



*35th*

*Annual Report*

*2015 -16*

**Satia Industries Limited**

## BOARD OF DIRECTORS

DR. AJAY SATIA  
SH. R.K.BHANDARI  
SH. AVINASH CHANDER AHUJA  
SH. A.KRISHNA  
SH. S.K. ARORA  
SH. DINESH SHARMA  
SH. I.D. SINGH  
SMT. BINDU SATIA  
SH. CHIRAG SATIA  
SH. J.R. SHARMA

CHAIRMAN CUM MANAGING DIRECTOR  
WHOLE TIME DIRECTOR  
INDEPENDENT DIRECTOR  
INDEPENDENT DIRECTOR  
INDEPENDENT DIRECTOR  
INDEPENDENT DIRECTOR  
INDEPENDENT DIRECTOR  
DIRECTOR  
EXECUTIVE DIRECTOR  
DIRECTOR (LEGAL)

### Chief Financial Officer

Sh. Ashok Kumar Khurana

### Company Secretary

Mr Rakesh Kumar Dhuria

### Statutory Auditors

M/s.Rakesh Bansal & Co.  
Chartered Accountants  
Muktsar-152026

### Registered Office & Works

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

### Branch Offices

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

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

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

### BANKERS

Punjab National Bank  
Central Bank of India  
Andhra Bank  
Indian Overseas Bank

CONTENTS	PAGE NO.
1. NOTICE	1
2. DIRECTOR'S REPORT	10
3. CORPORATE GOVERNANCE REPORT	22
4. AUDITOR'S REPORT	41
5. BALANCE SHEET	46
6. PROFIT AND LOSS ACCOUNT	47
7. NOTES ON ACCOUNT	48
9. CASH FLOW STATEMENT	75

### Registrar and Transfer Agent

Beetal Financial & Computer Services (P) Ltd  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,  
Behind Local Shopping Complex,  
Near Dada Harsukhdas Mandir, New Delhi-110062  
Phone : 011-29961281-83, Fax:011-29961284  
Email: beetal@rediffmail.com

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the Members of Satia Industries Ltd. will be held on Friday, 30<sup>th</sup> September, 2016 At 10:00 A.M. at the Registered Office of the Company at VPO Rupana, Malout Muktsar Road, Muktsar to transact the following businesses:-

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2016 and Profit and Loss Account for the year ended on that date along with the Report of the Auditors and Directors thereon.
2. Sh. J.R.Sharma (Din No 00746574), retires by rotation and does not seek his re-appointment.
3. Sh A.Krishna (Din No 00904526) Director of the Company retire by rotation and does not seek his re-appointment.
4. **To Consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:-**

“**RESOLVED** that consent of the Company be and is hereby accorded to the ratification of the appointment of M/s Rakesh Bansal & Co., Chartered Accountants, Muktsar (ICAI Registration No.090278), who were appointed to hold office from the conclusion of 33<sup>rd</sup> Annual General Meeting until the conclusion of the 36th Annual General Meeting as a statutory Auditors of the Company on such remuneration as may be fixed by the Board of Directors of the Company”.

### Special Business

5. **To Consider the issue of Convertible Equity Warrants on Preferential Basis and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution :-**

“**RESOLVED** THAT pursuant to the provisions of Sections 42,62 and all other applicable provisions, if any, of the Companies Act,2013(including any

amendment thereto or re-enactment thereof)[herein after referred to as” the Act’],applicable rules, guidelines, regulations, notifications and circulars of the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and other concerned and relevant authorities and enabling provisions of the Memorandum and Articles of Association of the Company, the listing agreement entered into by the Company with the stock exchanges where the shares of the Company are listed in accordance with the applicable provisions of the SEBI(issue of Capital and Disclosure Requirement) Regulations 2009 (Regulations”) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011(Takeover Regulations’) as amended and subject to such consent, approval permission or sanction of SEBI,RBI and any other bodies, authorities and institution, as may be necessary and further subject to such terms and condition as may be prescribed by any of them while granting any approval, consent, permission or sanction and/or considered appropriate by the Board of Directors(herein after referred to as “Board” which shall be deemed to include any committee which the Board may constitute and/or delegate to exercise its powers) as its absolute discretion, the consent of the Company is hereby accorded to create, offer, issue and allot 9800000 convertible equity warrants on a preferential basis (herein referred to as “Warrants’) to such Person (other than promoters) (“Allottees’) as the Board may decide in its absolute discretion, with each Warrant, convertible into one equity share of the Company of nominal value of Rs.10/- each at a price of Rs. 26.80/- (Consideration) which include a premium of Rs.16.80/- per share, the minimum price calculated in accordance with the Regulations for preferential allotment of Warrants and on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.”

“**RESOLVED FURTHER THAT** the “relevant date” in relation to the issue and for the purpose of pricing of Warrants in accordance with Clause 71 & 76 of



the Regulations would be 31<sup>st</sup> August, 2016 ,being the date of 30 days prior to the date on which this meeting of the members is held.”

“**RESOLVED FURTHER** that the issue of Warrants as above, shall be subject to the following terms and conditions:

- a) The Warrant shall be convertible (at the sole option of the Warrant holders) within a period of 18 months from the date of allotment of Warrants.
- b) Each Warrant shall be convertible into one equity share of nominal value of Rs.10/- each at a price of 26.80/- which include a premium of Rs.16.80/- per share.
- c) The applicants for Warrants shall, on or before the date of allotment, pay an amount equivalent to 25% of the Consideration per Warrant.
- d) The Warrant holder(s) shall on or before the date of exercise of the conversion option, pay the balance 75% of the consideration of the Company.
- e) The amount referred to in© above shall be forfeited, if, any to the extent, of the option to acquire shares is not exercised within the due date.
- (f) The number of Warrants and the price per warrant shall be appropriately adjusted, subject to the Act and the Regulations, for corporate actions such as bonus issue, right issue, stock split, merger, demerger, or any such capital or corporate restructuring, as may be applicable.
- (g) The lock in of equity shares acquired as a result of conversion of Warrants shall be for a period of one year in the case of allottee other than promoters from the date of trading approval granted, Further, the entire pre-preferential shareholding of the Allottees, shall be locked – in from the Relevant Date up to a period of six months from the date of trading approval as per Regulation 78 (6) of the Regulations.

h) Allottees shall comply with the provision of the Takeover Regulations as amended and prevailing from time to time as regards the acquisition of share, if any

i) Any other conditions as may be prescribed by the Board at the time of allotment.

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized in its entire discretion to proceed with the issue of the Warrants, including the size and relative components of the same and for the purpose of giving effect to this issue or allotment of Warrants and to do all such acts ,deeds, matters, and things as it may deem necessary or desirable for such purpose, including without limitation, appointment of consultants, solicitors, merchant bankerts, or any other agencies as may be required, and entering into arrangement of listing, trading, depository service and such other arrangements and agreements as may be necessary, and also to seek listing of the equity shares representing the same in Bombay Stock Exchange (BSE Ltd.) with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to such issue, offer or allotment of Warrants and in complying with any regulations, as it may be discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to determine, vary, modify, alter any of the terms and conditions of the Proposed issue including reduction of the size of the issue as it may deem Expedient in its discretion”.

**6. To Consider the increase in Authorised Share Capital of the Company and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution**

“**RESOLVED** that pursuant to Article 55 of the Articles of Association of the company and

provisions of section 61 read with section 64 and all other applicable provisions, if any of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and other rules framed there under, the consent of the members be and is hereby accorded to increase the Authorized Share Capital of the company from existing Rs.12,00,00,000/- (Rupees twelve crore) divided into 1,20,00,000 (One crore twenty lac) equity share of Rs.10/each to Rs 22,00,00,000 (Twenty two crores) divided into 2,20,00,000 (Two crores twenty lac) equity share of Rs.10/-each

**“RESOLVED FURTHER THAT** consequent to the increase in the Authorized Share Capital, Clause v of the Memorandum of Association of the company (herein after referred as MOA) is hereby altered to read as under:

- V. The Authorized Share Capital of the company is Rs.220000000/- (Rs twenty two crores) divided into 22000000 (Two crores twenty lac) Equity share of Rs.10/-each with powers to increase or reduce the capital of the company and to attach thereto such preference shares either subject to or free from income tax as may be determined in accordance with the regulations of the Company to vary modify or any such rights, privilege or conditions In such manner as may for the time being be provided by the regulation of the company”.

**“RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all such acts, deeds matter and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution”

**Place : Rupana**  
**Dated : 13.08.2016**

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

**(Rakesh Kumar Dhuria)**  
**Company Secretary**



**NOTES:**

- 1) A Member entitled to attend and vote at the Meeting is entitled to appoint proxy to attend and vote on poll instead of himself and the proxy need not be a Member of the Company. The proxies should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 2) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
- 3) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting
- 4) Members are requested to bring their copies of Annual Report at the Meeting.
- 5) All documents as referred in the above notice and explanatory statement are open for inspection at the Registered Office of the Company during office hours on all working days between 11:00 A.M. to 1:00 P.M. up to the date of Annual General Meeting.
- 6) Members seeking any information with regards to Annual Accounts at the time of Meeting, are requested to send their queries to the company so as to reach at least ten days before the date of Meeting, to enable the management to keep the relevant information ready at the time of Meeting.
- 7) The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2016 to 30.09.2016 both days inclusive.
- 8) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration)

Rules, 2014, the Shareholders are informed that the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate E-voting. E-voting is optional and Members shall have the option to vote either through e-voting or in person at the General Meeting. The detailed procedure is mentioned below. For the aforesaid purpose, the Company has appointed Mr Gaurav Bansal, Chartered Accountant as scrutinizer for scrutinizing e-voting process in a fair and transparent manner

The instructions for shareholders voting electronically are as under:-

- A. The voting period begins on 27.09.2016, 9.00 AM and ends on 29.09.2016 at 5.00PM During these period shareholders holding share either in physical form or in dematerialized form as on the cut-off date 23.09.2016 (record date) may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting thereafter.
  - i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - iii) Click on Shareholders.
  - iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on the label of address affixed on the Annual Report. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which

they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Satia Industries Ltd on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to



www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 23.09.2016 may follow the same instructions as mentioned above for e-Voting.
- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com

9. M/s Gaurav Bansal, Chartered Accountant in practice, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner(including the ballot forms).The Scrutinizer shall within a period of two working days for the conclusion e-voting period, unblock the votes in presence of at least 2 witnesses not in employment of the Company and make a report of the vote cast in favour or against, if any, forthwith to the Chairman of the Company.

10. The Results shall be declared within two working days from the conclusion of the AGM. The result declared along with the Scrutinizer’s report shall be placed in the Company website.

**EXPLANATORY STATEMENT OF MATERIALS  
FACTS IN RESPECT OF THE SPECIAL  
BUSINESS**

**PURSUANT TO SECTION 102 OF THE COMPANIES  
ACT, 2013**

**Item No. 5**

As per Section 62(1) C, 42 and other applicable provisions if any of the Companies Act, 2013 as amended and the rules made there under (The “Act”) and other applicable provisions, if any and chapter V11 of the SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 as amended (SEBI (ICDR)) Regulations and such approval, consents, permission and sanction as may be necessary or required from regulatory or other appropriate authorities, approval of shareholders of the Company by way of special resolution is required for allotment of warrants on preferential basis to non-promoters.

The relevant disclosures as required in term of the Act and SEBI (ICDR) Regulations are as under:-

**a) Objects of the issue**

In the long term interest of the Company and to meet the fund requirements for projects, working capital needs and general corporate purposes, the Company proposes to issue 9800000 Warrants convertible into equity shares on preferential basis (Warrants) to the non-promoters. The proposed issue and allotment of the Warrants as above require the approval of the members by a special resolution pursuant to the provision of Section 42,62 and other applicable provision, if any, of the Companies Act,2013 (including amendment thereto or re-enactment thereof),applicable rule, regulations, notification and circulars of the Securities and Exchange Board of India (SEBI), Reserve Bank of India(RBI)and other concerned and relevant authorities and enabling provisions of the Memorandum and Articles of Association of the Company and provision of the listing agreement



entered into by the Company with the stock exchanges.

**b) No. of Warrants, Relevant Date and issue Price**

The Company proposes to issue 9800000 Warrants each convertible into 1 equity share of the Company, of the nominal value of Rs.10/- each at a premium of Rs.16.80 per share totaling to an issue of Rs. 262640000/- in accordance with the provision of Chapter V11 titled “Preferential issue” of SEBI (issue of Capital and disclosure Requirement) Regulation 2009, as amended (Regulations) and for the purpose of the Regulations, the relevant date is 31.08.2016. The subscriber(s) to Warrants shall, on the date of allotment, pay an amount equivalent to 25% of the consideration per Warrant and pay the balance 75% of the consideration on or before the date of exercise of the conversion option.

**The minimum price calculated in accordance with the Regulations comes to Rs 26.80/-**

**c) Identity of proposed Allottees**

The following persons/companies, have proposed and expressed their intention to subscribe to the Convertible Equity Warrants to be offered pursuant to the Special Resolution.

Sr. No	Name of the Proposed Allottees	No. of warrant proposed to be subscribed	% of post preferential issued capital assuming(1) no further Increases in share capital in between and (11) allotment of Equity shares against all warrants
1	RKB Sales Private Limited	2600000	13.13
2	White Gold Transport Private Ltd	2600000	13.13
3	Krishna Gardens Private Limited	360000	1.82

4	Double A Port Folio Management Services Private Limited	2120000	10.71
5	Shree Geeta Cottex Limited	2120000	10.71

Warrants/Equity Shares proposed to be allotted to RKB Sales Private Limited, White Gold Transport Private Ltd, Krishna Gardens Private Limited, Double A Port Folio Management Services (P) Ltd. & Shree Geeta Cottex Ltd.

Identity of the natural persons who are the ultimate beneficial owners of the equity shares and equity warrants proposed to be allotted and/or who ultimately control proposed allottees and change in control, if any in the issuer consequent to the preferential issue.

Name of Allottees	Category	PAN No.	Natural Persons who are the ultimate beneficial owner
RKB Sales Private Ltd.	Non-Promoters	AADCR 2913H	1) Mr Ravi Kumar 2) Mr Bhupinder Kumar
White Gold Transport Private Limited	Non-Promoters	AAACW 5324Q	1) Sh Resham Singh 2) S. Saroop Singh Brar 3) Sh Kewal Krishan 4) S. Avtar Singh 5) S. Nazar Singh 6) Mr T.D. Singla 7) Sh Balram Kumar 8) Sh Rajeev Sood 9) Sh Anmol Kalia 10) Sh Vishal S A 11) Sh Ashok Kumar Abrol 12) Sh Aman Jaiswal 13) Mr Tej Singh Bhatia 14) Mrs Tara Vanti
Double A Port Folio Management Services Private Ltd	Non-Promoters	AAACD 6770B	1) Sh Rajan Gupta 2) Ms. Monica Goel 3) Sh Parveen Gupta 4) Ms Meenakshi Gupta 5) Parveen Goel HUF
Shree Geeta Cottex Ltd.	Non-Promoters	AAQCS 3154C	1) Sh Ashwani Kumar Gupta 2) Sh Parveen Goel 3) Parveen Goel HUF



### Change in Control

As a result of the proposed preferential issue of equity shares and preferential issue of equity warrants. There will be no change in the control of the Company.

#### d) Intention of the Promoters/Non-Promoters

None of the Promoters or Directors or their relatives or key management personal of the Company will be subscribing to the warrants proposed to be issued.

#### e) Shareholding pattern before and after the preferential issue

Sr. No.	Particulrs	Pre-issue		Post issue	
		No.of shares	% to capital	No.of shares	% to capital
	<b>Promoter holding</b>	4475227	44.75	4475227	22.60
	<b>Sub-Total</b>	4475227		4475227	22.60
	<b>Non Promoter Holding</b>	-	-	-	-
	Institutional Investors	-	-	-	-
	Mutual Funds and UTI	-	-	-	-
	Banks	-	-	-	-
	Other				
	Bodies Corporate	3849819	38.50	13649819	68.94
	Indian Public	1674954	16.75	1674954	8.46
	<b>Sub Total</b>	5524773	55.25	15324773	77.40
	<b>Grand Total</b>	10000000	100	19800000	100

### Note

1) The above shareholding pattern has been prepared on the basis of the shareholding as on 30.08.2016. The post issue shareholding pattern has been arrived on the assumption that the entire 9800000 Warrants proposed to be issued to non-promoters would be converted into equity shares and provided that there are no other changes in issued capital of the Company.

#### f) Proposed time limit within which the preferential issue shall be completed

The Company shall complete the allotment of the Warrants within 15 days from the date of passing of the aforesaid Special Resolution by the members, or within 15 days from the date of order(s) approvals(s) permissions(s) of the government / regulatory authorities required in connection with the proposed issue of warrants, as the case may be.

#### g) Lock in

The Warrants and the Equity Shares allotted pursuant to exercise of entitlement attached to warrants shall be subject to 'lock in as per the Regulations.

The entire pre-preferential shareholding of the Allottees shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval as per Regulations 78(6) of the Regulations

#### h) Auditors Certificate

The certificate from Statutory Auditors required under the Regulations shall be placed before the members at the proposed Annual General Meeting.

#### i) Undertaking

The Company undertakes that if required, the price shall be recomputed in terms of the provisions of the Regulations. If the amount payable upon the re-computation is not paid within the stipulated time as mentioned in the Regulations, the Warrants shall continue to be locked in till such amount is paid by the allottee(s)

**j) Memorandum of Interest**

No Director Key Managerial Personal is concerned in the resolution The Board have approved the issue and allotment of Warrants on preferential basis and recommends passing of the proposed Special Resolution in item No.5 of the accompanying Notice.

**Item No 6**

The existing authorized share capital of the Company is Rs1200,00,000 (Rs.Twelve crore).The Company has proposed to issue convertible equity warrants on preferential basis and that will exceed the existing

authorized share capital of the Company. Accordingly, the authorized share capital of the Company need to be increased suitably and for that purpose Memorandum of the Company are proposed to be suitably altered as set out at item no 6 of the accompanying notice.

The Companies Act, 2013 require the Companies to seek approval of shareholders by special resolution for increase in authorized share capital and for alteration of capital clause of the Memorandum and articles of Association of the Company.

The Board recommends the special resolution for approval of shareholders.

None of the Directors is interested in the resolution.

**Place : Rupana**  
**Dated : 13.08.2016**

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

**(Rakesh Kumar Dhuria)**  
**Company Secretary**



## DIRECTORS' REPORT

Dear Members,

The Directors have the pleasure of presenting the 35<sup>th</sup> Annual Report of Your Company for the Financial Year 2015-16.

### Financial Result:

The financial performance of your Company for the year ended March 31, 2016 is summarized below:-

(Rs in Lacs)

	Current Year	Previous Year
Revenue and other income	45008.77	39821.44
Gross Profit before interest and depreciation	7000.64	6941.90
Interest and Financial charges	2510.05	1634.78
Depreciation	3324.81	5298.66
Profit from operations (before tax & exceptional item)	1165.78	8.44
Exceptional items	-	-
Profit before Tax	1165.78	8.44
Extra Ordinary Item	157.92	9.91
Profit Before Tax	1007.86	(1.47)
Current Tax	-	127.00
Deferred Tax	(303.76)	(912.59)
Net Profit/ (Loss) after tax	1311.62	784.12
Less: Appropriation		
Proposed Dividend	0	100.00

### Operational Review

During the financial year 2015-16, net revenue from operation was Rs 45008.77 lac as compared to Rs 39821.44 lac during the corresponding period of previous year 2014-15 The net profit after tax of the Company is Rs 1311.62 lac as compared to Rs 784.12 lac for the previous year.

### Dividend

Your Directors have decided to plough back the profits and do not recommend any dividend for the current year.

### Financial Review

#### Share Capital

The paid up equity capital as on march 31, 2016 was Rs.100000000/- During the year under review, the Company has not issued any shares during the year.

#### Reserves

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

#### Fixed Deposit

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

#### Particulars of Loans, Guarantees or Investments:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by company is given in the notes to the financial statements.

#### Internal Control Systems and their adequacy:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal auditor reports to the Whole Time Director and the quarterly reports are placed before the Audit Committee.

Based on the report of internal audit, the audit committee recommends corrective actions the respective department needs to undertake in their respective areas and thereby strengthen the controls.

#### Corporate Social Responsibility Initiatives

As part of its initiatives under "corporate social responsibility" (CSR), the company has contributed funds for the schemes of promotion of education and medical aid.

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

**Directors:**

Shri A.Krishna, Director of the Company, liable to retire by rotation at the forthcoming Annual General Meeting and does not seek his re-appointment. Sh J.R.Sharma, Director (Legal) is liable to retire at the forthcoming Annual General Meeting and does not seen his re-appointment.

All independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16( 1) (b)of SEBI (Listing obligation & Disclosure Requirement) Regulation 2015.

**Board Evaluation**

Pursuant to the provision of the companies Act.2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Board has carried out an evaluation of its own performance. The directors individually as well as the evaluation of the working of its Audit, Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**Key Managerial Personnel**

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

Dr Ajay Satia: CMD & CEO

Sh Ashok Kumar Khurana: CFO

Sh Rakesh Kumar Dhuria: Company Secretary

**Remuneration Policy**

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

**Meetings**

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

**Director Responsibility Statement**

**Pursuant to requirement of Section 134 (5) of the Companies Act, 2013, your Directors confirm that :**

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the period.
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the Directors had prepared the annual accounts on a going concern basis.
- (e) the Directors in the case of listed Company had laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such system were adequate and operating effectively.

**Statutory Auditors:**

M/s Rakesh Bansal & Co., Chartered Accountants, Muktsar, was appointed as statutory auditors of the company to hold office till the conclusion of the 36<sup>th</sup>

Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013 the appointment of statutory auditor shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Rakesh Bansal & Co., Chartered Accountants, Muktsar as statutory auditor is placed for ratification by the shareholders. The Company has received letters from the Auditor to the effect that their re- appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that he is not disqualified for re-appointment.

The Auditors' Report on the Accounts is self explanatory and requires no comments.

#### **Secretarial Audit:**

Pursuant to provision of section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s S. Parnami & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the company. The Secretarial Audit report is annexed herewith as "Annexure-V

The secretarial audit report for the year under review requires no comments.

#### **Internal Auditors**

During the year under review M/s Rakesh Doomra and Associates, Muktsar carried out the internal audit and submitted their report.

#### **Cost Audit**

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

#### **Related Party Transaction:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Transactions with related parties entered by the

Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the rules there under and Listing Regulations. This Policy as considered and approved by the Board has been uploaded on the website of the Company at [www.satiagroup.com](http://www.satiagroup.com)

#### **Subsidiary Companies**

The Company does not have any subsidiary.

#### **Code of Conduct**

A Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of conduct" The Code has been posted on the Company's website.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

#### **Extract of Annual Return:**

**The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure VI".**

#### **Business Risk Management:**

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

### **Particulars of Employees**

Information as required under Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is appended as Annexure-II and forms an integrated part of this report.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo**

The Particulars as prescribed under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Company (Accounts) Rules 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is appended as an Annexure-III to the Director's Report.

### **Industrial Relations:**

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

### **Corporate Governance**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices.

The Report on corporate governance as stipulated under SEBI listing regulation forms part of the Annual Report.

The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the Report on corporate governance

### **Management Discussion and Analysis Report**

Management's Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report.

### **Acknowledgement:**

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

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

**for and on behalf of the Board of Directors**

**PLACE : Rupana**

**( Dr Ajay Satia)**

**(R. K. BHANDARI)**

**DATE : 13.08.2016**

**CHAIRMAN-CUM- MANAGING DIRECTOR**

**Whole Time Director**



### Annexure-I

#### The Key provisions of the Nomination and Remuneration policy are given below:

The Remuneration policy principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives. The Nomination and Remuneration Committee while considering a remuneration package must ensure a balance approach reflecting short and long term performance objectives appropriate to the working of the company and its goals.

Executive remuneration shall be proposed by the Committee and subsequently approved by the Board of Directors, Executive remuneration is evaluated annually against performance in determining package of remuneration, the Committee may consult with the Chairman Cum Managing Director.

Information on the total remuneration of members of the Company's Board of Directors and KMP's shall be disclosed in the Company's Annual Report.

The Company may grant any advance salary/loan to employees of the Company at concessional/Nil interest rates as it deem fit subject to tax laws.

The Board may delegate the appointment and remuneration powers in case of Sr. Management Personnel (except KMPs and Directors) to the Chairman & Managing Director CEO/or Whole Time Director .

### Annexure-II

The information required pursuant to Section 197 read with Rule 5 (1) and (2) of Chapter X111, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is furnished hereunder:

Name of the Director/KMP and Designation	Remuneration in fiscal, 2016 Rs in lacs	% increase in remuneration from previous year	Ratio of Remuneration to MRE*	Comparison of the remuneration of the KMP against the Performance of the Company	
				% of Net Profits	% of Turnover
Dr.Ajay Satia Chairman & Managing Director	126.00	-12.50	52.50	12.50	0.29
Sh.R.K.Bhandari (Whole Time Director)	30.00	9.36	12.50	2.98	0.07
Sh. Chirag Satia (Executive Director)	18.11	Nil	7.54	1.80	0.04
Sh. J.R. Sharma Director (Legal)	8.60	22.70	3.58	0.85	0.10
Sh.Ashok Kumar Khurana, CFO	15.40	8.85	6.41	1.53	0.04
Sh. R.K.Dhuria Company Secretary	12.11	10.30	5.04	1.20	0.03



- ii) **The median Remuneration of Employees was Rs 2.40 lacs P.A.**
- iii) In the financial year, there was an increase of 7.50% in the median remuneration of employees.
- iv) There were 1247 permanent employees on the rolls of the Company as on March 31, 2016
- v) Relationship between average increase in remuneration and Company performance:-

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

- (a) Financial performance of the Company.
- (b) Comparison with peer companies, and
- (c) Industry benchmarking and consideration towards cost of living adjustment/inflation
- (d) Comparison of the remuneration of the Key Managerial Personnel(s) against the performance of the Company:-

For the financial year 2015-16 key Managerial Personnel were paid 20.86% and 0.57% of the net profit and turnover respectively of the Company.

Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e 2015-16 was 7.50% whereas the percentile increase in the managerial remuneration for the same financial year was 7.74%

Key parameter for the variable component of remuneration availed by the Executive Director and CEO is based on his performance and Company's performance.

The ratio of the remuneration of the highest paid director to that of employees who are not director but receive remuneration in excess of the highest paid director during the year-Not applicable

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, key managerial personnel, senior management personnel and other employees.

### ANNEXURE III

#### INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES 2014 AND FORMING PART OF THE REPORT OF THE BOARD OF DIRECTORS.

#### Conservation of Energy

##### A) Energy conservation is an ongoing process in the Company

- 1) Steps taken or impact on conservation of energy
  - i) Installation of IE3 Premium Efficiency Motors in Plant.
  - ii) PM3 Steam and Condensation Modification for Thermal Energy Saving
  - iii) PM3 Stock Preparation online System and Film Press Installed for Quality improvement and to Save Losses
  - iv) LED Lighting Installed IPO standard tube lights in finishing houses and paper machine required area
  - v) TG2 Modification to improve plant HMBD and Power Plant efficiency
  - vi) LHT plant installed
  - vii) Energy Efficient aerators installation in ETP
  - viii) Steam Line Insulation and Steam Traps modified
  - ix) VFD installed at RO-PP2. MC PPs etc for energy conservation. PM1 silent drive and press part Modification
  - x) Gapcon calendar at PM2 and PM1 for better quality and to reduce losses.

##### B) Technology Absorption

##### Your Company is keeping constant watch in technology up gradation in existing products

1. Steam and condensate system modified on paper machine no-3, resulted proper heat transfer and saved 300kg/ton of paper.
2. On line chemical and pulp mixing commissioned on paper machine no-3 Resulted controlled



shade variation and maintained proper furnish for making uniform of paper quality.

3. Commissioned hard wood unbleech plant. Replaced waste paper and machines speed enhanced due to improved wire drainage.
4. Liquir heat treatment plant commissioned in chemical recovery plant resulted controlling viscosity and gain in firing solids ie +64
5. Sunchro cutter commissioned on paper machine no 3 Which minimized the size variation and losses.
6. Twin doctoring systemon Bi-nip and trird press installed on paper machine 1&2 which resulted proper cleaning of roll and minimum paper feeding time of paper from press part.
7. Film press commissioned on paper machine no-3. With this we are able to produce on line coated paper to compete the market.
8. Paper machine no-1 modified for increasing the speed to 450mpm with the addition of silent drive, press part and calandring system.
9. Paper Machine -2 Calander modified with the addition of new thermal roll and new framing for better paper finish.

**iv. FOREIGN EXCHANGE EARNINGS AND OUT GO:**

Expenditure for the year ended 31st March, 2015 is as under :-

	<b>(Rs .in Lacs)</b>
(i) Earning in foreign exchange.	00.00
(ii) Expenditure in foreign currency. (CIF Value of imports	
(a) Capital Goods	329.84
(b) Store & Spares	85.42
(c) Raw Material)	2269.09
Interest	13.89
Bank Charges	1.01
Travelling	12.91

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

<b>Place : Rupana</b>	<b>(AJAY SATIA)</b>	<b>(R.K.BHANDARI)</b>
<b>Date : 13.08.2016</b>	<b>MANAGING</b>	<b>WHOLE TIME</b>
	<b>DIRECTOR</b>	<b>DIRECTOR</b>

**Annexure IV**

**Corporate Social Responsibility(CSR)**

**[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014**

- 1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
- 2) The Composition of the CSR Committee.
  1. Sh. A.C. Ahuja:- Chairman  
(Independent Director)
  2. Sh. R.K. Bhandari- Whole Time Director:-  
Member
  3. Sh. J.R. Sharma: Director (Legal) -  
Member
- 3) Average Net Profit of the Company for last three financial years

Rs-in lacs

Particulars	31.03.2015	31.03.2014	31.03.2013	Average
Net Profit	-1.47	1052.10	1894.44	981.69

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

Two percent of the amount as in item 3 above Rs.19.63 lac towards CSR.

Unspent amount from previous year Rs 12.99 lac

The Company is required to spend Rs 32.62 lacs towards CSR
5. Details of CSR spent during the financial year
  - (a) Total amount spent during the financial year: Rs 23.45 Lacs
  - (b) Amount unspent, if any: 9.17 lacs

## © Manner in which the amount spent during the financial year

S No.	CSR project or activity identified	Sector in Which The Project is covered	Projects or programs(1) Local area or Other(2) Specify the State and district where projects or Program was undertaken	Amount Outlay (budget) Projects or Program wise	Amount Spent on the projects or programme Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure Upto to the Reporting period	Amount Spent Direct or Through Implementing Agency
1	Promoting Education, eradication Poverty, hunger and malnutrition, especially in rural areas, empowering women economically, supplementing primary education and participating in rural capacity building programmes and such other initiatives	Literacy	Sri Muktsar Sahib(Punjab)	28.37	19.21	19.21	Direct
3	Promoting preventive Healthcare, sanitation, family Welfare, community hospital and rural development programmes especially in rural areas	Health Care	VPO: Kauni, and other village District: Sri Muktsar Sahib	4.25	4.25	4.25	Direct



6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. The CSR Committee has undertaken the project to assist the local schools in upgrading the infrastructure and also organizing health camp

(Sd/-)

A. C. Ahuja

(CHAIRMAN-CSR COMMITTEE)

in the nearby areas and the balance amount of Rs 9.17 lac remaining under the CSR, will be expended in the projects in the next year.

7. The CSR Committee do hereby undertake that the implementation and monitoring of CSR Policy, in compliance with CSR objectives and Policy of the Company.

(Sd/-)

R. K. Bhandari

EXECUTIVE DIRECTOR

**Annexure-V**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED  
31<sup>st</sup> March, 2016**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
SATIA INDUSTRIES LIMITED  
Vill. Rupana, Malout-Muktsar Road,  
MUKTSAR (PUNJAB)  
(CIN: L21012PB1980PLC004329)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SATIA INDUSTRIES LIMITED. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**We report that-**

a) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices I followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statement of the company.
- d) Where-ever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and produced before us and also the information provided

by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SATIA INDUSTRIES LIMITED and produced before us for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under; During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
- (ii) The Company has complied with the relevant provisions of Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under where ever applicable to the company.
- (iii) The Company has complied with the relevant provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed there under where ever applicable to the company.
- (iv) There were no issues which required specific compliance of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) There were no issues which required specific approval of the provisions of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 amended upto date.
  - (b) There were no issues which required specific approval of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 amended upto date.
  - (c) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 amended upto date.
  - (d) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 amended upto date.
  - (e) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 amended upto date.
  - (f) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client amended upto date.
  - (g) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 amended upto date; and
  - (h) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 amended upto date;
- (vi) The Company is into the business of manufacturing of writing and printing papers and as per representation given by the company following are some of the laws which are



specifically applicable to the Company viz:-

- Water (Prevention and control of Pollution) Act, 1974
- Air (Prevention and control of Pollution) Act, 1981
- Environment Protection Act, 1986
- The Hazardous Wastes (Management and Handling) Rules 1989
- Labour Laws
- Industrial dispute act, 1947
- National Green Tribunal Act, 2010
- Bureau of Indian Standards Act, 1986
- Energy Conservation Act, 2001
- Standards for Discharge of environmental Pollutants. The company has complied with all the provisions of the above mentioned Acts.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) – ICSI had issued Secretarial Standards numbering 1 to 10 with reference to the provisions of the Companies Act, 1956 which were recommendatory in nature and the management had voluntarily decided to adhere to them. During the period under review ICSI had not issued Standards corresponding with reference to the provisions of the Companies Act, 2013; nonetheless, the management had decided to continue to adhere to Standards issued earlier
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally

complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above. However, an amount of Rs 9.17 Lacs remained unspent during the year towards Corporate Social Responsibility.

We have checked the compliance management system of the company to obtain reasonable assurance about the adequacy of the system in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the company is seems adequate to ensure compliance of laws specifically applicable to the company.

We further report that the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

During the year under review, Dr. Ajay Satia was re-appointed as Chairman Cum- Managing Director of the Company as per clause 86(2) of the Article of Association of the Company and his appointment is in accordance with the provisions of the Companies Act 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had the following events which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc:

a) The Members had passed a Special Resolution under Section 196 of the Act, for Re-Appointment of Dr. Ajay Satia as Chairman cum Managing Director of the Company and fix his remuneration and he will hold the office for term of three years starting from 01<sup>st</sup> October 2015 to 30<sup>th</sup> September 2018.

b) The Members had passed a Special Resolution under Section 196 of the Act, for Re-Appointment of Sh. RK Bhandari as whole time Director of the Company and fix his remuneration and he will hold the office for term of three years starting from 01<sup>st</sup> October 2015 to 30<sup>th</sup> September 2018.

c) The Members had passed a Special Resolution under Section 196 of the Act, for Appointment of Sh. Chirag Satia as Executive Director of the Company and fix his remuneration and he will hold the office for term of three years starting from 01<sup>st</sup> October 2015 to 30<sup>th</sup> September 2018.

d) The Members had passed a Special Resolution through Postal ballot under Section 180(1)(a) of the Act, to sell/ mortgage or create charge on the properties to the limit of Rs 1000 crore.

**Place : BATHINDA**

**Date : 05/08/2016**

**For S Parnami & Associates**

**Company Secretaries  
(Sourabh Parnami)**

**M.No. : A30679**

**CP No.: 11181**

## Corporate Governance Report 2015-16

In accordance with SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 the report containing the details of corporate governance systems at Satia Industries Limited is as follows

### 1. Company's Philosophy

Board of Directors of Satia Industries Ltd view corporate governance in its widest sense, almost like trusteeship, integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's business practices to ensure ethical and responsible leadership both at the Board and at the Management Level. The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company, sustainable return to its stakeholders i.e. the society at large by adopting best corporate practices in fair and transparent manner by aligning interest of the Company with that of its shareholders/ other key stakeholders. Corporate Governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of Company's objects

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors, In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("Act"). These codes are available on the Company's website

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and SEBI Listing Regulations, as applicable, with regard to corporate governance

## 2. Board of Directors

### a) Composition of Board

As on 31st March, 2016 the composition of the Board of Directors is given herein below:

The Board of Directors comprised of an Executive Chairman-Cum-Managing Director, three whole time Directors, five independent non-executive Directors and one woman Director. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds vision, strategic direction and value in the decision making process of the Board of Directors.

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

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

The Board monitors compliance of objectives by holding management accountable for its activities through quarterly performance reporting. Board and committee meetings are held in an atmosphere of intellectual honesty, requiring



reporting of the highest standard by management and constructive debate among Board and Committee Members.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2016 are given herein below. Other directorships do not include directorships of private limited companies. Chairmanships / Memberships of Board Committees shall only include Audit Committee.

During the financial year 2015-16, Six Board Meetings were held on the following dates:-

- 1) 28-05-2015
- 2) 15-06-2015
- 3) 13-08-2015
- 4) 15-10-2015
- 5) 14-11-2015
- 6) 13-02-2016

The Maximum time gap between any two consecutive meetings was less than four months.

The Composition of Board of Directors and their attendance at the Board meetings during the year and at last Annual General Meeting of the Company as also

the number of other Directorship and committee Member ship/ Chairmanship as on 31.03.2016 are as follows:-

Sr. No.	Name of Director	Category of Directorship	No. Board Meetings attended	Attendance Last AGM	No. of other Directorship (See note)	No. of Committee Membership	
						Member	Chairman
1.	Dr. Ajay Satia	Chairman & Managing Director	4	Yes	–	–	–
2.	Sh. R. K.Bhandari	Whole Time Director	6	Yes	–	–	–
3.	Sh. A. Krishna	Independent Director	4	No	–	–	–
4.	Sh. A. C. Ahuja	do	4	Yes	2	1	1
5.	Sh J.R. Sharma	Whole Time Director	5	Yes	–	–	–
6.	Sh S. K. Arora	Independent Director	3	No	–	–	–
7.	Sh Dinesh Sharma	Independent Director	4	No	–	–	–
8.	Sh I.D.Singh	Independent Director	4	No	–	–	–
9.	Smt. Bindu Satia	Non-Executive Director	2	yes	–	–	–
10.	Sh Chirag Satia	Executive Director	1	yes	–	–	–

e) Number of Companies or committee in which the Director of the Company is a Director/Member/Chairman

Sr. No.	Name of Director	No. of Directorship in all public companies *	No. of Committee Membership in all Public Companies	
			Member	**Chairman**
1.	Dr. Ajay Satia	1	-	-
2.	Sh. R. K. Bhandari	1	1	-
3.	Sh. A. Krishna	1	-	-
4.	Sh. A. C. Ahuja	3	2	2
5	Sh J.R. Sharma	1	-	-
6	Sh S.K. Arora	1	1	-
7	Sh Dinesh Sharma	1	-	-
8	Sh I.D.Singh	1	1	-
9	Smt.Bindu Satia	1	-	-
10	Sh Chirag Satia	1	-	-

Including Satia Industries Ltd and excluding private limited companies, foreign companies and companies under section 8 of the companies Act,2013

Independent Directors are available on the website of the Company (<http://www.satiagroup.com/investors>).

\*\* Board Committee for this purpose includes Audit Committee of Public Limited Companies(Including Committees of Satia Industries Limited)

#### Board Evaluation

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

The Board of Directors has carried out annual evaluation of its own performance, board committee and individual director pursuant to the provisions of the Act and the corporate requirements as prescribed by SEBI listing Regulations.

viii. During the year, one meeting of the Independent Directors was held on 13.02.2016 Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

The performance of the Board, committees was revaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the effectiveness of the Board process, information and functioning.

ix. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

The Performance of the individual director on the basis of the criteria such as the contribution of the Individual director to the Board and the Committee meetings. In addition, the Chairman was also evaluated on the key aspects of his role.

x. The details of the familiarization programme of the

### Training of independent directors

Every new independent directors of the Board attends an orientation program. To familiarize the new inductees with the strategy operation and function of our Company the executive directors/senior managerial personnel make presentation to the inductees about the Company's strategy, operations, product and servicing offering, markets, software delivery organization structure, finance and human resources, technology, quality, facilities and risk management. Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role. Function, duties and responsibilities as a director. The format of the letter of appointment is available in our website.

### COMMITTEES OF THE BOARD

#### 3. AUDIT COMMITTEE

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

#### a. Audit Committee and Attendance at its meeting is given hereunder:-

The Audit Committee as on March 31, 2016 comprised of four Directors, Three being non-executive and independent Directors viz. Sh. A.C.Ahuja, Sh. S.K. Arora, Sh Inderdev Singh & One Whole Time Director viz. Sh. R. K.Bhandari. The terms of reference of Audit Committee are as contained in the Section 177 (4) of the Companies Act, 2013 and also as contained in the SEBI((Listing Obligation and Disclosure Requirements) Regulations , 2015 . The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting.

During the year under review, four (4) Meetings of Audit Committee were held on 28.05.2015, 13.08.2015, 14.11.2015 and 13.02.2016 composition of Audit Committee attendance of the members at the Committee Meetings during the year are as under:-

Sr. No.	Name of Member	Status in Committee	Directorship	No. of Meetings attended
1.	Sh. A. C. Ahuja	Chairman	Independent Director	4
2.	Sh. R. K. Bhandari	Member	Whole Time Director	4
3.	Sh S. K. Arora **	Member	Independent Director	3
4.	Sh Inder Dev Singh ***	Member	Independent Director	4

### Nomination and Remuneration Committee

#### 1. Term of Reference:

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

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

**Composition of the Remuneration Committee & attendance of the members at the Committee Meetings during the year ended 31.03.2016 are as follows:-**

Sr. No.	Name of Member	Status in Committee	Directorship	No. of Meetings attended
1.	Sh. A. C. Ahuja	Chairman	Independent Director	1
2.	Sh A. Krishna	Member	Independent Director	1
3.	Sh Inder Dev Singh	Member	Independent Director	1



### Nomination and Remuneration Policy

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

### REMUNERATION OF DIRECTORS

Managing Director and Whole Time Directors are appointed as per agreement and are being paid remuneration as approved by the Board and the shareholders. Sitting fees are paid to the Directors for attending the meetings of the Board of Directors/ Committees thereof. The detail of remuneration paid to directors during the period ended March 31, 2016 is as under:-

Sr. No.	Name of Director	Sitting Fee (Rs.)	Salary	P.F	Others	Total (Rs.)
1	Dr Ajay Satia	–	12600000	0	212965	12812965
2	Sh R.K.Bhandari	–	3000000	21600	87507	3109107
3	Sh A.Krishna	55000	–	–	–	55000
4	Sh A.C.Ahuja	80000	–	–	–	80000
5	Sh J.R.Sharma	–	806581	–	36630	843211
6	Sh S.K.Arora	55000	–	–	–	55000
7	Sh Dinesh Sharma	50000	–	–	–	50000
8	Sh I.D.Singh	75000	–	–	–	75000
9	Smt Bindu Satia	–	–	–	–	–
10	Sh Chirag Satia	1810800	1810800	–	–	1810800

### Corporate Social Responsibility

#### (CSR) Committee

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

Name of the Member	Designation
Sh A.C.Ahuja	Chairman
Sh R. K.Bhandari	Member
Sh J.R.Sharma	Member

All the members of CSR Committee were present at the meeting held on 13<sup>th</sup> February, 2016 under the chairmanship of Sh A.C.Ahuja, Independent Director.

### INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 13<sup>th</sup> February, 2016 inter alia to :

1. Review the performance of Non independent Directors and the Board of Directors as a Whole:
2. Review the performance of the Chairman of the Company, taking into accounts the views of the Executive and Non Executive Directors.
3. Review the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### Business Risk Management Committee

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

- |    |                  |                                |
|----|------------------|--------------------------------|
| 1) | Sh R.K.Bhandari, | Whole Time Director (Chairman) |
| 2) | Sh J.R.Sharma    | Director(Legal) – (Member)     |
| 3) | Sh A.K.Khurana   | CFO-(Member)                   |

Business Risk Evaluation and Management is an ongoing process within the Organization. The company has a risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of

1. Oversight of risk management performed by the executive management:
2. Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines.
3. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle:
4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan

### General Body Meetings

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

S. No.	Financial year	Date	Time	Location	No of Special Resolution Passed
1	2014-15	30.09.2015	10.00AM	At Regd. Office; Muktsar- Malout Road, Vill.Rupana Distt. Muktsar	Four
2	2013-14	30.09.2014	10.00AM	At Regd. Office; Muktsar-Malout Road, Vill.Rupana Distt. Muktsar	One
3	2012-13	30.09.2013	10.00AM	At Regd. Office; Muktsar-Malout Road, Vill.Rupana Distt. Muktsar	Two

### Postal Ballot

During the year under review one special resolution was passed on 30.09.2015 under Section 180(1) (a) of the Companies Act, 2013.

### Disclosures

#### i. Related party transactions

All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transactions which has been uploaded on the Company's website

iii. The Company has adopted a Whistle Blower Policy

and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company.

vi. Reconciliation of share capital audit: A qualified practicing Chartered Accountant has carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in

physical form and the total number of dematerialized shares held with NSDL and CDSL.

### Corpora Compliance made by the Company

- The Company has made the compliance of the stock exchanges, SEBI and other statutory authorities on all matters related to capital market.
- There were no penalties or strictures imposed on the company by Stock Exchanges or SEBI, any statutory authority on any matter related to the above.
- The management discussion and Analysis Report forms part of the Annual Report as an addition to the Directors' Report.

### Means of Communication

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

SCORES (Sebi Complaints Redressal System): The Investor Complaints are processed in a centralized web based complaints redressal system on [www.scores.gov.in](http://www.scores.gov.in), a website maintained by SEBI (Securities and Exchange Board of India). The main feature of this system is central database of all complaints, online upload of action taken reports (ATR's) by the concerned companies and online view by investors of action taken on complaints and its current status. The Company has no pending complaints filed through scores.

### General Shareholders information

#### Annual General Meeting

Date and time : 30<sup>th</sup> September, 2016 (10 AM)

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

#### Financial Calendar

Next Financial Year April 1, 2016 to March 31, 2017

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

Results	Announced on
For 1 <sup>st</sup> Quarter ended on 30.06.2016	August, 2016
For 2 <sup>nd</sup> Quarter ended on 30.09.2016	November. 2016
For 3 <sup>rd</sup> Quarter ended on 31.12.2016	February, 2017
For the year ended on 31.03.2017	May, 2017

e) **Date of Book closure** : 24<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (Both days inclusive)

f) **Listing on Stock Exchanges** : Equity shares of the company are listed at BSE Limited, Mumbai (BSE)

g) **Stock Code** :  
BSE Limited 539201  
ISIN Number INE 170E01015  
Corporate Identification Number L21012PB1980PLC004329

#### i) Market Price Data

Market Price Data, High, Low during each month in the Last Financial Year

The monthly high low stock quotation during last financial year at BSE are given below:-

Month & Year	Share Price at BSE LTD	
	High	Low
Sept, 2015	13.77	12.50
Oct, 2015	14.77	14.07
Nov, 2015	19.20	15.50
Dec, 2015	21.40	20.15
Jan, 16	26.80	22.45
Feb-16	26.80	25.50
Mar-16	26.80	26.80

Distribution of shareholding as on March 31, 2016

No. of equity shares held	No of Share-holders	%age	Shares	%age total
UPTO 5000	498	94.14	125200	1.2500
5001 – 10000	1	0.19	6500	0.0700
10001- 20000	5	0.95	87700	0.8800
20001 – 30000	1	0.19	25625	0.2600
30001 – 40000	1	0.19	31250	0.3100
40001 – 50000	0	0.00	0	0.0000
50001 – 100000	4	0.76	259600	2.6000
100001 AND ABOVE	19	3.59	9464125	94.6400
TOTAL	529	100.00	10000000	100.0000

(i) Categories of shares as on 31.03.2016

Sr. No.	Particulars	No. of shares	Amount (Rs. in lacs)	%age
1.	Promoter			
	(a) Core Promoter	4475227	44752270	44.75
	(b) Friends/ Relatives			
2.	Financial Institutions	0	0	0.00
3.	Public	5524773		5524773
4.	Banks	0	0	0.00
5.	Others	0	0	0.00
	Total	10000000	1000.00	100.00

(c) Dematerialization of shares & liquidity

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

(h) Registrar & Transfer Agents :

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

Beetal Financial & Computer Services (P) Ltd  
Beetal House, 3<sup>rd</sup> Floor, 99 Madangir,  
Behind Local Shopping Centre, New Delhi

Share Transfer System

In order to expedite the process of transfer of securities, the Board of Directors has constituted a Share Transfer Committee comprising of Dr Ajay Satia and Sh R.K.Bhandari, No share Transfer Committee Meeting was held during the year ended 31.03.2016.

Investor Grievance Committee

The Investor Grievance Committee of the Company for the year ended 31.03.2016 under the Chairmanship of Sh. A.Krishna, a non executive Director looks after the work of redressal of investors/ shareholders complaints. The other members of the Committee are Dr. Ajay Satia & Sh. R. K. Bhandari. No meeting of Investor Grievance Committee was held during the year under review, as the company has not received a single grievance/ complaint from the investors/ shareholders.

(k) Plant location : Muktsar - Malout Road,  
Vill. Rupana  
Distt. Muktsar  
(Punjab)

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

Website The Company's website (www.satiagroup.com) contains a separate dedicated section "Investor Relation" where shareholders information is available. The Company's Annual Report is also available in a user-friendly and downloads form.

For and on behalf of the Board of

PLACE : Rupana  
DATED : 13.08.2016

(AJAY SATIA) (R. K. BHANDARI)  
CHAIRMAN-CUM- WHOLE TIME  
MANAGING DIRECTOR  
DIRECTOR



## MANAGEMENT DISCUSSION & ANALYSIS

Satia Industries Ltd has a system on quarterly basis to review the operation and performance of the Company. The Company Audit Committee and Board of Directors also meet regularly and advise for strengthening the corporate governances, the maximization of returns and minimization of risk. The Company is having writing and Printing Paper, Chemical Recovery and Co-generation plants at VPO Rupana, Malout –Muktsar Road, distt Muktsar and also engaged in the trading activities of the cotton and yarn. The Company has prepared the Balance sheet, profit and Loss account and other statement of accounts in compliance with the requirement of the Companies Act, 2013 and as per mandatory accounting standard issued by the Institute of Chartered Accountants of India

### Industry Structure and Development

The Indian Paper Industry has played pivotal role in laying the foundation for economic growth. The century old Pulp and Paper industry occupies an important position in the Indian Economy for its extended role of early industrialization and social sector development. The emphasis on making India a knowledge-based economy after globalization perpetuated the importance of P&P sector. The liberalization of the sector seems to have had the desired effect on its growth performance and nature in a competitive paper sector. Analyzing the globalization of the sector suggests that the inward looking policy framework vigorously advanced by Government in the past has reduced the import dependency and improve the self-sufficiency.

Your company has a very strong pulping base having capacity to make sufficient agro waste pulp besides significant capacity to make deinked pulp. along with a Strong marketing network and loyal customer base to fulfill increasing market demand with increase in production and productivity. Three different machines that give your company flexibility to cater to a wider range of market are major strengths. At the same time, the major threat being faced by your company is the stringent environmental regulation being imposed by the government. Increasing competition with globalization

and emergence of new units with latest technology, threat of Zero import duty on paper inputs, raw material shortage and economy of scale.

### Segmentation or product wise performance

Your company has introduced a premium quality paper 'super snow white paper' excelling in all qualities like brightness, formation, bulk and strength properties and its share in total production is increasing. This product has made a place for itself in the market. Plans to introduce photocopier paper under a brand name in near future are underway. There has been good demand for colored and azure laid paper made by your company. There has been more than full capacity utilization of manufacturing capacity of your company.

### Internal Control Systems and their adequacy

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

### Operating & Financial Performance

The net revenue from operation of the Company was Rs 45008.77 lacs as compared to Rs 39821.44 lacs during the corresponding period of the previous year 2014-15 and the net profit after tax of the Company was Rs 1331.62 lacs from Rs 784.12 lacs recorded for the previous year.

### Development in Human Resources/Industrial Relations

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

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

### DECLARATION BY THE MANAGING DIRECTOR

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with



the code of conduct for the Directors and Senior Management Personnel as approved by the Board, for the Financial Year ended 31<sup>st</sup> March, 2016 in terms of Regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

**(Dr Ajay Satia)**  
**MANAGING DIRECTOR**

**Place : Rupana**  
**Date : 13.08.2016**

### **CMD & CFO CERTIFICATE**

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

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:-
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief; no transactions entered into by the company during the year, which are fraudulent, illegal or Violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit Committee that:

There have been no significant changes in internal control over financial reporting during the year.

- i) there has been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

there are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

**Ashok Kumar Khurana** **Dr Ajay Satia**  
**Chief Financial Officer** **Chairman-Cum-Managing**  
**Director**

**Place : Rupana**  
**Date : 13.08.2016**

### **AUDITORS' CERTIFICATE**

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

We have examined the compliance of conditions of corporate governance by Satia industries limited formerly known as Satia Paper Mills Ltd., for the year ended on 31<sup>st</sup> March 2016 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges for the period April 1, 2015 to November 30, 2015

Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and \_\_\_ Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016



*Satia Industries Limited*

The compliance of conditions of corporate governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer Committee and Shareholders/Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future liability of the Company nor the efficiency or effectiveness with which with the management has conducted the affairs of the Company.

**For RAKESH BANSAL & CO.  
Chartered Accountants**

**Place : Muktsar  
Date : 13.08.2016**

**Proprietor  
Membership No. 090278**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L21012PB1980PLC004329
2.	Registration Date	26.11.1980
3.	Name of the Company	SATIA INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	PUBLIC
5.	Address of the Registered office & contact details	VPO: RUPANA, MALOUT-MUKTSAR ROAD, DISTT: MUKTSAR (PUNJAB)-152026 0633-262001
6.	Whether listed company	LISTED
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services (P) Ltd Beetal House, 3 <sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi-110062  CONTACT NOS 011-29961281-83, FAX 011-29961284 E-mai <a href="mailto:beetal@rediffmail.com">beetal@rediffmail.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	Writing and printing paper	17093	100

**III. Particulars of Holding, Subsidiary and Associate Companies**

The Company has no holding, Subsidiary and Associate Companies
--



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	4088156	4088156	40.88		4475227	4475227	44.75	3.87
b) Central Govt	-	-							
c) State Govt(s)	-	-							
d) Bodies Corp.	-	-							
e) Banks / FI	-	-							
f) Any other	-	-							
Total shareholding of Promoter (A)	-	4088156	4088156	40.88		4475227	4475227	44.75	3.87
2) Foreign	-	-	NIL	-	-	-			
Total Shareholding of Promoters	-	4088156	4088156	40.88		4475227	4475227	44.75	3.87
B. Public Shareholding									
1. Institutions									
a) Mutual Funds		—	—	—	—	—	—	—	
b) Banks / FI		—							
c) Central Govt		—							
d) State Govt(s)		-							
e) Venture Capital Funds		-							
f) Insurance Companies		-							
g) FIs		-							
h) Foreign Venture Capital Funds		-							
i) Others (specify) Other Individual HUF	0	0	0	0	970	0	970	0.009	0.009
Sub-total (B)(1):-		-							
2. Non- Institutions									
a) Bodies Corp.	248000	3116535	3364535	33.65	1574491	1790010	3364501	33.65	-0.01
Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6800	92975	99775	0.99	15404	83910	99314	0.99	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	19400	2428134	2447534	24.48	143925	1916063	2059988	20.60	-3.88
c) Others (specify)									
Non Resident Indians	0								
Overseas Corporate Bodies	0								
Foreign Nationals	0								
Clearing Members	0								
Trusts	0								
Foreign Bodies - D R	0								
Sub-total (B)(2):-	274200	5637644	5911844	59.12	1734790	3789983	5524773	55.25	3.89
Total Public Shareholding (B)=(B)(1)+(B)(2)	274200	5637644	5911844	59.12	1733820	3789983	5523803	55.25	3.89
C. Shares held by Custodian for GDRs & ADRs	0								
Grand Total (A+B+C)	274200	9973425	10000000	100	273900	9726100	10000000	100	0



**B) Shareholding of Promoter-**

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Sh Anil Satia (HUF)	16875	0.168	0	16875	0.168	0	0
2	Dr Ajay Satia (HUF)	19375	0.193	0	19375	0.193	0	0
3	Sh Chirag Satia	68094	0.680	0	455165	0.680	0	3.87
4	Ms Saloni Satia	174344	1.74	0	174344	1.74	0	0
5	Smt. Krishna Satia	212875	2.13	0	212875	2.13	0	0
6	Ms Yachana Satia	258750	2.59	0	258750	2.59	0	0
7	Sh Dhruv Satia	543169	5.43	0	543169	5.43	0	0
8	Sh Anil Satia	567719	5.68	0	567719	5.68	0	0
9	Smt Bindu Satia	751094	7.51	0	751094	7.51	0	0
10	Dr Ajay Satia	1475861	14.76	902200	1475861	14.76	902200	0
	Total	4088156	40.88	902200	4475227	44.75	902200	3.87

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

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

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S N	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 31.03.2015)		No of Shares held at the end of the year (As on 31.03.2016)		% change in shareholding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	Muktsar Logestic and Trading (P) Limied	1572800	15.73	1572800	15.73	0
2	SDS Cotton Private Limited	1518285	15.18	1513285	15.18	0
3	Sh Ankit Satia	793344	7.93	793344	7.93	0
4	Sh Shakti Singh and Chirag Satia	387071	3.87	0	0	-3.87
5	Sh Akhil Satia	332844	3.33	332844	3.33	0
6	White Gold Transport Private Ltd	247000	2.47	247000	2.47	0
7	Ms Sabhyata	130000	1.30	130000	1.30	0
8	Bhai Apminder Singh	112750	1.13	112750	1.13	0
9	Sh Gurcharan Kaur	110000	1.10	110000	1.10	0
10	Smt. Jasminer Kaur	106875	1.07	106875	1.07	0

**E) Shareholding of Directors and Key Managerial Personnel:**

S N	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
	Dr Ajay Satia				
	At the beginning of the year	1475861	14.76	1475861	14.76
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	1475861	14.76	1475861	14.76
	Sh R.K.Bhandari				
	At the beginning of the year	25625	0.256	25625	0.256
	Date wise Increase / Decrease in Promoters Shareholding during the year				



S N	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	25625	0.256	25625	0.256
	Sh J.R.Sharma				
	At the beginning of the year	0.00	0.00	10	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	0.00	0.00	10	0
	Sh Chirag Satia				
	At the beginning of the year	68094	0.680	455165	4.55
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	68094	0.680	68094	0.680
	Smt Bindu Satia				
	At the beginning of the year	751094	7.51	751094	7.51
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	751094	7.51	751094	7.51
	Sh A.C.Ahuja				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	0	0	0	0
	Sh Dinesh Sharma				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				



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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	12952.00	1392.00		14344.00
ii) Interest due but not paid	119.00	0	-	119.00
iii) Interest accrued but not due	-	-	-	
<b>Total (i+ii+iii)</b>	13041.00	1392.00	-	14463.00
<b>Change in Indebtedness during the financial year</b>				
* Addition	2457.00	0	-	2457.00
* Reduction	1791.00	231.00	-	2022.00
<b>Net Change</b>	666.00	-231.00		435.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	13618.00	1161.00	-	14779.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	124.00	12.00	-	136.00
<b>Total (i+ii+iii)</b>	13742.00	1173.00	-	14915.00



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

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Dr Ajay Satia	Sh R.K.Bhandari	Sh J.R.Sharma	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12600000	3000000	806581	16406581
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	212965	109107	36630	358702
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission- as % of profit-others, specify...				
5	Others, please specify				
	Total (A)				
	Ceiling as per the Act				

**B. Remuneration to other directors**

S N.	Particulars of Remuneration	Name of Directors					
		Sh A.C.Ahuja	Sh A.Krishna	Sh I.D.Singh	Sh S.K.Arora	Sh Dinesh Sharma	
1	Independent Directors						
	Fee for attending board committee meetings	80000	55000	75000	55000	50000	
	Commission	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	
	Total (1)	80000	55000	75000	55000	50000	
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	0	0	0	0	0	
	Commission	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	
	Total (2)	0	0	0	0	0	
	Total (B)=(1+2)	80000	55000	75000	55000	50000	
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SATIA INDUSTRIES LIMITED

We have audited the accompanying standalone financial statements of Satia Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its profit/loss and its cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.



2. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and
- e) On the basis of written representations received from the directors as on 31 March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - (ii) The Company has made provision, as

required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts – Refer Note 2.20 to the financial statements;

- (iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund].

**Place : RUPANA FOR RAKESH BANSAL & CO.**  
**Date : 13.08.2016 CHARTERED ACCOUNTANTS**  
**RAKESH BANSAL**  
**M.No.090278**  
**FRN 011474N**

**The Annexure Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date to the members of Satia India Limited, V. Rupana on the accounts of the company for the year ended 31<sup>st</sup> March, 2016.**

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at / regular intervals/ (at the end of the year) by the Management.

- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories except for material lying on floor & work in progress, which has been determined during the physical verification at the year end. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company and the same have properly dealt with in the books of accounts.
- (iii) In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act 2013:
- According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable. The amounts outstanding are the outcome of the normal trade transaction of sale and purchase.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
- (vii) In respect of statutory dues:
- a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
- b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2016 for a period of more than six months from the date they became payable except advance income tax against the MAT amounting Rs. 58.80 Lakhs.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans(Except

from banks). Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the preferential allotment or private placement of shares made by the company is in compliance to the provisions of section 42 of the Companies Act 2013. The company has not made any allotment of fully or partly convertible debentures during the year under review.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions

of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**Place : RUPANA FOR RAKESH BANSAL & CO.**  
**Date : 13.08.2016 CHARTERED ACCOUNTANTS**  
**RAKESH BANSAL**  
**M.No.090278**  
**FRN 011474N**

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Satia Industries Limited, V.Rupana**

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

We have audited the internal financial controls over financial reporting of **Satia Industries Limited, V. Rupana** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place : RUPANA FOR RAKESH BANSAL & CO.**  
**Date : 13.08.2016 CHARTERED ACCOUNTANTS**  
**RAKESH BANSAL**  
**M.No.090278**  
**FRN 011474N**

**BALANCE SHEET AS ON MARCH 31st, 2016**
**(Rs. in Lacs)**

Particulars	Note	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	2.1	1000.00	1000.00
Reserves and Surplus	2.2	9449.76	8138.00
<b>Sub Total</b>		<b>10449.76</b>	<b>9138.00</b>
	2.3	-	-
<b>NON CURRENT LIABILITIES</b>			
Long Term Borrowings	2.4.1	10530.07	11102.32
Deferred Tax Liabilities	2.4.2	193.87	497.64
Other Long Term Liabilities	2.4.3	8561.37	8030.60
Long Term Provisions	2.4.4	709.14	626.17
<b>Sub Total</b>		<b>19994.45</b>	<b>20256.73</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	2.5.1	8484.78	5525.40
Trade Payables	2.5.2	2845.67	3136.57
Other Current Liabilities	2.5.3	4080.49	2666.68
Short Term Provisions	2.5.4	175.88	16.90
<b>Sub Total</b>		<b>15586.82</b>	<b>11345.55</b>
<b>TOTAL</b>		<b>46031.03</b>	<b>40740.28</b>
<b>II. ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>(a) FIXED ASSETS :</b>			
Tangible Assets		25010.18	20418.33
Intangible Assets	2.6.1	-	-
Capital Work-in-Progress	2.6.1A	2335.62	4474.65
Intangible Assets Under Development	2.6.1A	-	-
<b>Sub Total</b>		<b>27345.80</b>	<b>24892.98</b>
<b>(b) NON-CURRENT INVESTMENT</b>	2.6.2	717.00	717.00
<b>CURRENT ASSETS</b>			
Current Investment	2.7.1	-	-
Inventories	2.7.2	5946.63	5197.63
Trade Receivables	2.7.3	9770.85	7521.70
Cash and Cash Equivalents	2.7.4	505.32	557.98
Short-Term Loans And Advances	2.7.5	482.79	876.68
Other Current Assets	2.7.6	1262.64	976.31
<b>Sub Total</b>		<b>17968.23</b>	15130.30
<b>TOTAL</b>		<b>46031.03</b>	40740.28

**Document Annexed:**

1. Significant Accounting policies
2. Notes to Accounts

For RAKESH BANSAL & CO.  
Chartered Accountants

(Rakesh Bansal)  
Proprietor  
M.No 090278  
FRN 011474N

(Dr Ajay Satia)  
Chairman-Cum Manging Director

For and On behalf of Board of Directors

(R.K.Bhandari)  
Whole Time Director

Place : Rupana (Muktsar)  
Date : 13.08.2016

(A.K.Khurana)  
Vice President(Finance)

(Rakesh Kumar Dhuria)  
Company Secretary



## STATEMENT OF PROFIT AND LOSS AS ON MARCH 31st, 2016

(Rs. in Lacs)

Particulars	Note	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
I) Revenue from Operations (Net of Excise)	2.8	43360.68	39313.32
II) Other Income	2.9	1648.10	508.12
<b>III) Total Revenue (I+II)</b>		<b>45008.78</b>	<b>39821.44</b>
<b>IV) Expenses :</b>			
Cost of Material Consumed	2.10	18956.97	17205.66
Cost of Purchase of Traded Goods	2.11	3366.95	1205.36
Change In Inventories of Finished Goods, Work in Progress and Stock In Trade	2.12	(374.91)	(522.38)
Employees Benefit Expenses	2.13	2751.40	2365.61
Finance Cost	2.14	2510.05	1634.78
Depreciation and Amortization Expenses	2.15	3324.81	5298.66
Other Expense	2.16	13307.70	12625.32
<b>Total Expenses</b>		<b>43842.97</b>	<b>39813.00</b>
<b>V) Profit Before Exceptional and Extraordinary Items and Tax (III) - (IV)</b>		<b>1165.81</b>	<b>8.44</b>
VI) Exceptional Items	2.17	-	-
VII) Profit Before Extraordinary Items and Tax (V) - (VI)		1165.81	8.44
VIII) Extraordinary Items	2.18	157.95	9.91
<b>IX) PROFIT BEFORE TAX</b>		<b>1007.86</b>	<b>(1.47)</b>
X) Tax Expense:	2.19		
(1) Current Tax		-	127.00
(2) Deferred Tax		(303.76)	(912.59)
XI) Profit (Loss) for the Period from Continuing Operations (VII) - (VIII)		1311.62	784.12
XII) Profit/ (Loss) from Discontinuing Operations		-	-
XIII) Tax Expenses of Discontinuing Operations		-	-
XIV) Profit/(Loss) from Discontinuing Operations (After tax) (XII-XIII)		-	-
XV) Profit (Loss) for the Period (XI) + (XIV)		1311.62	784.12
XVI) Earnings Per Equity Share			
Basic (Face Value Rs. 10)	(In')	13.12	7.84
Diluted (Face Value Rs. 10)	(In')	13.12	7.84

## Document Annexed:

1. Significant Accounting policies
2. Notes to Accounts

For RAKESH BANSAL & CO.  
Chartered Accountants

(Rakesh Bansal)  
Proprietor  
M.No 090278  
FRN 011474N

Place : Rupana (Muktsar)  
Date : 13.08.2016

For and On behalf of Board of Directors

(Dr Ajay Satia)  
Chairman-Cum Managing Director

(R.K.Bhandari)  
Whole Time Director

(A.K.Khurana)  
Vice President(Finance)

(Rakesh Kumar Dhuria)  
Company Secretary

## Notes forming part of financial statements

### Corporate Information:-

Satia Industries Limited (herein after referred to as 'The Company') is presently dealing in the following business

a) Manufacturer of Writing and Printing Paper b) Generation of Power c) Trading activities in Cotton & Yarn d) Agricultural & Plantation Operations etc.

### 1. Significant Accounting Policies:-

#### 1.1 Basis of Preparation:

The financial statements have been prepared to comply with all material aspects which are mandatory accounting standards issued by the The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention, except where otherwise stated, and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year, Except the change in application of method of depreciation from Straight Line Method to written down value method w.e.f 01.04.2014.

#### 1.2 Fixed Assets:

Fixed Assets are shown at Historical Cost. Cost of the fixed assets comprises purchase price, duties, levies and direct indirect attributable cost of bringing the assets to its working condition for intended use. Borrowing cost related to acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition and installation are included in the cost of the assets. Expenditure for addition, improvement and renewals are capitalized and expenditure for repair and maintenance are charged to statement of Profit & Loss Account.

#### 1.3 Depreciation:-

1.3.1 There is a change in the method for providing of depreciation from Straight Line Method to Written Down Value

Method effective from April 1, 2014, Accordingly the company has computed the charge of depreciation keeping in view the remaining useful life of the assets as ascertained by the chartered engineer in accordance with the terms of Schedule II to the Companies Act,2013 and AS-6.

1.3.2 The management of the Company has considered it to be appropriate to seek the opinion of chartered engineer in order to ascertain the remaining useful life and residual value of the assets (existing as well as additions), as it may deem fit.

1.3.3 On the basis of technical advice the management of the company has considered it to be appropriate to keep the residual value of all the assets at 10% of the historical cost.

1.3.4 Depreciation on the amount of addition made to Fixed Assets due to exchange fluctuation is provided over the remaining useful life of the asset to which the fluctuation relates.

1.3.5 Patents and trademarks, etc are accounted at their cost of acquisition and amortized over their estimated economic life not exceeding 10 years. Leasehold improvements are charged to statement of the profit and loss account over the primary period of lease.

#### 1.4 Investments

Investments are stated at cost less provision for permanent diminution in value of long term Investment and short term investments are carried out at net realisable value.

#### 1.5 Impairment of Fixed Assets:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets. If any indication exists, an assets recoverable

amount is estimated. An impairment loss is recognized whenever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value based on an appropriate discount factor. Impairment loss is recognized in the Statement of Profit & Loss.

## 1.6 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### 1.6.1 Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are net of return, volume discount and sales tax but including excise duty.

### 1.6.2 Income from CER/VER

Income from Carbon Emission Reductions (CER)/ Voluntary Emission Reductions (VER) is recognized when the project is registered with the United Nations Framework Convention on Climate Change (UNFCCC).

### 1.6.3 Income from REC/Dividend/Interest

Income from Renewable Energy Certificate/Dividend on shares/ Interest on investment is recognized on receipt basis.

1.7 Insurance claims are shown separately under the head other income and corresponding expenses are shown under respective expense head in the Statement of Profit and Loss.

## 1.8 Valuation of Inventories:-

### Raw Materials, Stores & Spares:

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products, in which they will be incorporated, are expected to be sold at or above cost. Cost of Raw materials is determined on a monthly moving weighted average basis and cost of chemicals, stores and spares is determined on transaction moving weighted average.

### Work-in-Progress and Finished Goods:

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods except lying in the factory premises includes excise duty.

### By Products and Waste:

Net realizable value

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

### Agriculture Operations

The amount spent on agriculture activities has been valued at cost and has been treated as the advance expenses against the future crop.

## 1.9 Foreign Currency Transactions

### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction;



### **Exchange Differences**

Exchange differences arising on the settlement of monetary items or on restatement of reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

### **Forward Exchange Contracts**

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

### **1.10 Borrowing Cost**

Complying with the Accounting Standard -16, those borrowing costs, which are directly attributable to the acquisition, construction or production of qualifying asset, are capitalized in the books of accounts and the amount borrowed which is generally used for the purpose of obtaining qualifying assets is capitalized in the books on average weighted Cost. Capitalization of borrowing cost should cease when substantially all the activities necessary to prepare the qualifying assets for its intended use are completed.

### **1.11 Government Grants**

Government grants received as capital incentives are credited to capital reserve. Government grants in other forms are credited to Statement of Profit & Loss. Government

grants relating to specific assets are disclosed as deduction from the gross value of the assets concerned.

### **1.12 Retirement Benefits**

1.12.1 Retirement benefits in the form of Provident Fund and Pension Schemes are charged to the Statement of Profit & Loss of the year when the contributions to the respective funds are due.

1.12.2 Gratuity liability under the payment of Gratuity Act and provision for leave encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.

1.12.3 The Company's gratuity benefit scheme is a defined plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

When the calculation results in a benefit to the company, the recognized assets is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the statement of profit & loss.

### 1.13 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit & loss on a Straight-Line basis over the lease term

### 1.14 Accounting for taxes on income

Provision for tax on income is made after taking into consideration benefit admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from 'Timing difference' between book & taxable profit is accounted for using the tax rates & laws that have enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

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

### 1.16 Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management

estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

## Segment Reporting

### A. Business Segments:

Based on the guiding principles given in AS-17 "Segment Reporting" issued by the institute of Chartered Accountants of India, the Group business segment include. Writing & Printing Paper, Power Generation Yarn Division and Agriculture Division.

### B. Geographical Segments:

Since the Group activities/operations are primarily within th country and considering the nature of products it deals in, the risks ard returns are same and as such there is only one geographical segment.

### C. Segment Accounting Policies:

In addihon to the significant accounting poilcies applicable to the business segments as set out in note no.1 of "Notes to the accounts" the accounting policies in relation to segment reporting are as under:

#### a) Segment Revenue

Segment revenue and expenses are directly attributable to the segments.

#### b) Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consists principally of operating cash, debtors inventories and fixed assets net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. plincipaty of creditorS and aected liabilities.

#### c) Inter segment

Inter segment revenue between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

#### d) Information about business segments: The

detailed reporting is as per annexure. The company is carrying on the agriculture operations of plantation. The cost incurred in this segment has been treated as prepaid expenses and included in the Inventories which will be set off against the future income under the segment

**In terms of the provisions of AS-17 “Segment Reporting” the company has recognized four segments**

Division	Nature of Activity
Paper Division	Manufacturing of Writing & Printing paper
Cogeneration Division	Generation of Power & Steam
Yarn Division	Trading in Cotton & Yarn
Agriculture Division	Cultivation for Long term & Short term Crops

Revenue for inter segment transactions have been recognized as below:-

**a) Power**

Power is charged by Cogeneration division at the rate at par with the tariff & other charges invoiced by the Punjab State Power Corporation Ltd.

**b) Steam**

Steam generated by Cogeneration division is put to revenue of the Segment on the basis of cost on pro rate basis.

**c) Agriculture Division**

Expenses are recognized in the year of production of crop.

**2. NOTES ON ACCOUNTS OF THE YEAR ENDED MARCH 31st, 2016**

**2.1 SHARE CAPITAL**

(₹ in Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>Authorized:</b>		
Equity Shares of ₹10/- each		
120,00,000 (120,00,000) Equity Shares	1,200.00	1,200.00
	1,200.00	1,200.00
<b>Issued Subscribed and Paid-Up:</b>		
Equity Shares of ₹10/- each		
100,00,000 (100,00,000) Equity Shares Fully Paid-Up	1,000.00	1,000.00
<b>TOTAL</b>	<b>1,000.00</b>	<b>1,000.00</b>

- a) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.
- b) In the event of Liquidation of the company, the holders of equity shares will be entitled to

receive any of the remaining assets of the company, after distribution of all preferential amounts.

- c) However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Reconciliation of Number of Shares Outstanding :

No. of Shares

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Number of Shares at the Beginning	1,00,00,000	1,00,00,000
Add : Share Issued	0	0
Number of Shares at the End	<b>1,00,00,000</b>	<b>1,00,00,000</b>

## Details of shareholders holding more than 5% shares in the company

Particulars	Year Ended As At March 31st, 2016	% Holding in the SHARES	Year Ended As At March 31st, 2015	% Holding in the SHARES
<b>Equity Shares of Rs 10 each fully paid</b>				
Sh. Ajay Satia	1,475,861	14.76%	1,474,861	14.75%
Smt. Bindu Satia	751,094	7.50%	751,094	7.50%
Sh. Anil Satia	567,719	5.67%	567,719	5.67%
Mr. Ankit Satia	793,344	7.93%	793,344	7.93%
Mr. Dhruv Satia	543,169	5.43%	543,169	5.43%
S.D.S Cotton (P) Ltd	1,513,285	15.13%	1,518,285	15.18%
Muktsar Logistics and Trading (P) Ltd.	1,572,800	15.72%	1,572,800	15.72%

Note : As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## 2.2 RESERVE AND SURPLUS

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>Capital Reserve</b>		
Opening Balance	65.00	65.00
Add: Transferred from Statement Profit and Loss	-	-
Closing Balance (A)	<b>65.00</b>	<b>65.00</b>
<b>Investment Utilization Reserve</b>		
Opening Balance	78.43	78.43
Add: Transferred from Profit and Loss account	-	-
Closing Balance (B)	<b>78.43</b>	<b>78.43</b>
<b>Profit and Loss Account</b>		
Surplus - Opening Balance	7,994.59	7,330.92
Add: Profit after tax transferred from Statement of Profit and Loss	1,311.62	784.14
<b>Less: Appropriations</b>		
Dividend proposed to be distributed to equity shareholders (Rs 1 per share, previous year Nil per share)	-	100.00
Add Excess DDT Provision Reversed	0.12	
Tax on Dividend	-	20.47
Balance In Statement of Profit & Loss (C)	<b>9,306.33</b>	<b>7,994.59</b>
<b>Total (A)+(B)+(C)</b>	<b>9,449.76</b>	<b>8,138.00</b>



## 2.4 NON CURRENT LIABILITIES

### 2.4.1 LONG TERM BORROWINGS

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>Term Loan from Banks</b>		
Punjab National Bank	5,583.37	6,670.27
Central Bank of India	3,260.07	3,466.35
Indian Overseas Bank	624.53	793.83
Andhra Bank	793.68	-
Vehicle Loans	268.42	171.87
<b>Total</b>	<b>10,530.07</b>	<b>11,102.32</b>

**Note 1 :** The loans due to PNB, CBI AND IOB are secured by the first charge by way of equitable mortgage of company's immovable properties, present and future, hypothecation of company's movable assets, present and future in their favour on parripassu basis and further personally guaranteed by the Managing Director and a director of the company.

**Note 2 :** The loans of PNB are further secured by pledge of 24 lacs equity shares held by the promoters

**Note 3 :** Vehicle loans are secured by hypothecation of specific assets only.

**Note 4 :** Installment for repayment of term loans due to be paid in the next year amounting ₹ 3102.09 lacs ( PY ₹ 1849.73 lacs) has been treated as current liability and are not included as long term liability.

### 2.4.2 DEFERRED TAXES

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>Deferred Tax Liabilities</b>	1,147.90	727.93
Related to the Fixed Assets		
<b>Deferred Tax Assets</b>	954.03	230.29
Related to the disallowances under section 43B of the Income Tax Act,1961		
<b>Total</b>	<b>193.87</b>	<b>497.64</b>

### 2.4.3 OTHER LONG -TERM LIABILITIES

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>UNSECURED LOAN :</b>		
Security Deposits	7,664.06	6,874.10
From Banks/NBFC	896.06	1,155.25
From Body Corporate	-	-
From Other than Body Corporate	-	-
From Directors	1.25	1.25
Deffered Creditors	-	-
<b>TOTAL</b>	<b>8,561.37</b>	<b>8,030.60</b>



Installments for repayment of unsecured loans from banks/NBFC due to be paid in the next year amounting to Rs 246.54 Lacs has been considered as current liability by the company and are not included as long term liability.

#### 2.4.4 LONG-TERM PROVISIONS

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>Provision for Employee Benefits</b>		
Leave Encashment	355.61	321.66
Gratuity Obligation	353.53	304.51
<b>TOTAL</b>	<b>709.14</b>	<b>626.17</b>

Note : The estimates of future salary increases, considered in a actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### 2.5 CURRENT LIABILITIES

##### 2.5.1 SHORT TERM BORROWINGS

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>Working Capital Loans: Banks (Rupees Loan)</b>		
Punjab National Bank	7,222.32	4,732.19
Central Bank of India	1,262.46	793.21
<b>TOTAL</b>	<b>8,484.78</b>	<b>5,525.40</b>

Working capital Borrowings' are secured by hypothecation of all stocks of raw material, stores, work in progress finished stock and book debts in addition to personal guarantee by M.D & a Director of the company. In addition to this the working capital limits are further secured by way of second parri passu charge on all the fixed assets of the company.

##### 2.5.2 TRADE PAYABLES

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>Sundry Creditors:</b>		
Micro, Small & Medium Enterprises	36.33	62.55
Others	965.09	845.16
Acceptances Against LC (DA) not due for Payments	1,844.25	2,228.86
<b>TOTAL</b>	<b>2,845.67</b>	<b>3,136.57</b>

**2.5.3 OTHER CURRENT LIABILITIES**

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Proposed Dividends	-	100.00
Statutory Liabilities	136.93	74.06
Advance from Customers	117.30	59.59
Interest Accrued But not Due	30.02	40.01
Other Liabilities	335.97	307.59
Term Loan		
Due within a year	3,460.27	2,085.43
<b>TOTAL</b>	<b>4,080.49</b>	<b>2,666.68</b>

**2.5.4 SHORT-TERM PROVISIONS**

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Dividend Distribution Tax	-	20.48
Income-Tax (Net)	175.88	(3.58)
<b>TOTAL</b>	<b>175.88</b>	<b>16.90</b>

**2.6 NON CURRENT ASSETS**
**2.6.1 FIXED ASSETS**

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Gross Block	43,754.37	35,838.10
Less : Depreciation	(18,744.19)	(15,419.77)
<b>Net Block</b>	<b>25,010.18</b>	<b>20,418.33</b>

Note : A detail chart depicting of fixed assets of the company and depreciation thereof has been attached.

**Annexure-A**
**Intangible Assets**

There are no intangible assets.

(₹ In Lacs)

**2.6.1A CAPITAL WORK IN PROGRESS**

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Building under Construction	506.49	541.70
Plant and Machinery under Erection	1,829.13	3,916.78
Others	-	16.17
<b>TOTAL</b>	<b>2,335.52</b>	<b>4,474.65</b>

Note : Intangible Assets under development

There are no intangible assets under development.

## 2.6.2 NON CURRENT INVESTMENTS

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>Non-current Investment</b>		
Investment (Unquoted) fully paid up		
a) 34,50,000 Equity Shares of Bhandari Export Industries Ltd of ₹ 10 Each at par (3,450,000)	345.00	345.00
b) 37,20,000 Equity Shares of T.C Spinners(P) Ltd of ₹10 each at par (37,20,000)	372.00	372.00
<b>TOTAL</b>	<b>717.00</b>	<b>717.00</b>

## 2.7 CURRENT ASSETS

## 2.7.1 CURRENT INVESTMENTS

There are no current investments.

## 2.7.2 Inventories

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Raw Materials, Chemicals & Fuels	2,223.00	2551.56
Stock in Process	120.18	122.66
Semi Finished Stock	492.22	78.53
Finished Stocks	671.51	881.34
Consumable Stores, Spares and Packing Material	1,909.35	1260.62
Scrap	8.83	4.88
Agriculture Development Expenses (Plantation)	99.34	89.19
Stock of Cotton	43.77	-
Stock of Equity Shares held for Trading	169.58	-
Stock of Yarn	208.85	208.85
<b>TOTAL</b>	<b>5,946.63</b>	<b>5,197.63</b>

## 2.7.3 TRADE RECEIVABLES

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Over Six Months	13.94	51.88
Other Debts	9,756.91	7,469.82
	9,770.85	7,521.70
Less: Provision for Doubtful Debts	-	-
<b>TOTAL</b> (Unsecured, considered good unless otherwise stated)	<b>9,770.85</b>	<b>7,521.70</b>

**2.7.4 CASH AND CASH EQUIVALENTS**

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Cash in hand	2.46	10.20
Balance with Banks	6.84	58.40
Draft/Cheque in transit	-	3.05
Fixed Deposit with Banks against Margin Money	496.02	486.33
<b>TOTAL</b>	<b>505.32</b>	<b>557.98</b>

**2.7.5 SHORT TERM LOANS AND ADVANCES**

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
(Unsecured, considered good unless otherwise stated)		
Loans & Advances	16.28	17.25
Excise Duty & Service Tax Deposited (Including Balance Under Cenvat Against Input, Input Service & Capital Goods)	377.46	733.14
DEPB Pending For Utilization	0.16	2.41
Insurance Claims Recoverable	-	5.40
Sales Tax Deposited Against Appeal	-	2.55
Insurance Prepaid	23.34	17.89
Prepaid Expenses	12.35	14.57
Rent Advance	0.30	0.30
Misc. Recoverable	42.28	26.06
Vat & Entry Tax	-	39.73
Advance Lease Rent	10.62	17.38
Punjab State Power Corporation Ltd	-	-
<b>TOTAL</b>	<b>482.79</b>	<b>876.68</b>

**2.7.6 OTHER CURRENT ASSETS**

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Security/Tender deposits	200.83	216.22
MAT Credit Entitlement	231.77	190.82
Interest Receivable	18.75	13.13
Advance to Suppliers	811.29	556.14
<b>TOTAL</b>	<b>1,262.64</b>	<b>976.31</b>

## 2.8 REVENUE FROM OPERATION

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Gross Sales*	51,898.07	49,238.51
Less: Excise Duty	2,439.10	2,143.90
Less Inter Divisional Sale of Power & Steam	6,098.29	7,781.29
<b>Net Sales</b>	<b>43,360.68</b>	<b>39,313.32</b>

## 2.8.1 PARTICULARS OF SALE OF PRODUCTS

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>I PAPER DIVISION</b>		
<b>MANUFACTURED GOODS</b>		
Writing & Printing Paper (Including Excise Duty)	43,371.50	40,197.88
Sale of Soda Ash	0.29	-
Sale of Scrap	21.95	33.81
<b>SUB TOTAL</b>	<b>43,393.74</b>	<b>40,231.69</b>
<b>TRADED GOODS</b>		
Sale of Wood Pulp	20.57	-
Sale of Shares held for trading	109.27	-
Sale of Waste Paper	44.91	-
<b>SUB TOTAL</b>	<b>174.75</b>	<b>0.00</b>
Gross Sales	43,568.50	40,231.69
Less: Goods Return	-	-
<b>Sales Less Returns</b> (A)	<b>43,568.50</b>	<b>40,231.69</b>
<b>II COTTON &amp; YARN DIVISION (TRADED)</b>		
Sale (Cotton)	270.34	799.90
Sale (Yarn)	1,703.09	405.11
<b>SUB TOTAL</b> (B)	<b>1,973.39</b>	<b>1,205.01</b>
<b>III CO-GENERATION DIVISION</b>		
Sale Of Electricity	3,652.54	4,166.54
Sale Of Steam	2,445.75	3,614.75
<b>SUB TOTAL</b> (C)	<b>6,098.29</b>	<b>7,781.29</b>
<b>V AGRICULTURAL DIVISION</b> (D)	257.89	20.52
<b>TOTAL</b> (A)+(B)+(C)+(D)	<b>51,898.07</b>	<b>49,238.51</b>

**2.9 OTHER INCOME**

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Interest Income	58.29	58.63
Insurance Claims	45.08	16.71
Misc Income	76.69	90.94
Exchange Rate Variation	-	49.35
Income from investment Trading	852.73	-
Discount Earned on DEPB & SHIS Purchase	6.51	8.19
Export Incentive	0.68	-
Income from Renewable Energy Certificate	595.10	284.30
Profit on Sale of Asset	0.05	-
Sale of CER/VER	12.97	-
<b>TOTAL</b>	<b>1,648.10</b>	<b>508.12</b>

**2.10 COST OF MATERIAL CONSUMED**

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Raw Materials	12,951.03	11,624.54
Chemicals	6,005.04	5,581.12
<b>TOTAL</b>	<b>18,956.97</b>	<b>17,205.66</b>

**2.11 COST OF PURCHASE OF STOCK IN TRADE**

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Cotton	270.93	762.58
Yarn	1,693.29	404.00
Polyester Fiber	-	-
Cost of Sales of Shares held for Trading	1,402.73	-
Waste Paper Indian	-	38.78
<b>TOTAL</b>	<b>3,366.95</b>	<b>1,205.36</b>

## 2.12 CHANGE IN INVENTORIES

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>Opening Stock :</b>		
Finished Goods	881.34	438.40
Stock in process	122.66	94.11
Semi Finished	78.53	23.21
Scrap	4.88	9.31
(A)	<b>1,087.41</b>	<b>565.03</b>
<b>Closing Stock :</b>		
Finished goods	671.51	881.34
Stock in process	120.18	122.66
Semi Finished	492.22	78.53
Scrap	8.83	4.88
Stock of Equity Shares	169.58	-
(B)	<b>1,462.32</b>	<b>1,087.41</b>
<b>INCREASE(+)/DECREASE(-) IN STOCKS</b>		
(A) - (B)	<b>(374.91)</b>	<b>(522.38)</b>

## 2.13 EMPLOYEE BENEFITS EXPENSE

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
a) Salaries, Wages and Bonus	1,832.40	1,497.77
b) Welfare Expenses	758.33	723.56
c) Contribution to Provident and Other Funds.	160.67	144.28
<b>TOTAL</b>	<b>2,751.40</b>	<b>2,365.61</b>

## 2.14 FINANCE COST

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
a) Interest on Term Loans	1,269.49	453.56
b) Interest on Working Capital	1,137.87	1,046.72
c) Bank & Other Charges	102.69	134.50
<b>TOTAL</b>	<b>2,510.05</b>	<b>1,634.78</b>

**2.15 DEPRECIATION AND AMORTISATION CHARGE**

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Depreciation	3,324.81	5,298.66
<b>TOTAL</b>	<b>3,324.81</b>	<b>5,298.66</b>

**2.16 OTHER EXPENSES**

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
<b>a) Utilities:</b>		
i) Power Consumed	4,496.70	
Less : Inter Divisional Purchase	(3,652.54)	
ii) Steam Consumed	2,445.75	
Less : Inter Divisional Purchase	(2,445.75)	
iii) Fuel	6,701.34	7,293.05
iv) Water Supply Charges	78.81	84.67
v) Effluent Treatment Expenses	0.15	-
<b>b) Stores and Spare Parts Consumed</b>	2,547.28	1,615.61
<b>c) Repair &amp; Maintenance :</b>		
i) Building	108.13	81.87
ii) Machinery	223.28	163.86
iii) Others	82.11	60.56
<b>d) Packing Material &amp; Exp.</b>	1,149.75	808.97
<b>e) Handling and Shifting :</b>		
i) Raw Material and Chemicals	312.60	228.33
ii) Fuel	0.87	2.82
<b>f) Reversal of Cenvat Credit of Excise Duty</b>	0.37	155.07
<b>g) Job Work Charges</b>	-	-
<b>h) Loss on cotton Trading</b>	-	172.20
<b>i) Selling,Administrative And Other Expenses</b>		
i) Printing and Stationary	7.66	6.66
ii) Postage, Telegram & Telephone	16.54	13.70
iii) Sales Tax	13.05	25.60
iv) Travelling & Conveyance	124.53	84.42



v) Disposal and Cartage	197.26	221.61
vi) Vehicle Running and Maintenance	36.52	34.80
vii) Rent	47.01	35.00
viii) Loss of Assets	-	-
ix) Legal & Professional Charges	44.75	44.41
x) Fee & Subscription	33.34	55.93
xi) Board Meeting Expenses	3.16	1.69
xii) Loss on Sale of Assets	-	69.65
xiii) General Expenses	102.36	74.30
xiv) Auditors Remuneration and Expenses	3.04	3.08
xv) Electricity and Water Charges	11.15	9.93
xvi) Charity and Donation	8.83	11.12
xvii) Freight & Handling outward/Export Exp.	2.84	96.77
xviii) Commission	429.24	531.00
xix) Discounts & Rebate	44.38	80.21
xx) Exchange Rate Variation	76.18	-
xxi) Advertisement	4.74	3.41
xxii) Corporate Social Responsibility Expenses	23.45	7.92
xxiii) Agricultural Expenses	7.42	15.06
xiv) Computer Expenses	21.41	18.10
xv) Insurance Expenses	-	-
<b>TOTAL</b>	<b>13,307.70</b>	<b>12,625.32</b>

**2.17 Exceptional Items**

There were no exceptional Items during the year.

**2.18 Extraordinary Items**

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Income Tax paid for earlier year	151.68	19.06
Prior Period Expense	6.27	-9.15
<b>TOTAL</b>	<b>157.95</b>	<b>9.91</b>

**2.19 TAX EXPENSES**

(₹ In Lacs)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Current Tax		
Provision for Tax	194.01	127.00
Less :MAT Credit Entitlement 0.00	194.01	-
Net Current Tax	-	127.00
Deferred Tax	(303.76)	(912.59)
<b>TOTAL</b>	<b>(303.76)</b>	<b>(785.59)</b>



**Annexure - A**

**Details of Fixed Assets and Depreciation as on 31.03.2016**

(Rs. in Lacs)

S. NO.	ASSETS DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01.04.2015 (Rs.)	ADDITIONS UP TO 31.03.2016 (Rs.)	SALES/ ADJUSTMENT (Rs.)	AS ON 31.03.2016 (Rs.)	AS ON 01.04.2015 (Rs.)	DURING THE YEAR (Rs.)	WRITTEN BACK (Rs.)	AS ON 31.03.2016 (Rs.)	AS ON 31.03.2015 (Rs.)	AS ON 31.03.2016 (Rs.)
1	Land	117.94	0.00	0.00	1147.94	0.00	0.00	0.00	0.00	117.94	117.94
2	Plant & Machinery	25665.32	6774.30	0.00	32439.6	11845.44	2706.43	0.00	14551.88	17887.74	13819.88
3	Turbine	5048.08	284.72	0.00	5332.80	819.81	243.67	0.00	1063.48	4269.32	4228.27
4	Building	3320.21	643.97	0.00	3964.18	1543.65	206.16	0.00	1749.81	2214.37	1776.56
5	Electrical installation	680.83	0.00	0.00	680.83	594.06	15.73	0.00	549.79	131.04	146.78
6	Office Equipment	65.08	15.24	0.00	80.32	51.84	6.54	0.00	58.38	21.93	13.24
7	Furniture & fittings	63.57	4.86	0.00	68.43	48.07	2.59	0.00	50.66	17.77	15.50
8	Vehicles	678.52	156.46	0.57	834.42	422.5	119.42	0.40	541.52	292.89	256.02
9	Computers	146.73	11.21	0.00	157.94	115.73	13.52	0.00	129.25	28.69	31.00
10	A.C, Fan & Cooler	51.81	26.09	0.00	77.91	38.66	10.75	0.00	49.41	28.50	13.16
11	Total	35838.09	7916.85	0.57	43754.4	15419.76	3324.81	0.40	18744.18	25010.19	20418.35
12	Previous Year	25765.85	10161.2	88.98	35838.10	10139.64	5298.66	18.53	15419.77	20418.33	15626.21

**2.20 Contingent Liabilities and Commitments to the extent not provided for)**

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
i) Bank Guarantee	2123.61	1734.08
ii) Excise & Custom Duty demand in dispute	3.83	3.83
iii) Customs Duty in respect of Export Obligation	1.88	79.34
iv) Corporate Guarantee in favour of Uco Bank on behalf of T.C Spinners Pvt.Ltd (Outstanding balance Rs. 536.00 Lacs)	536.00	1210.00

**2.21 DISCLOSURE REQUIREMENT AS PER AS-18, ON RELATED PARTY DISCLOSURE.**

Nature of Relationship	Name of Related Party
i) Individual Owing directly or indirectly substantial interest in the voting power of the company.	T.C. Spinners Pvt. Ltd. Satia Paper Mills Private Ltd
ii) Associates	
iii) Key Management Personnels	Dr. Ajay Satia Mr. R.K. Bhandari Mr. Janak Raj Sharma Mr. Chirag Satia
iv) Relatives of key Management Personnel	Mrs Bindu Satia (Wife of Dr. Ajay Satia) Mr. Anil Satia (Brother of Dr. Ajay Satia) Smt. Krishna Satia (Mother of Dr. Ajay Satia) Mrs. Renu Pahwa (Sister of Dr. Ajay Satia) Mr. Rajat Mehta (son in law of Dr. Ajay Satia) Ms Yachna Satia (Daughter of Dr. Ajay Satia) Mrs. Archana Saluja (Sister of Dr. Ajay Satia) Mrs.Pushpa Bhandari (Mother of Mr. R.K. Bhandari) Mrs. Kiran Bhandari (Wife of Mr. R.K. Bhandari) Ms.Vasudha Bhandari (Daughter of Mr. R.K. Bhandari) Mr. Ankit Dani (son in law of Mr. R. K. Bhandari) Mr. Amit Sharma (Son of Mr. Janak Raj. Sharma) Mr. Dhruv Satia (Son of Dr Ajay Satia) Satia Paper Mills (Enterprise of Mr. Dhruv Satia)



**Transaction with parties as listed above during the period under consideration:**

SR No	Nature of Transaction	Individual owing directly or indirectly a Substantial interest in the voting power of the company	Key Management Personal	Relatives of Key Management personal	Total
i)	Loan Receipt	- (-)	0.00 (78.75)	0.00 (4.00)	0.00 (82.75)
ii)	Loan Repayment	- (-)	0.00 (77.77)	0.00 (38.98)	0.00 (116.75)
iii)	Rent	- (-)	11.40 (3.60)	11.43 (19.30)	22.83 (22.90)
iv)	Managerial Remuneration	- (-)	182.07 (177.66)	0.00 (-)	182.07 (177.66)
v)	Salary	- (-)	- (-)	7.68 (7.09)	7.68 (7.09)
vi)	Sales	872.88 (927.02)	- (-)	1434.91 (21.47)	2307.79 (948.49)
vii)	Purchases	1111.13 (406.28)	- (-)	- (-)	1111.13 (406.28)
viii)	Investment	- (210.00)	- (-)	- (-)	0.00 (210.00)
ix)	Sale of Investment	0 (149)		32.38 (180.00)	32.38 (329.00)

**(Figure in brackets relates to previous year)**

## Outstanding Balance as on 31.03.2016

SR No	Nature of Transaction	Individual owing directly or indirectly a Substantial interest in the voting power of the company	Key Management Personal	Relatives of Key Management personal	Total
i)	Managerial Remuneration	- (-)	6.25 (4.17)	- (-)	6.25 (4.17)
ii)	Loan and Advances Credit	- (-)	1.25 (1.25)	0.00 0.00	1.25 (1.25)
iii)	Loan and Advances Debit	- (-)	- (-)	- (-)	0.00 0.00
iv)	Corporate Guarantee	536 (693.57)	- (-)	- (-)	536.00 (693.57)
v)	Investment in Equity Shares	372.00 (372.00)	- (-)	- (-)	372.00 (372.00)
vi)	Rent	- (-)	0.00 (-)	0.28 0.00	0.28 0.00
vii)	Salary	- (-)	- (-)	0.42 (0.50)	0.42 (0.50)
viii)	Debtors	414.43 0.00	0.00 0.00	1404.80 (21.48)	1404.80 (21.48)

(Figure in brackets relates to previous year)

## 2.22 IMPORT (VALUED ON THE COST, INSURANCE AND FREIGHT BASIS)

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Capital Goods	329.84	1819.36
Raw Material	3010.19	1733.95
Stores & Spares	85.47	89.40
<b>TOTAL</b>	<b>3425.51</b>	<b>3642.71</b>



### 2.23 ACTIVITY IN FOREIGN CURRENCY

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Travel	12.91	6.60
Interest	13.89	11.93
Bank Charges	1.00	1.37
Legal & Technical Fees and Subscription	0.00	0.00
<b>TOTAL</b>	<b>27.81</b>	<b>19.90</b>

### 2.24 FOB VALUE OF EXPORTS OF GOODS

Particulars	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Writing & Printing Paper (USD 51699.48)	34.26	0.15
<b>TOTAL</b>	<b>34.26</b>	<b>0.15</b>

### 2.25 MSMED ACT2006

The company has been obtaining confirmation from suppliers who have registered themselves under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED ACT, 2006). Based on the information available with the company, balance due to Micro & Small Enterprises as defined under the MSMED ACT, 2006 is Rs. 36.33 lacs (previous year Rs. 62.55 lacs). Further no interest during the year has been paid under the terms of the MSMED Act, 2006.

### 2.26 EMPLOYEE BENEFITS

Effective from 1st January, 2007 the company adopted Accounting Standard 15 (revised 2005) on Employees Benefits issued by the Institute of Chartered Accountants of India.

The following table sets out the status of the gratuity scheme plan as at 31.03.2016.

#### i) Table Showing Changes in Present, Value of Obligations:

Period	Year Ended As At March 31st, 2016	Year Ended As At March 31st, 2015
Present value of the obligation at the beginning of the period	304.5	251.57
Interest cost	24.36	20.13
Current service cost	28.85	25.33
Benefits paid (if any)	(14.61)	(17.18)
Actuarial (gain)/loss	10.42	24.65
Present value of the obligation at the end of the period	353.52	304.50

## ii) Key results (The amount to be recognized in the Balance Sheet)

Period	Year Ended As On March 31st, 2016	Year Ended As On March 31st, 2015
Present value of the obligation at the end of the period	353.52	304.50
Fair value of plan assets at the end	0.00	0.00
Net Liability/(asset) recognised in Balance sheet and related analysis	353.52	304.50
Funded Status	(353.52)	(304.50)

## iii) Expense recognized in the statement of Profit and Loss:

Period	Year Ended As On March 31st, 2016	Year Ended As On March 31st, 2015
Interest cost	24.36	20.12
Current service cost	28.85	25.33
Expected Return on plan	0.00	0.00
Net Actuarial (gain)/loss recognized in the year	10.42	24.65
Expense recognized in the statement of Profit and Loss	63.64	70.11

## iv) Experience Adjustment

Period	Year Ended As On March 31st, 2016	Year Ended As On March 31st, 2015
Experience Adjustment (Gain)/loss for plan Liabilities	10.43	4.56
Experience Adjustment (Gain)/loss for plan Assets	0.00	0.00

## v) Summary of membership data of valuation and statistics based thereon:

Period	Year Ended As On March 31st, 2016	Year Ended As On March 31st, 2015
Number of employees	1168.00	1091.00
Total monthly salary (In Lakhs)	95.7	83.45
Average Past Service(Years)	8.90	8.90
Average remaining working lives of employees(years)	22.5	22.80
Average Age(Years)	37.5	37.20



vi) The assumptions employed for the calculations are tabulated:

Period	Year Ended As On March 31st, 2016	Year Ended As On March 31st, 2015
Discount Rate (Per annum)	8.00%	8.00%
Salary Growth Rate (Per annum)	4.00%	4.00%
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Rate of Return	0.00	0.00
Withdrawal Rate(Per Annum)	5.00%	5.00%

vii) Benefits valued:

Normal Retirement Age	60 Years	60 Years
Salary	Terminal Basic Salary (excluding) all other allowances and Perquisites)	Terminal Basic Salary (excluding) all other allowances and Perquisites)
Vesting Period	5 Years of Service	5 Years of Service
Benefits on Normal Retirement	15/26 *Salary* Number of Completed Years of Service	15/26 *Salary* Number of Completed Years of Service
Benefit on early exit due to Death and Disability	As above Except that no vesting conditions apply.	As above Except that no vesting conditions apply.
Limit (In Lakhs)	10	10

2.27 Calculation of Deferred Tax Liability

Particulars	Year Ended As On March 31st, 2016	Year Ended As On March 31st, 2015
Written Down Value of Fixed Assets as per Books	20889.26	16309.29
Written Down Value of Fixed Assets as per Income Tax	17572.41	14167.70
(A) Deferred Liability	3316.84	2141.59
Expenses disallowed u/s 43B	785.26	677.54
Unabsorbed Depreciation & Losses	1971.39	0.00
(B) Deferred Assets	2756.66	677.54
Net Deferred (Assets)/Liability (A-B)	560.18	1464.05
As on date	193.86	497.63
Net Deferred Tax (Assets)/Liability for the year	(303.76)	(912.59)

Note: The deferred tax in respect of the Co-Gen Segment pertaining to the timing differences which will reverse during the tax holiday period on account of deduction under section 80IA of the Income Tax Act 1961 has not been recognised .



**2.28 Director's Remuneration**

Particulars	Year Ended As On March 31st, 2016	Year Ended As On March 31st, 2015
(a) Managing Director		
(i) Salary	126.00	144.00
(ii) Contribution to Provident Fund	0.00	0.02
(iii) Perquisites	2.13	1.86
(b) Whole Time Directors		
(i) Salary	56.07	33.66
(ii) Contribution to Provident Fund	0.32	0.17
(iii) Perquisites	1.39	0.92
(c) Directors Sitting Fee	3.15	1.69

2.29 In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of Current Assets, Loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in Balance Sheet. The provision for all known liabilities is adequate and neither is excess nor short of the amount reasonably necessary.

2.30 The liability of Excise Duty on finished goods remaining uncleared in the factory premises and lying in stock at the end of the year estimated at Rs 26.69 lacs (Previous year Rs 28.48 lacs) are not included in the valuation of inventory of such goods. However the said liability if provided in accounts would have no effect on the profits for the period.

**2.31 Auditor's Remuneration:**

Particulars	Year Ended As On March 31st, 2016	Year Ended As On March 31st, 2015
(a) Statutory Auditor's Remuneration:		
For Audit Fee including Service-tax	2.00	2.00
For Other Services	0.60	0.60
For out of Pocket Expenses	0.00	0.00
	2.60	2.60
(b) Cost Audit Fee including Service Tax	1.00	1.00
For out of pocket Expenses	0.03	0.08
	1.03	1.08
<b>TOTAL</b>	<b>3.63</b>	<b>3.68</b>

### 2.32 Derivative Instruments and Unhedged Foreign Currency Exposure.

#### Unhedged Foreign Currency Exposure

Particulars	Amount in Lacs (Foreign currency) As On March 31st, 2016	Amount in Lacs (Foreign currency) As On March 31st, 2015
Import Creditors	1105.49 (USD 16.66) 142.94 (EURO 1.90)	863.62 (USD 13.81) 182.47 (EURO 2.69)

### 2.33 Earning Per Share (EPS) computed in accordance with AS-20 'Earning Per Share'

Particulars	Year Ended As On March 31st, 2016	Year Ended As On March 31st, 2015
a) Net Profit/ (Loss) after tax & before Extra ordinary Items (' In lacs)	1469.57	794.03
b) Net Profit/ (Loss) after tax & after Extra ordinary Items (' In lacs)	1311.62	784.12
c) Weighted Average No. of Shares	10000000.00 (Nos.)	10000000 (Nos.)
d) Diluted potential equity shares	10000000.00 (Nos.)	10118003 (Nos.)

#### Earning Per Share (EPS)

Basic	13.12	7.84
Diluted	13.12	7.84

Diluted EPS is calculated after taking into consideration of potential equity share capital.

**2.34** During the period the company has made provision for Tax amounting to Rs. Nil.

**2.35** The management of the company has not recognised any loss for impairment of any of the fixed assets of the company

### 2.36 Segment Reporting

#### A. Business Segments:

Based on the guiding principles given in AS-17 "Segment Reporting" issued by the

Institute of Chartered Accountants of India, the Groups business segment include: Writing & Printing Paper, Power Generation, Yarn Division & Agriculture Division.

#### B. Geographical Segments:

Since the Group activities/operations are primarily within the country and considering the nature of products it deals in, the risks and returns are same and as such there is only one geographical segment

**C. Segment Accounting Policies:**

In addition to the significant accounting policies applicable to the business segments as set out in note no.1 of “Notes to the accounts”, the accounting policies in relation to segment reporting are as under:

**a) Segment Revenue and Expenses:**

Segment revenue and expenses are directly attributable to the segments.

**b) Segment assets and liabilities**

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

**c) Inter segment revenue:**

Inter segment revenue between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

**d) Information about business segments:**

The detailed reporting is as per annexure. During the year company has started a new segment for agriculture operations of plantation. The cost incurred in this segment has been treated as prepaid expenses and included in the inventories which will be set off against the future income under the segment.

**2.37** Current Assets including advances are considered good and in view of the management of the company to be realizable within 12 months from the date of Balance Sheet.

**2.38** Outstanding balances in sundry debtors, creditors & security deposits are subject to confirmation.

**2.39** Figures in brackets represent figures of previous year.

**2.40** Previous Year’s figures have been regrouped and/or re-arranged wherever considered necessary.

**For RAKESH BANSAL & CO.**  
Chartered Accountants

(Rakesh Bansal)  
Proprietor  
Membership No 090278  
FRN 011474N

(Dr Ajay Satia)  
Chairman-Cum Managing Director

Place : Rupana (Muktsar)  
Date : 13.08.2016

(A.K.Khurana)  
Vice President(Finance)

**For and On behalf of the Board of Directors**

(R.K.Bhandari)  
Whole Time Director

(Rakesh Kumar Dhuria)  
Company Secretary



**Disclosure Format of Primary Segments**

	Paper		Yarn		Co-Generation		Agriculture		Elimination		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>REVENUE</b>												
External Sale	41,129.41	38,087.80	1,973.39	1,205.00	0	0.00	257.89	20.52	0	0.00	43,360.68	39,313.32
Inter-segment Sale	0	0			6,098.29	7,781.29	0.00	0.00	6,098.29	7,781.29	0.00	0.00
Total Revenue	41,129.41	38,087.80	1,973.39	1,205.00	6,098.29	7,781.29	257.89	20.52	6,098.29	7,781.29	43,360.68	39,313.32
<b>RESULT</b>												
Segment Result	-853.25	105.98	6.38	-198.19	1662.04	1729.97	192.69	5.46	0.00	0.00	1,007.86	1,643.22
Unallocated corporate exp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Profit	1814.75	105.98	6.38	-198.19	1662.04	1729.97	192.69	5.46	0	0.00	3675.86	1643.23
Interest Expense											2510.05	1634.78
Tax Expense											(303.76)	-783.59
Profit from ordinary activities											1469.57	794.04
Extraordinary loss : uninsured earthquake damage to factory											157.95	9.91
Net Profit											0.00	0.00
											1311.62	784.14

**For RAKESH BANSAL & CO.**  
Chartered Accountants

(Rakesh Bansal)  
Proprietor  
Membership No 090278  
FRN 011474N

**For and On behalf of the Board of Directors**

(R.K.Bhandari)  
Whole Time Director

(Dr Ajay Satia)  
Chairman-Cum Managing Director

(Rakesh Kumar Dhuria)  
Company Secretary

(A.K.Khurana)  
Vice President(Finance)

Place : Rupana (Muktsar)  
Date : 13.08.2016

Cash Flow Statement for the Period 01.04.2015 to 31.03.2016

**A CASH FLOW FROM OPERATING ACTIVITIES**

Particulars	Rs. in Lacs
Net Profit Before Tax	1165.77
Adjustments for:	
Depreciation	3324.81
Provisions For Gratuity & Leave Encashment	82.97
Interest Received	(58.28)
(Profit)/loss on sale of Assets	(0.05)
Interest & Finance Charges	2510.05
	0.00
<b>Operating Profit before Working Capital Changes</b>	<b>5859.49</b>
<b>Adjustments for:</b>	<b>7025.26</b>
Decrease/(Increase) in Other Current Assets	389.08
Increase/(Decrease) in other Current Liabilities	140.12
Decrease/(Increase) in Receivables	(2249.15)
Decrease/(Increase) in Inventories	(748.99)
Increase/(Decrease) in Payables	(290.89)
Cash generated from operations	(2759.83)
Prior Period Income/(Expense)	4265.43
Income Tax paid	(6.23)
<b>Net Cash flow from Operating activities</b>	<b>4259.19</b>

**B CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets	(7916.48)	
Sale of Fixed Assets	0.21	
Interest Received	58.28	
Increase in Advances & others	1883.89	
	-	
Net Cash used in Investing activities		(5974.09)

**C CASH FLOW FROM FINANCING ACTIVITIES**

Share Application repayment	-	
Repayment Of Other Loans & Security Deposits	530.76	
Repayment of Term Loan & Vehicle Loan	(2077.36)	
Proceeds From Working Capital Borrowings	2959.40	
Proceeds from Long term Borrowings	2879.97	
Interest paid	(2510.05)	
Dividend Paid	(100.00)	
Dividend Distribution Tax Paid	(20.47)	
Net Cash used in financing activities		1662.23
Net increase in cash & Cash Equivalents	-	(52.65)
Cash and Cash equivalents as at 01.04.2015		557.97
Cash and Cash equivalents as at 31.03.2016		505.31

	As on	
Cash & Cash Equivalents	31.03.2016	31.03.2015
Cash in Hand	2.45	10.19
Cash at Bank	502.86	547.78
Cash & Cash equivalents as stated	505.31	557.97

**For RAKESH BANSAL & CO.**  
Chartered Accountants

(Rakesh Bansal)  
Proprietor  
Membership No 090278  
FRN 011474N

(Dr Ajay Satia)  
Chairman-Cum Manging Director

Place : Rupana (Muktsar)  
Date : 13.08.2016

(A.K.Khurana)  
Vice President(Finance)

**For and On behalf of the Board of Directors**

(R.K.Bhandari)  
Whole Time Director

(Rakesh Kumar Dhuria)  
Company Secretary

**SATIA INDUSTRIES LTD**

Regd. Office: Village Rupana, Malout-Muktsar Road, Dist: Muktsarr  
Tel.No.01633-262215,262001, CIN: L21012PB1980PLC004329  
Form No. MGT-11

**PROXY FORM**

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

Name of the member(s):

Registered address

E-mail id

Folio No/Client id: DP ID:

I/We being the member(s)of..... Shares of Satia Industries Ltd, hereby appoint:

1. Name :.....

2. Address.....

3. E-mail Id.....

4. Signature..... Or failing him

1. Name: .....

2. Address.....

3. E-mail Id.....

4. Signature:.....

As my/our proxy attend and vote(on a poll)for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 30<sup>th</sup> day of September, 2016 at 10.00 AM at the registered office of the Company at Village Rupana,Malout-Muktsar Road , Distt: Muktsar-152032 and at any adjournment thereof in respect of such resolution as are indicated below”

- 1..... 2..... 3..... 4..... 5.....
- 6.....7.....8.....9.....10.....11.....12.....

Note ; This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company ,not less than 48 hours before the commencement of the Meeting.

**SATIA INDUSTRIES LTD ATTENDANCE SLIP**

I hereby record my presence at the 35<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Friday 30<sup>th</sup> September, 2016 at 10.00 AM at the Registered Office of the Company at Village Rupana, Malout-Muktsar Road, Distt: Muktsar-152032 Punjab

Signature  
Client ID.....  
D.P.ID.....

.....  
Full Name of the Shareholder  
(IN BLOCK LETTERS)

Folio No.....

Full Name of Proxy.....  
(IN BLOCK LETTER)

- NOTE: 1. The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
- 2. A proxy need not be a member.

**BOOK - POST**

*If undelivered please return to:*

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