

for quality pulp & minimizing wastage from waste paper

- 3) Hardwood street 200TPD of latest technology installed for wood pulp quality & production enhancement.
- 4) DD washer and Decker Washer Street of latest technology installed in wood street for better quality and productivity enhancement.
- 5) Recovery boiler ESP 1 modification for better emission control & efficient boiler operation.
- 6) PCC Plant installation for paper quality improvement (brightness increase, OBA chemical reduction, soap stone dependency reduces / market alternative).
- 7) Cutlery plant for developing a food packaging product segment for market by utilizing existing basic infrastructure.

III FOREIGN EXCHANGE EARNINGS AND OUT GO:

Expenditure for the year ended 31st March, 2022 is as under: -

	(Rs.)
(i) Earning in foreign exchange.	27294923.00
(ii) Expenditure in foreign currency.	
CIF Value of imports	(Rs.)
Waste Paper	268320111
Pulp	353680973
Chemical	17164821
Store & Spares	48438172
Capital Goods	625810511
Interest	17359307
Legal, Technical Fees & other fees	25946061
Total Expenditure	1356719956
Place : Rupana	(Dr Ajay Satia) (R.K.Bhandari)
Date : 03.08.2022	Chairman Cum Joint Managing
	Managing Director

Business Responsibility Report

Annexure-V

Section A: General Information about the Company

1.	Corporate Identity Number (CIN):	L21012PB1980PLC004329
2.	Name of the Company	Satia Industries Limited
3.	Registered Address	VPO: Rupana, Malout-Muktsar Road, Distt:- Sri Muktsar Sahib, Punjab-152032
4.	Website	www.satiagroup.com
5.	Email id	satiapaper@gmail.com, satiapaper@satiagroup.com
6.	Financial Year reported	31.03.2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Writing and Printing Paper
8.	List three key products / services that the Company manufactures / provides (as in balance sheet):	Writing and Printing Paper Co-generation of Power
9.	Total number of locations where business activity is undertaken by the Company	4
	Number of International Locations (Provide details of major 5)	0
	Number of National Locations	4
10.	Markets served by the Company - Local / State / National / International	National/International

Section B: Financial Details of the Company

1. Paid up capital (INR) : 10.00 Crores
2. Total turnover (INR) : 916.75 Crores
3. Total profit after taxes (INR) : 100.65 Crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):
2% of the average on annual net profit of the preceding three financial year i.e Rs 194.80 Lakh
5. List of activities in which expenditure in 4 above has been incurred:
 - 1 Improving and preventative health cares
 - 2 Promoting education
 - 3 Rural Development

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?
No
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).
N.A
3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?
Nil

Section D: BR Information

1. Details of Director/Directors responsible for BR:
 - a) Details of the Director /Directors responsible for implementation of the BR policy / policies:

DIN Number : 00732588

Name : Rajinder Kumar Bhandari

Designation : Joint Managing Director

- b) Details of the BR Head:

Name : Rajinder Kumar Bhandari
 Designation : Joint Managing Director
 Telephone no. : 01633-262001
 e-mail id : rksmile57@gmail.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the well-being of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect, and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a Policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If Yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Our policies are available on the Company's website at www.satiagroup.com								
7	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

ANNUALLY

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the hyperlink for viewing the same is www.satiagroup.com in the Annual Report

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

We are committed to adopting the best corporate governance practices as manifested in the company's functioning to achieve business excellence by enhancing the long-term shareholder's value. Efficient conduct of the business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices being followed at Satia Industries Ltd.

The composition of the Board of Directors of the company is governed by the Company's Act 2013 and SEBI Regulations 2015. As on March 31, 2022, the Company has 11 directors on its board (including the Chairman), of which 7 are Independent, 4 are Non-Independent and Executive Directors. To ensure accountability and monitoring, the Board has constituted various committees such as: Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee and Risk Management Committee. The committees meet periodically during the year to supervise, review performance and advice on the necessary direction to be taken.

Code of Conduct: Satia Industries Ltd has its Code of Conduct which extends to all directors and senior employees of Satia Industries Ltd which aims at maintaining highest standards of business conduct in line with the Ethics of the Company, provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. All senior employees have to read and understand this code and agree to abide by it.

The policy code of conduct is available at the company website at the link <https://www.satiagroup.com> information with the name Policies- Code of Conduct. Vigil Mechanism/ Whistle Blower Policy: The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Uniform Listing Agreement aims to provide a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1 List up of your products or services whose design has incorporated a social environmental concern, risks and/or opportunities.

All the products manufactured by the Company viz. Agro-waste based Paper are manufactured taking into account social and environmental concerns. The Company continuously strives to innovate and unlock the value of its product to present the best to its customers. At the same time being a socially responsible citizen, the Company reconciles economy with ecology.

The Company is one of the few companies manufacturing paper with wheat straw (Unconventional raw material). Besides, the Company's captive power plant utilizes waste from other processes, strengthening its credentials as an environment-friendly organization. We continued to take several initiatives to reduce water consumption. Substituting different forms of pulp (agro base, plywood industry waste etc), our pulp usage per ton of paper production (in product mix) has been reduced.

- i) The Company make the Paper is a sustainable product and can be recycled.
- ii) The Raw material used is bio waste and wood/ veneer waste processed to make final product.
- iii) Chemical especially caustic used for cooking is recovered 90%-95% from black liquor (effluent) and reused as cooking chemicals.
- iv) Lime used can be recovered again in the form lime sludge or can be used to make cement.
- v) We use rice husk and rice straw in boiler as fuel and do not use any fossil fuel to make steam and power and earn REC for using the same.
- vi) Maximum possible process back water recycling is done from one process to other process to minimize fresh water consumption per ton Paper.
- vii) We are well below the target set by BEE, Govt. of India for consumption of energy per ton of paper made.
- viii) Our eucalyptus plantation leads to carbon sequestration then reducing global climate changes.

- 2 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

Yes, the business model of the Company has their roots in an agro-based economy which leads to prosperity of farmers. The Company procures its raw material requirement from within a radius of 150 kms of the plant.

- 3 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

Yes, the Company take services from the local and small producers. Further, the raw materials used by the Company are agro-based so they are sourced from local economy.

- (1) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Through its sustained efforts, the Company has helped local farmers and service providers to prosper their respective businesses. The Company procures wheat straw, Sarkanda for Pulp and Paper Making and Rice straw, rice husk as fuel for steam and power generation and other inputs from local area. Also, the Company provides financial and other assistance to farmers who produce these agriculture products. This increases the capacity and capability of farmers and also the quality of the products produced. The Company's manufacturing sites act as an economic centre for the communities in the vicinity.

The Company ensures that it engages local villagers and small businesses around its manufacturing facilities in variety of productive employment i.e housekeeping, horticulture etc.

Principle 3: Businesses should promote the well-being of all employees.

- 1. Please indicate the Total number of employees.**

2012 permanent employees

- 2. Please indicate the Total number of employees hired on Temporary/contractual/casual basis.**

297 Contractual employees

- 3 Please indicate the Number of permanent women employees. –**

8 Women employees

- 4. Please indicate the Number of permanent employees with disabilities-**

6 Permanent employees with disabilities

- 5. Do you have an employee association that is recognized by management? – No, however an employer committee from different levels watches the interest of workers supervision.**

- 6. What percentage of your permanent employees is members of this recognized employee association? - Nil**

- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No. of complaints filed during the financial year -NIL

No. of complaints pending as at end of the financial year - Nil

1 Child labour/forced labour/ involuntary labour - - Nil

2 Sexual harassment - - Nil

3 Discriminatory employment - - Nil

- 8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

(a) Permanent Employees - 83%

- (b) Permanent Women Employees - 90%
- (c) Casual/ Temporary/Contractual Employees- 85%
- (d) Employees with Disabilities - 70%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has identified key stakeholder groups and mapped its internal and external stakeholders. The key categories include (i) Government and regulatory authorities; (ii) Employees; (iii) Consumers; (iv) Suppliers; (v) Investors, Shareholders & Lenders; (vi) Local Community; (vii) NGOs.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable & marginalised stakeholders from the nearby local communities and surrounding villages in the form of contractual employees and marginal farmers.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

The Company values the support of its stakeholders and respects the interest and concerns they have towards the Company. The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogues

with all stakeholders across businesses, identify material concerns and their resolution in an equitable and transparent manner. The Company proactively engages with and responds to those sections in the society that are disadvantaged, vulnerable and marginalized. The Company has a structured CSR program through which it assesses the needs of local stakeholders and carries out initiatives to address societal needs.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?

The Company is committed to protect the human rights of its stakeholders. Human resource is considered as a valuable resource in the organization. Human resource practices of the Company aim at ensuring not only protection but also respect for human rights, all its policies acknowledge this. The Company discourages its business associates from doing any violation of Human Rights. The Company, within its sphere of influence, promotes the awareness and realization of human rights across its value chain. To this extent, the Company extends its initiatives to promote human rights to external stakeholders including suppliers and contractors. The Company's approach to managing human rights is aligned with internationally recognised principles and guidelines. It is a constant endeavour to ensure that none of the suppliers engage in employment of child, forced or compulsory labour. The Company strongly prohibits the employment of child, forced or compulsory labour in all its operations.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any stakeholder complaint in 2021-22 regarding violation of human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1. Does the policy relate to Principle 6 cover only the Company or extends to the Group / Joint Ventures/ Suppliers/Contractors/ NGOs/ others?

The Company as a responsible corporate citizen considers its obligation to maintain highest standards of the environmental management and ensure for all its members, consultants, contractors and customers a safe and healthy environment free from occupational injury & diseases. However, the policy of the Company in this regard governs the conduct of the Company only.

- Industry has already installed four field ESP with the recovery boiler and power boiler for the control of particulates from the flue gases.
- With the proposed 75 TPH Boiler, Company plans to install four field ESP in order to achieve the prescribed norms of emissions from the stack i.e. 50 mg/Nm³.
- The flue gases discharged from the stacks shall be emitting SO₂, NO_x, and SPM. Portholes and sampling facilities have been provided for all stacks as per Central Pollution Control Board's guidelines.
- The status of ambient air quality shall be monitored regularly, at least at 3 sampling locations out of which one in the critical down wind direction. Stack flue gas analysis is carried out (3-4 times in a month's) to check the emission levels and adopt corrective measures, if required.
- Regular monitoring shall be done as per the Environmental Monitoring Plan and

CC&A for checking the efficiency of control equipment.

- Company has two UASB reactors in parallel with a capacity of 3500 m³ each to treat wet wash effluent.
- The methane gas is collected on top of the reactors with the help of 3-fold hood, provided to catch even minor gas generation. The gas is collected in a gas holder and sent to boilers to produce steam.
- The effluent is separated from the gas and is taken into two nos. of tube settlers. This helps in removing the excess anaerobic sludge from the effluent and the collected sludge is recycled back into the anaerobic reactor.
- The overflow of the reactors is finally cleared in the secondary clarifier.

2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

The Company is very much concerned about the climate change due to industrialisation, so it adopts best of processes & techniques, so that it minimises the negative effect on the environment. Decision to manufacture Paper from wheat straw was one of the most important initiatives taken by the company. This saves thousands of trees from cutting down, which is one of the best ways to preserve our precious environment from being exposed to be polluted.

3 Does the company identify and assess potential environmental risks? Y/N

Yes, potential environmental risks are identified as a part of the Company's risk management activity and feature in the Company's risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?

- i) The Company's 5 MW Biomass based power project is registered with the Clean Development Mech at UNFCCC and energy efficiency caustic recovery is registered with VERRA.
- ii) The Company has also registered a Co-generation of Power Project under verified carbon standard.
- iii) The Company has two solar 1-REC projects registered with International REC standards.
- iv) The Company has a Renewable Cogen Project registered under Indian Renewal Energy Certification Mechanism.

The Company has installed the above projects at its own as a responsible corporate citizen to maintain highest standards of the environmental management and ensure for all a safe and healthy environment.

5 Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The Company has already adopted Elemental Chlorine Free (ECF) bleaching by using in-house generated chlorine dioxide (ClO₂) thus drastically reducing the pollution load. For energy efficiency, old lights are being replaced by LED lights. For renewable energy the industry has undertook the following projects:

a) Cogen / Power Projects

The Company has installed Renewable Power/ Cogen project for captive consumption. In the absence of the projects, the Company would have purchased the power from GRID, which are based on Fossil Fuel. Thus, the Projects

displaces the use of electricity that would be purchased from the northern grid and in turn achieve GHG emission reduction.

b) CRP PROJECT

The purpose of the project activity is to recover the caustic soda from waste liquor generated at the pulping stage of the paper manufacturing process. Since the electricity consumption for the process of recovery of 1 tonne of soda is much lesser than that consumed in the production of fresh stock, the proposed project activity would help curb the greenhouse gases emissions into the atmosphere. The electricity consumed at project activity is generated inhouse from biomass-based power project.

6 Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

We meet target much below stringent norms of air emission & particulate matter in ESP stack emission is below 30 against standard of 150 ppm

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on the end of Financial Year.

There is no show cause / legal notice received from CPCB / SPCB which is pending as on the end of financial year in relation with non-compliance with environmental laws and regulations.

Principle7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

Yes, our Company was member of the following Organizations as on March 31, 2022

- i Federation of Indian Export Organisation [FIEO]
- ii Indian Agro & Recycled Paper Mill Association (IARPA)
- iii Indian Pulp and Paper Technical Association (IPPTA)

2. Have you advocated/lobbied through above associations for the advance mentor improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The Company appreciates the importance of trade associations. Trade associations provide a forum for information sharing and discussion with both trade association officials and representatives of various sectors.

1. The Company is committed towards environmental protection and has a well-defined corporate environmental policy in place. The Company encourages its suppliers and contractors to employ environment friendly measures in their day-to-day operations.
2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

Yes, the Company has taken up several initiatives to address global environmental issues such as climate change, global warming, waste minimisation, effluent reduction, water conservation.

The Company has always advocated the cause of Good Governance, Administration and Economic reforms. It actively participates and raises its concern on matters of governance, economic reforms and other public policies in public interest at appropriate forums. The Company continuously advocates the use of alternative

fuels, energy conservation and afforestation. Some of the major programmes undertaken on a continual basis are training of youths in entrepreneurship which enabled them to earn livelihood for themselves and their families.

Principle 8: Business should support inclusive growth and equitable development.

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company has been one of the foremost proponents of inclusive growth and has continued to undertake projects for overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development and livelihood interventions etc. Accordingly, over the years, its programs have diversified to entrepreneurship sustainable with modern health care and education. The Company has a CSR Policy in accordance with the provisions of the Companies Act 2013 and rules made there under. The contents of the CSR Policy are disclosed on the website of the Company.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/ any other organisation?

Programmes as covered under CSR Activities are undertaken through Company as well as external organizations also. Activities undertaken by external organizations are directed and monitored by the Company on regular intervals /periods.

3. Have you done any impact assessment of your initiative?

The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee of the Board and management periodically to understand the impact of these programmes.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the financial year 2021-22, the Company had contributed 194.80 lakh to Community Development Projects. The details of the community development projects undertaken during the financial year 2021-22 are given in Corporate Social Responsibility Report which forms part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The CSR team regularly interact with the local communities and these employees visit the areas to understand the problems being faced by the community and determine the action required to be taken to assess the impact of community development projects undertaken to ensure that the objectives and benefits of these projects are being met. The Company strives to reach out to the end user itself to have a maximum impact.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

What percentage of customer complaints/consumer cases are pending as on the end of financial year?

No Complaint is pending as on 31.03.2022

1. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. / Remarks (additional information).

The Company has an uncompromising commitment to provide best in-class products and customer satisfaction. The Company fully complies the laws of land. All the display and disclosure requirements as per applicable Statutes are complied with.

2. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof.

There have been no cases relating to unfair trade practices, irresponsible advertising and/or anticompetitive behaviour against the Company in the last five years.

3. Did your company carry out any consumer survey/ consumer satisfaction trends?

Customers' satisfaction is the Company's goal, which motivates the company to keep its products as per the consumers' requirements. To understand the customers better, the Company adopts several procedures including customer surveys, direct feedback. Feedback is also taken by the management during the visit of Customers at the manufacturing facilities. This helps the Company in preparing and planning the future business strategies and profitability.

The Company is focused on delivering value to its customers and therefore, customer satisfaction surveys are carried out on a regular basis. This provides valuable feedback for the Company for providing the best possible service to customers and to continuously improve in its engagement with customers.

The Company complies with all laws and regulations concerning marketing communications. In line with this, the required information as mandated by law is inscribed on the product label of the Company.

Annexure IV

Corporate Social Responsibility (CSR)

1 Brief Outline of the Company's CSR Policy

The Company has framed the CSR Policy pursuant to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014