



**SATIA**  
INDUSTRIES  
LIMITED

An ISO 9001, 14001 & 45001 company  
CIN : L21012PB1980PLC004329

Manufacturer of Quality  
Writing, Printing & Speciality  
Paper with ECO MARK  
GST IN : 03AACCS7233A1ZZ  
www.satiagroup.com

IS 1848



SIL/CS

Date: 04.11.2023

The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001	The Manager, Listing Department, National Stock Exchange of India Ltd, Exchange Plaza, Plot No. C/1, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051
Scrip Code: 539201	Symbol: SATIA

Dear Sir/Madam,

**Sub: Submission of Analyst/ Investor Presentation**

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. Please find enclosed Investor Presentation.

Thanking you

Yours faithfully,  
For Satia Industries Limited

(Rakesh Kumar Dhuria)  
Company Secretary



SATIA INDUSTRIES LIMITED  
AN ISO 9001, 14001 & 45001 COMPANY

# Satia Industries Limited

Investor Presentation  
November 2023







# Safe Harbor



*Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Satia Industries Ltd. will not be responsible for any action based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

# Company Overview

Satia Industries Limited (SIL), located in the District of Muktsar, Punjab, was **incorporated by Dr. Ajay Satia** and commenced its operations in **1984**.

SIL supplies 40%-50% of its production to State textbook boards, with the balance sold in the open market through a pan-India network of **100+ dealers and three branch offices** located in Delhi, Chandigarh & Jaipur with total Employee strength of 2,200+ head counts

SIL has **540 acres of eucalyptus plantations**. Besides, under Project Green, we distributed 1 lac Eucalyptus saplings to farmers for plantation over 1,000 acres under our Social Forestry Initiative.

## Vision

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



## Mission

‘To sustain growth with technological upgradation and innovation continuously for achieving cost competitiveness with sustained profitability, excellence in quality and win customer satisfaction and loyalty.’

SIL is one of India’s **leading Wood and Agro-based paper manufacturers**, with a completely integrated manufacturing setup with 4 paper machines, 100% in-house power generation, soda recovery plant and one of the best effluent treatment facilities in the nation.

Last year the company added a **4th state of the art paper machinery** to its production facilities with a capacity of 100,000 MTPA. With a **diverse Capex program** to modernize and scale up its capacities, SIL now has a total installed capacity of 2,19,000 MT in FY23.

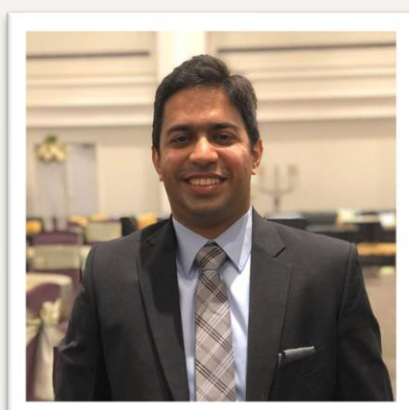


# Core Leadership Team



**Dr. Ajay Satia**  
Chairman & MD

Dr. Satia is an MBBS. He was the pioneer in setting up this integrated paper mill. Dr. Satia has a passion for work, flair for technology and possesses unparalleled enterprising spirit for expansion and modernization.



**Mr. Chirag Satia**  
Executive Director

He has been the driving force behind new initiatives since he joined in 2015 and looks after Finance, Accounts and Commercial Operations. His enterprising spirit and visionary outlook have added new energy to the workforce.



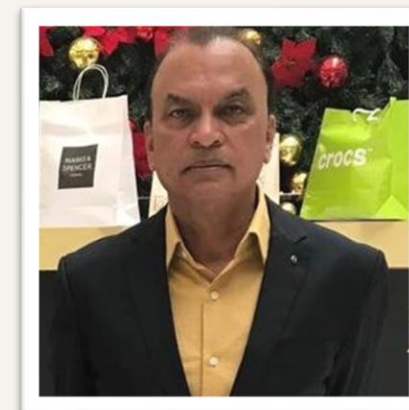
**Mr. RK Bhandari**  
Joint MD

Mr. Bhandari is an MBA. He has been instrumental in marketing, in the formulation & execution of SIL's core business strategies for the last 37 years. He has been instrumental



**Mr. Rachit Nagpal**  
CFO

Mr. Nagpal is a Chartered Accountant by profession and has more than 10 years of experience. He handles treasury management, financial reporting, tax compliances, project financing and budgeting in the Company



**Mr. Hardev Singh**  
Director (Technical)

Mr. Hardev Singh has a rich experience of 35 years. He is key pillar in the company for technical aspects. He has been instrumental in installation of all projects in the company.

# Leadership Reflections



Mr. Chirag Satia  
Executive Director

During the quarter, the industry faced substantial pricing headwinds. This created pressure on our top line. We recorded a revenue of INR 3,734 Mn for Q2FY24, marking a 19% YoY decline. Our continuous orders with State Text boards provided vital support in mitigating the effects of price declines, ensuring the stability of our gross margins throughout the quarter.

It's worth noting that raw material prices have started to rise in the recent past, and this upward trend could potentially affect industry margins in Q4FY24. However, due to our integrated approach, Satia Industries is well-positioned to efficiently manage cost escalations. Moreover, our reliance on 50% of revenues from State Text Boards provides a valuable safeguard, allowing us to secure revenues at fixed prices and ultimately delivering good returns to our shareholders.

We remain committed on maximizing our operational efficiencies and optimizing resource allocation. As a result, we consistently undertake improvement projects in our facilities, even if they are of smaller scale, strengthening our capability to effectively navigate challenges. We have successfully completed the first phase of our wood pulping capex, and the remaining phase is set to become operational in the second half of FY24. Consequently, we anticipate reaping the full benefits of this capex in the upcoming FY25.



# Journey and Milestones

## 1980-2000



- **1980**  
Incorporation of Satia Industries
- **1984**  
Started production With Paper Machine-1; capacity 4,950 MTPA
- **1989**  
Second Paper Machine-2 installed
- **1993**  
Production Crossed 10,000 MTPA
- **1998**  
Installed Paper Machine-3 and 80 TPD waste pulp

## 2000-2015



- **2002-03**  
Power co-generation plant (5 MW) installed/150 TPD continue digester
- **2006**
  - CRP and power plant 5 MW TG Installed
  - 220 MT agro Pulp mill (unbleached and bleached plant)
- **2011-12**
  - Increased power plant to 23.30 MW.
- **2014-15**
  - 200 TPD continue digester
  - Capacity of Chemical Recovery Plant was enhanced

## 2015-2019



- **2015-16**  
Listing of SIL's Equity Shares on BSE in September 2015
- **2016-17**
  - Additional Power generation of 10.45 MW and New Solar plant of 2.29 MW.
  - 120 TPD Wood pulp Mill
- **2017-2018**
  - Added Solar Capacity of 3.25 MW.
  - Increased PM2 Speed from 400-650 MPM
- **2018-19**  
PM-1 speed increased upgrading from 500 to 700 MPM

## 2019-2021



- **2019-20**
  - Recorded Highest Production of 1,33,191 MT and the capacity of CRP plant increased from 400-650 TPD.
  - Listing of SIL's Equity Shares on NSE in July 2019
- **2020-21**
  - Installation of Multifuel Boiler (cost saving of approx. INR 250 Mn per year)
  - 14 MW turbine
  - Machinery procured for Table Cutlery Segment

## 2021-2025



- **2021-22**
  - Commencement of Commercial Production from Paper Machine 4 with capacity of 1,00,000 tons.
  - Enhancement of Pulping Capacity to 150 TPD

# Transitioning the cyclical business to non-cyclical with **consistent financial success**

**Focused raw material procurement** - Satia is one of the largest wood and Agro-based (based on wheat straw) paper producers. Besides, we have a paper recycling facility of 150 TPD. Satia's facility is located in the wheat belt, which gives easy access to procure desired raw material as there is no other facility in 100 KM vicinity.



**Thoroughly backward integrated manufacturing facility leading to sustainable margins** - Satia has always followed a step ahead approach in terms backward integration at various levels - power, caustic soda, wood plantation which gives prominent cost savings and helps in achieving better profit margins. Further, the captive power plant enables Satia to earn Renewable Energy Certificates (REC).



**Deeply rooted Customer relationship** - Satia has developed a substantial and long-standing relationship with various state boards and publishers of text books. Some relations extend beyond 10-15 years. The customers of Satia are spread across India.



**Due to above factors there is continuous growth in revenues, profitability, cash flows and return ratios.**



# Strategic and Sustainable Revenue Model



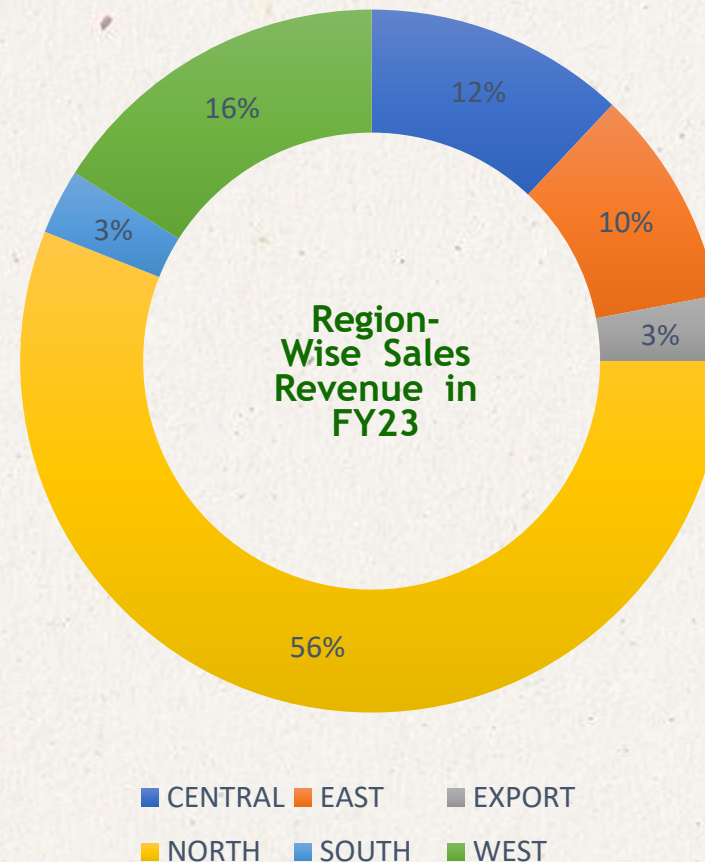
## Supplies to State boards: ~40-50% of Revenues

- SIL supplies High-quality watermark paper to various state boards.
- Consolidated demand from all Text-books boards is approximately 5,00,000 TPA of paper
- By supplying ~50-75k TPA to various state boards, SIL boasts of a major market share in this vertical.
- The State Text-book orders are tender driven businesses, these projects are State government funded under Sarva Shiksha Abhiyaan with average receivable days happen to be 25-30 days
- Sales to Textbook boards command higher operating margins compared to open market, attributed to higher GSM and lower finishing loss and higher production.



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

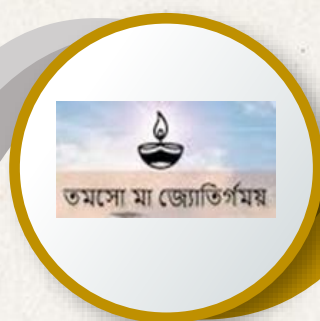
- SIL supplies retail traders through its strong Pan- India distribution network with 100+ dealers and three branch offices in Delhi, Chandigarh & Jaipur.
- Out of total sales from Open Market Supplies, ~5-10% of sale comes from Rajasthan and Delhi in a Direct sale, to end users, and facilitated by the SIL's employees.
- A variety of paper grades are manufactured for this vertical ,i.e. Exercise book paper, Snow white paper, SS Maplitho paper, Ledger paper, Copier paper, Colour printing paper etc.



# Marquee Clients



Bal Bharti



Assam State Text Book  
Production & Publication  
Corporation Ltd



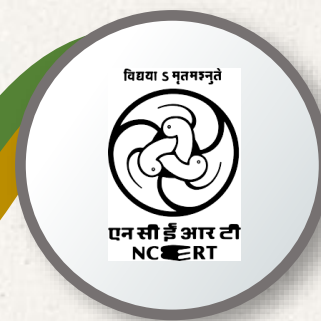
Odisha State Bureau of  
Textbook



Chhattisgarh Pathya  
Pustak Nigam



Rajasthan Raja  
Pathyapustak Mandal



NCERT



Burda Druck India  
Private Limited



West Bengal Text  
Book Corporation  
Ltd



Himachal Pradesh  
Board of School  
Education



Indian Railways



State Election  
Commission (UP)



DAV



# Key Highlights Q2FY24



# Recent Developments



Satia Industries has finished the first phase of wood pulping capex with installation of four digesters. Rest two will be installed during Q3



The company is running two cutlery machines on trial. By end of Q3FY24, the company is expecting 6 more semi-automatic machines to come

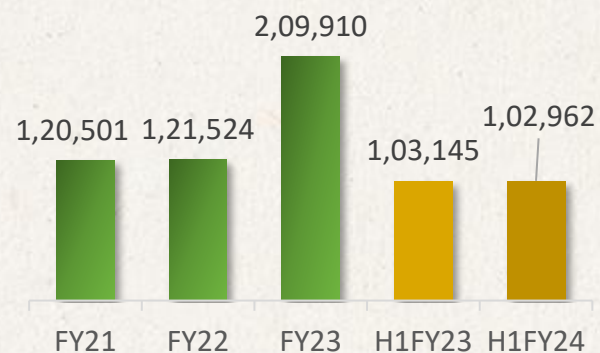


During the quarter, the company **prepaid term loans of INR 284.2 Mn**

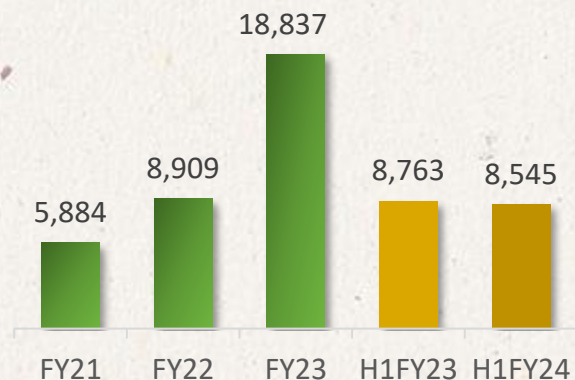


# Key Performance Indicators

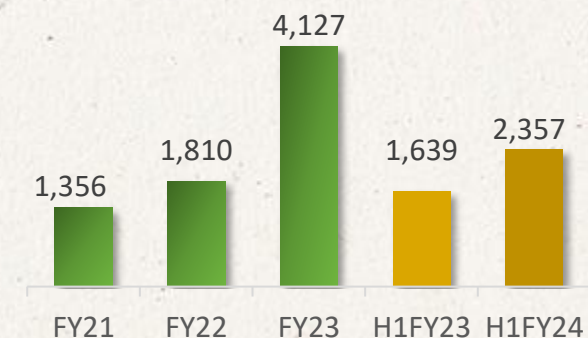
Volume (MT)



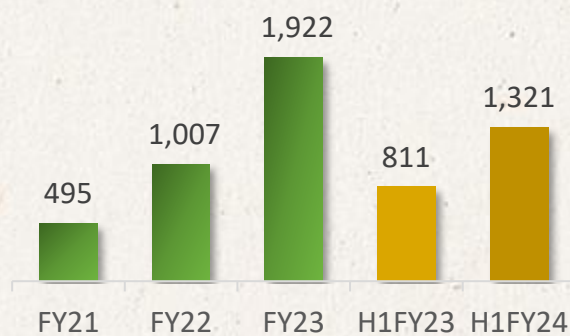
Income (INR Mn)



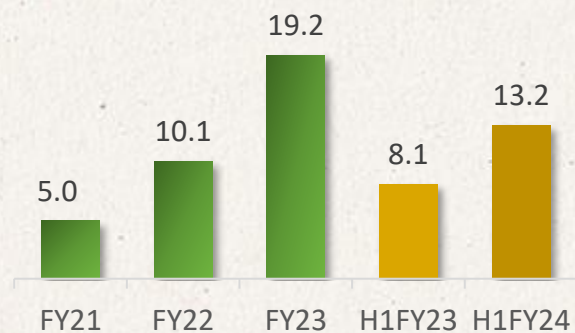
EBITDA (INR Mn)



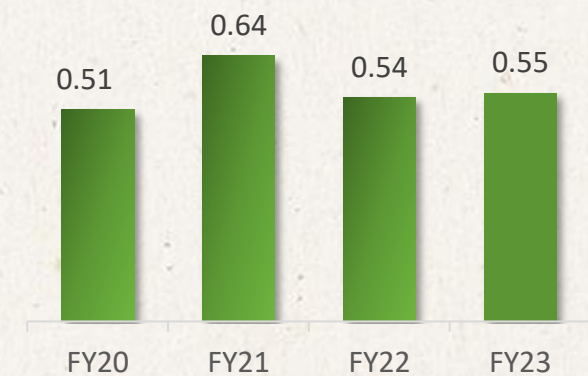
PAT (INR Mn)



EPS (INR)



Net Debt:Equity (x)



# Financial Statement Highlights

Particulars (INR Mn)	Q2FY24	Q1FY24	QoQ	Q2FY23	YoY	H1FY24	H1FY23	YoY
Revenue from Operations	3,734	4,812	-22%	4,593	-19%	8,545	8,763	-2%
Other Income	58	35	68%	48	22%	93	87	7%
<b>Total Income</b>	<b>3,792</b>	<b>4,847</b>	<b>-22%</b>	<b>4,641</b>	<b>-18%</b>	<b>8,638</b>	<b>8,851</b>	<b>-2%</b>
<b>Expenses</b>								
Cost of material consumed	1,537	1,984	-23%	2,285	-33%	3,521	4,361	-19%
Purchases of traded goods	8	15	-48%	96	-92%	23	177	-87%
Change in inventory of finished goods, stock in trade and work in progress	15	-31	-148%	-42	-135%	-16	-27	-41%
Employee Benefit Expenses	259	246	5%	203	28%	505	384	31%
Finance Cost	74	78	-5%	90	-18%	151	167	-9%
Depreciation	335	326	3%	317	6%	661	623	6%
Other Expenses	1,051	1,105	-5%	1,121	-6%	2,156	2,230	-3%
<b>Total Expenses</b>	<b>3,278</b>	<b>3,722</b>	<b>-12%</b>	<b>4,069</b>	<b>-19%</b>	<b>7,000</b>	<b>7,915</b>	<b>-12%</b>
<b>Profit before Tax</b>	<b>514</b>	<b>1,124</b>	<b>-54%</b>	<b>571</b>	<b>-10%</b>	<b>1,638</b>	<b>935</b>	<b>75%</b>
Current tax	37	314	-88%	107	-66%	350	168	108%
Deferred Tax	-2	-31	-93%	-44	-95%	-33	-43	-24%
<b>Profit for the period</b>	<b>479</b>	<b>841</b>	<b>-43%</b>	<b>508</b>	<b>-6%</b>	<b>1,321</b>	<b>811</b>	<b>63%</b>
<b>Earnings per share (not annualised)</b>								
Basic and Diluted	4.8	8.4	-43%	5.1	-6%	13.2	8.1	63%



# Financial Statement Highlights

## ASSETS

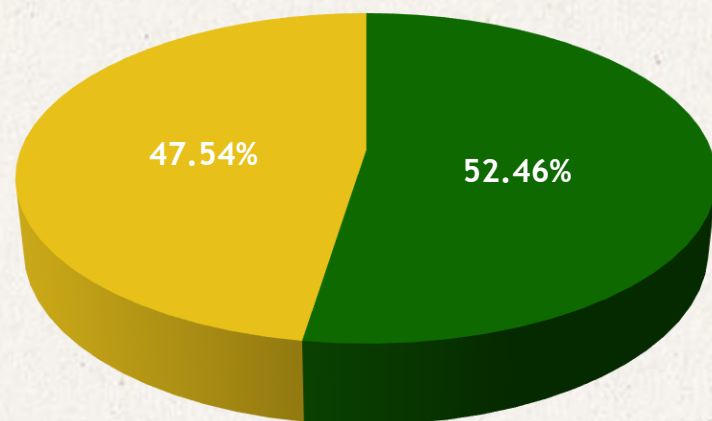
Particulars (INR Mn)	FY23	H1FY24
<b>Fixed Assets</b>		
Tangible Assets	6,893	7,400
Right of Use Assets	127	168
Intangible Assets	20	18
Capital Work in Progress	1,376	1,102
<b>Total Fixed Assets</b>	<b>8,416</b>	<b>8,687</b>
Non-Current Investment & Other Financial Assets	68	69
Loans	-	-
Deferred Tax & Other Tax Assets	345	310
Other Non-Current Assets	519	682
<b>Total Non-Current Assets</b>	<b>932</b>	<b>1,061</b>
<b>Current Assets</b>		
Inventories	1,597	1,765
Biological Assets other than bearer plants	444	471
Trade Receivable	1,904	1,808
Cash & Cash Equivalent	4	5
Bank Balances	180	153
Other Financial Assets	40	55
Current Tax Assets	46	-
Other Current Assets	160	410
<b>Total Current Assets</b>	<b>4,374</b>	<b>4,667</b>
<b>Total Assets</b>	<b>13,722</b>	<b>14,414</b>

## LIABILITIES

Particulars (INR Mn)	FY23	H1FY24
<b>Shareholders Fund</b>		
Share Capital	100	100
Reserves and Surplus	7,232	8,431
<b>Total Shareholders Fund</b>	<b>7,332</b>	<b>8,531</b>
<b>Non Current Liabilities</b>		
Long Term Borrowings	2,578	1,805
Other Financial Liabilities	735	550
Other Long Term Liabilities	1	1
Long Term Provision	106	119
Deferred Tax Liabilities	-	-
<b>Total Non Current Liability</b>	<b>3,421</b>	<b>2,475</b>
<b>Current Liabilities</b>		
Short Term Borrowings	1,615	2,255
Trade Payable	1,099	722
Lease Liability	29	29
Other Current Liabilities	107	112
Other Financial Liabilities	106	164
Short Term Provision	12	14
Current Tax Liabilities	-	113
<b>Total Current Liabilities</b>	<b>2,969</b>	<b>3,408</b>
<b>Total Liabilities</b>	<b>13,722</b>	<b>14,414</b>

# Capital Market Indicators

### Shareholding as of 30<sup>th</sup> Sep 2023



■ Promoters & Promoters Group  
■ Public

### Stock Performance







# Thank You

*For further information on the Company,  
please visit [www.satiagroup.com](http://www.satiagroup.com)*



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