



# DEEPAK GROVER & ASSOCIATES

## CHARTERED ACCOUNTANTS

Date \_\_\_\_\_

CA Deepak Grover  
B.Com., F.C.A

### Limited Review Report for the Quarter ended 31<sup>ST</sup> DECEMBER, 2017

To The Board of Directors of Satia Industries Limited

We have reviewed the accompanying statement of unaudited financial results of Satia Industries Ltd for the Quarter ended 31.12.2017 being submitted by the Company pursuant to the requirement of Regulations 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as modified by circular no CIR/CFD/FAC/62/2015 dated July 5, 2016. Attention is drawn to the fact that the figures for the corresponding Quarter ended 31<sup>ST</sup> DECEMBER, 2016, including the reconciliation of profit under Ind AS of corresponding quarter with profit reported under previous AS as reported in these financial results which have been approved by Company's Board of Directors but have not been subjected to review.

This statement which is the responsibility of the Company's management and approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.

We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2400 'Review of interim Financial information performed by the independent auditor of the entity, issued by the Institute of Chartered Accountant of India. This standard requires we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily inquiries of Company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Deepak Grover & Associates.  
Chartered Accountants

  
(Deepak Grover)  
Chartered Accountant  
(Membership No 505923)

Place : Ferozpur  
Date: 08.02.2018

**Satia Industries Limited**

CIN:- L21012PB1980PLC004329

**Statement of financial results for the Quarter ended December 31, 2017**

(Rupees in 'Lacs')

Sl. No	Particulars	3 Months ended 31 December 2017	Preceding 3 Months ended 30 September 2017	Corresponding 3 Months ended 31 December 2016	Nine months ended	
					31 December 2017	31 December 2016
		UnAudited	UnAudited	UnAudited	UnAudited	UnAudited
I	Revenue from operations	16,382.54	13,364.67	13,378.86	44,644.93	37,713.49
II	Other income	2,034.70	1,014.62	1,091.61	4,057.06	2,998.21
III	<b>Total Income (I+II)</b>	<b>18,417.24</b>	<b>14,379.29</b>	<b>14,470.47</b>	<b>48,701.99</b>	<b>40,711.70</b>
IV	Expenses					
	Cost of material consumed	5,961.64	4,954.85	5,664.61	17,014.07	16,288.86
	Excise duty	(0.00)	0.00	729.34	796.89	1,985.69
	Purchases of stock-in-trade	19.10	-	246.76	989.36	463.97
	Changes in inventory of finished goods, stock in trade and work in progress	892.34	16.43	(310.74)	(151.48)	525.38
	Employee benefits expense	994.18	902.26	820.09	2,807.07	2,249.57
	Finance costs	565.96	588.84	597.37	1,779.45	1,865.50
	Depreciation	1,163.73	1,150.82	912.65	3,344.92	2,927.95
	Other expenses	6,320.96	5,222.22	4,616.34	16,732.77	11,406.59
	<b>Total expenses (IV)</b>	<b>15,917.91</b>	<b>12,835.42</b>	<b>13,276.42</b>	<b>43,313.05</b>	<b>37,713.51</b>
V	<b>Profit before tax (III-IV)</b>	<b>2,499.33</b>	<b>1,543.87</b>	<b>1,194.05</b>	<b>5,388.94</b>	<b>2,998.19</b>
VI	Tax expense:					
	Current tax	273.38	-	-	273.38	-
	Deferred tax	(169.14)	179.28	259.65	303.85	240.26
VII	<b>Profit for the period (V-VI)</b>	<b>2,395.09</b>	<b>1,364.59</b>	<b>934.40</b>	<b>4,811.71</b>	<b>2,757.93</b>
VIII	Other comprehensive income					
	A (i) Items that will not be reclassified to profit and loss	(8.40)	(8.41)	(8.40)	(25.22)	(25.22)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	2.91	2.91	2.91	8.73	8.73
	B (i) Items that will be reclassified to profit and loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-	-
IX	<b>Total Comprehensive Income for the period (VII+VIII)</b> (Comprising profit and Other Comprehensive Income for the period)	<b>2,389.60</b>	<b>1,359.09</b>	<b>928.91</b>	<b>4,795.22</b>	<b>2,741.44</b>
X	Paid-up equity share capital (Face value-`10 per equity share)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
XI	Earnings per share (of `10 each) (for the period - not annualised)					
	- Basic (₹)	23.95	13.65	9.34	48.12	27.58
	- Diluted (₹)	23.95	13.65	9.34	48.12	27.58

**Notes to Unaudited financial results for the quarter ended December 31, 2017**

1. The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on February 08, 2018.

2. Post applicability of Goods and Services tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the periods upto 30 June 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding:

Particulars	Quarter ended			Nine months ended	
	31 December 2017	30 September 2017	31 December 2016	31 December 2017	31 December 2016
A. Revenue from operations	16,382.54	13,364.67	13,378.86	44,644.93	37,713.49
B. Excise duty	-	-	729.34	796.89	1,985.69
C. Revenue from operations	16,382.54	13,364.67	12,649.52	43,848.04	35,727.80

**Transition to Indian Accounting standards (Ind AS)**

The Company's financial statements for the quarter ended December 31, 2017 are the interim financial statements prepared in accordance with accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS). The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2016 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS financial statements for the quarter ended December 31, 2017, be applied consistently and retrospectively for all fiscal years presented. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and previously applicable accounting principles (Previous Indian GAAP) as at the transition date have been recognized directly in equity at the transition date.

**Exemptions applied at transition**

Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. Ind AS 101 allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following significant exemptions in its standalone financial results:

1. Property, Plant and Equipment: The Company has elected to regard Previous Indian GAAP carrying amount as per GAAP as deemed cost as at the date of transition.
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.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous Indian GAAP to Ind AS in accordance with Ind AS 101:

**Total comprehensive income reconciliation**

Particulars	Note No.	For the quarter ended	For nine months ended
		December 31, 2016	December 31, 2016
Net Profit under previous GAAP		714.42	2,002.11
Guarantees issued recognized at fair value	i	25.87	33.17
Recognition of borrowings using effective interest rate	ii	19.24	(22.25)
Recognition of loans to employees using effective interest rate	iii	-	-
Amortisation of Government grant	iv	2.65	7.95
Cumulative depreciation on assets	iv	(2.65)	(7.95)
Deferred tax adjustment of GAAP adjustments	v	(23.46)	(45.14)
Biological assets recognised at fair value less cost to sell	vi	175.66	670.52
Employee future benefits – actuarial gains and losses	vii	8.40	25.22
Prior period expenses	viii	14.27	94.30
Net Profit as reported under Ind AS		934.40	2,757.93
Other comprehensive income, net of tax		(5.49)	(16.49)
Total comprehensive income under Ind AS		928.91	2,741.44

**Explanations for reconciliation of net profit**

i. 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.

ii. Under Ind AS, the borrowings are carried at amortised cost using effective interest rate. Accordingly, the upfront transaction cost which has been incurred by the company towards origination of borrowings are deducted from the carrying amount of the borrowings on initial recognition and subsequently recognised in profit and loss over the tenure of borrowings as a part of the interest expense by using the effective interest method.

Under previous Indian GAAP, these transaction cost incurred in respect with borrowings were charged to profit and loss as and when incurred.

iii. Under Ind-AS, loans are initially recognized at fair value and measured using effective interest rate rate. The company has given certain loans to its employees/key management personnel at below market rate of interest. Under Ind AS these loans are measured at fair value at inception and subsequently recognised at amortised cost using effective interest rate method. The difference between market rate of interest and contractual interest rate at inception is recognized in profit and loss account as employee cost over the usage pattern of the loan.

Under previous Indian GAAP, such loans are recognized at the contractual amount and interest cost is recognized based on the contractual interest rate.

iv. Under Ind-AS, Capital grants received is required to be accounted by setting up the grant as deferred grant income and is recognised in profit or loss on a systematic basis over the useful life of the underlying capital asset.

Under previous Indian GAAP, the Grant received was deducted from the carrying amount of fixed assets and the depreciation is charged on the net value.

v. Consequential deferred tax on all the above adjustments.

vi. Under Ind-AS, All biological assets are measured at fair value less costs to sell.

Under previous Indian GAAP, Biological assets are measured at cost.

vii. Under Ind-AS, the actuarial gains and losses on post retirement defined employee benefits are recognised in other comprehensive income.

Under previous Indian GAAP, such actuarial gains and losses were recognised in profit and loss account.

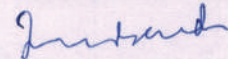
viii. Under Ind-AS, prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.

2. A limited review as required under regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 has been completed on the detailed financial results for the quarter ended 31 December 2017 filed with the Stock Exchanges. This report does not have any impact on the 'Results and Notes' for the quarter ended 31 December 2017 which needs to be explained.

Place: Lalru

Date:- 08-02-2018

For Satia Industries Limited



(R.K.Bhandari)  
Joint Managing Director

## Satia Industries Limited

CIN:- L21012PB1980PLC004329

### SEGMENT WISE REVENUE RESULTS AND CAPITAL EMPLOYED

(Rupees in 'Lacs')

S no.	Particulars	3 Months ended 31 December 2017	Preceding 3 Months ended 30 September 2017	Corresponding 3 Months ended 31 December 2016	Nine months ended	
					31 December 2017	31 December 2016
					(UnAudited)	(UnAudited)
<b>1</b>	<b>Segment Revenue</b>					
	a) Paper	15,406.18	13,327.75	13,209.25	43,617.84	37,262.53
	b) Yarn & Cotton	902.39	36.91	51.21	939.30	271.08
	c) Co Generation Division	3,570.53	1,853.90	1,527.17	7,170.54	4,723.29
	d) Agriculture	16.23	-	118.40	30.05	179.88
	e) Solar Division	57.74	-	-	57.74	-
	<b>Total</b>	<b>19,953.07</b>	<b>15,218.57</b>	<b>14,906.03</b>	<b>51,815.47</b>	<b>42,436.78</b>
	Less: Inter Segment Revenue	3,570.53	1,853.90	1,527.17	7,170.54	4,723.29
	<b>Net Revenue from operations</b>	<b>16,382.54</b>	<b>13,364.67</b>	<b>13,378.86</b>	<b>44,644.93</b>	<b>37,713.49</b>
<b>2</b>	<b>Segment Results</b>					
	Profit before Interest & Tax					
	a) Paper	524.86	1,089.24	761.61	2,892.83	1,914.32
	b) Yarn & Cotton	-25.98	-4.98	-1.98	-30.96	0.50
	c) Co Generation Division	2,365.23	783.54	753.31	3,669.71	2,144.12
	d) Agriculture	269.75	264.91	278.48	705.38	804.75
	e) Solar Division	-68.57	-	-	-68.57	-
	<b>Total</b>	<b>3,065.29</b>	<b>2,132.71</b>	<b>1,791.42</b>	<b>7,168.39</b>	<b>4,863.69</b>
	Less: Interest	565.96	588.84	597.37	1,779.45	1,865.50
	<b>Profit before Tax</b>	<b>2,499.33</b>	<b>1,543.87</b>	<b>1,194.05</b>	<b>5,388.94</b>	<b>2,998.19</b>
<b>3</b>	<b>Segment Assets</b>					
	a) Paper	38,346.47	39,405.70	37,996.04	38,346.47	37,996.04
	b) Yarn & Cotton	1,143.13	1,309.48	1,167.74	1,143.13	1,167.74
	c) Co Generation Division	8,503.16	9,248.92	4,038.34	8,503.16	4,038.34
	d) Agriculture	3,009.97	2,735.71	1,790.65	3,009.97	1,790.65
	e) Solar Division	2,738.30	-	-	2,738.30	-
	<b>Total</b>	<b>53,741.03</b>	<b>52,699.81</b>	<b>44,992.77</b>	<b>53,741.03</b>	<b>44,992.77</b>
<b>4</b>	<b>Segment Liabilities</b>					
	a) Paper	15,145.73	14,973.48	14,330.52	15,145.73	14,330.52
	b) Yarn & Cotton	47.22	94.73	0.21	47.22	0.21
	c) Co Generation Division	793.36	786.24	415.62	793.36	415.62
	d) Agriculture	4.39	5.63	7.44	4.39	7.44
	e) Solar Division	-	-	-	-	-
	<b>Total</b>	<b>15,990.70</b>	<b>15,860.08</b>	<b>14,753.79</b>	<b>15,990.70</b>	<b>14,753.79</b>

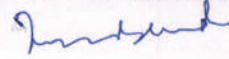
**Note**

- 1 A limited review as required under regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 has been completed on the detailed financial results for the quarter ended 31 December 2017 filed with the Stock Exchanges. This report does not have any impact on the 'Results and Notes' for the quarter ended 31 December 2017 which needs to be explained.
- 2 The Financial results were reviewed by Audit Committee and approved by the Board of Directors in their meeting held on 08 February 2018
- 3 The detail of number of investor complaint for the quarter ended 31 December 2017.

<b>Particulars</b>	<b>Three months ended 31 December, 2017</b>
Pending at the beginning of the quarter	0
Received during the quarter	0
Disposed/ replied of during the quarter	0
Remaining unresolved at the end of the quarter	0

Place: Lalru  
Date:- 08-02-2018

For Satia Industries Limited



(R.K.Bhandari)  
Joint Managing Director