MW power is co-generated from energy produced in pressure reduction which helps in huge cost savings.



Environment Compliance though a legal necessity; SIL considers this as its moral responsibility and has undertaken many steps to ensure that no harm is done to the environment:

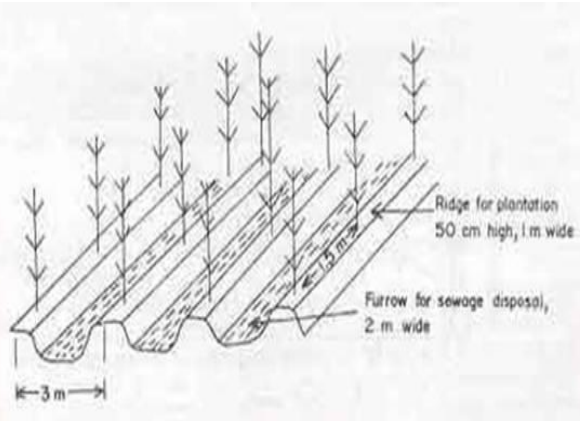
- **Eucalyptus Plantation** : SIL uses the natural quality of Eucalyptus Plant for natural pumping and evaporation of ground water through its leaves into the atmosphere and has developed 560 acres of Eucalyptus Plantation for waste water handling.
- **Zero discharge into the water body** as most of the treated waste water is absorbed by the eucalyptus plants.
- SIL has a fish tank with the treated waste water to check fish survival in the treated effluent and establishes that it is not harmful for aquatic life.
- **Solid waste** after treatment is used for land filling by farmers to grow crops. SIL is planning to tie up with cement companies to sell the remaining solid waste like calcium carbonate.
- Methane is used for power generation.

Karnal Technology



Process

- The Karnal Technology involves growing trees on ridges 1m wide and 50cm high and disposing of the untreated sewage in furrows.
- The effluent is consumed within 12-18 hours and it is possible to dispose off 0.3 to 1.0 ML of effluent per day per hectare through this technique.



Low Cost

- The expenditure of adopting this technology involves cost of making ridges, plantation and their care.
- The implementation does not involve skilled labour and relatively unfertile wastelands can be used for this purpose.

Zero Effective Discharge

- This technique utilizes the entire biomass as living filter for supplying nutrients to soil and plant.
- Further, as forest plants are to be used for fuel wood, timber or pulp, there is no chance of pathogens, heavy metals and organic compounds to enter into the human food chain system.

Plantation

Eucalyptus plant is widely used for Karnal Technology due to the capacity to transpire large amounts of water and ability to remain active through out the year.



Revenue Generation

This system generates gross returns from the sale of fuel wood and the sludge accumulating in the furrows along with the decaying forest litter.

Corporate Social Responsibility



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

- **Total amount spent during FY18: INR 4.9 Mn**
- **Total amount spent in FY19: INR 4.67 Mn**
- The management has approved **INR 25 Mn** for CSR program in surrounding villages. The activities mentioned therein shall be carried out within a **time frame of 5 years** (2017-18 to 2021-22)

The sectors identified under the scope of CSR activities are as follows:

Community Health Improvement: Periodical medical checkups, blood donation camps to be organized near the project site, eye check-up camps, health awareness camps for mother and child and health and hygiene practices

Community Education Facilities: Augmentation of furniture, blackboard, etc. in village schools, award scholarships to meritorious students, distribution of educational books, stationary, uniforms, aids, etc.

Community Welfare activities: Development of worship places as well as beautification, distribution of seeds & saplings, promotion & support to various Govt. schemes

Community Water Conservation: Rain water harvesting, ground water recharge pits and water conservation awareness programs

Community Capacity Building: Development of vocational training for technical skills, self employment trainings for women, such as, stitching, embroidery, tailoring, and handicrafts, etc.

Infrastructural Development: Village pond retrieval and R.O installation

A forestation Programs: Plantation of trees in village road sides



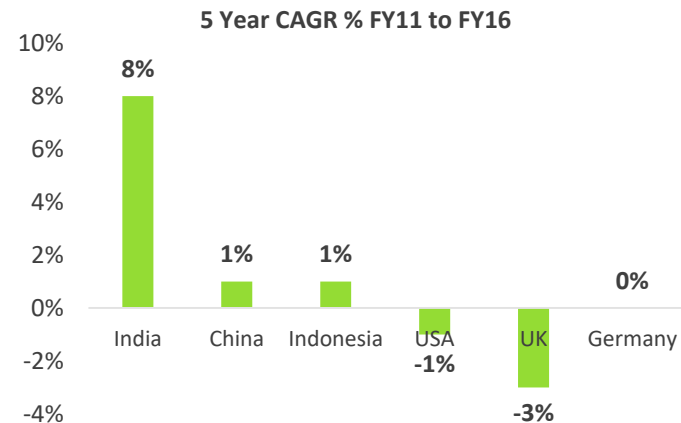
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Industry Overview

Paper Industry Overview



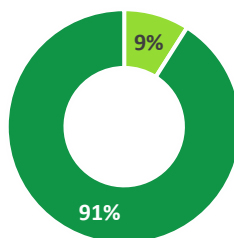
- Globally, India is the fastest growing paper market – 5-year (FY11 - FY16) with a CAGR of consumption is 8% in comparison to 1% globally.
- Paper demands grow in tandem (gain momentum) with the GDP growth rate in a country. Over the last 10-yr period (2006-2016), India's paper demand grew 8.1%, whereas GDP CAGR was 7.3%. Thus, the Company believes that India's high GDP growth rate ensures that base demand growth for paper is high.
- Moreover, paper usage per capita in India lags in comparison to most other major economies - 13 kg p.a. vs 150-250 kg p.a. for more developed countries.
- Combined with rapidly improving literacy rates and increasing office documentation needs, we expect demand growth in writing and printing paper in India to continue [Literacy rate improved to 75% in 2016 from 63% in 2001].
- The Indian paper industry is highly fragmented with more than 1000 mills, of which about 750 mills are operational and top 3 players account for only 9% of the market.



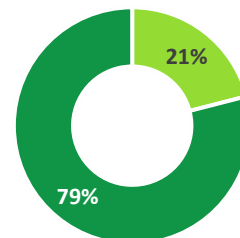
India has one of the lowest per capita consumption of paper



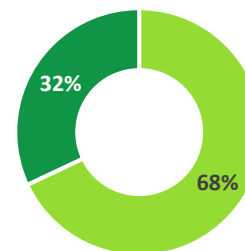
India (total 17m tons)



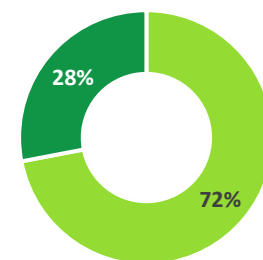
China (total 109m tons)



USA (total 70m tons)



Indonesia (total 7m tons)



■ Share of Top 3 ■ Others

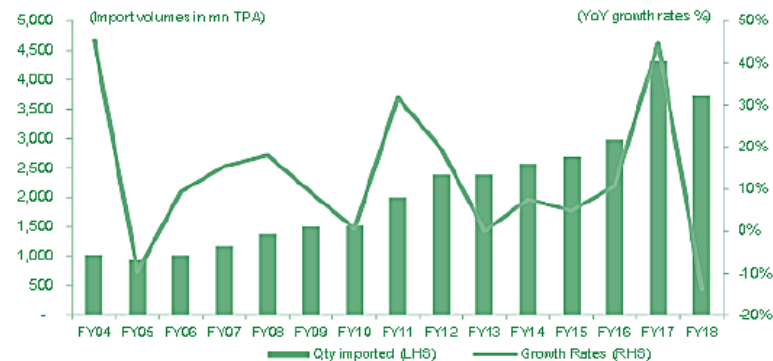
Paper Industry Overview



- India is the fastest growing major paper market in the world.
- An appreciating rupee made imports attractive in FY17.
- Anti-dumping duties were imposed by the US in 2016 and 2017, which led to diversion of supply from US to Indian markets.
- Free Trade Agreements with ASEAN and South Korea led to an increase in exports at 10Yr CAGR of 15% and 8%, respectively.
- Even though this dynamic may change as the rupee depreciates\anti-dumping duty is effected, open imports have already forced companies to increase cost efficiency\consolidate.



Imports grew at 9.3% CAGR from FY13 to FY18



Challenges of Environmental Compliance



- The pulp and paper industry is among the world's largest generators of air and water pollutants, waste products and gases that cause climate change. Thus, heavy investment is required by companies to be environmentally compliant. Multiple norms have been introduced over the years, which have covered paper manufacturing companies.



- Corporate Responsibility for Environment Protection (CREP) had some key action points - utilization of treated effluent wherever possible, reduce wastewater discharge to less than 140 m³/tonne of paper by 2005, etc.
- Charter for Water Recycling & Pollution Prevention in Pulp & Paper Industries (CWRPP), not only highlighted the Best Available Techniques (BAT) based on European Union's BREF document, but also laid down stringent water consumption, effluent generation and effluent characteristics norms for the industry to be achieved in two phases, i.e., short-term goals (by March 2016) and long-term goals (by March 2017). Water consumption norm of 50 m³/tonne of paper produced has already been achieved by the Industry.
- National Charter is in the pipeline. Large mills have already incurred capex to adopt environmental friendly technologies and thus, would not have a huge impact.
- Central Pollution Control Board (CPCB) advises the Central government on matters concerning air and water pollution. It has classified pulp and paper in the Red category, which means environmental clearance for new factories would be strict.
- Recently, 12 environmentally non-compliant paper mills were issued closure notices by CPCB.

Indian Paper Industry is Ripe for Consolidation



High Capital Intensity - Investment in land and machinery, repairs and maintenance of mills, technology, cost of environmental compliance, growing wood plantations and establishing a distribution network all make manufacturing paper a capital intensive task.

Economies of scale - The average capacity of an Indian Paper Mill is about 21,373 TPA, which is less than 1/5th of the average capacity of European mills, and about 1/9th the size of the average US mill.

Imports will pressure inefficient players further.

It is expensive to be environmentally compliant - The pulp and paper industry is among the world's largest producers of water pollutants and waste products. CPCB has classified Pulp and Paper industry into the Red category, which means environmental clearance for new factories would be strict.

Advent of GST - GST has been introduced at 12-18% for most paper categories which implies that the margin cushion available to small companies (likely tax avoiding) may be pressured.

Industry Stress - Multiple inorganic opportunities are available in India, which can help large players with strong balance sheets consolidate.



SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Financial Overview

Historical Profit & Loss Statement



PARTICULARS (INR Mn)	FY14	FY15	FY16	FY17*	FY18*	H1-FY19*
Total Income#	3,869	3,982	4,501	5,919	6,723	3,757
Total Expenses	3,337	3,289	3,801	4,799	5,202	2,882
EBITDA	532	693	700	1,120	1,521	875
EBITDA Margin	13.75%	17.40%	15.55%	18.92%	22.62%	23.29%
Depreciation	267	530	332	400	450	223
Finance Cost	156	163	251	245	237	107
Extraordinary Items	(4)	(1)	(16)	-	-	-
PBT	105	(1)	101	475	834	545
Tax	(30)	(79)	(30)	20	147	117
Profit After Tax	135	78	131	455	687	428
PAT Margin	3.49%	1.96%	2.91%	7.69%	10.22%	11.39%
Other Comprehensive Income	-	-	-	(2)	(8)	(4)
Total Comprehensive Income	135	78	131	453	679	424
EPS (INR per share)	13.34	7.84	13.12	45.55	68.67	42.8

*As per IND-AS

#Includes Other Income

Balance sheet

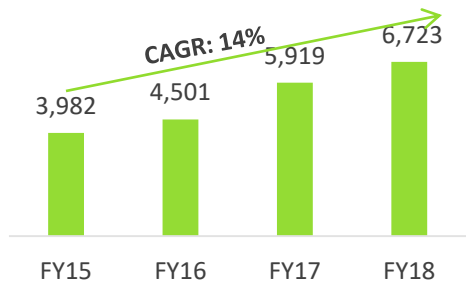


PARTICULARS (INR Mn)	FY17	FY18	H1-FY19	PARTICULARS (INR Mn)	FY17	FY18	H1-FY19
Equity	1,583	2,226	2,632	Non-Current Assets	3,124	3,540	3,766
Equity Share Capital	100	100	100	a) Property, Plant and Equipment	2,914	3,119	3,087
Other Equity	1,483	2,126	2,532	b) Capital Work In Progress	99	295	555
				c) Financial Assets			
				(i) Investments	30	29	29
Non-Current Liabilities	1,802	1,819	1,708	(ii) Loans	31	35	37
a) Financial Liabilities				(iii) Other financial assets	10	10	10
(i) Borrowings	910	910	947	d) Deferred Tax Asset (Net)	32	48	46
(ii) Other Financial liabilities	838	837	676	e) Other Non-Current Assets	8	4	2
b) Other Non-Current Liabilities	4	3	4				
c) Provisions	50	69	81				
d) Deferred Tax Liabilities (Net)	-	-	-	Current Assets	1,835	2,278	2,406
				a) Inventories	278	526	579
Current Liabilities	1,574	1,773	1,832	b) Biological Assets other than bearer plants	179	295	332
a) Financial Liabilities				c) Financial Assets			
(i) Borrowings	744	676	626	(i) Trade Receivables	1,049	1,179	1,169
(ii) Trade Payables	296	447	563	(ii) Cash and Cash Equivalents	3	13	6
(iii) Other Financial Liabilities	465	468	482	(iii) Bank balances other than above	74	64	55
b) Current tax liabilities (net)	-	-	38	(iv) Other financial assets	18	23	26
c) Other Current Liabilities	54	164	105	d) Current Tax Assets (Net)	19	21	-
d) Provisions	15	18	18	e) Other Current Assets	215	157	239
GRAND TOTAL - EQUITIES & LIABILITES	4,959	5,818	6,172	GRAND TOTAL – ASSETS	4,959	5,818	6,172

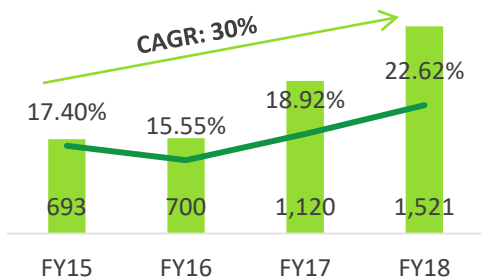
Financial Highlights



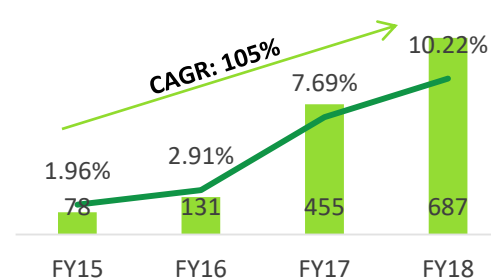
Total Revenue (INR Mn)



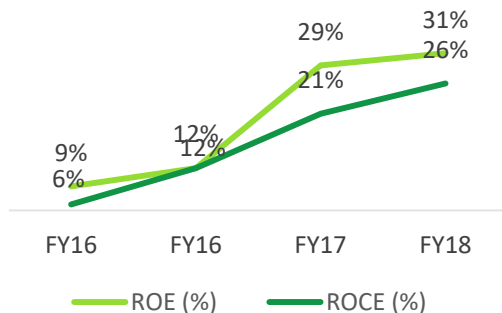
EBITDA (INR Mn) & EBITDA Margin (%)



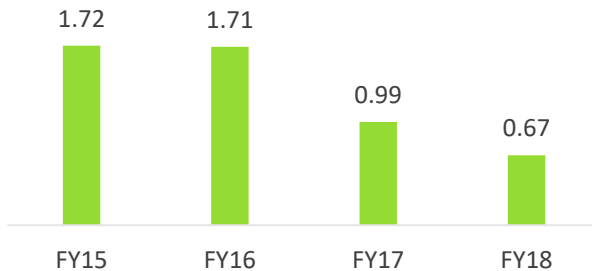
PAT (INR Mn) & PAT Margin (%)



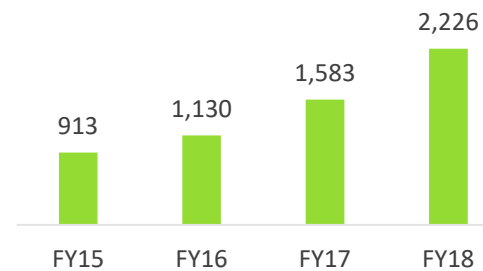
RoE and RoCE



Net D/E



Net Worth (INR Mn)

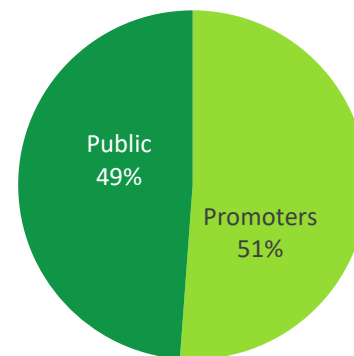


Capital Market Data



Price Data (31 st December, 2018)	INR
Face Value	10.00
Market Price	519.70
52 Week H/L	718.60/ 142.05
Market Cap (Mn)	5,197.00
Equity Shares Outstanding (Mn)	10.00
1 Year Avg Trading Volume ('000)	3.28

Shareholding Pattern as on 31st December, 2018



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For further information please contact our Investor Relations Representatives:

Mr. Anuj Sonpal

Valorem Advisors

Tel: +91-22-4903-9500

Email: satia@valoremadvisors.com



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Thank You