

SATIA INDUSTRIES LIMITED



42<sup>nd</sup> ANNUAL REPORT 2022-23

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Dr. Ajay Satia – Chairman Cum Managing Director  
Mr. R.K. Bhandari – Joint Managing Director  
Mr. Chirag Satia – Executive Director  
Mr. Hardev Singh – Director (Technical)  
Mr. Avinash Chander Ahuja – Independent Director  
Mr. Dinesh Chand Sharma – Independent Director  
Mr. I.D. Singh – Independent Director  
Mr. Ashok Kumar Gupta – Independent Director  
Dr. Mrs. Priti Lal Shivhare – Independent Director  
Mr. Vinod Kumar Kathuria – Independent Director  
Mr. Ajay Vyas – Independent Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Rakesh Kumar Dhuria

## CHIEF FINANCIAL OFFICER

Mr. Rachit Nagpal

## STATUTORY AUDITORS

**N. Kumar Chhabra & Co.**

Office: # 1081, Sector 27B,

Chandigarh-160019

E-mail: [info@nkumarca.com](mailto:info@nkumarca.com)

Phone No: +91 172 5088800

## REGISTERED/ CORPORATE OFFICE

Malout – Muktsar Road, VPO. Rupana,  
Sri Muktsar Sahib - 152032  
Tel. 01633-262001, 262215, 263585  
Fax: 01633-263499  
Website: [www.satiagroup.com](http://www.satiagroup.com)  
E- mail ID: [satiapaper@satiagroup.com](mailto:satiapaper@satiagroup.com)

## REGISTRAR AND TRANSFER AGENTS

Beetal Financial & Computer Services (P) Limited  
Beetal House, 3rd Floor, 99 Madangir,  
Behind Local Shopping Complex,  
Near Dada Harsukhdas Mandir,  
New Delhi-110062  
Contact No: - 011-29961281-83,  
FAX: 011-29961284  
E-mail: [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)  
Website: [www.beetalfinancial.com](http://www.beetalfinancial.com)

## BANKERS

Punjab National Bank  
Union Bank of India  
UCO Bank  
HDFC Bank Ltd.  
AXIS Finance Ltd.  
Bajaj Finance Ltd.  
Indusind Bank Ltd.

# COMPANY OVERVIEW

## Overview

- Satia Industries Limited (SIL), located in the District of Muktsar, Punjab was incorporated by Dr. Ajay Satia and commenced its operations in 1984.
- SIL is one of the leading Wood and Agro-based paper manufacturers in India, with a completely integrated manufacturing setup with 4 paper machines, 100% in-house power generation, soda recovery plant and one of the best effluent treatment facilities in the nation.
- SIL has 540 acres of eucalyptus plantations, developed as per Karnal Technology which consumes total treated water discharge.
- Last year the company added a 4th state of the art paper machinery to its production facilities with a capacity of 100,000 MTPA. With a diverse Capex program to modernize and scale up its capacities, SIL now has total installed capacity of 2,19,000 MT in FY23.
- The company manufactured 209910.0 – MT Paper (141524.00 MT in the Previous year) Capacity utilization was 116.43 %.
- SIL supplies 40%-50% of its production to State textbook boards with the balance sold in the open market through pan-India network of 70+ dealers and 3 branch offices located in Delhi, Chandigarh & Jaipur with total Employee strength of 2,150+ head counts
- SIL is Carbon Credit Surplus and has a regular income accruing from renewable energy credits (REC)

## Vision

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

## Mission

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

# OUR KMP'S

## Visionary Team – Our KMP's

**Dr. Ajay Satia**

**Chairman Cum Managing Director**

Dr. Satia is an MBBS, he has been the pioneer for setting up this integrated paper mill. Dr. Satia has a passion for work, a flair for technology and possesses unparalleled enterprising spirit for expansion and modernization. His greatest strength lies in building and retaining a strong and trusted team which has turned his dreams into reality.



**Mr. R.K. Bhandari**

**Joint Managing Director**

Mr. Bhandari is an MBA, he has been instrumental in marketing and other administrative responsibilities since the last 34 years. He has been instrumental in formulation & execution of SIL's core business strategies. He has also been instrumental in providing new direction to the marketing department and placing the company on domestic map.

**Mr. Chirag Satia**

**Executive Director**

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



# CHAIRMAN CUM MANAGING DIRECTOR'S MESSAGE



**Dear Shareholders,**

In line with our guidance given last year, your company achieved a production volume of over 2.0 lac tons and supported by the robust market demand and bullish prices, we were able to almost double the topline to 1897.80 crores and the PAT to 192.17 crores in the financial year 2022-23. We hope to maintain these levels of margin 4 with slight increase in production volume in the financial year 2023-24. Our focus in the current year shall remain on new product development and quality improvement of the existing product line supported by increase in wood pulp in total furnish. Your company shall make all out efforts to fulfil the high expectations of our customers for a quality product especially from PM 4.

We are well aware of the current challenges of global market with falling pulp and paper prices creating adverse pressure on domestic prices, exports and dampening of demand in the short term and your company is taking all steps to control cost

and increase productivity to meet both the domestic and international competition while trying to maintain the level of margins as achieved in the last financial year.

We are continuing with our Project Green with full thrust to meet the shortage of wood based raw material in future and also fulfil our responsibility to plant more trees than we use to make pulp and paper. Our focus is on sustainability by using maximum of agro waste, veneer waste and wood waste being generated in plywood industry. We plan to start a new steam boiler in this year which will use rice straw as fuel leading to fuel cost saving and solving environment pollution problem caused by burning of rice straw in the open fields.

Once again, I assure you that we shall come up to the expectations of all stakeholders and the society and express my thanks and gratitude for your continued support.

With Best Wishes

**Dr. Ajay Satia**  
Chairman Cum Managing Director



## OVERVIEW OF COMPANY PRODUCTION CAPACITIES

Facility Type	Description	Competative Advantage
<b>Pulping Capacity</b>	Total Capacity-550 TPD – Mix of Agro ,Wood Pulp and Waste Paper	<ul style="list-style-type: none"> <li>• Strategic Location in the Wheat belt area of Punjab makes procurement of RM easy and cost effective with no other paper mill in 100 Km radius.</li> <li>• Wood Pulp Digester automation will led to reduction in steam consumption resulting in savings of ~ 220 MN PA.</li> </ul>
<b>Paper Machines</b>	4 Plants having capacity of 700 TPD	PM 4 gives SIL an opportunity to manufacture superior quality paper & allows it to add new products to its current product mix.
<b>Chemical Recovery</b>	Capacity- 650 TPD Recovery & re-use of Caustic Soda which is used for cooking of agro and Wood chips from Black Liquor, a polluting effluent generated in the process of pulp making	<ul style="list-style-type: none"> <li>• Re-use of Caustic soda to the extent of 90%-95%</li> <li>• Steam Generated is used to generate power in-house.</li> </ul>
<b>Power generation</b>	4 Turbines with total capacity of 41.95 MW	<ul style="list-style-type: none"> <li>• 100% Self sufficiency of power requirements.</li> <li>• REC/carbon credits for clean power generation</li> <li>• Low cost of power vis-à-vis drawn from grid</li> </ul>
<b>Effluent Discharge</b>	Eucalyptus plantations of 540 acres as per Karnal Technology All effluents are treated to the desired standards and no effluent is discharged into any water body of the state.	<ul style="list-style-type: none"> <li>• The Plantations act as a future source of Raw Material</li> <li>• Open Market sale generates tax free Agricultural Income</li> </ul>



## Transforming a perceived cyclical business into a non cyclical business through consistent and sustainable financial performance

**Focused raw material procurement** – Satia is one of the largest wood and agro based (based on wheat straw) paper producer. It doesn't depend solely on waste paper. Satia's facility is located in the wheat belt, which gives easy access to procure desired raw material as there is no other facility in 200 KM vicinity.

+

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

+

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

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



# REVENUE MIX

## SIL's Strategic and Sustainable Revenue Model

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

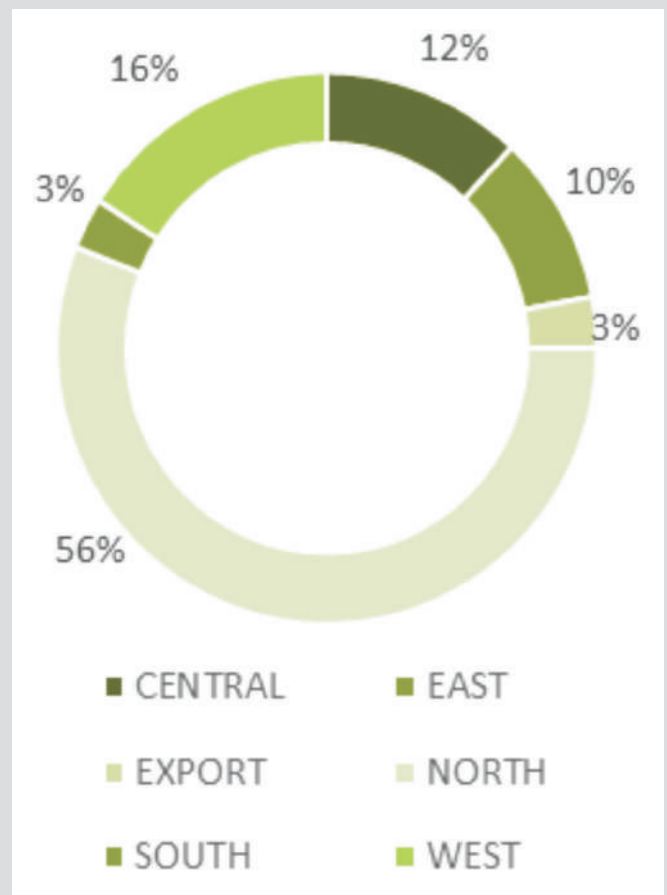
- SIL supplies High quality watermark paper to various state boards.
- Consolidated demand from all Text-books board is approximately 5,00,000 TPA of paper
- By supplying ~50-75k TPA to various state boards, SIL boasts of a major market share in this vertical.
- The State Text-book orders are tender driven business, these projects are State government funded under Sarva Shiksha Abhiyaan and do not rely upon school fees to pay the vendors, the average receivable days happen to be 45-60 days
- Sales to Textbook boards command higher (10%) operating margins as compared to open market, attributing to higher GSM and less finishing loss due to single size and more filler in the paper.

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

- SIL supplies to retail traders through its strong Pan- India distribution network with 70+ dealers and 3 branch offices located in Delhi, Chandigarh & Jaipur.
- Out of total sales from Open Market Supplies, ~5-10% of sale comes from

Rajasthan and Delhi in a Direct sale, to end users, and facilitated by the SIL's employees.

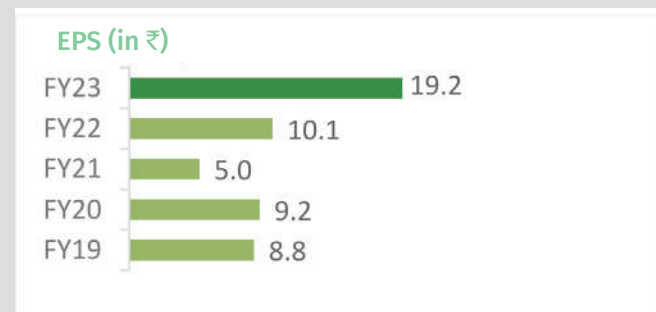
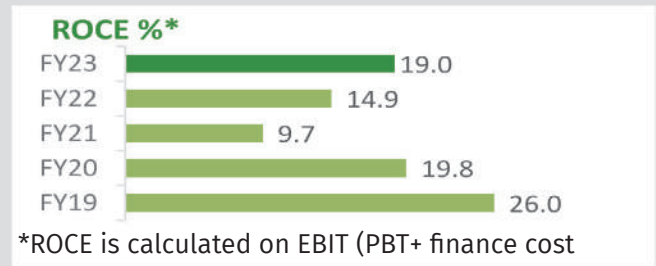
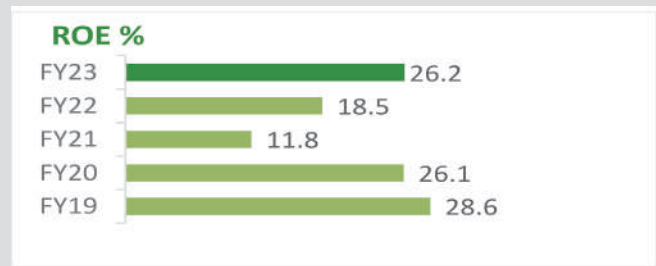
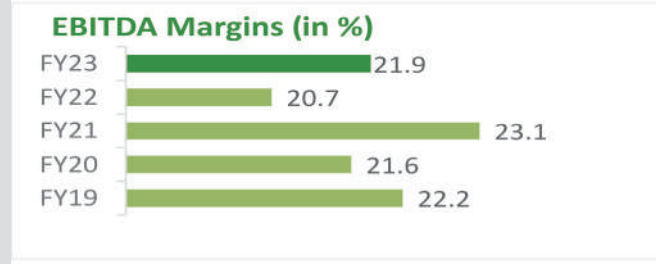
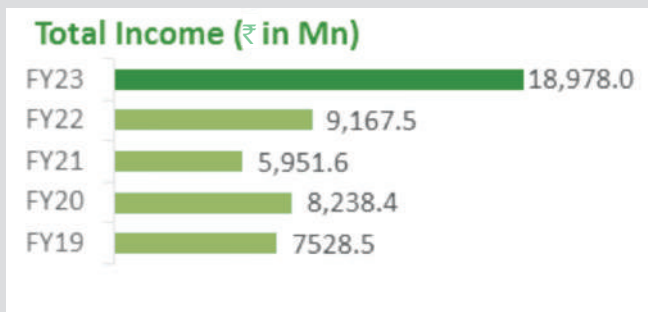
- A variety of paper grades are manufactured for this vertical i.e. Exercise book paper, Snow white paper, SS Maplitho paper, Ledger paper, Copier paper, Colour printing paper etc.



## Recent Developments

- FITCH India Rating has upgraded our rating from 'A' to 'A+' with Stable outlook.
- During the quarter, we have received orders from Gujarat and Telangana to the tune of 8,000 tons. With this our current order book stands at 24,000 to be executable over Q1FY24
- Company has installed two out of proposed eight cutlery machines which would be commissioned in 1HFY
- The company generated a healthy cash flow during the year, enabling it to prepay term loans amounting to Rs 86.8 Mn. This brings the total amount repaid by SIL to Rs 1094.0 Mn during FY23. Furthermore, as part of our ongoing commitment to reduce overall debt, we have prepaid an additional amount of Rs 263.8 Mn in April'23.

## KEY PERFORMANCE INDICATORS (RATIO'S)



## Financial Statement Highlights

Particulars (INR Mn)	Q4FY23	Q3FY23	QoQ	Q4FY22	YoY	FY23	FY22	YoY
<b>Revenue from Operations</b>	<b>5,206</b>	<b>4,868</b>	<b>7%</b>	<b>2,970</b>	<b>75%</b>	<b>18,837</b>	<b>8,909</b>	<b>111%</b>
Other Income	28	25	10%	67	-58%	141	258	-46%
<b>Total Income</b>	<b>5,234</b>	<b>4,893</b>	<b>7%</b>	<b>3,036</b>	<b>72%</b>	<b>18,978</b>	<b>9,168</b>	<b>107%</b>
<b>Expenses</b>								
Cost of material consumed	2,054	2,304	-11%	1,494	37%	8,719	3,880	125%
Purchases of traded goods	34	29	20%	72	-52%	240	72	233%
Change in inventory of finished goods, stock in trade and work in progress	16	-41	-139%	-92	-117%	-52	5	-1209%
Employee Benefit Expenses	296	236	25%	164	81%	916	598	53%
Finance Cost	100	85	18%	85	18%	352	219	61%
Depreciation	1,123	325	246%	205	449%	2,071	659	214%
Other Expenses	1,445	1,222	18%	755	91%	4,896	2,508	95%
<b>Total Expenses</b>	<b>5,068</b>	<b>4,160</b>	<b>22%</b>	<b>2,683</b>	<b>89%</b>	<b>17,143</b>	<b>7,941</b>	<b>116%</b>
Profit before Tax	167	733	-77%	353	-53%	1,835	1,227	50%
Current tax	26	120		-5		314	195	
Deferred Tax	-322	-35		63		-401	25	
Profit for the period	463	648	-29%	296	57%	1,922	1,007	91%
<b>Earnings per share (not annualised)</b>								
Basic	4.6	6.5		3.0		19.2	10.1	
Diluted	4.6	6.5		3.0		19.2	10.1	

## Balance Sheet – Assets

Particulars (INR Mn)	FY22	FY23
Fixed Assets		
Tangible Assets	7,995	6,893
Right of Use Assets	124	127
Intangible Assets	25	20
Capital Work in Progress	805	1,376
<b>Total Fixed Assets</b>	<b>8,949</b>	<b>8,416</b>
Non-Current Investment & Other Financial Assets	77	68
Loans	-	-
Deferred Tax & Other Tax Assets	-	345
Other Non-Current Assets	75	519
<b>Total Non-Current Assets</b>	<b>152</b>	<b>932</b>
Current Assets		
Inventories	1,467	1,597
Biological Assets other than bearer plants	374	444
Trade Receivable	1,065	1,904
Cash & Cash Equivalent	10	4
Bank Balances	117	180
Other Financial Assets	49	40
Current Tax Assets	-	46
Other Current Assets	187	160
<b>Total Current Assets</b>	<b>3,269</b>	<b>4,374</b>
<b>Total Assets</b>	<b>12,370</b>	<b>13,722</b>
<b>Particulars (INR Mn)</b>	<b>FY22</b>	<b>FY23</b>
Shareholders Fund		
Share Capital	100	100
Reserves and Surplus	5,350	7,232
<b>Total Shareholders Fund</b>	<b>5,450</b>	<b>7,332</b>
Non Current Liabilities		
Long Term Borrowings	2,950	2,578
Other Financial Liabilities	1,153	735
Other Long Term Liabilities	2	1
Long Term Provision	98	106
Deferred Tax Liabilities	56	-
<b>Total Non Current Liability</b>	<b>4,259</b>	<b>3,421</b>
Current Liabilities		
Short Term Borrowings	1,326	1,615
Trade Payable	1,107	1,099
Lease Liability	13	29
Other Current Liabilities	105	107
Other Financial Liabilities	86	106
Short Term Provision	11	12
Current Tax Liabilities	14	-
<b>Total Current Liabilities</b>	<b>2,661</b>	<b>2,969</b>
<b>Total Liabilities</b>	<b>12,370</b>	<b>13,722</b>

## CAPITAL MARKET INDICATORS

### Market Indicators

#### Issued Shares

100,000,000

Share Price as on (28-04-23) ₹123

Market Capitalization (in MN) ₹ 12,300

52 Weeks High/Low ₹164/101

### Shareholding as on 31st March 2023

Particulars	Holding %
Promoters & Promoters group	51.79
Public	48.21



## Management Discussion & Analysis – SATIA INDUSTRIES LIMITED

### ECONOMIC OVERVIEW AND OUTLOOK

#### Global Economy

In FY 23, the global economy witnessed resurgence in activity levels. However, the lasting impact of the pandemic and geopolitical conflicts such as Russia's invasion of Ukraine, coupled with a global banking crisis constricted the pace of recovery.

China, however, emerged as a robust player following the reopening of its economy. While the war-related interruptions to the energy and food markets are fading, supply-chain disruptions are winding down. The widespread and coordinated tightening of monetary policy by most central banks is anticipated to yield results, resulting in return of inflation to desired levels.

According to the International Monetary Fund (IMF), global growth is expected to decline to 2.8 percent in 2023 before experiencing a moderate increase to 3.0 percent in 2024. The rate of global inflation is forecasted to decline from 8.7% in 2022 to 7.0 percent in 2023 and settle at 4.9 percent in 2024.

#### Indian Economy

Despite the several macroeconomic challenges of rising inflation, volatility in financial markets, and tremors in the global banking industry, the Indian economy continued to show robust recovery.

In its March 2023 monthly economic review, the Ministry of Finance reported an improvement in the internal macroeconomic health. This was attributed to the decline in inflationary pressures, resulting from the easing of food prices and a 16-month low core inflation. Timely actions taken by the Government, along with monetary tightening by the Reserve Bank of India (RBI) played a crucial role in controlling domestic inflation.

In its World Economic Outlook April 2023 update, the International Monetary Fund (IMF) provided a positive outlook for India's economy. The report suggested that the Indian economy will improve at the fastest growth rate in FY24. It also forecasted that India would expand by 5.9% in FY 2023–2024 and an average growth rate of 6.1% over the next five years.

In April 2023, the Indian Meteorological Department (IMD) predicted a normal monsoon season with a 49% likelihood of "normal to above normal" rainfall over the June–September period. The IMD expects El Nino to negatively impact the second half of the kharif season (August to September). In response, the Agricultural Ministry has directed states to secure sufficient supplies of drought-resistant seeds and other agricultural inputs.

#### Global paper industry overview

The pulp and paper industry holds a prominent position as one of the largest industries globally. Paper and paperboard have a variety of applications in writing, printing, and packaging in end-user industries including consumer products, hygiene, food, and commercial packaging. Fortune Business Insights predicts that the global pulp and paper market will grow from US \$354.39 billion in 2022 to US \$372.70 billion by 2029, rising at a CAGR of 0.72%.

China, the largest producer and user of pulp and paper internationally, exhibits a per capita consumption rate of around 76kg, surpassing the

global average of 55kg. The Asia Pacific region, with its significant contribution to the production and consumption of paper and paperboards, is expected to emerge as a key player in the industry.

While the writing and printing segments of the industry experienced a decline due in the recent years due to the digitization of magazines, books, newsletters, etc, the revival of economic activity and the opening of offices and educational institutes have led to a steady increase in demand for textbooks, notebooks, printing paper, etc.

### Indian Paper Industry

As per Indian Papers Manufacturers Association (IPMA) India, India's contribution to global paper production stands at approximately 5%. The domestic paper industry has a turnover of above INR 80,000 crore and provides direct employment to around 500,000 persons directly and an additional 1.5 million indirectly.

Most of the paper mills in India have existed for decades and are equipped with wide-ranging technologies from the oldest to the most advanced. These mills use various raw materials including wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk, etc. Paper production uses different types of pulps including wood, recycled fibre, and agricultural residues. Paper production involves use of a variety of pulps, including wood, recovered fibre, and agricultural waste. Wood contributes to around 21% of the overall output is from wood, recycled fibre makes up for 71%, and agricultural leftovers make up for the remaining 8%.

India's per capita paper consumption of about 15 kg is significantly lower than the global average of 57 kg, presenting a significant potential for expansion. An increased focus on education, literacy, and organized retail can drive consumption levels in the country. Paper consumption in India is likely to grow by 6 to 7 percent annually and reach 30 million tonnes by FY 2026-27.

With the introduction of a wider range of subjects for study and revisions in existing educational curriculums under the Government's New Education Policy, the printing and writing segments are likely to grow in the coming years.

The Indian Government has taken several strategic steps to drive growth in the industry such as introducing anti-dumping duties and installing a monitoring system to discourage paper imports primarily from China.

### Business Overview (Source: Company website)

Satia Industries Ltd (SIL) is among India's leading producers of wood and agro-based paper. The Company uses raw materials including wood chips, veneer waste, wheat straw, and sarkanda to create superior-quality writing and printing paper while its boilers are fired by rice husk and rice straw.

With a strength of over 2,200 employees across offices and facilities, the company has its headquarters and manufacturing facility in Sri Muktsar Sahib, Punjab, with three branch offices in Delhi, Chandigarh, and Jaipur.

With four paper machines, pulping equipment, a chemical recovery plant, and a power generation plant, the company has a fully integrated manufacturing facility to meet industry demand.

Additionally, SIL possesses 540 acres of eucalyptus plantations, created using Karnal Technology that help absorb all treated wastewater discharge, and guarantee future supplies of wood raw material.

Super Snow White, Snow White, Maplitho, Coloured Paper, Ledger Paper, Cartridge Paper, Duplicating Paper, and Bond Paper with and without watermarks from GSM range 42 to 200 GSM are among the diverse product offerings of the Company. These items are widely utilized in the printing of textbooks, notebooks, directories, envelopes, diaries, calendars, computer stationery, wedding cards, copy manufacturing, annual reports, paper cups, and high-end printing for both domestic and international sales. Chromo Paper production is another capability of Satia Industries Ltd. With more than 80 dealers, the company has a robust pan-India distribution network. The company has **2,19,000 MTPA** of installed capacity overall.

### Review and Analysis of our performance

#### Opportunities and Threats-

#### Opportunities

### **Imposition of Ban on select single-use plastics in 2022:**

The central government's nationwide ban on the usage of certain single-use plastics on July 1, 2022, has presented a great opportunity for the Company's product offering. Plastic products with low utility and large littering capabilities such as plastic cutlery, earbuds with plastic sticks, plastic flags, candy sticks, ice cream sticks, and decorative thermocol, have come under the scanner and are prohibited from use. Satia Industries is in the process of introducing bio-degradable table cutlery as food and beverage industries are gradually shifting towards sustainable single-use plates and cups for use at public gatherings, corporate events, food delivery, catering, etc. These paper cups are a substitute for plastic cups for water, tea, or cold drinks. The company is also working towards the production of specialized food packaging like Pizza Boxes.

**Rising Literacy levels:** The government's efforts in the education industry through its various schemes including Sarva Shiksha Abhiyan, Girl Education Programme (GEP), and National Education Policy (NEP), etc will stimulate demand for paper. Post-pandemic, educational institutions are reopening and are witnessing increased enrolments. Rising literacy levels are anticipated to result in higher consumption of textbooks, notebooks, and other paper products thereby boosting demand for writing paper. For the past three years, printers publishing guides, help books and supplementary material printed to minimum levels. With the possibility of introducing a new curriculum under the National Education Policy, the demand for new books and guides to be printed will see a surge, thereby fuelling growth in the writing and printing paper segment over the next 2-3 years.

**Threats (Source: Press Information Bureau (pib.gov.in))**

**Promotion of Digital Infrastructure:** A National Digital Library for Children and Adolescents will be established to facilitate the provision of books of superior quality spanning geographies, languages, genres, and levels, as well as device-independent accessibility.

The government has introduced many initiatives to boost digital infrastructure for education and learning which may impact the demand for printing paper in the long run. However, this will not affect the demand for writing paper as writing is still an integral part of learning and development.

### **Our Performance for FY 22-23**

Our Company recorded a remarkable growth of 111% with the turnover of Rs 18,837 Mn in comparison with Rs 8,909 Mn in the previous year. Net Profit for the year 2022-23 stood at Rs 1,922 as against Rs 1,007 Mn in the previous year. SIL announced a 40% equity dividend for the year FY23.

### **Developments at Satia Industries in FY22-23**

#### **Improvement in company ratings**

Fitch India Rating has upgraded the company's rating from 'A' to 'A+' with a stable outlook.

#### **Cost Saving Initiatives**

The Company introduced PM4, a new state of the art machine with a speed of 1025 meters per minute, in February 2023. In the coming year, management plans to raise its pace by 10%. Between FY24 and FY25, PM3 will be modernized, and its speed will be increased from 650 meters per minute to 800-850 meters per minute. The enhanced speeds of PM4 and PM3 will culminate in huge energy savings for the company. (Source: Q3FY23 and Q4FY23 FY23 transcript)

With Rice prices rising to the levels of Rs 7,000 to Rs 8000 a ton we are converting our rice husk boiler to a rice straw boiler to make production more economical. The rice straw fuel costs ~Rs. 2,000 a ton, nearly one fourth of the rice's price as on date, which will reduce production costs significantly in the next financial year.

#### **Capacity expansion**

Satia purchased eight new cutlery machines, two of which have been installed in Q4FY23 and the remaining six would be installed in Q2FY24. Two of the eight wood pulp digesters were upgraded with modern technology in March. The new improvement allows for decreased steam consumption while producing more pulp. By the end of Q2FY24, the next six digesters will have been modified.



The installation of a DD washer, which performs three washings in one, has freed up one pulp washing line. The company shifted the spare pulp washing line along with a standby wood cooking setup to agro-pulping, thereby boosting the capacity from 220 to 270-280 tonnes.

SIL also invested to bolster its wood pulping capacity from 160 tonnes to over 300 tonnes, which has reduced reliance on wheat straw pulp. The company previously engaged in batch manufacturing, but with this increased capacity, the digesters can now perform constant pulping, which reduces the amount of steam used in wood pulping from 3 to 1.5 tonnes, saving INR 15-INR 20 crore per year. Replacing wastepaper pulp with wood paper pulp will save around INR 10,000 per tonne. (Source: Q2FY23 transcript) 50% of the wood pulping backward integration has been completed in FY23. With hardwood pulp price falling internationally from \$960 to \$500-\$550 per tonne, the company may buy and use imported hardwood pulp to some extent.

With enhanced wood pulping capability, Satia can supply 100% in-house wood pulp or 10-20% additional pulp to its paper machines. This extension will aid in the production of high-quality surface-size Maplitho paper, increasing the paper's sales. By introducing a product in the Maplitho market, the company can increase its average grammage from 54-55 GSM to 65 GSM, enabling them to reach 100% or greater machine capacity utilization.

## CSR

Giving back to the society has always been a fundamental component of our operational philosophy. We spent Rs 2,06,37,039.00 on CSR initiatives this year. CSR initiatives for FY 2022-2023 are described in detail in a separate section of this report.

## Human resources and industrial relations

In order to attain higher efficiency and competencies, the company frequently conducts trainings for its employees. The total number of permanent employees as of 31 March 2023 was 2235. The company's key areas of focus continue to be employee safety, wellness, and training at all levels.

## Internal control systems and their adequacy

The Company has established adequate internal control systems, which provide reasonable assurances about safeguarding Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions. In addition to we have appointed a firm of practising Chartered Accountants as Internal Auditor to regularly review internal control systems in business processes and verify compliance with the laid down policies and procedures. Reports of these internal audits are reviewed by the senior management and are also placed before and comprehensively discussed in meetings of the Audit Committee. The Audit Committee reviews the adequacy of internal control systems, audit findings and suggestions. The internal audit group also keeps a track of and monitors the progress on implementation of suggestions for improvements.

The Company's statutory auditors regularly interact with the Audit Committee to share their findings and the status of further improvement actions under implementation.

## Cautionary statement

Statements in this report on Management discussion and analysis relating to the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based upon certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, selling prices, raw material costs and availability, changes in government regulations and tax structure, general economic developments in India and abroad, factors such as litigation, industrial relations and other unforeseen events. The Company assumes no responsibility in respect of forward-looking statements made herein which may undergo changes in future based on subsequent developments, information or events.

## NOTICE

Notice is hereby given that the 42nd Annual General Meeting of Satia Industries Ltd will be held on Saturday, 30th September, 2023 at 9:00 A.M. At the Registered Office of the Company at VPO:Rupana, Malout Muktsar Road, Distt Muktsar (Punjab) to transact the following business:

### Ordinary Business

- 1 To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2023 and Profit and Loss Account for the year ended on that date along with the Report of the Auditors and Directors thereon.
- 2 To declare final dividend of 0.20/- per equity share and to confirm interim dividend of Rs 0.20/- per equity shares already paid for the financial year ended March 31, 2023.
- 3 To appoint a director in place of Sh Chirag Satia, (DIN No 03426414) Executive Director who retires by rotation, being eligible and offer himself for re-appointment.
- 4 Appointment of M/s. N.K.Chhabra & Co., Chartered Accountants, Chandigarh as Statutory Auditor of the Company

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

**“RESOLVED** that pursuant to the provisions of Section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time including any statutory modification or amendment thereto or re-enactment thereof for the time being in force M/s. N.K.Chhabra & Co., Chartered Accountants, Chandigarh (Firm

Registration No. 000837N with ICAI), having a Peer review Certificate issued by the Peer Review Board of ICAI, be and are hereby appointed as Statutory Auditors of the Company for four consecutive Financial Year ie. for 2023-24, 2024-25, 2025-26 and 2026-27 to hold office from the conclusion of this meeting till the conclusion of 46th Annual General Meeting to be held in the year 2027.

### Special Business

- 5 Increase in remuneration of Dr Ajay Kumar Satia, Chairman Cum Managing Director of the Company

**To consider, 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 Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (‘the Act’), the consent of the Members be and is hereby accorded for revision in remuneration of Dr Ajay Kumar Satia (DIN : 00850792), Chairman Cum Managing Director, with effect from 01st April, 2022 for the remaining period of his tenure ending on September 30, 2024.

**“RESOLVED FURTHER** that the remuneration payable to Dr Ajay Kumar Satia (DIN No 00850792), Chairman Cum Managing Director effect from 01st April, 2022 shall be as under:

- 1 Salary: Rs.7000000/- per month w.e.f. April 01, 2022. The annual increments which will be effective from 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee (hereinafter called the “NRC”) and will be

performance-based and take into account the Company's performance as well, within the said maximum amount.

- 2 Commission: Not exceeding 1.00 (one) percent of net profit in an accounting year of the Company subject to availability of profit.
- 3 Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
- 4 Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
- 5 Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.
- 6 In addition to above, Dr Ajay Kumar Satia, Chairman Cum Managing Director shall be entitled to all such other benefits/ amenities and other perquisites which he was enjoying as Chairman Cum Managing Director of Company as per rule of the Company

**“RESOLVED FURTHER** that the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.”

**“RESOLVED FURTHER** that where in any financial year, during the tenure of Dr Ajay Kumar Satia, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances to Dr Ajay Kumar Satia as specified above based on the recommendation of the Nomination and remuneration Committee as minimum remuneration, subject to the

limits and conditions prescribed under Schedule V of the Companies Act, 2013 , as may be amended from time to time.”

**“RESOLVED FURTHER** that the Board of Director be and is hereby authorized to do all acts, deeds, matter and things as may be consider necessary, desirable or expedient to give effect to this resolution”

#### 6 Increase in Remuneration of Sh Chirag Satia, Executive Director of the Company

**To consider, and if thought fit, to pass with or without modification(S), the following Resolution as a Special Resolution**

**“RESOLVED** that pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the consent of the Members be and is hereby accorded for revision in remuneration of Sh Chirag Satia (DIN No. 03426414), Executive Director, with effect from 01st April, 2022 for the remaining period of his tenure ending on September 30, 2024.

**“RESOLVED FURTHER** that the remuneration payable to Sh Chirag Satia (DIN No 03426414), Executive Director effect from 01st April, 2022 shall be as under:

- 1 Salary: Rs. 5000000/- per month w.e.f. April 01, 2022. The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee (hereinafter called the “NRC”) and will be performance-based and take into account the Company's performance as well, within the said maximum amount.
- 2 Reimbursement of medical expenses

incurred in India or abroad including, hospitalization nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.

- 3 Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
- 4 Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.
- 5 Contribution to provident fund, superannuation fund or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
- 6 Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and Encashment of leave at the end of the tenure

**"RESOLVED FURTHER** that the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/ or any guidelines prescribed by the Government from time to time."

**"RESOLVED FURTHER** that where in any financial year, during the tenure of Sh Chirag Satia, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances to Dr Ajay Kumar Satia as specified above based on the recommendation of the Nomination and remuneration Committee as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013 as may be amended from time to time."

**"RESOLVED FURTHER** that the Board of

Director be and is hereby authorized to do all acts, deeds, matter and things as may be consider necessary, desirable or expedient to give effect to this resolution"

#### Item No 7

#### **Appointment of Sh Rajeev Kumar, Independent Director of the Company**

**To consider, and if thought fit, to pass, with or without modification(s) the following Resolution as Special Resolution**

**"RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations made by the Nomination and Remuneration Committee and the Board of Directors of the Company to the Members, Mr. Rajeev Kumar (DIN No : 01879049) who is eligible for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Independent Director, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term of five consecutive years commencing from 11th August, 2023 to 10th August, 2028 (both days inclusive), not liable to retire by rotation."

#### Item No: 8

**To ratify the remuneration of Cost Auditor of the Company.**

**To consider and, if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution.**

**"RESOLVED** that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 ("the Act") and

Rules thereunder (including any statutory modification or re-enactment thereof for the time being in force) and all other applicable provisions, if any, approval of the members of the Company be and is hereby accorded to the remuneration payable to **M/s HMVN & Associates, Cost Accountants, Delhi** appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for the financial year **2023-2024** amounting to Rs 200,000/- plus applicable taxes along with reimbursement of out of pocket expenses at actuals.”

“**RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to this Resolution.”

**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) Members are requested to notify immediately any change in their address, to the Registered Office of the Company.
- 6) 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.
- 7) 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.
- 8) The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 2023 to 30th September, 2023 (both days inclusive).
- 9) As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical, members holding shares in physical form are requested to consider converting their holdings into dematerialized form.
- 10) To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company’s Registrar and Share Transfer Agent/ their Depository Participants, in respect of shares held in physical/ electronic mode, respectively.

- 11) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s. Beetal Financial and Computer Services Private Ltd, in case the shares are held in physical form.
- 12) In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- 13) In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.satiagroup.com](http://www.satiagroup.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of [https:// www.evoting.nsdl.com](https://www.evoting.nsdl.com). Any shareholder of the Company interested in obtaining a physical copy of the said Annual Report may write to the company secretary at [satia.secretarial@satiagroup.com](mailto:satia.secretarial@satiagroup.com).
- 14) 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). 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
- a. The instructions for shareholders voting electronically are as under: -**
- i The voting period begins on 27.09.2023 10.00 AM and ends on 29.09.2023 at 5.00 PM. During these period shareholders holding share either in physical form or in dematerialized form as on the cut-off date 23.09.2023 (record date) may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting thereafter.
1. Pursuant to SEBI Circular No. **SEBI/HO/CFD / CMD / CIR / P / 2020 / 242** dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting **to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants.** Demat account holders would

be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote

through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their exist- ing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Ac- count Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in Demat Account.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservic-es.nsdl.com">https://eservic-es.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>

Type of shareholders	Login Method
	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Log- in” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login Type	Helpdesk Details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.co.in">evoting@nSDL.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

### Step 2

Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on “Shareholders” module.



3. 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) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. 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 e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN of Satia Industries Ltd on which you choose to vote.
11. 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.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

13. 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.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.

- Alternatively, Non-Individual share-holders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [satiagroup@gmail.com](mailto:satiagroup@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting .

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

M/s Gaurav Bansal, Chartered Accountant has been appointed as the Scrutinizer. 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 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.

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 i.e www.satiagroup.com.

**EXPLANATORY STATEMENT OF MATERIALS FACTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 5**

Keeping in view the performance of the Company under the leadership of Dr. Ajay Satia and successful implementation and starting of production of paper plant -4th and increasing responsibilities of Dr Ajay Satia, Nomination and remuneration committee and the Board of Directors in their respective meetings held on 28.04.2023 have approved the increase in remuneration of Dr. Ajay Satia, as Chairman Cum Managing Director of the Company for the remaining period of his tenure ending on September 30, 2024 with effect from 01.04. 2022 as set out in the resolution. As per the provisions of the Companies Act, 2013, read with schedule V thereof, approval of shareholders is required for the purpose by way of special resolution. Hence the Board recommends the resolution for your approval by way of a special resolution.

The information as required under Schedule V of the Companies Act, 2013 is given hereunder:

**1. General Information**

**Nature of Industry**

**Satia Industries limited is manufacturing writing and printing paper**

**Commercial Production**

**As on March 31st, 2023 the Company is having capacities for manufacture as hereunder: -**

Sr No	Particular of Manufacturing	Licensed Capacity
1	Writing and Printing Paper	255000 MT

**Financial Performance**

During the financial year 2022-23, net revenue from operation was Rs 189779.73 Lakh and the net profit after tax of the Company is Rs 19217.43 Lakh

**11 Information about the appointee**

**Background details**

Dr Ajay Satia aged 69 years is a MBBS founder of Satia Industries Limited and has been serving the Company as Managing Director since incorporation. The Company has performed well under the leadership of Dr Ajay Satia, Chairman Cum Managing Director & CEO of the Company. He is person behind the growth of the Company. He is responsible for managing the day-to-day business affairs of the Company as well as its long-term strategic growth. This includes formulation & implementation of strategic business plans, expansions, implementation of organization structure, ramping up visibility of the Company with the customers strong business & operational processes.

**Job Profile and his suitability**

Dr Ajay Satia shall be responsible for the overall affairs of the Company.

**Remuneration proposed**

Keeping in view the responsibilities assigned to Dr Ajay Satia and his role in the development of the Company, it is proposed to increase the remuneration of Dr Ajay Satia as specified in the resolution.

**Comparative remuneration profile with respect to the industry size of the Company profile of position and person**

The Salary structure of the managerial personnel has undergone a major change in the industry in the recent past. Keeping in view the type of the industry, size of the Company

responsibilities and capabilities of Dr Ajay Satia, Chairman Cum Managing Director the proposed increase in remuneration is competitive with remuneration paid by other Companies to such similar position.

Pecuniary relationship with the Company or relationship with managerial personnel.

Dr Ajay Satia is the promoter Director of the Company.

Approval of the shareholders is sought for ratification of remuneration paid/ remuneration payable for the remaining period of existing appointment commencing from 01st April, 2022 to Dr Ajay Kumar Satia as Chairman Cum Managing Director of the Company. Dr Ajay Kumar Satia and Sh. Chirag Satia, Ed will be deemed to be concerned or interested in the resolution to the extent of remuneration payable to Dr Ajay Kumar Satia under the resolution. the Board of Directors considered it to be desirable to approve ratification and approval of remuneration payable to him for his current tenure of appointment as Executive Director.

The Board recommends the Special Resolutions set out at Item Nos. 5, of the Notice for approval by the shareholders

#### **Item Nos 6**

The Nomination and Remuneration Committee and the Board of Directors, in their respective meetings held on 28.04.2023, approved the increase in remuneration of Sh Chirag Satia, Executive Director (holding DIN 03426414), of Rs 50,00,000.00/- per month another perquisites as specified in the resolution with effect from 01st April, 2022 for remainder duration of his appointment subject to the approval of the shareholders in the General Meeting and Schedule V to the Companies Act, 2013. Sh Chirag Satia is a C.A (Inter). The payment of remuneration was approved by the Board based on industry standards, work responsibilities handled by the Executive Director of the Company.

Approval of the shareholders is sought for ratification of remuneration paid/ remuneration payable for the remaining

period of existing appointment commencing from 01st April, 2022 to Sh Chirag Satia as Executive Director of the Company. Mr. Chirag Satia and Dr. Ajay Satia, CMD shall be deemed to be concerned or interested in the resolution to the extent of remuneration payable to Sh. Chirag Satia under the resolution. the Board of Directors considered it to be desirable to approve ratification and approval of remuneration payable to him for his current tenure of appointment as Executive Director.

The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution. None of the Directors except Mr. Chirag Satia himself and Dr Ajay Satia, CMD being related to him is concerned or interested in the resolution. None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

#### **Item No 7**

Based on the recommendations of the NRC, the Board of Directors of the Company, on August 11, 2023, in terms of Section 161 of the Act, appointed Mr. Rajeev Kumar (DIN No : 01879049) as an Additional Director of the Company.

Further, based on the recommendations of the NRC and subject to the approval of the Members, the Board, in accordance with the provisions of Section 149 read with Schedule IV to the Act, appointed Mr. Rajeev Kumar (DIN No : 01879049) as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (Five) years commencing August 11, 2023. Mr. Rajeev Kumar (DIN No : 01879049) is eligible for appointment as a director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director. The Company has also received from Mr. Rajeev Kumar (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the

Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

Further, Mr. Rajeev Kumar (DIN No : 01879049) has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company Mr. Rajeev Kumar has also confirmed that he is not debarred from holding the office of a director by virtue of any Order passed by SEBI or any such authority. Mr. Rajeev Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Rajeev Kumar has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the IICA. The profile and specific areas of expertise of Mr. Rajeev Kumar are provided as annexure 1 to this Notice. In the opinion of the Board, Mr Rajeev Kumar is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the SEBI Listing Regulations for his appointment as an Independent (Non-Executive) Director

Place : Rupana

Dated : 11.08.2023

of the Company and is independent of the Management. None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Rajeev Kumar, to whom the resolution relates, are concerned or interested in the Resolution mentioned Item No. 7 of the Notice.

### Item No. 8

The Board, on the recommendations of the Audit Committee, has approved the appointment and remuneration of M/s HMVN & Associates , Cost Accountants, as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2023-2024 at remuneration as specified in the resolution plus applicable taxes and reimbursement of out-of-pocket expenses. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Your Board recommends the passing of Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders in the interest of the Company. None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 8 of the Notice.

**By Order of the Board  
For Satia Industries Ltd.  
(Rakesh Kumar Dhuria)  
Company Secretary**

### Annexure-I

#### DETAIL OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name & DIN No.	Sh. Rajeev Kumar (DIN No. 01879049)
Date of birth	08.12.1962
Date of Appointment	11.08.2023
Qualification	B.Tech-Chemical Technology-1986 MBA, Finance, CAIIB
Expertise	Executive Director 2019 onward with IDBI Bank Ltd-Mumbai and Various other Positions in IDBI Bank Ltd since 1989-90
Directorship in other listed company	NIL
No. of share held in the company	NIL

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 42<sup>nd</sup> Annual Report of Satia Industries Limited ("the Company") along with the Audited Financial Statements for the Financial Year ended March 31, 2023.

### Financial Result:

The financial performance of your Company for the year ended March 31, 2023 is summarized below: -

(Rs in Lakh)

Particulars	Current Year	Previous Year
Revenue and Other Income	189779.73	91675.18
Profit Before interest depreciation and tax	42582.28	20706.65
Interest and Financial Charges	3518.04	2082.16
Depreciation	20712.74	6357.61
Profit from operations (before Tax) prior year adjustments & exceptional Item	18351.50	12266.88
<b>TAX EXPENSES</b>		
Current Tax	3144.72	1950.16
Deferred Tax	(4010.65)	249.28
Profit/(Loss) after Tax	19217.43	10067.44
Less: Appropriation		
Dividend on Equity Shares	400	200

### Industry Review

#### Corporate Overview

Satia Industries Limited operates in the following business segments: -

- 1 Writing and Printing Paper
- 2 Agriculture
- 3 Co-generation of Power for captive consumption and

#### Financial Performance and the State of the Company's affairs

### Operational Review

Your Company recorded a phenomenal growth of 107% with the total income of Rs 189779.73 lakhs as compared to Rs 91675.18 lakh in the previous year. Profit before Tax for the year 2022-23 was Rs 18351.50 lakh as against Rs 12266.88 lakh in the previous year. Profit after Tax for the year 2022-23 stood at Rs 19217.43 lakh as against Rs 10067.45 lakh in the previous year.

### Dividend

Based on the Company's performance, Your Directors have declared interim dividends of Rs 0.20 per equity shares (20%) at its meeting held on 10th February, 2023 involving a cash outflow of Rs 2.00 crores. Your directors have also recommended a final dividend of Rs 0.20 per equity share (20%) for the financial year 2022-23 at their meeting held on 28.04.2023, the final dividend on equity shares, if approved by the Members in the ensuing AGM, would involve a cash outflow of Rs 2.00 crore. With this the total dividend for FY 2023 amounts to Rs 0.40 per equity share and would involve a total cash outflow of Rs 4.00 crores. In pursuance to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), your Company has formulated a Dividend Distribution Policy and is available on the Company's website with web link [https://www.satiagroup.com/Investor/Company\\_policies](https://www.satiagroup.com/Investor/Company_policies)

### Reserves

The closing balance of the retained earnings of the Company for the financial year 2023, after all appropriation and adjustments was Rs. 72319.75 Lakh.

### Fixed Deposit

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

## 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 are given in the notes to the financial statements.

## Credit Rating

The Indian Ratings & Research Private Limited has upgraded Satia Industries Limited long term issuer rating to IND A+ from IND A. The Instrument wise rating action is as below: -

Instrument Type	Maturity Date	Size of Issue (million)	Rating/ Outlook	Rating Action
Term loans	FY29	INR 4149.2 (increased from INR 3,976.8)	IND A+/Stable	Upgraded
Fund-based bank facilities	-	INR 850	IND A+/Stable/IND A1+	Upgraded
Non-fund- based bank facilities	-	INR1, 250 (increased from INR600)	IND A+/Stable/IND A1+	Upgraded

## Internal Control Systems and their adequacy

SIL has a well-established framework of internal controls across in all the areas of its operations. The Company has adequate monitoring procedures and to maintain its objectivity and independence, the Company has appointed competent Internal Auditor, who reports to the Joint Managing Director and the quarterly reports are placed before the Audit Committee.

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

## Transfer of Unpaid Dividend to Investor Education and Protection Fund (IEPF)

As required under Section 124 of the Act, the Unclaimed Dividend amount aggregating to lying with the Company for a period of seven years were transferred during the Financial Year 2022-23, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

## Transfer of shares to IEPF

As required under Section 124 of the Act

3,73,650 equity shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund Authority (IEPF) during the Financial Year 2022-23. Details of shares transferred to IEPF have been uploaded on the Website of IEPF as well as the Company.

In terms of provisions of Section 125 of the Companies Act, 2013, the unclaimed final dividend pertaining to the financial year 2014-15 for amount aggregating to 96840 /- had been transferred to the "Investor Education and Protection Fund" established by the Central Government on 31st October, 2022.

## Directors and Key Managerial Personnel

Sh Chirag Satia, Executive Director (DIN No: 03426414) will retire from office by rotation at Annual General Meeting, and being eligible, offers himself for reappointment. Sh. Chirag Satia has given required declaration under Companies Act, 2013.

Mr. Ashok Kumar Gupta (DIN No: 08068465) was re-appointed as an Independent Director of the Company for second term

of five consecutive years commencing from 08th February, 2023 to 07th February, 2028 not liable to retire by rotation. The members of the Company have accorded their approval by passing a Special Resolution through Postal Ballot Notice dated 23.01.2023.

Mr. Ajay Vyas (DIN No 07553649) was appointed as an Independent Director of the Company for five consecutive years commencing from 23rd December, 2022 to 22nd December, 2027 not liable to retire by rotation. The members of the Company have accorded their approval by passing a Special Resolution through Postal Ballot Notice dated 23.01.2023

### Cessation

Sh Arun Gupta (DIN No 00371289) Independent Director, retired as member of the Board of Directors on completion of tenure effective February 07, 2023. The Board placed on record their appreciation for Sh Arun Gupta in valuable contribution, guidance, and strategic vision, that has helped the Company build and execute a resilient growth strategy.

All the Independent Directors have affirmed their independence under Section 149 of the Companies Act, 2013 and provisions of Regulation 25 of SEBI (LODR) Regulations, 2015. The Company has obtained requisite declaration to that effect from the said Directors.

### Board Evaluation

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees, based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition

and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of Committee meetings, etc. The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated at separate meetings of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In the Board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent Directors was done by the entire board, excluding the independent director being evaluated.

Pursuant to the provisions of Section 149 of the Act, the independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed there under and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions



with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

### Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2023 are Dr Ajay Satia, Chief Executive Officer, Chairman cum Managing Director, Sh Rachit Nagpal, GM(Finance) – CFO and Sh Rakesh Kumar Dhuria, Company Secretary.

### Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following substantive Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee of Directors
- Nominations and Remuneration Committee (NRC)
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance which forms part of the Annual Report. Further, during the year under review, all recommendations made by the Audit Committee have been accepted by the Board. The Company has adopted a Code of Conduct for its Non-Executive Directors including a code of conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Act.

In terms of the Listing Regulations, all Directors and senior management personnel have affirmed compliance with their respective codes. The CEO & Managing Director has also confirmed and certified the same, which certification is provided at the

end of the Report on Corporate Governance.

### Remuneration Policy

In compliance with Section 178(3) of the Act and Regulation 19(4) of the Listing Regulations, on the recommendations of the Nomination and Remuneration Committee (NRC), the Board formulated Policy relating to the remuneration of Directors, key managerial personnel and other employees. The Policy includes criteria for determining qualifications, positive attributes and independence of Directors and other matters. It broadly lays down the philosophy, guiding principles and basis for recommending payment of remuneration to the Executive and Non-Executive Directors. The role of the NRC is disclosed in the Corporate Governance Report, which forms part of the Annual Report in compliance with proviso to Section 178(4) of the Act. The Remuneration Policy is stated in the Annexure-IA. We affirm that the remuneration paid to the Directors is as per the terms laid out in the Remuneration Policy.

### Number of meetings of the Board

Five meetings of the Board were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

### 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.

The Directors had laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively. The Directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such system was adequate and operating effectively.

### **Audit reports and Auditors**

The Auditors Report for the year 31.03.2023 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statement in this Annual Report.

### **Statutory Auditors:**

M/s. Rakesh Bansal & Co., Chartered Accountants, (Firm's Registration No. 011474N), were appointed as Statutory Auditors of the Company for a term of five consecutive Financial Years. i.e. from 2021-22 to 2026-27, in 41st Annual General Meeting (AGM) held on 30th September 2022. The Company had received a letter dated 22nd December, 2022 (as also information as per Annexure-A of SEBI Circular) from M/s. Rakesh Bansal & Co., Statutory Auditors addressed to the Board of Directors through Audit Committee requesting to accept their resignation and intimate his case was genuine and exceptional case stating, inter-alia, the following reasons: - Due to health issue of the sole proprietor and personal circumstances unable to undertake the assignment. The Audit

Committee had noted that Statutory Auditors had not raised any concerns, as to non-receipt of information or non-co-operation from the management. The Audit Committee had taken view that due to health issue of the sole proprietor reached to this conclusion that on professional inability and humane considerations, the resignation be accepted. Thus, pursuant to the recommendations of the Audit Committee and pursuant to personal, genuine and exceptional circumstances including health issue the resignation of M/s. Rakesh Bansal & Co., Chartered Accountants, Statutory Auditors dated 22nd December, 2022 was also accepted by the Board w.e.f. 23rd December, 2022. The Audit Committee passed a resolution on 23rd December 2022 recommending to the Board of Directors the appointment of M/s. N.K. Chhabra & Co., Chartered Accountants, Chandigarh (Firm Registration No. 000837N with ICAI), as Statutory Auditors for this purpose to fill the casual vacancy caused by resignation of M/s. Rakesh Bansal & Co., Chartered Accountants, (Firm Registration No. 011474N for the current Financial Year 2022-23 and they shall hold office until the conclusion of next annual general meeting to be held in the calendar year 2023, and they shall also be appointed as Statutory Auditors of the Company for the next four years viz. Financial Year 2022-23 to 2026-27.

### **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 VI. The Secretarial Audit Report for the year under review requires no comments. The said report does not contain any qualification, reservation or adverse remarks.

### **Annual Secretarial Compliance Report**

In compliance with Circular No. CIR/CFD/

CMD/1/27/2019 dated February 8, 2019, issued by the Securities and Exchange Board of India (SEBI), M/s S. Parnami & Associates, was appointed for issuing Annual Secretarial Compliance Report for the year ended March 31, 2023. The said Report confirms that the Company has maintained proper records as stipulated under various Rules and Regulations and that, no action has been taken against the Company or promoters/directors by the SEBI/Stock Exchange.

### Internal Auditors

During the year under review M/s. SSPJ & Co, Chartered Accountants, Internal Auditors has resigned w.e.f 10.02.2023 and M/s S S Kothari Mehta & Co., Chartered Accountants New Delhi was appointed in place carried out the internal audit and submitted their report.

### Cost Audit

Pursuant to the provisions of the Companies Act, 2013 M/s Balwinder & Associates, Cost Accountants, Mohali has conducted the cost audit of the Company. As recommended by the Audit Committee, the Board at its meeting held on 27.05.2022 appointed M/s Balwinder & Associates., Cost Accountants, Mohali as Cost Auditor to conduct cost audit for the year ended March 31, 2023, pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014. M/s Balwinder & Associates, confirmed that they are free from disqualifications as specified under Section 141 read with Sections 139 and 148 of the Act, held a valid certificate of practice and that their appointment met the requirements of Sections 141(3)(g) and 148 of the Act. M/s Balwinder & Associates also confirmed that they are independent, maintained an arm's length relationship with the Company and that no orders or proceedings are pending against them relating to professional matters of conduct before the institute of Cost Accountants of India or any competent authority/court. The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Act.

Your Company has adopted Indian Accounting Standards (IND AS). The Financial Statement for the year ended March 31, 2023 have been prepared in accordance with (IND As) notified under the Companies (Indian Accounting Standards) Rules, as amended by the Companies (Indian Accounting Standard) Rules, 2018 read with Section 133 and other applicable provisions of the Companies Act, 2013.

### 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 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 webs site of the Company at [www.satiagroup.com](http://www.satiagroup.com).

### Subsidiary Companies

**The Company does not have any subsidiary.**

### Vigil mechanism/Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and Employees in confirmation with Section 177 of the Act and Regulation 22 of SEBI Listing Regulations, to facilitate reporting of the genuine concerns about unethical or improper activity, without fear of retaliation. The vigil mechanism of the Company provides for

adequate safeguards against victimization of Directors and employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee. The said Policy is uploaded on the website of the Company at <https://www.satiagroup.com>

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

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure-VII

#### **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 Annexure-III

#### **Industrial Relations:**

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

#### **Corporate Governance, Management Discussion & Analysis and Business Responsibility and sustainability Report.**

As per Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon and the Management Discussion and Analysis are attached, which forms part of this Annual Report. Pursuant to Regulation 34(2)(f) of the Listing Regulations, Business Responsibility and sustainability initiatives taken from

an environmental, social and governance perspective in the prescribed format is attached as a separate section of this Annual Report.

#### **Sustainability**

##### **Corporate Social Responsibility Initiatives**

The Company has always recognized its social responsibility as an integral and critical part of its value system and carried out 'Need Assessment Study' to fulfil the requirements of its social responsibility under CSR Programs and based on that assessment of demand, the management has approved CSR program and Expenditure on CSR and will be reviewed in each year depending on the profitability of the Company. Your Company continued the social development schemes initiated in previous years. These projects covered the broad the matic areas of promotion of Education, Medical Aid, Livelihood, Eradication of Poverty, Support, Orphans, Women, Blind and that are in compliant with Companies Act 2013. The Company has spent the entire required amount of the current year ended 31.03.2023 under the CSR and nothing is outstanding as unspent.

Satia Industries Ltd's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. A brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure IV of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. This Policy is available on the Company's website at <https://www.satiagroup.com> For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report

##### **Safety, Health and Environment**

The safety of all employees and associates has always been an area of priority for our Company. The Company has constituted a Safety and Securities Committee and the Committee meet in each month to discuss all safety issues and take the decision

relating to resolving the same. The minutes of the securities and safety committee meetings and action taken report are also placed before the Audit Committee Meeting for their review and further instruction, if any required relating to pending matters. The Company also conduct the Fire Evacuation Drill regularly. The safety and Training & awareness sessions were conducted periodically on Fire Safety in emergency situation and on usage of the fire saving equipment. Safety standards are maintained across all locations. Regular deep cleaning of the office premises and checks were done to ensure safety of the employees. During ongoing Pandemic, Health and wellbeing of the employees had become a major priority for the Company. Innovative and effective means were developed to engage with the employees during these tough times. Health and wellness awareness sessions were also conducted for employees. The connect meetings gave opportunities to employees to express themselves and get solutions to their work matters. It also motivated people to stay committed toward the organization's goals and values.

### **Business Responsibility and Sustainability Report (BRSR)**

In accordance with Regulation 34(2)(f) of the Listing Regulations, BRSR, covering disclosures on the Company's performance on Environment, Social and Governance parameters for FY23, is part of this Integrated Report. BRSR includes reporting on the nine principles of the National Voluntary Guidelines on social, environmental and economic responsibilities of business as framed by the MCA. Cross referencing is provided in relevant sections of Integrated Report with suitable references to the BRSR.

#### **Awards:**

Dr. Ajay Satia, CMD, has been honored with the Life-Time Achievement Award as Entrepreneur of the year 2023 in a glittering ceremony in Hyderabad.

Indian Pulp & Paper Technical Association (IPPTA) recognizes and celebrates out-

standing business leaders who have led their organization to new heights with their extraordinary entrepreneurial vision and thrust and thus made a mark in the world of business with their risk-taking ability, meticulous planning, strategic roadmaps and careful execution.

### **Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

Your Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment, and as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, a policy for prevention of sexual harassment had been made and Internal Complaints Committee had been set up. This policy allows employees to report sexual harassment at the work place. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process.

### **Report on Corporate Governance**

Your Company is committed to best practices in the area of Corporate Governance. Good Governance facilitate effective management and control of business, maintaining a high level of business ethics and optimizing the value for all stakeholders.

Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz the Board of Directors, the senior Management and employee etc

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

In terms of Regulation 34 (2) (e) of the Listing Regulations, 2015 read with other

applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report (MDA) which forms part of this Annual Report and is incorporated herein by reference and forms an integral part of this report.

### Acknowledgement

The Directors thanks the Company's Bankers, Employees, Customers, Vendors, Investors and for their continuous support. The Directors also thank the Government of India, Government of Various States in India and concerned Government Departments and agencies for their co-operation

Place : VPO: Rupana (Dr Ajay Satia) (R.K.Bhandari)  
Date : 11.08.2023 Chairman Cum Joint Managing  
Managing Director

### Annexure-I

#### DIVIDEND DISTRIBUTION POLICY

The Board at its discretion, while approving the annual accounts in each financial year, may also recommend the dividend for approval of the shareholders after taking into account the free cash flow position, the profit earned during that year, the Capex requirements and applicable taxes. If during any financial year the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year. A dividend policy stated by the current Board cannot be binding on the extant Board. However, the current Board can form a guideline on dividend payout in future in the interest of providing transparency to the shareholders.

The Company's Dividend Distribution Policy (DDP) is available at website: [www.satiagroup.com/Dividend Policy](http://www.satiagroup.com/Dividend Policy).

### Annexure-IA

#### REMUNERATION POLICY

The Nomination and Remuneration Committee of the Company is constituted in line with provisions of Regulation 19

of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

Brief Description of Terms of reference:

- 1 To carry out evaluation of the Director's performance and recommend to the Board appointment/removal based on his/her performance.
- 2 To formulate a criterion for determining qualification, positive attributes and independence of a director.
- 3 To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.

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.

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

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

Name of the Director/KMP and Designation	Remuneration in fiscal, 2023 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 Profits before tax	% of Turnover
Dr. Ajay Satia (Chairman Cum Managing Director)	754.33	55.62	142.53	3.29	0.32
Sh. R.K. Bhandari (Joint Managing Director)	100.27	12.30	23.64	0.55	0.05
Sh. Chirag Satia (Executive Director)	480.15	50.43	84.96	1.96	0.19
Sh Hardev Singh (Director Technical)	41.68	6.22	9.25	0.21	0.02
Sh Rachit Nagpal (CFO)	24.60	88.65	5.80	0.13	0.01
Sh. Rakesh Kumar Dhuria (Company Secretary)	20.93	114.77	4.94	0.11	0.01

1 The median Remuneration of Employees was Rs 4.24 lakh PA.

2 In the financial year, there was 59.19% increases in the median remuneration of employees.

3 There were 2159 permanent employees on the rolls of the Company as on March 31, 2023

4 Relationship between average increase in remuneration and Company performance:-

For the financial year 2022-23 key managerial Personnel were paid 7.74% and 0.75% of

the net profit before tax and turnover respectively of the Company.

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.

#### Detail of Ten Employees in Term of Remuneration

Sr. No	Name of Employee	Designation of the Employee	Qualification	Experience (Yrs.)	Age	Annual Salary (In Lacs)	Last Employment
1	MANAV SARIN	VICE PRESIDENT (SALES)	M.B.A.	30.1	50.10	39.00	Rama Newspint & Paper Ltd.
2	VENKUMAHANTHI SRINIVASA RAO	SR.G.M.	B.TECH MECH., MBA - OPERATIONS MGMT.	16.4	38.10	34.80	Concept Technologies
3	SANDEEP PABHA	SR.G.M.(ENGG.& PROJECTS)	B.E PRODUCTION ENGG.	28.4	50.5	34.32	Kuantam Paper
4	PARVEEN KUMAR	SR.G.M.	DIP. IN ELECT. ENGG.	32.5	50.3	27.60	Punjab Concast Steels
5	SANJAY JAIN	SR.G.M.	DIP ELECT.ENGG.	30.7	55.11	27.60	Rainbow Papers Ltd.
6	LEELADHAR BAGLA	VICE PRESIDENT-PAPER	MS(MM) & PPT	28.8	49.9	27.60	Shreeyans Inds. Ltd.

7	RAKESH KUMAR MALHOTRA	GENERAL MANAGER	B.TECH CHEMICAL	36.5	58.0	27.40	Sirpur Paper Mill Ltd. Group
8	PANKAJ KUMAR JAIN	SR.G.M.	B.E E&I	23.8	51.6	27.18	PRESPL
9	SATPAL ARORA	SR.G.M.(MKT & PPC)	M.B.A.	31.7	55.10	27.00	First Employment
10	S.MADHUKAR RAO	SR.G.M.	B.SC.	38.0	62.0	27.00	Murli Agro

### 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.

##### I Conservation of Energy

- i Installation of VFDs in PMILL & Utility for energy conservation
- ii Energy efficient LED lights installed in plant PM4 & DIP
- iii IE3 premium energy efficient motors installation at PM 3,4 & PMILL &ETP area.
- iv Thermal insulation on steam lines, condensate lines. and steam traps repairing.
- v) Condensate recovery by arresting leakage and insulation
- vi) Energy efficient & latest technology Turbo blower (Runtech make) installed for Vacuum System at PM3 for energy efficiency, energy saving & better control of vacuum.

##### II Technological Absorption

- 1) PM4 Rewinder 2 Globe make latest design & technology rewinder installed & commissioned in for increasing production capacity and quality paper for market.
- 2) HW 1 Street Modification for use on Agro & HW both options for consistent supply of Agro pulp and to increase pulp reliability
- 3) PM2 Hood modification done for improving quality and steam efficiency improvement

- 4) PM2 Press Part frame & structure changed & new steam box installed for steam efficiency improvement
- 5) PM2 QCS modification done for increasing accuracy level & control of process system parameters & improving quality of paper
- 6) PM1 QCS modification done for increasing accuracy level & control of process system parameters & improving quality of paper
- 7) Disperser 2 installed at PM4 DIP 2 for improving DIP Pulp quality
- 8) PM4 Softwood refiner installation for improving paper machine runnability further improving printability & dimension stability
- 9) New Oxygen Plant installing for meeting oxygen demand of EOP stage for improving pulp quality & reduction in further chemicals
- 10) TRP 2 installation & commissioning for increasing equipment availability
- 11) Wood chipper installation for improving in house capacity of wood chips
- 12) Wheat Straw bailing machine no 2 installed for better & increasing raw material storage capacity.
- 13) CRB 1 ESP 1 modification for improving emission control & increasing efficiency.
- 14) ETP bio reactor capacity enhancement to increase system efficiency & saving in boiler fuel (rice husk) by using additional generated gas using in boiler.



### III FOREIGN EXCHANGE EARNINGS AND OUT GO:

Expenditure for the year ended 31st March, 2023 is as under: -

	(Rs)
i) Earning in foreign exchange.	11,10,96,109
ii) Expenditure in foreign currency.	
<b>CIF Value of imports</b>	<b>(Rs.)</b>
Waste Paper	716,423,808
Pulp	929,608,051
Chemical	66,450,265
Machinery- Spares & Capital Goods	314,585,451
Interest	25,917,495
Legal, Technical Fees, Repair & Other fees	21,130,874
<b>Total Expenditure</b>	<b>2,074,115,943</b>

Place : Rupana (Dr Ajay Satia) (R.K.Bhandari)  
 Date : 11.08.2023 Chairman Cum Joint Managing  
 Managing Director Director

#### Annexure-V

### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

#### SECTION A: GENERAL DISCLOSURES

##### I. Details of the listed entity

- Corporate Identity Number (CIN) of the Listed Entity- L21012PB1980PLC004329
- Name of the Listed Entity - Satia Industries Limited
- Year of Incorporation- 1980
- Registered office address - Village Rupana, Malout - Muktsar Road, Muktsar, Punjab - 152032
- Corporate address - Village Rupana, Malout-Muktsar Road, Muktsar, Punjab - 152032
- E-mail- satiaper@satigroup.com
- Telephone- 01633-262001,262215, 263585

- Website – www.satiagroup.com
- Financial year for which reporting is being done 1st April 2022 - 31st March 2023
- Name of the Stock Exchange(s) where shares are listed
  - National Stock Exchange of India Limited (NSE)
  - BSE Limited (BSE)
- Paid-up Capital- Rs. 10 crore
- Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

S. No	Particulars	Details
1.	Name	Mr. Rajinder Kumar Bhandari
2.	Designation	Joint Managing Director
3.	Telephone Number	01633-262001,262215, 263585
4.	Email ID	satiaper@satigroup.com

- Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

Standalone basis

##### II. Products/Services

- Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Paper division	Manu- facturing of writing and printing paper	99.95%

## 15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No	NIC Code			Product/Services	% of total Turnover contributed
	Group	Class	Sub Class		
1	170	1709	17093	Manufacturing of writing and printing paper	99.95%

## III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	3	4
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	21
International (No. of Countries)	2

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	EMPLOYEES Permanent (D)	555	533	96%	22	4%
2.	Other than Permanent (E)	-	-	NA	-	NA
3.	Total employees (D + E)	555	533	96%	22	4%
4.	WORKERS Permanent (F)	1,680	1,677	99.8%	3	0.2%
5.	Other than Permanent (G)	-	-	NA	-	NA
6.	Total workers (F + G)	1,680	1,677	99.8%	3	0.2%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1	DIFFERENTLY ABLED EMPLOYEES Permanent (D)	2	2	100%	-	0%
2	Other than Permanent (E)	-	-	NA	-	NA
3	Total differently abled employees (D + E)	2	2	100%	-	0%
4	DIFFERENTLY ABLED WORKERS Permanent (F)	7	7	100%	-	0%
5	Other than permanent (G)	-	-	NA	-	NA
6	Total differently abled workers (F + G)	7	7	100%	-	0%

b. What is the contribution of exports as a percentage of the total turnover of the entity?

3.12%

c. A brief on types of customers

The Company's primary business is manufacturing of writing and printing paper. Some of its major clients include State and Central Government departments and Private Sector.

## IV. Employees

18. Details as at the end of Financial Year:

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females No. (B)	% (B / A)
Board of Directors	11	1	9.1%
Key Management Personnel	3	0	0%

\*Key Management Personnel includes CEO, Chief Financial Officer and Company Secretary.

\*\* Managing Director is included under both 'Board of Directors and Key Management Personnel'.

20. Turnover rate for permanent employees and workers

	FY22-23 (Turnover rate in current FY) %			FY21-22 (Turnover rate in previous FY) %			FY20-21 (Turnover rate in the year prior to the previous FY) %		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.37%	5.88%	13.14%	14.66%	0%	14.41%	8.20%	0%	8.11%
Permanent Workers	10.01%	0%	9.99%	5.20%	0%	5.18%	4.31%	0%	4.30%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

VI. CSR Details

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Not applicable since Company doesn't have any holding/subsidiary/associate companies/ joint ventures

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Rs.): 1,88,374.20 Lakhs

(iii) Net worth (in Rs.): 73,319.75 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil		Nil	Nil	
Investors (other than shareholders)	Yes	Nil	Nil		Nil	Nil	
Shareholders	Yes*	Nil	Nil		Nil	Nil	

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and Workers	Yes	Nil	Nil		Nil	Nil	
Customers	Yes	Nil	Nil		Nil	Nil	
Value Chain Partners (Supply Chain Partners)	Yes	Nil	Nil		Nil	Nil	
Other (anonymous email/letters)	Yes	Nil	Nil		Nil	Nil	

\* The Company has Stakeholder Relationship Committee to redress the complaints received from the shareholders as per SEBI Listing Regulations.

^ Refer the Link for related policies : <https://www.satiagroup.com/companys-policy/>

#### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/opportunity	In case of Risk, Approach to adapt or mitigate	Positive/negative financial implications
GHG Emissions	Risk	With an increase in manufacturing capacity – to keep up with production demand, the GHG emissions will go up due to more power generation/ consumption	Satia Industries Limited ("SIL") has established a PCC Plant (Precipitated Calcium Carbonate) that uses the CO2 that is generated in the boilers as a byproduct of fuel burning. This CO2 is used as raw	Programmes to mitigate risk emanating from increase in GHG Emissions can lead to incremental cost in short-to-medium-term which can be partly compensated by increased

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/opportunity	In case of Risk, Approach to adapt or mitigate	Positive/negative financial implications
			material for PCC generation. Company is producing electricity from Biomass/ renewable sources instead of fossil fuels thus reducing carbon emissions in atmosphere	efficiency in long term
Water Management	Risk	Water being a finite resource will pose a risk to the operations of the business. Water is a critical input material in our production process. We have to also ensure that we meet air emission & water consumption and discharge norms.	Rain water harvesting is being practiced at manufacturing locations Discharged water is treated as per SPCB norms and is used for own developed Eucalyptus plant irrigation Industry is using new advanced technology for water management to replace fresh water like disc filters, microfilters etc.	Neutral- No financial implication is foreseen in the near future. We are taking efforts to ensure efficient water management
Product quality	Risk and opportunity	Risk : Our customers expect us to maintain and improve upon the quality of our products. Any lapse on product quality would negatively impact our brand value and our market share. Opportunity: Upholding and improving upon our product will enable us to increase our	Continuous monitoring and improvement of product quality is required to ensure our products have a consistent quality and meet the customer's quality expectations.	Positive: Maintaining product quality would ensure that we remain competitive in our industry.

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/opportunity	In case of Risk, Approach to adapt or mitigate	Positive/negative financial implications
		market share as well as retain our existing customer base. Further, increasing use of paper products in the food industry is an emerging opportunity.		
Market competition	Opportunity	Presents and opportunity to diversify the product portfolio to cater to different segments of markets and develop alternatives to banned plastic products		Positive
Human Rights Practices	Risk and opportunity	<p>Risk : Changing regulations around human rights pose as a challenge. Absence of a comprehensive Human Rights governance structure encompassing parameters such as working conditions, child/ forced labour, fair remuneration, gender diversity, prevention of sexual harassment, freedom of association and collective bargaining will adversely impact the Company's smooth working &amp; people development.</p> <p>Opportunity: This will help the Company to create better working environment, with involvement and ownership of people working in the</p>	We put in substantial efforts to ensure that no human right violations are ensured in the entire life of our business. The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. During the financial year 2022-2023, no complaints regarding child labour, forced labour,	<p>Negative- Any violation can lead to severe reputational and financial risk for the organisation</p> <p>Positive: Better work environment helps to produce cost efficient quality product.</p>

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/opportunity	In case of Risk, Approach to adapt or mitigate	Positive/negative financial implications
			involuntary labour, sexual harassment were received by the Company.	
Regulatory compliance	Risk	Company. Non-compliance with current and emerging regulations can lead to penalties, business disruption, increased scrutiny, and reputational	Robust framework to ensure compliance with current and emerging regulations	Negative
Employee Health and Safety	Risk	risk This can lead to	Many efforts and initiatives have been put in place to ensure employee health and safety	Neutral-Any cost put towards employee health and safety will yield positive results in the long run
Labour practices	Risk	decreased productivity Changing regulations around labour practices pose as a challenge	We put in substantial efforts to ensure that we comply with all requirements of labour law and do beyond it as well	Negative- Workplace incidents related to employee's health and safety can result in- to the cost of high litigation, plants shutdown, survivor benefits and bad press and fines from the regulator

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

- P 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
- P 2 Businesses should provide goods and services in a manner that is sustainable and safe.
- P 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
- P 4 Businesses should respect the interests of and be responsive to all its stakeholders.
- P 5 Businesses should respect and promote human rights.
- P 6 Businesses should respect and make efforts to protect and restore the environment.

- P 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P 8 Businesses should promote inclusive growth and equitable development.
- P 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>	<b>Ethics &amp; Transparency</b>	<b>Product Responsibility</b>	<b>Human resources</b>	<b>Stakeholders Engagement</b>	<b>Respect for Human Rights</b>	<b>Responsible manufacturing</b>	<b>Public Policy Advocacy</b>	<b>Inclusive Growth</b>	<b>Customer Engagement</b>
1. a. Whether your entity's policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web link of the Policies, if available	<a href="https://www.satiagroup.com/companys-policy/">https://www.satiagroup.com/companys-policy/</a>								
2. Whether the entity has translated the policy into procedures? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company adheres to all the requirements of BRSR policy and we also encourage our value chain partners to adopt best practices to achieve responsible business operations								
4. Name of the national and international codes/certifications/labels/standards adopted by your entity and mapped to each principle	SIL's manufacturing facilities have well-defined Environment, Health, and Safety (EHS), quality management and environment management systems in place that have been established in accordance with International Standards such as ISO 9001 (Quality Management System), ISO 14001 (Environment Management System), ISO 45001 (Occupational Health & Safety Management System)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	Company has already replaced one of its normal boiler with multi fuel boiler. Company is further planning to replace its another normal boiler with multi fuel boiler which will be used for fuel generation from rice straw. This will lead to reduction in burning of rice straw by Farmers thus contributing to lesser stubble burning within 100 km radius of Plant								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same or not met	We constantly monitor the performance towards ESG Goals and take adequate actions wherever required. We have a robust governance mechanism to monitor the progress of these goals. Further, please refer to details given under each of the principles.								
<b>Governance, leadership, and oversight</b>									



7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).  Please refer 'Chairman cum Managing Director's Message' on pages 4 of the Integrated Report FY 23	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Rajinder Kumar Bhandari Designation: Joint Managing Director DIN: 00732588
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Company has constituted a Business Responsibility & Sustainability Committee ("BRS Committee") to oversee the implementation of the policy

10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/committee of the board/any other committee									Frequency (Annually/half-yearly/quarterly/ any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	The policies are reviewed quarterly								
Compliance with statutory requirements of relevance to the principles, and, the rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	The compliances are checked quarterly. And policies are updated as and when required								

11. Has the entity carried out independent assessment /evaluation of the working of its policy by external agency (Yes/No). If yes, provide name of the agency

P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company has not carried out independent audit / evaluation of working of the BR Policy by an internal or external agency as of now. However, our internal control procedures ensure periodic assessment of our operations to verify compliance to our policies and applicable regulations								

12. If answer to Question (1) above is "No" i.e., not all principles are covered by a policy, reasons to be stated-

Not applicable

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators

may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and accountable.**

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors  Key Managerial Personnel	4 (as part of Board meetings)	Updates and awareness related to regulatory changes are conducted for the Board of Directors & KMPs. Topics covered includes:  1) Corporate Governance 2) Companies Act and rules 3) SEBI Regulations	100%
Employees other than BOD and KMPs	Multiple	Our employees receive multiple training throughout the year on topics such as – Health and Safety Trainings, Anti-corruption and bribery topics, Prevention of Sexual harassment topics, Energy efficiency etc.	More than 90%
Workers	Multiple	Our workers receive multiple training throughout the year on topics such as – Health and Safety Trainings, Anti-corruption and bribery topics, Prevention of Sexual harassment topics	More than 90%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

The Company had no monetary and non-monetary fines/penalties/punishment/award/ compounding fees/settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/law enforcement agencies/judicial institutions in the financial year based on materiality thresholds

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the case	Has an Appeal been preferred? (Yes/No)
Penalty/fine	Nil				
Settlement					
Compounding fee					

Non monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the case	Has an Appeal been preferred? (Yes/No)
Imprisonment	Nil				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, The Company has 'zero tolerance' of any practice that may be classified as corruption, bribery or giving or receipt of bribes. The objective of this policy is to serve as a guide for all directors, executives, employees and associated persons for ensuring compliance with applicable anti-bribery laws, rules and regulations. This policy is applicable to all individuals working at all levels

and grades, including Board Members and Senior Managerial Personnel, other employees, consultants, interns, contractors, agency staff, agents or any other person associated with the Company and such person acting on behalf of the Company. Refer following link for accessing Code of conducts which contains anti-bribery clause <https://www.satiagroup.com/companys-policy/>

5. Number of Directors/KMPs/employees /workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

There have been no cases involving disciplinary action taken by any law enforcement agency on the charges of

bribery / corruption against directors / KMPs / employees / workers that have been brought to the Company's attention.

	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
Directors		
KMPs	Nil	Nil
Employees Workers		

6. Details of complaints with regards to conflict of interest:

	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
	Number Remarks	Number Remarks
Number of complaints received in relation to issues of Conflict of interest of Directors	Nil	Nil
Number of complaints received in relation to issues of Conflict of issues of the KMPs	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

#### LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/ principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.

Yes, all directors of the Company disclose his / her interest in the Company (ies) / firm(s) / bodies corporate / other association of individuals and any changes therein, annually or upon any change. Further, Directors of the Company also provide a declaration under the Code of Business Conduct and Ethics confirming that there is no violation of the said code which also covers the processes to avoid the instances of conflict of interest. In the meeting of the Board, the Directors abstain from participating in the items in which they are concerned or interested.

#### Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

##### ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current F Y FY22-23	Previous F Y FY21-22	Details of improvements in environmental and social impacts
R&D Capex	Environmental and Social impact assessment is one of the key inputs for the new product development/ process changes. Capital expenditure and R&D spends incurred by the Company embeds cost incurred to mitigate environmental & social hazards. These are inseparable cost of the projects and hence separately identifying such cost is not feasible		

2. a. Does the entity have procedures in place for sustainable sourcing?
- b. If yes, what percentage of inputs were sourced sustainably?

Yes, the business model of the Company has their roots in an agro-based economy which leads to prosperity of farmers. Majority of the resources involved in our manufacturing process are sourced sustainably. We aspire to associate with raw material vendors, who comply with environment and labour laws. In addition, we encourage our vendors to be mindful of responsible business conduct principles such as prevention of environmental pollution, no child labour/forced labour, implementation of safety. Most of our raw material vendors are located in proximity to our manufacturing units which helps to minimize transportation and related GHG emissions. The Company procures its major raw material requirement from within a radius of 150 kms of the plant.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for
  - (a) Plastics (including packaging)
  - (b) E-waste
  - (c) Hazardous waste and
  - (d) other waste.

The Company does not have any specific product to reclaim at the end of life. Further, no plastic waste is generated by Company. E-waste is disposed to

authorised recycler for end use. Hazardous waste generated is disposed to authorised recycler for cardboard manufacturing.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR is not applicable to us.

#### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No, Company has not conducted life cycle perspective/assessments for any of its products

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Our products are made from non-hazardous materials and we practice environment-friendly manufacturing processes while ensuring compliance

with applicable regulations and laws. However, we recognize the importance of understanding the impact of our products on environmental and social aspects.

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

**Table No. 3**

Indicate input material	Recycled or re-used input material to total material	
	FY 22-23	FY 21-22
Waste paper	14.52%	12.53%

- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY22-23 (Current Financial Year)			FY21-22 (Previous Financial Year)		
	Re-used	Re-cycled	Safely Disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging) E-waste	Very small quantity of plastic is used in our packaging. Not applicable since no e-waste is generated					
Hazardous Waste	Nil	Nil	3,824 metric tonnes	Nil	Nil	2,660.75 metric tonnes
Other Waste	Not applicable since no other waste is generated					

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
We are not undertaking reclamation of our products as they have a long lifespan	

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

- a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	533	533	100%	533	100%	0	0%	0	0%	0	0%
Female	22	22	100%	22	100%	22	100%	0	0%	0	0%
Total	555	555	100%	555	100%	22	100%	0	0%	0	0%
Other than Permanent employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

b. Details of measures for well-being of workers:

% of workers covered by category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1,677	1,677	100%	1,677	100%	0	0%	0	0%	0	0%
Female	3	3	100%	3	100%	3	100%	0	0%	0	0%
Total	1,680	1,680	100%	1,680	100%	3	100%	0	0%	0	0%
Other than Permanent workers											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	All eligible employees are covered under ESI		Y	All eligible employees are covered under ESI		Y
Labour welfare fund	All eligible employees are covered under Labour welfare fund		Y	All eligible employees are covered under Labour welfare fund		Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, all the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016. This policy can be accessed through the link <https://www.satiagroup.com/companys-policy/>

Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers#	
	Return to work rate (%)	Retention rate (%)	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

5. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes/No (If Yes, then give details of the mechanism in brief)	
Permanent Workers Other than Permanent Workers	Yes. Grievance redressal mechanism is available at factory. Grievances can be raised through e-mails and all the grievances that are received through different platforms are directed to Grievance Management Committee.  The grievances can be also raised through whistle-blower system.
Permanent Employees Other than Permanent Employees	

6. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Employees and workers are not members of any association(s) or Unions.

7. Details of training given to employees and workers:

Category	FY 22-23 Current Financial Year				FY 21-22 Previous Financial Year					
	Total (A)	On Health and safely measures		On Skill upgradation		Total (D)	On Health and safely measures		On Skill upgradation	
		No. (B)	% (B / A)	NO. (C)	% (C / A)		No. (E) (E)	% (E / A)	No. (F) (F)	% (F / d)
Employees										
Male	533	533	100%	25	4.69%	In Financial Year 2021 – 22, on account of restrictions due to COVID 19 Pandemic, physical gathering of people was prohibited. Lots of virtual trainings got conducted during the said financial year 2020-21.				
Female	22	22	100%	1	4.55%					
Total	555	555	100%	26	4.68%					
Workers										
Male	1,677	1,677	100%	514	30.65%					
Female	3	3	100%	-	0%					
Total	1,680	1,680	100%	514	30.65%					



8. Details of performance and career development reviews of employees and worker:

Category	FY22-23 (Current Financial Year)			FY21-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	533	533	100%	431	431	100%
Female	22	22	100%	16	16	100%
Workers (Permanent Workers only)						
Male	1,677	1,677	100%	1,326	1,326	100%
Female	3	3	100%	3	3	100%

All the employees undergo Performance and Career Development reviews. Discussions are carried out annually and feedback for development is provided.

9. Health and safety management system:

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?**

Yes, occupational health and safety management system has been implemented by the entity. The Company is certified under Occupational Health and Safety Management System Certificate OHSAS 45001.2018. The coverage is 100% and includes all employees and workers. Company has made Safety committee covering entire area of Plant. Safety committees are segregated on the basis of different zones. Company also has 'On-site' and 'Off-site' Emergency Plan.

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We conduct regular site inspections to ensure all safety procedures are

being followed. Subsequently, we encourage our employees and workers to report any unsafe conditions or unsafe acts or near miss incidents promptly to the Safety committee teams to ensure corrective action in timely manner

- c. **Whether you have processes for workers to report work related hazards and to remove themselves from such risks.**

Yes. All workers are permitted to work only after they are given safety briefing on the activities to be performed. Workers are encouraged to report any work related hazard through internal communication. All work hazard reported are actioned upon by Safety committee teams.

- d. **Do the employees/workers of the entity have access to non-occupational medical and healthcare services?**

Yes, non-occupational medical and healthcare services are available for both employees and workers.

10. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees Workers	461.5	295.8
Total recordable work-related injuries	Employees	0	0
	Workers	7	6
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**11. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Within respective departments, daily training is imparted by Safety Supervisors/Safety Officers. Further, thorough investigation is undertaken for

each accident/mishap occurring within the factory premises. Results of said investigation is then discussed in Safety committee meetings to ensure that such mishaps/accidents are avoided in future.

**12. Number of Complaints on the following made by employees and workers:**

Benefits	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil		Nil	Nil	
Health & safety	Nil	Nil		Nil	Nil	

**13. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices Working Conditions	100% Scheduled visits are conducted by Assistant Labour Commissioner and Deputy Director of Factory whereby health and safety practices implemented in the Company are reviewed. No adverse findings have been identified from aforesaid assessments

**14. Provide details of any corrective action taken or underway to address**

safety-related incidents (if any) and on significant risks / concerns arising from

assessments of health & safety practices and working conditions.

Not applicable since no significant risks/ concerns have arisen out of scheduled visits conducted by Assistant Labour Commissioner and Deputy Director of Factory.

The Company ensures that all applicable statutory dues payable by service providers/contractors for their employees are deposited on time and in full through a process of periodic controls. These transactions are reviewed by our internal teams and external auditors. The Company expects its value chain partners to uphold business responsibility principles and values of transparency and account ability.

**LEADERSHIP INDICATORS**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Workers**

Yes, In the unfortunate event of death of an employee including workers, the Company extends financial support to family members of the employment through insurance policy

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

**3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Benefits	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY22-23 (Current FY)	FY21-22 (Previous FY)	FY22-23 (Current FY)	FY21-22 (Previous FY)
Employees	0	0	0	0
Workers	0	0	0	0

**4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? Yes.**

**5. Details on assessment of value chain partners (Supply chain partners):**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices Working Conditions	We expect all our value chain partners to follow applicable regulations and laws, including those related to health and safety practices and working conditions

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety**

**practices and working conditions of value chain partners.**

Not applicable since no significant risks/concerns have been brought to our attention

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

**Company’s key stakeholders includes those who impact Company’s value chain ability and those who can be potentially affected by our business activities:**

Stakeholder Group	Basis of Identification
Shareholders and Investors	Shareholders and Investors are directly impacted by the organisation’s business activities. They also play an important role through exercise of their voting rights with respect to important plans of the Company.
Government	Government (central and state) orders make up significant chunk of the Company’s current order book. In addition to providing the business, they also determine policies for various areas as well as determine the future plans for various sectors.
Customers	Many of them are long-term clients which offer repeat business over period of years and also act as partners in developing new solutions or business offerings.
Employees and Workforce	Employees and workforce contribute directly to organisation’s day to day operations and are impacted by it
Regulatory bodies	Company’s business activities are governed by specific regulatory bodies.
Media	Media acts as important channel of communication of Company’s performance, policies and plans. They also help in reverse loop in highlighting concerns or issues related to the Company. In order to ensure that there are no gaps in communication, engagement with media entities is a continuous process.
Communities	Communities are directly impacted through our CSR interventions and are also indirectly impacted
Suppliers/contractors	Company’s business has significant dependence on supply chain partners for sourcing of key raw materials and for outsourcing of business activities. To maintain sustainable growth, these partners are key elements.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and investors	No	Press Releases, email ID for Investor Grievances, Quarterly Results, Annual Reports, AGM (Shareholders interaction), Quarterly investor presentation, Investors meets, stock exchange filings and corporate website.	As and when required	To understand their need and expectation which are material to the Company. Key topics are company's financial and operational performance.
Media	No	Press Releases, Quarterly Results, Annual Reports, AGM (shareholders interaction), Access information and media interactions	As and when required	Performance reporting, good practices, show cases, awards and achievements, initiatives etc are discussed and reported
Customers	No	Business interactions	As and when required	Customer satisfaction and feedback. Project delivery, timeline, challenges that are faced during execution.

Government and regulatory authorities	No	Written communications, specific meetings with regulatory authorities	As and when required	Understanding and adherence to local governance Seeking clarifications and relaxations Obtaining permissions/ licences
Employees	No	i) Circular and messages from corporate and line management ii) Corporate social initiatives iii) Welfare initiatives for employee and their families	As and when required	Employees' growth and benefits, their expectation, volunteering, career growth, professional development and continuing education and skill training etc.
Suppliers/ contractors	No	Regular supplier and dealer meets	As and when required	Need and expectation, schedule, supply chain issue, need for awareness and other training,
Community	Information not available	CSR initiatives	As and when required	Focus on community health and well-being

**Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

We view our stakeholders as long-term value creators and recognise stakeholder

engagement process as necessary for achieving the goal of inclusive growth. Stakeholders engagement helps in better understanding the key issues, minimising risks, setting priorities, improving credibility and building a mutually strong relationship.

Our engagement with our broader stakeholder community is undertaken

by respective functions in consultation with the leadership team and overseen by the BRSR Committee. Feedback from different stakeholder groups on environmental, social or economic topics is shared with the BRSR Committee of the Board. We also have a CSR Committee to review, monitor, and provide strategic direction to our CSR practices and social initiatives

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, outcome of the stakeholder engagement exercise are taken forward to identify material topic of concern on sustainability for the Company. Based on these material topics of significance to the Company, further strategy development, policy setting, if required, objectives and goal setting with monitoring mechanism are developed and implemented.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

There are no identified disadvantaged, vulnerable & marginalized stakeholders

**Principle 5: Businesses should respect and promote human rights**

#### Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 22-23 (Current Financial Year)			FY 21-22 (Previous Financial Year)		
	Total (A)	No. of employee/workers covered (B)	% (B / A)	Total (C)	No. of employee/workers covered (D)	% (D / C)
Employees						
Permanent	555	555	100%	447	447	100%
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	<b>555</b>	<b>555</b>	<b>100%</b>	<b>447</b>	<b>447</b>	<b>100%</b>
Workers						
Permanent	1,680	1,680	100%	1,329	1,329	100%
Other than permanent	-	-	-	-	-	-
<b>Total Workers</b>	<b>1,680</b>	<b>1,680</b>	<b>100%</b>	<b>1,329</b>	<b>1,329</b>	<b>100%</b>

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 22-23 Current Financial Year					FY 21-22 Previous Financial Year				
	Total (A)	Equal to minimum wage		More than Minimum Wage		Total (D)	Equal to minimum wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	554	15	2.71	539	97.29	445	10	2.25	435	97.75
Male	532	15	2.82	517	97.18	423	10	2.36	413	97.64
Female	22	-	-	22	100	22	-	-	22	100
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	1,680	289	17.20	1,391	82.80	1,333	225	16.88	1,108	83.12
Male	1,677	289	17.23	1,388	82.77	1,330	225	16.92	1,105	83.08
Female	3	-	-	3	100	3	-	-	3	100
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

Benefits	Male			Female	
	Number	Median remuneration/ salary/ wages of respective category (In Rupees)	appx.#	Number	Median remuneration/ salary/ wages of respective category (In Rupees)
Board of Directors (BoD)	11	Rs. 23.01 Lakhs	appx.#	-	-
Key Managerial Personnel	3	Rs. 2.15 Lakhs	appx.	-	-
Employees other than BoD and KMP	549	Rs. 0.40 Lakhs	appx.	-	-
Workers	1,681	Rs. 17,700	appx.	-	-

# The median has been computed for 4 Board of Directors to whom major remuneration is paid. Remaining Directors only receive the Director's sitting fees which doesn't form significant proportion of overall Director remuneration

## Managing Director is included under

'BOD' and 'Key Management Personnel'. However remuneration of managing director is only included once under category of 'Board of Directors'.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?



Our Human Resources function is responsible for handling human rights related impacts and issues arising from our operations. In addition, our Grievance redressal Committee is also responsible for addressing any human rights issues arising out of our business.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

All grievances are addressed as and when received by the Grievance Redressal Committee. All the grievances received are duly investigated and appropriate actions are taken to resolve the issue/complaint. Whenever required, disciplinary actions are initiated as deemed fit and assistance from regulatory authority is sought.

**6. Number of Complaints on the following made by employees and workers:**

Benefits	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	4	0	0	2	0	0
Other human Rights related issues	-	-	-	-	-	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has a Whistle Blower Policy wherein the employees report, without fear of retaliation, any wrong practices, unethical behaviour or non-compliance which may have a detrimental effect on the organisation, including financial damage and impact on brand image. Also, the Code of Conduct of the Company requires employees to behave responsibly in their action and conduct. Apart from that, the Company has Committees at every

location for the protection of women at workplace to ensure their rights, receive grievances, conduct investigation and to take actions.

**8. Do human rights requirements form part of your business agreements and contracts?**

We do not include the requirements in our contracts. However, we encourage our business partners to adhere to responsible business practices and follow all applicable laws and regulations

**9. Assessments for the year**

	<b>% of your plants and office that were assessed (by entity or statutory authorities or third parties)</b>
Sexual Harrasment	100% Scheduled visits are conducted by Assistant

	Labour Commissioner ('ALC') and Deputy Director of Factory ('DDF') whereby health and safety practices implemented in the Company are reviewed. No reports on adverse findings have been communicated to us
Discrimination at workplace	
Child Labor	
Forced Labor/involuntary Labor	
Wages	
Human Rights Issues	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No significant risks /concerns have been communicated to us by ALC and DDF which implies that there are no adverse findings arising out of aforesaid visits of ALC and DDF

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

No complaint received in FY23 for human rights violation.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

We have not conducted any formal due diligence procedures for human rights issues during the year

However, we are an equal opportunity employer for all without any discrimination with respect to caste, creed, gender, nationality, colour, race, religion, disability or sexual orientation

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The permanent facilities and office buildings are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

**4. Details on assessment of value chain partners:**

	% of Value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	We have not conducted any formal assessments of our value chain partners. The Company expects all value chain partners to adopt responsible business principles and comply with applicable laws and regulations in all our dealings
Discrimination at workplace	
Child Labour	
Forced labour/Involuntary Labour	
Wages	
Others	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not applicable

## Principle 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in Giga joules) and energy intensity, in the following format:

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Total electricity consumption (A)	34,182	2,689
Total fuel consumption (B)	78,30,908	55,68,895
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	78,65,090	55,71,584
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	0.0004175	0.0006254
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

The Company is a Designated Consumer under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

In year 2014-15, the target for energy conservation set by Bureau of Energy Efficiency (BEE), Govt. of India was 0.881 MTOE/Ton against which Company achieved 0.820 MTOE/Ton. Similarly in year 2018-19,, Target set by BEE was 0.6585 MTOE/Ton against which Company achieved 0.638 MTOE/Ton.

New target for Company is now set at 0.6151 MTOE/Ton in Year 2024-25.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	74,24,910	53,94,353
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	74,24,910	53,94,353

Total volume of water consumption (in kilolitres)	74,24,910	53,94,353
Water intensity per rupee of turnover (Water consumed / turnover)	0.00039	0.00061
Water intensity (optional) – the relevant metric may be selected by the entity	–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

The industry is disposing all of its treated effluent onto land for Eucalyptus

Plantation. No effluent is discharged in any water body.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
NOx	mg/Nm <sup>3</sup>	67.81	66.43
Sox	mg/Nm <sup>3</sup>	-	-
Particulate matter (PM)	mg/Nm <sup>3</sup>	34.77	45.79
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – (ODS)	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:**

Parameter	Unit	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Tonnes of CO <sub>2</sub> equivalent	2,492.54#	916.53#
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Tonnes of CO <sub>2</sub> equivalent	7,501.06	590.13
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.0000005305 tonnes of CO <sub>2</sub> equivalent per rupee	0.0000001691 tonnes of CO <sub>2</sub> equivalent per rupee

# Separate disclosure required as per GRI 305 : Emissions 2016 - Biogenic emission of CO<sub>2</sub> from the combustion of biomass such as rice husk, rice straw and Black liquor is 3,72,054.79 tonnes of CO<sub>2</sub> equivalent and 2,71,755.57 tonnes of CO<sub>2</sub> equivalent in FY 2022-23 and FY 2021-22 respectively.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company has inhouse PCC plant in which the Carbon dioxide released due to burning of fuel in the boilers is captured and used as raw material in PCC production, thus reducing approx. 20,000 metric tonnes of CO<sub>2</sub> emission per year

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	3,824	2,660.75
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	3,824	2,660.75
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations : Sold to authorised recycler for cardboard manufacuring	3,824	2,660.75
Total	3,824	2,660,75

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

No hazardous or toxic chemicals used within the industry. the hazardous waste of Cat 32.3 is disposed to authorised recycler for cardboard manufacturing. The authorised recycler manages the waste as per the SPCB guidelines.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Not applicable since Entity doesn't have any operations/offices in/around ecologically sensitive areas

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in**

**the current financial year:**

The Company has not conducted any environmental impact assessments (EIA) of projects or industrial facility in FY23.

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).**

Yes. All the Company projects and industrial facilities follow the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder.

13. **If not, provide details of all such non-compliances, in the following format:**

Not applicable.

#### **Leadership Indicators**

1. **Provide break-up of the total energy consumed (in Giga joules) from renewable and non-renewable sources, in the following format:**

Parameter	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	78,30,879	55,68,888
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	78,30,879	55,68,888
From non-renewable sources		
Total electricity consumption (D)	34,182	2,689
Total fuel consumption (E)	28	7
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	34,210	26.96

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. Provide the following details related to water discharged:

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of Treatment*	64,08,692	47,08,295
Total water discharged (in kilolitres)	64,08,692	47,08,295

\* Level of treatment : Effluent Treatment plant with two stage activated sludge process to treat the effluent to prescribed standards set by SPCB before discharge

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not applicable

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Water intensity (optional) – the relevant metric may be selected by the Entity	–	–
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(ii) Into Groundwater		
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(iii) Into Seawater		
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(iv) Sent to third-parties		
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(v) Others		
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
Total water discharged (in kilolitres)	–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY22-23# (Current Financial Year)	FY21-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)			
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			
		We have not calculated Scope 3 GHG emissions	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.



5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable since Company's premises are not situated near ecologically sensitive areas

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Refer the annexure to Board's report on Conservation of Energy

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has established emergency preparedness plans at each project site to deal with the emergency situations. It also provides response procedures for preventing and mitigating the hazard & risk and environmental impacts arising from emergency situations including the provision for first aid. In the event of any occurrence of an emergency, the same shall be investigated and appropriate preventive measures would be initiated to avoid recurrence in future. Relevant information and training related to emergency preparedness and response shall be provided to the interested parties. The duties and responsibilities of all the workers are being communicated periodically.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

We have not conducted formal assessment our value chain partners on their impact on environment. However, we expect our value chain partners to be mindful of their impacts on the environment and comply with applicable laws and regulations

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We have not conducted formal assessment of our value chain partners on their impact on environment

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

1. A. Number of affiliations with trade and industry chambers/ associations.
- B. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Serial No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Pulp & Paper Technical Association (IPPTA)	National
2	Indian Agro and recycled Paper Mills Association (IARPMA)	National
3	Federation of Indian Export Organisations (FIEO)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities:

During the year, the Company has not received any adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
-	-	-
-	-	-

#### Leadership Indicators

1. Details of public policy positions advocated by the entity:

SIL participates in public policy advocacy at various forums such as IPPTA, FIEO through concerned departments in consultation with Management

#### Principle 8: Businesses should promote inclusive growth and equitable development

##### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief detail of the project	SIA Notification Number	Date of Notification	Whether conducted by independent external agency	Results communicated in public domain	Web Link if available
Not Applicable since there are no projects undertaken by entity for which social impact assessment is required under any law. However, The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. The Company has aligned its CSR programmes/ initiatives/ activities with the requirements of Companies Act, 2013. The Company's CSR activities are					

being monitored by the Corporate Social Responsibility Committee constituted by the Board.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable. No rehabilitation and resettlement were undertaken by the entity during this reporting period.

Sr. No	Name of the project for which R&R is going	State	District	No. of Projects Affected families	% of PAFs covered by R&R	Amount paid to PAFs in the FY (in INR)
-	-	-	-	-	-	-
-	-	-	-	-	-	-

3. Describe the mechanisms to receive and redress grievances of the community.

Grievance Redressal of community is paramount in strengthening our relations with them. This provides us the social license to operate and execution of CSR projects. Our local HR team regularly interact with community

members to identify and address their concerns. We have not encountered any specific grievances from the community in the reporting period

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Directly sourced from MSMEs/small producers	22.15%	Not available
Sourced directly from within the district and neighbouring districts	53.09%	Not available

#### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
-	-

Not applicable since there are no projects on which social impact assessment was required to be undertaken

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	Aspirational District	Amount spent (In INR)
	TOTAL	-

Sr. No.	Intellectual Property based upon traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit (Yes/No)	Benefits of calculating benefit share
-	-	-	-	-
-	-	-	-	-

Not applicable as the Company does not have any intellectual properties owned or acquired by the entity (in the current financial year), based on traditional knowledge.

Name of authority	Brief of the case	Corrective action taken
-	-	-
-	-	-

Not applicable

CSR Activities done by the Company are not in aspirational districts identified by the Government. For details of districts covered under CSR Activities, please refer to Corporate and Social Responsibility Section forming part of Company's Annual Report for FY 22-23

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups?

No, Company doesn't have preferential procurement policy.

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable since we do not have such procurement criteria

- (c) What percentage of total procurement (by value) does it constitute?

Not applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

6. Details of beneficiaries of CSR Projects:  
For details, please refer to Corporate and Social Responsibility Section forming part of Company's Annual Report for FY 22-23

**Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.  
The Company value customer satisfaction as one of its greatest assets. Therefore, it has put in place effective redressal mechanism for addressing customer complaints and handling consumer cases. The system has been created keeping the interest of customers, so that minimum hassles are caused to

him/her. The system is periodically reviewed by management team as well. The Company regularly organizes feedback and awareness programs for its customers across various locations. Company always endeavours to entertain the customer complaints and to resolve the complaints at the earliest.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about Environment and social parameters relevant to the product, safe and responsible usage and recycling and/or safe disposal  
100% of products of Company contain all relevant information as required under applicable laws
3. Number of consumer complaints in respect of the following:

	FY 22-23 (Current Financial year)			FY 21-22 (Previous Financial year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil			Nil		
Advertising						
Cyber security						
Delivery of essential services						
Restrictive trade practices						
Unfair trade practices						

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for call
Voluntary recalls	Nil	Nil
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy

We have an information security management policy which comprises of data protection, email, web and network protection. It also includes access control

policy with two-factor authentication to protect the system from unauthorised access. Multiple security controls like firewall, end-point protection, web protection, etc. have been implemented to prevent data attacks and threats. Said policy is internally available with Company

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable.

### Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The Company's business offerings can be found on the website. Refer link below:

<https://www.satiagroup.com/paper/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The business of the Company complies with regulations and relevant codes concerning marketing communications including advertising and promotion activities. The Company's communications are aimed at enabling consumers to make informed purchase decisions.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

At SIL, we do not deal with any essential services, however, in case of any disruption, we can disseminate information through our website, various mass media platforms, social media platforms, distribution networks, sales representatives, email etc.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

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

Company, during the year, has not carried out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole

5. Provide the following information relating to data breaches:

- (a) Number of instances of data breaches along-with impact

There were no data breaches during the year.

- (b) Percentage of data breaches involving personally identifiable information of customers –

NIL

## Annexure IV

### Corporate Social Responsibility (CSR)

#### 1 Brief Outline of the Company's CSR Policy

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

#### Our social responsibility initiatives

Satia Industries, has remained committed to making strategic social investments for sustainable outcomes. The Foundation has been active in the core areas of Education, Healthcare, Wellness and Environmental Sustainability. The Foundation is known for its innovative approach to problem solving. It challenges the status quo and adopts new solutions that lead to sustainable impacts. Satia Industries Ltd believes that being socially responsible and meeting the expectations of our stakeholders is fundamental to value system the Company beholds. The Company is strongly progressing in this arena and has been creating its impact on society by contributing to the development of the community. The Company also plays a significant role in promotion of inclusive growth through empowerment of socially and economically weaker sections of society. Partnerships with corporate bodies and NGOs are entered into for education and community development programmes. Active involvement of the Company's employees in volunteering. The Company's participation focuses on operations where it can contribute meaningfully either through employee volunteering or by using core competency which develops solutions.

Brief Outline on Company's CSR policy including overview of projects or programs proposed to be undertaken Corporate Social Responsibility Policy (hereinafter referred to as 'CSR Policy') shall help Satia Industries Limited to pave its path towards the betterment of certain sections of the society by using its resources in the best possible manner.

#### 2 Composition of the CSR Committee.

- 1 Sh. A.C. Ahuja :- Chairman (Independent Director)
- 2 Sh. R.K. Bhandari:- Joint Managing Director: Member
- 3 Sh. Chirag Satia:- Executive Director – Member

#### 3 Provide the web-link where CSR Policy approved by the board are disclosed on the website of the company:

<https://www.satiagroup.com>

#### 4 Provide the details of Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable as the total CSR Expenditure is below Rs 10 Crores.

#### 5 Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (Rs in Lakhs)	Amount required to be setoff for the financial year, if any (Rs in Lakhs)
1	2021-22	Nil	Nil
2	2020-21	Nil	Nil
3	2019-20	Nil	Nil

#### 6 . Average Net profit of the Company for the last three financial years

Particulars	Rs in Lakhs			
	31.03.2022	31.03.2021	31.03.2020	Average
Net Profit	12266.38	6683.58	11527.99	10159.48

7 Two percent of average net profit of the company as per section 135(5)

Rs 203.19 lacs

7 (a) Two percent of average net profit of the company as per section 135(5)

Rs 203.19 Lakhs

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

c) Amount required to be set off for the financial year, if any. -Nil

d) Total CSR obligation for the financial year 2022-23 (7a+7b+7c) Rs 203.19 Lakhs

8. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Lakhs)	Amount Unspent (H)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
203.00	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against other than ongoing projects for the financial year:

Rs in Lakhs

Sr. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes/No)	Location		Amount allocated for the project (In Lakh)	Amount Transferred to Unspent CSR Account for the Project as per Section 135(6)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency -	
				State	District				Name	CSR Reg. No
1	Medical & Health care Expenses	Promoting health care (Covered Under Item -(i) of the Schedule VII)	YES	Chandigarh	Chandigarh	25.00	No	No	Thalassemic Charitable Trust (TCT) Chandigarh-160018	CSR0001 2548
2	Medical & Health care Expenses	Promoting health care (Covered Under Item -(i) of the Schedule VII)	YES	Chandigarh	Chandigarh	22.00	No	No	Bharat Vikas Parishad, Chandigarh - 160008	CSR0001 0751
3	Medical & Health care Expenses	Promoting health care (Covered Under Item -(i) of the Schedule VII)	YES	Punjab	Sri Muktsar Sahib	05.00	No	No	Muktsar Ashram Trust, Sri Muktsar Sahib -152026	CSR0002 9505
4	Education and Training Expenses	Promoting Education (Covered Under Item -(ii) of the Schedule VII)	YES	Punjab	Sri Muktsar Sahib	34.40	No	No	Managing Committee DA V Educational	CSR0002 9372

Sr. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes/No)	Location		Amount allocated for the project (In Lakh)	Amount Transferred to Unspent CSR Account for the Project as per Section 135(6)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency -	
				State	District				Name	CSR Reg. No
									Institutions , DAV Public School, Sri Muktsar Sahib -152026	
5	Setting up house and hostels for Orphans and Blind etc.	Measures for the benefit Under Item -(iii) of the Schedule VII)	YES	Punjab	Sri Muktsar Sahib	56.58	No	No	KBS Charitable Society, Sri Muktsar Sahib-152026	CSR0002 9369
6	Protect the Environmental Sustainability	Promoting of Environmental Sustainability (Covered Under Item -(iv) of the Schedule VII)	YES	Punjab	Sri Muktsar Sahib	03.00	No	No	Utkarsh Global Foundation -400080	CSR0000 3183
7	Medical & Health care Expenses	Promoting health care (Covered Under Item -(i) of the Schedule VII)	Yes	Punjab	Sri Muktsar Sahib	7.00	No	Yes	Direct	NA
8	Promoting rural Sports	Rural Sports item No Vii of Schedule VII	Yes	Punjab	Sri Muktsar Sahib	6.00	No	Yes	Direct	N.A
9	Education and Training expenses	Promoting Education (Covered Under Item -(ii) of the Schedule VII)	Yes	Punjab and outside		37.10	No	Yes	Direct	NA
10	Expenditure Towards Blind, Khushat,	Measures for the benefit of Orphans; Blind, (Covered under	YES	Punjab	Sri Muktsar Sahib	07.25	No	Yes	Direct	NA



Sr. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes/No)	Location		Amount allocated for the project (In Lakh)	Amount Transferred to Unspent CSR Account for the Project as per Section 135(6)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency -	
				State	District				Name	CSR Reg. No
	Orphan	Item -(vi) of the Schedule VII)								
11	Protect the Environment and Make plastic bag-free	Protecting Environment	Yes	Punjab	Sri Muktsar Sahib	03.04	No	No	Direct	NA

(c) Amount spent in Administrative Overheads : Not Applicable.

(d) Amount spent on Impact Assessment, if applicable: Not Applicable.

(e) Total amount spent for the Financial Year Rs 206.37 lakh

(f) Excess amount for set off in succeeding financial years, if any. Rs 3.37 Lakh

(Sd/-)

**A. C. Ahuja**  
(Chairman-CSR Committee)

(Sd/-)

**R. K. Bhandari**  
(Joint Managing Director)

## Annexure-VI

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

[Pursuant to section 204(1) of the  
Companies Act, 2013 and rule 9 of the  
Companies (Appointment and Remuneration  
of Managerial Personnel) Rules, 2014

To,  
The Members,  
Satia Industries Limited  
VPO. Rupana, Malout-Muktsar Road,  
Sri Muktsar Sahib (Punjab)-152032  
CIN: L21012PB1980PLC004329

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Satia Industries Limited, Muktsar, Punjab. 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.

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, 2023 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 herein after:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of the following list of laws and regulations:

(i) The companies Act, 2013 (the Act) and the rules made thereunder;

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 thereunder.
- (v) The following Regulations and Guidelines prescribed under the Securities and exchange Board of India act, 1992 ('SEBI act'):-
  - (a) there was no acquisition of which required the specific compliance/ approval of the Securities and exchange Board of India (Substantial Acquisition of Shares and takeovers) regulations, 2011 amended upto date.
  - (b) there was no acquisition of shares by the promoters, which required the specific compliance/approval 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 up to 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 up to date  
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 up to date.

(e) 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.

(f) 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 up to date;

(g) There were no issues which required the specific compliance/approval of the Securities and exchange Board of India (Buy back of Securities) regulations, 1998 amended up to date; and

(h) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) The company is into the business of manufacturing of writing and printing paper from virgin pulp and as per representation given by the company following are some of the laws which are specifically applicable to the company.

- 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
- Standards for Discharge of Environmental Pollutants
- National Green Tribunal Act, 2010
- Bureau of Indian Standards Act, 1986
- Energy Conservation Act, 2001
- The Factories Act, 1948

- Employees State Insurance Act, 1948
- Employees Provident Fund Act, 1952
- The Industries (Development and Regulation) Act, 1951
- The National Environmental Tribunal Act,1995

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 to the extent of its applicability.

(ii) Company had entered into a listing agreement as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and duly complied the various clauses of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

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.

- 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 proper 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 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 has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- M/s. Rakesh Bansal & Co., Chartered Accountants, (Firm's Registration No. 011474N), were appointed as Statutory Auditors of the Company for a term of five consecutive Financial Years. i.e. from 2021-22 to 2026-27 by the shareholders in their 41st Annual General Meeting (AGM) held on 30th September 2022.
- M/s. Rakesh Bansal & Co., Chartered Accountants, (Firm's Registration No. 011474N), resigned as Statutory Auditor vide their letter dated 22nd December, 2022 (as also information as per Annexure-A of SEBI Circular).
- The Audit Committee passed a resolution on 23rd December 2022 recommending to the Board of Directors the appointment

of M/s. N.K. Chhabra & Co., Chartered Accountants, Chandigarh (Firm Registration No. 000837N with ICAI), as Statutory Auditors for the purpose to fill the casual vacancy caused by resignation of M/s. Rakesh Bansal & Co., Chartered Accountants, (Firm Registration No. 011474N) for the current Financial Year 2022-23 and they shall hold office until the conclusion of next annual general meeting to be held in the calendar year 2023, and they shall also be appointed as Statutory Auditors of the Company for the next four years viz. Financial Year 2022-23 to 2026-27.

- On September 30, 2022 Mrs Dr. Priti Lal Shihare (DIN 08031894) was reappointed as an Independent Director for the Second Term of five years by the shareholders by passing special resolution.
- Mr. Ashok Kumar Gupta (DIN 08068465) was re-appointed as an Independent Director of the Company for second term of five consecutive years commencing from 08th February, 2023 to 07th February, 2028 not liable to retire by rotation. The members of the Company have accorded their approval by passing a Special Resolution through Postal Ballot Notice dated 23.01.2023.
- Mr. Ajay Vyas (DIN No 07553649) was appointed as an Independent Director of the Company for five consecutive years commencing from 23rd December, 2022 to 22nd December, 2027 not liable to retire by rotation. The members of the Company have accorded their approval by passing a Special Resolution through Postal Ballot Notice dated 23.01.2023

**Dated : 03.08.2023 S. Parnami & Associates**  
**Place : Bathinda Company Secretaries**

**Sourabh Parnami**

**FCS No.: 9396**

**CP No: 11181**

**UDIN: F009396E000731986**

To,  
The Members,  
Satia Industries Limited  
VPO. Rupana, Malout-Muktsar Road,  
Sri Muktsar Sahib (Punjab)-152032  
CIN: L21012PB1980PLC004329

Our Secretarial audit report for the financial year 31st March 2023 is to be read along with this letter.

#### Management's responsibility

1. it is the responsibility of the management of the company to maintain secretarial records, device proper system to ensure compliance with the maintenance of all applicable laws and regulations and to ensure that the system is adequate and operate effectively.

#### Auditor's Responsibility

2. our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Whenever required, we have obtained the management's representation about the compliance of laws, rules and regulation and happening of event etc.

#### Disclaimer

5. the Secretarial Audit report is assurance as to the further viability neither of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.
6. We have not verified the correctness and appropriateness of financial and books of accounts of the company.

Date : 03.08.2023 S. Parnami & Associates  
Place : Bathinda Company Secretaries

Sourabh Parnami  
FCS No.: 9396  
CP No.: 11181  
UDIN: F009396E000731986

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Members,  
Satia Industries Limited  
VPO. Rupana, Malout-Muktsar Road,  
Sri Muktsar Sahib (Punjab)-152032  
CIN: L21012PB1980PLC004329

We, S. Parnami & Associates, Practicing Company Secretaries, Bathinda, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Satia Industries Limited (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with regulation 34(3) read with Schedule V para-C Sub clause 10(i) of the Securities exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the (www.mca.gov.in) as considered necessary and explanations furnished to me/us by the Company & its Directors/officers, I/We hereby certify that none of the Directors on the Board of the company for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and exchange Board of India, Ministry of corporate Affairs, or any such other Statutory Authority.

Dated : .03.08.2023 S. Parnami & Associates  
Place : Bathinda Company Secretaries

Sourabh Parnami  
FCS No.: 9396  
CP No.: 11181  
UDIN: F009396E000731986

# CORPORATE GOVERNANCE REPORT 2022-23

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

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising employees, investors, customers, regulators, suppliers and the society at large. Strong leadership and effective corporate governance practices have been the Company's Hall mark. It is not mere compliance of laws, rules and regulations but a commitment to its values, best management practices and adherence of the highest ethical principles in all its dealings to achieve the objectives of the Company, enhance stakeholder value and discharge its social responsibility. The Corporate Governance framework and philosophy is a reflection of the Company's corporate culture, policies, values and relationship with stakeholders which is driven relentlessly across the organization. The Board of Directors ('the Board') are aware of their responsibility and commitment to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. 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 ("the Act"). The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations", as applicable, with regard to corporate governance.

The requisite certificate from the M/s. S. Parnami & Associates, Company Secretary confirming compliance with the conditions of corporate governance is attached to the Report on corporate governance.

## 2 Board of Directors

The Company believes that a diverse Board will provide versatility in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, and gender, which will ensure that the Company retains its competitive advantage. The Company further believes that a diverse Board will contribute towards driving business results, adoption of best Corporate Governance practices, responsible decision-making capability, ensure sustainable development, and enhance the reputation of the Company.

The Board is responsible for providing strategic supervision, expert advice and direction to the Management of the Company on behalf of all the stakeholders. Driven by the principles of Corporate Governance Philosophy, the Board works in the best interests of the Company and its stakeholders. The Board Members, based on their skills, expertise and knowledge, share their experiences and exercise judgement during deliberations at the Meetings of the Board and point the Company's Management towards

the 'right' direction. The Board members keep themselves well informed about the internal affairs and external environment in which the Company operates and deliver independent solution driven guidance. With a view to empower the Independent Directors to take informed decisions and deliver discretionary views, they are provided access to information and freedom to approach any level of the Governance Structure.

### **3 Board Meetings Procedure**

The Board meets at regular intervals to discuss, evaluate, review, and decide on various matters relating to economic, sustainable, strategical, and overall growth of the Company apart from the routine Board discussions. The Board/ Committee Meetings are pre-scheduled in consultation with all the Board Members.

The important decisions taken and resolutions approved at the Board and Committee Meetings are disseminated for necessary action and are tracked till their closure. An 'Action Taken Report' is prepared and placed before each Board and Committee meeting at its subsequent meeting for noting.

### **4 Chairman of the Board**

The Chairman and Managing Director is in overall control and responsible for the day-to-day working of the company. He leads the Board, and is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committee. The chairman is primarily responsible for ensuring that the Board provides effective governance to the company in doing so, the Chairman Cum Managing Director will preside over meetings of the Board and of the shareholders of the company. The

chairman will take a lead role in managing the Board and facilitate effective communication among directors.

The Board, upon the recommendation of the nomination and remuneration committee, has unanimously appointed Dr Ajay Satia as Chairman and Managing Director of the company.

### **5 Composition of the Board of Directors**

The Board of Directors ("the Board") plays a fundamental role in upholding and nurturing the principles of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its members and other stakeholders and the utilization of resources for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company and all its stakeholders in a fair and transparent manner.

The Board of Directors is at the core of the Company's Corporate Governance practices and oversees how management serves and protects the interests of its stakeholders at all times. It brings in strategic guidance, leadership and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby, ensuring that the management adheres to highest standards of integrity, transparency and fairness. The Company's policy towards the composition of the Board is to have appropriate professionalism, diversity, knowledge and experience in areas critical to the organization. This helps to drive value-based guidance whilst maintaining the independence of the Board and to separate its functions of Governance and Management. The Company has a balanced Board with a combination of Executive and Non-Executive Directors to ensure independent functioning and the

current composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations.

None of the Directors on the Board of the Company is a director in more than seven listed companies and/or is a member of more than ten committees and/or acts as a chairman/chairperson of more than five committees across all the listed companies in which he/she is a director.

Further, no Independent Director serves in more than seven listed companies and no person who is serving as a Whole-time Director/Managing Director in a listed company is serving as an Independent Director in more than three listed companies. None of the Directors is related to each other except Dr. Ajay Satia, Chairman Cum Managing Director and Sh. Chirag Satia, Executive Director.

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 along with rules framed there under. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as

mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are independent of the management.

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, 2023 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 2022-23, Five Board Meetings were held on the following dates: -**

1. 27-05-2022
2. 03-08-2022
3. 28-10-2022
4. 23-12-2022
5. 10-02-2023

The Maximum time gap between any two consecutive meetings was less than one hundred and twenty days.

**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 Membership/ Chairmanship as on 31.03.2023 are as follows:**

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance Last AGM	Directorship in other Public Companies excluding Directorship in Satia Industries Ltd.	Number of Committee Positions held in Other Public Companies Excluding Satia Industries Ltd.		Other listed entitles where Directors of the Company held Directorships
						Member	Chairman	
1.	Dr. Ajay Satia	Chairman Cum Managing Director	5	Yes	-	-	-	-
2.	Sh. R. K. Bhandari	Joint Managing Director	4	Yes	-	-	-	-
3.	Sh. A. C. Ahuja	Independent Director	5	Yes	1	-	-	-



Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance Last AGM	Directorship in other Public Companies excluding Directorship in Satia Industries Ltd.	Number of Committee Positions held in Other Public Companies Excluding Satia Industries Ltd.		Other listed entitles where Directors of the Company held Directorships
						Member	Chairman	
4.	Sh. Dinesh Chand Sharma	Independent Director	4	No	1	-	-	-
5.	Sh. I.D. Singh	Independent Director	5	No	-	-	-	-
6.	Sh. Chirag Satia	Executive Director	4	Yes	-	-	-	-
7.	Sh. Hardev Singh	Director (Technical)	5	No	-	-	-	-
8.	Dr. Mrs. Priti Lal Shivhare	Independent Director	4	-	-	-	-	-
9.	Sh. Ashok Kumar Gupta	Independent Director	4	Yes	-	-	-	-
10.	Sh. Arun Kumar Gupta #	Independent Director	3	No	-	1	2	2
11.	Sh. Vinod Kumar Kathuria	Independent Director	4	No	2	-	-	-
12.	Sh. Ajay Vyas	Independent Director#	0	No	-	-	0	0

**Number of Companies or committee in which the Director of the Company is 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. C. Ahuja	2	-	1
4.	Sh Dinesh Chand Sharma	2	-	-
5.	Sh I. D. Singh	2	1	-
6.	Sh Chirag Satia	1	-	-
7.	Mrs Dr Priti Lal Shivhare	1	-	-
8.	Sh Ashok Kumar Gupta	1	-	-
9.	Sh Arun Kumar Gupta **	3	1	2
10.	Sh Hardev Singh	1	-	-
11.	Sh Vinod Kumar Kathuria	3	-	-
12.	Sh Ajay Viyas ***	1	-	-

Note:

- \*\* Sh Arun Kumar Gupta retired as member of the Board of Directors on completion of tenure effective February 07, 2023
- \*\*\* Mr. Ajay Vyas (DIN No 07553649) was appointed as an Independent Director of the Company for five consecutive years commencing from 23rd December, 2022 to 22nd December, 2027 not liable to retire by rotation
- \* Including Satia Industries Ltd and excluding Private Limited Companies, foreign companies and companies under Section 8 of the Companies Act, 2013
- \*\*\*\* Board committee for this purpose includes Audit committee of Public limited companies (including committees of Satia Industries Limited)

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

#### **Independent Directors' Meeting**

During the year under review, the Independent Directors met on February 10, 2023, inter alia to discuss: - Overall operations - Business Strategy - Overall performance of the Senior Management. All Independent Directors were present at the meeting. Pursuant to the requirements of the Listing Regulations and Schedule IV of the Companies Act, 2013 on Code of Conduct of the Independent Directors, the Independent Directors had reviewed and evaluated the performance of Non-Independent Directors and the Board as a whole and the same was found satisfactory.

#### **Familiarization Program**

Periodically, the Company provides familiarization Program to the Independent Directors to enable them to understand the business of the Company. At the meetings of the Board of Directors held on quarterly basis, presentations on the Manufacturing & Technical Operations, Financials and Marketing are made. The Management also endeavors to apprise the Directors regarding

their responsibilities in case of change / amendment to the Rules and Regulations. The details of the familiarization program have been displayed on the Company's website ([www.satiagroup.com](http://www.satiagroup.com)).

#### **Board Level Committees**

There are five Board Committees as on March 31, 2023 for smooth and efficient operation of the activities and is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees in line with the laws of land. The chairman, quorum and the terms of reference of each committee have been approved by the Board.

#### **AUDIT COMMITTEE**

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the internal auditors

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

The Audit committee reviews the matters falling in its terms of reference and addresses larger issues and examines those facts that could be of vital concerns to the company.

#### **Terms of Reference**

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Audit Committee, inter-alia are as follows:

- (1) Ensure that the financial statement is correct, sufficient and credible;
  - (2) Recommendation for appointment and terms of appointment of auditors. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to
    - (a) changes if any, in accounting policies and practices and reasons for the same;
    - (b) Major accounting entries involving estimate based on the exercise of judgment by management;
    - (c) Significant adjustments made in the financial statements arising out of audit findings;
    - (d) compliance with listing and other legal requirements relating to financial statements;
    - (e) Disclosure of any related party transactions;
    - (f) Modified opinion(s) in the draft audit report;
  - (3) reviewing with the management, the quarterly financial statements before submission to the board for approval;
  - (4) reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
  - (5) reviewing and monitoring the auditor's independence and performance and effective-ness of audit process;
  - (6) approval of transactions of the listed entity with related parties;
  - (7) scrutiny of inter-corporate loans and investments;
  - (8) evaluation of internal financial controls and risk management systems;
  - (9) reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (10) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (11) discussion with internal auditors of any significant findings and follow up thereon;
  - (12) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - (13) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (14) to review the functioning of the whistle blower mechanism;
  - (15) approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
  - (16) carrying out any other function as is mentioned in the terms of reference of the audit committee.
- The Audit Committee shall mandatorily review the following information**
- (1) Management discussion and analysis is of financial condition and results of operations;

- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters/letters of internal control weaknesses issued by the statutory auditors; internal audit reports relating to internal control weaknesses;
- (4) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee

### Internal Audit

The Company has adequate Internal Control and Internal Audit system commensurate with its size and nature of its Business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors present

their reports to the Audit Committee for their consideration.

All the Members on the Audit committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. Sh Rakesh Kumar Dhuria, Company Secretary acts as Secretary of the committee. The Statutory Auditors of the company attend the meetings as Special invitees.

During the year under review, five (5) Meetings of Audit Committee were held on 27-05-2022, 03-08-2022, 28-10-2022, 23-12-2022, 10-02-2023 The 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	5
2	Sh. R. K. Bhandari	Member	Joint Managing Director	4
3	Sh. Inder Dev Singh	Member	Independent Director	5
4	Sh. Arun Kumar Gupta *	Member	Independent Director	3

\* Sh Arun Kumar Gupta retired as member of the Board of Directors on completion of tenure effective February 07, 2023

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Company is transparent in compensation policy of Directors. Nomination &

Remuneration Committee of the Board is constituted as per Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2023, Nomination & Remuneration Committee comprises of three non-executive independent directors. the Chairman of this Committee is an Independent Director.

**Composition of the Nomination and Remuneration Committee & attendance of the members at the Committee meetings during the year ended 31.03.2023 are as follows: -**

Sr. No.	Name of Member	Status in Committee	Directorship	Number of Meetings during the year 2022-23	
				Held	Attended
1	Sh. A. C. Ahuja	Chairman	Independent Director	2	2
2	Sh. Inder Dev Singh	Member	Independent Director	2	2
3	Sh. Dinesh Chand Sharma	Member	Independent Director	2	2

## NOMINATION AND REMUNERATION POLICY

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under.

To attract, retain and motivate qualified and competent individuals as Director, Key Managerial and other employee levels to carry out company's business operations as assigned to them.

1. To ensure payment of salaries and perks that are comparable to market salary levels so as to remain competitive in the industry.
2. To revise the remuneration of its employees periodically for their performance, potential and value addition after systematic assessment of such performance and potential. To ensure

disbursal of salary and perks in total compliance to the applicable statutory provisions and prevailing tax laws of the Country.

In order to meet the above objectives, the company undertakes various processes in an ongoing manner such as conducting of salary surveys, periodic review of its performance appraisal and reward systems, institution of incentive schemes, providing skill and competency development to its manpower on a regular basis.

### REMUNERATION OF DIRECTORS

The Nomination and Remuneration policy provide a frame work for appointment of Director, Key Managerial Personnel and Senior Management, their performance evaluation and fixing their remuneration based on their performance.

Managing Director and Whole Time Directors are appointed as per agreement and are being paid remuneration as approved by the Remuneration Committee, 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, 2023 is as under: -**

Sr. No.	Name of Directors	Sitting Fee (Rs.)	Salary	P.F	Others	Total (Rs.)
1	Dr. Ajay Satia	0	6,00,00,000	0	1,54,33,292	7,54,33,292
2	Sh. R.K. Bhandari	0	99,00,000	0	1,27,370	1,00,27,370
3	Sh. Chirag Satia	0	3,60,00,000	0	1,20,15,000	4,80,15,000
4	Sh Hardev Singh	0	40,80,000	0	87,875	41,67,875
5	Sh Avinash Chander Ahuja	3,05,000	0	0	0	3,05,000
6	Sh Inder Dev Singh	2,95,000	0	0	0	2,95,000
7	Sh Dinesh Chand Sharma	1,55,000	0	0	0	1,55,000
8	Sh Ashok Kumar Gupta	1,35,000	0	0	0	1,35,000
9	Sh Arun Kumar Gupta	1,50,000	0	0	0	1,50,000
10	Sh Vinod Kumar Kathuria	1,25,000	0	0	0	1,25,000
11	Mrs Dr Priti Lal Shivhare	1,25,000	0	0	0	1,25,000

## Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Act

The composition of the committee as at 31st March, 2023 and detail of member's participation at the meeting of the committee are as under: -

Name of the Member	Designation	Meeting Held	Meeting Attended
Sh A. C. Ahuja	Chairman	1	1
Sh R. K. Bhandari	Member	1	1
Sh Chirag Satia	Member	1	1

The Meeting of CSR Committee was held on 10.02.2023 under the Chairmanship of Sh A.C. Ahuja, Independent Director

### Terms of reference

The terms of reference of the CSR Committee are:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act.
- Recommend the amount to be spent on CSR activities.
- Monitor implementation and adherence to the CSR Policy of the Company from time to time.
- Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at the web link: <https://www.satiagroup.com>

### Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the Listing

Regulations. The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. during the Financial Year 2022-23, the Committee met on 03.08.2022, 23.01.2023 and 10.02.2023.

The composition of the Risk Management Committee and the details of the meetings attended by its Members during the Financial Year ended March 31, 2023 are as under:

- Sh Dinesh Sharma – Independent Director - Chairman
- Sh R. K. Bhandari – Joint managing Director - Member
- Sh Chirag Satia – Executive Director- Member
- Sh Hardev Singh – Director (Technical)- 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**

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

### Stake holder Relation Committee

The Committee's composition and terms of reference are in compliance with the

provisions of the companies Act, 2013 and Regulation 20 of the listing Regulations. The Committee met on 10.02.2023.

**The composition of committee is as below: -**

1. Sh Ashok Kumar Gupta, Independent Director: Chairman
2. Sh R. K. Bhandari, Joint Managing Director: Member
3. Sh Chirag Satia, Executive Director: Member

The Stakeholders’ relationship Committee is primarily responsible to review all matters connected with the Company’s redressal of shareholders’ / investors’/ security holders’ complaints.

**Terms of Reference of the Committee inter alia include the following:**

Consider, resolve and monitor redressal of investors’/ shareholders’/ security holders’ grievances related to transfer of securities, non-receipt of annual reports, non-receipt of declared dividend, issue/new duplicate certificates, general meetings and so on. Oversee the performance of the Company’s registrars and transfer agents. Monitor implementation and compliance with the

Company’s Code of Conduct for prohibition of Insider trading. Annual performance evaluation of the Committee. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

**INDEPENDENT DIRECTORS MEETING**

During the year under review, the independent Directors met on 10th February, 2023 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.

**General Body Meetings**

The Last three annual General meetings were held as under:

Sr. No.	Financial year	Date	Time	Location	No of Special Resolutions Passed
1	2021-22	30.09.2022	10.30AM	Video Conferencing	One
2	2020-21	30.09.2021	10.30AM	Video Conferencing	Four
3	2019-20	30.09.2020	10.30AM	Video Conferencing	Three

**Postal Ballot**

During the year under review, four (4) resolutions were passed through Postal Ballot.

**Other 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 i.e www.satiagroup.com.

**II. Vigil Mechanism**

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 upon the website of the company.

### III. Reconciliation of share capital audit: -

A qualified practicing Company Secretary 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.

### Compliance made by the Company

- a) The company has made the compliance of the stock exchanges, SEBI and other statutory authorities on all matters related to capital market.
- b) 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.
- c) The management discussion and Analysis report forms part of the Annual report as an addition to the Directors’ report.
- d) **Means of Communication**  
The quarterly, half yearly and Annual Financial Results were published in the financial express and Punjabi Jagran also sent to the Stock exchanges.
- e) **SCORES (SEBI Complaints Redressal System):** The investor complaints are processed in a centralized web BASED complaints redressal system on 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.

### f) General Shareholders information Annual General Meeting

**Date and Time** : 30th September, 2023  
(9:00 AM)

**Venue** : Registered office of the Company at VPO  
Rupana, Malout,  
Muktsar Road, Sri  
Muktsar Sahib-152032  
Punjab

- g) Financial Calendar Next Financial Year  
April 1, 2023 to March 31, 2024

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

Results	Announced on
For 1st Quarter ended on 30.06.2023	August, 2023
For 2nd Quarter ended on 30.09.2023	November, 2023
For 3rd Quarter ended on 31.12.2023	February, 2024
For the Year ended on 31.03.2024	May, 2024

- h) **Date of Book Closure** : 25th September, 2023 to 30th September, 2023 (Both days inclusive)
- i) **Listing on Stock Exchange**: Equity Shares of the Company is listed at BSE Ltd & NSE
- j) **Stock Code** :  
**BSE Limited** : 539201  
**NSE Symbol** : SATIA  
**ISIN Number** : INE170E01023  
**Corporate Identification Number** : L21012PB1980PLC004329

### k) 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 and NSE is given below: -

Month & Year	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-22	152.15	102.60	152.35	102.50
May-22	135.55	105.65	136.20	105.55
Jun-22	129.50	106.40	129.80	105.10
Jul-22	131.85	114.10	130.90	114.00
Aug-22	133.50	108.15	133.50	110.20
Sep-22	149.00	114.80	149.00	112.35
Oct-22	164.35	123.80	164.30	123.75
Nov-22	157.55	138.50	157.90	139.05
Dec-22	146.00	115.85	146.00	116.00
Jan-23	141.90	115.80	142.00	115.60
Feb-23	133.90	112.35	134.00	112.20
Mar-23	123.00	101.00	121.25	101.00

Distribution of shareholding as on March 31, 2023

No. of equity shares held	No of Share holders	% age	Shares	% age Total
UP TO 5000	27946	98.49	8848360	8.85
5001 TO 10000	234	0.82	1702904	1.70
10001 TO 20000	97	0.34	1396060	1.40
20001 TO 30000	25	0.08	605704	0.61
30001 TO 40000	17	0.05	608995	0.61
40001 TO 50000	12	0.04	553646	0.55
50001 TO 100000	16	0.05	1130484	1.13
100001 AND ABOVE	25	0.08	85153847	85.15
<b>TOTAL</b>	<b>28372</b>	<b>100.00</b>	<b>100000000</b>	<b>100.00</b>

l) Categories of shares as on 31.03.2023

Sr No.	Particulars	No of Shares	Amount (Rs. In Lacs)	%Age
1	Promoter Core Promoter	51785389	51785389	51.79
2	Friends/ Relatives	0	0	0
3	Financial institutes	0	0	0
4	Public	48214611	48214611	48.21
5	Banks	0	0	0
6	Others	0	0	0
	<b>Total</b>	<b>100000000</b>	<b>100000000</b>	<b>100.00</b>

m) Dematerialization of shares & liquidity

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

n) Registrar & Transfer Agents:

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

**Beetal Financial & Computer Services (P) Limited Beetal House,3rd Floor, 99 Madangir, Behind Local Shopping Centre, New Delhi-110062**

o) Share Transfer System

The company's shares are in compulsory dematerialized list and are transferable through depository system.

p) Stake Holder Relation Committee

The Stake Holder relation committee of the company for the year ended 31.03.2023 looks after the work of redressal of investors/ shareholders complaints. The members of the committee are

Sh Ashok Kumar Gupta, (Chairman) Sh R.K.Bhandari and Sh Chirag Satia. The company has not received a single grievance/ complaint from the investors/ shareholders.

q) Plant location : Muktsar- Malout Road, VPO Rupana Distt.

Sri Muktsar Sahib-152032 (Punjab).

r) Investors : Correspondence:  
Muktsar-Malout Road,  
VPO Rupana,  
Distt. Sri Muktsar  
Sahib-152032 (Punjab)

**Website:** the Company's website (www.satiagroup.com) contains a separate dedicated section "Investor relation" where shareholders information, all required policies under SEBI (LODR) Regulations, 2015 and all other applicable laws are available. The Company's annual report is also available in a user-friendly and down-loads form.

For and on behalf of the Board of Director

(Dr. Ajay Satia) (R.K.Bhandari)  
Chairman-Cum- Joint  
Managing Director Managing Director

Place : VPO: Rupana

Dated : 11.08.2023

The Members,  
Satia Industries Ltd.  
VPO: Rupana

**DECLARATION BY THE MANAGING DIRECTOR AND CEO ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I hereby confirm that all Board Members and Senior Managerial 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 31st March, 2023 in terms of regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Place : VPO: Rupana

Date : 11.08.2023

(Dr. Ajay Satia)

CMD & CEO

**CMD & CFO CERTIFICATE**

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: -
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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 our 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) We 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 nor propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that:
- Significant changes in internal control over financial reporting during the year.

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 in involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(Dr. Ajay Satia)  
Chairman-Cum-Managing Director

Place : VPO: Rupana

Date : 11.08.2023

(Rachit Nagpal)  
Chief Financial Officer

## **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 31st March 2023 as per regulations stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations) 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

**Place : VPO: Rupana**

**Date : 03.08.2023**

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 regulations, as applicable. 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 Stake holder relation 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 M/s. Parnami & Associates  
Company Secretaries**

**Sourabh Parnami**

**FCS No.: 9396**

**CP No: 11181**

**UDIN: F009396E000731986**

**Annexure VII  
FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2023**

**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)-152032 Phone No:- 01633-262001,262215
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, 3rd Floor, 99, Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi-110062 Contact No:- 011-29961281-83, FAX 011-29961284 E-mail: beetal@beetalfinancial.com

**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
1	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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. promoters	00	00	00	00	00	00	00	00	00
(1) Indian	00	00	00	00	00	00	00	00	00
a) individual/HUF	51785389	00	51785389	51.79	51785389	00	51785389	51.79	0.00
b) Central Govt	00	00	00	00	00	00	00	00	00
c) State Govt(s)	00	00	00	00	00	00	00	00	00
d) Bodies Corp.	00	00	00	00	00	00	00	00	00
e) Banks / Fi	00	00	00	00	00	00	00	00	00
f) any other	00	00	00	00	00	00	00	00	00
total shareholding of promoter (a)	51785389	00	51785389	51.79	51785389	00	51785389	51.79	0.00
2) foreign									
total Shareholding of promoter (a)	51785389	00	51785389	51.79	51785389	00	51785389	51.79	0.00
B. Public Shareholding	00	00	00	00	00	00	00	00	00
1. Institutions	00	00	00	00	00	00	00	00	00
a) Mutual Funds	00	00	00	00	00	00	00	00	00
b) Banks / Fi	00	00	00	00	00	00	00	00	00
c) Central Govt	00	00	00	00	00	00	00	00	00
d) State Govt(s)	00	00	00	00	00	00	00	00	00
e) Venture Capital Funds	00	00	00	00	00	00	00	00	00
f) insurance Companies	00	00	00	00	00	00	00	00	00
g) Fiis	00	00	00	00	00	00	00	00	00
h) Foreign Venture Capital Funds	00	00	00	00	00	00	00	00	00
i) others (specify other individual Huf	567538	00	567538	0.57	798738	0.00	798738	0.80	0.23
Sub-total (B)(1):-	567538	00	567538	0.57	798738	0.00	798738	0.80	0.23
non-institutions Bodies Corp.	32926560	127500	33054060	33.05	29309182	12500	29321682	29.32	-3.73
individuals	00	00	00	00	00	00	00	00	00
Investor Education and Protection Fund (IEPF)	00	00	00	00	373650	00	373650	0.37	0.37
i) Resident individual shareholders holding nominal share capital upto Rs. 2 lakh	10238108	533050	10771158	10.77	12781697	125200	12906897	12.91	2.14

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Resident individual shareholders holding nominal share capital in excess of Rs 2 lakh	3068070	00	3068070	3.07	2898302	00	2898302	2.90	-0.17
c) others (specify)	00	00	00	00	00	00	00	00	00
Foreign Portfolio Investors	190855	00	190855	0.19	961012	00	961012	0.96	0.77
Non resident Indians	474974	00	474974	0.47	875840	00	875840	0.87	0.40
overseas corporate Bodies	00	00	00	00	00	00	00	00	0.00
foreign nationals	00	00	00	00	1000	00	1000	0.00	0.00
clearing Members (Corporat and Ind)	87956	00	87956	0.09	77490	00	77490	0.08	-0.01
trusts	00	00	00	00	00	00	00	00	0.00
foreign Bodies -D R	00	00	00	00	00	00	00	00	0.00
Sub-total (B)(2):-	47554061	660550	48214611	48.21	48076911	137700	48214611	48.21	0.00
total Public Shareholding (B)= (B)(1)+ (B)(2)	47554061	660550	48214611	48.21	48076911	137700	48214611	48.21	0.00
c. Shares held by custodian for GDRs & ADrs	00	00	00	00	00	00	00	00	0.00
Grand total (a+B+C)	99339450	660550	100000000	100.00	99862300	137700	100000000	100.00	0.00

**Shareholding of Promoter:-**

Sr No	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	Dr Ajay Satia	22352990	22.35	0	22352990	22.35	0	0
2	Smt Bindu Satia	8115940	8.12	0	8115940	8.12	0	0
3	Sh Chirag Satia	6960669	6.96	0	6960669	6.96	0	0
4	Sh Dhruv Satia	7974540	7.97	0	7974540	7.97	0	0
5	Ms Yachana Mehta	2587500	2.59	0	2587500	2.59	0	0
6	Ms Priyanka Satia	3600000	3.60	0	3600000	3.60	0	0
7	Dr Ajay Satia (HUF)	193750	0.19	0	193750	0.19	0	0
	<b>Total</b>	<b>51785389</b>	<b>51.78</b>	<b>0</b>	<b>51785389</b>	<b>51.78</b>	<b>0</b>	<b>0</b>

V. 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		-Decrease (Sale)/ +Increase (Purchase)	Cumulative shareholding Increase during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1	Muktsar Logistics and Trading Private Limited	15678000	15.68	0	15678000	15.68
2	SDS Cotton Private Limited	12970860	12.97	0	12970860	12.97
3	Adya Design Private Limited	1783701	1.78	-1783701	0.000	0.00
4	White Gold Transport Private Ltd	1562090	1.56	-1553090	9000	0.01
5	Sh. Rasbeer Singh	1250000	1.25	0	1250000	1.25
6	Bhai Apminder Singh	306870	0.31	0	306870	0.31
7	Smt. Jasminder Kaur	257260	0.26	0	257260	0.26
8	Sh. Jaskaran Singh	252500	0.25	0	252500	0.25
9	Sh. Parvez Baria	300004	0.30	-100004	200000	0.20
10	Sh. Dishant Milanbhai Parikh	0	0	547035	547035	0.55

VI. Shareholding of Directors and Key Managerial Personnel:

Sr No	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
1	Dr Ajay Satia				
	At the beginning of the year	22352990	22.35	22352990	22.35
	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	22352990	22.35	22352990	22.35
2	Sh R.K.Bhandari				
	At the beginning of the year	205799	0.21	183000	0.18
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	22799			
	At the end of the year	183000	0.18	183000	0.18

Sr No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares shares of the company	% of total shares of the company	No. of shares	% of total
3	Sh Inder Dev Singh				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0.00	0.00	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
4	Sh Chirag Satia				
	At the beginning of the year	6960669	6.96	6960669	6.96
	Date wise increase / Decrease in romoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	6960669	6.96	6960669	6.96
5	Sh A.C.Ahuja				
	At the beginning of the year	0.00	0.00	0.00	0.00
	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	0.00	0.00
6	Sh Dinesh Chander Sharma				
	At the beginning of the year	0.00	0.00	0.00	0.00
	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	0.00	0.00
7	Sh Hardev Singh				
	At the beginning of the year	100	0.0001	100	0.0001
	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	100	0.0001	100	0.0001
8	Dr Mrs Priti Lal Shivhare				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Date wise increase/Decrease in Promoters Shareholding during the year specifying the reasons				



Sr No	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
	for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	0.00	0.00	0.00	0.00
9	Sh Ashok Kumar Gupta				
	At the beginning of the year	0.00	0.00	0.00	0.00
	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	0.00	0.00
10	Sh Arun Kumar Gupta				
	At the beginning of the year	0.00	0.00	0.000	0.000
	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	0.000	0.000	0.000	0.000
11	Sh Rachit Nagpal (CFO)				
	At the beginning of the year	100	0.0001	100	0.0001
	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	100	0.0001	100	0.0001
12	Sh.Vinod Kumar Kathuria				
	At the beginning of the year	0.00	0.00	0.00	0.00
	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	0.00	0.00
13	Sh Rakesh Kumar Dhuria (Company Secretary)				
	At the beginning of the year	100	0.0001	100	0.0001
	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	100	0.0001	100	0.0001

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

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	40,415.86	-		40,415.86
ii) interest due but not paid	-	-		
iii) interest accrued but not due	43.34	-		43.34
<b>Total (i+ii+iii)</b>	<b>40,459.20</b>	-	-	<b>40,459.20</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	12,012.04	-	-	12,012.04
* Reduction	10,489.02	-		10,489.02
<b>Net Change</b>	<b>1,523.02</b>	-	-	<b>1,523.02</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	41,938.88	-		41,938.88
ii) interest due but not paid	-	-		-
iii) interest accrued but not due	68.53	-		68.53
<b>Total (i+ii+iii)</b>	<b>42,007.40</b>	-	-	<b>42,007.40</b>

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

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

Rs in lakh

S. N.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Dr Ajay Satia	Sh R.K. Bhandari	Sh Chirag Satia	Sh Hardev Singh	
1	Gross salary					
	Salary as per provisions contained in section 17(1) of the income-tax Act, 1961	600.00	99.00	360.00	40.80	1099.80
	Value of perquisites u/s 17(2) income-tax Act, 1961					
	Profits in lieu of salary under section 17(3) income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-				
5	Others, please specify	154.33	1.27	120.15	0.88	276.63
	<b>Total (A)</b>	<b>754.33</b>	<b>100.27</b>	<b>480.15</b>	<b>41.68</b>	<b>1376.43</b>

**B. Remuneration to other directors**

S. N.	Particulars of Remuneration	Name of Directors						
		Sh A. C. Ahuja	Sh Dinesh Chand Sharma	Sh I.D.Singh	Sh Ashok Kumar Gupta	Sh Arun Kumar Gupta	Mrs. Dr. Pritilal Shivhare	Sh. Vinod Kumar Kathuria
1	Independent Directors							
	<b>Fee for attending board committee meetings</b>	<b>3,05,000</b>	<b>1,55,000</b>	<b>2,95,000</b>	<b>1,35,000</b>	<b>1,50,000</b>	<b>1,25,000</b>	<b>1,25,000</b>
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	<b>Total (1)</b>	<b>3,05,000</b>	<b>1,55,000</b>	<b>2,95,000</b>	<b>1,35,000</b>	<b>1,50,000</b>	<b>1,25,000</b>	<b>1,25,000</b>
2	Other Non-Executive Directors	0	0	0	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0	0	0	0
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0	0
	<b>Total (B)= (1+2)</b>	<b>3,05,000</b>	<b>1,55,000</b>	<b>2,95,000</b>	<b>1,35,000</b>	<b>1,50,000</b>	<b>1,25,000</b>	<b>1,25,000</b>

## INDEPENDENT AUDITOR'S REPORT

### To the members of Satia Industries Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Satia Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its profit including other comprehensive income, its cash flow and changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of

the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Emphasis of Matter

Attention is invited to Note 50 of the accompanying statement which, inter-alia, includes that "In the current financial year, to improve the appropriateness of the allocation of the depreciation expense on its property, plant and equipment over the remaining useful life of the assets, the Company has changed the estimate of residual value from 10% to 5%, which is inline with Schedule II to the Companies Act 2013. As a result of this change in estimate, the accumulated depreciation has been adjusted by Rs. 8,295.82 lacs upto March 31, 2023 and Rs. 5,903.64 lacs upto March 31, 2022 in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

It is pertinent to note that this change in depreciation estimate has been applied prospectively, and prior periods have not been restated. The Company believes that this change will lead to a more appropriate allocation of depreciation expense over the remaining useful life of the assets and is consistent with its policy of continuously reviewing and updating accounting estimates as necessary.

Further, due to the higher depreciation, higher deferred tax asset is created which correspondingly reduced the tax expense for the financial year 2022-23."

Our opinion is not qualified in respect of the matters as stated in the Emphasis of Matter paragraph.

#### Other Matter

The financial statements of the Company for the year ended 31st March 2022, were

audited by another auditor who expressed an unmodified opinion on those statements on 27th May 2022.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

### Information other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider

The Key Audit matter	How the matter was addressed in our audit
<p><b>Revenue Recognition (Refer to the accounting policies in Note 1 to the standalone financial statements)</b></p>	<p><b>Our procedures included:</b> <b>Our audit procedures included the following:</b></p>
<p>Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of goods. The Company uses a variety of shipment terms across its operating markets, and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter.</p>	<ul style="list-style-type: none"> <li>➤ We read the Company’s revenue recognition accounting policies to assess compliance with Ind AS 115 “Revenue from contracts with customers”.</li> <li>➤ We performed test of controls of management’s process of recognising the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers.</li> <li>➤ We performed test of details of the sales transactions, testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms.</li> <li>➤ We also performed audit procedures relating to revenue recognition by agreeing deliveries, occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.</li> </ul>

whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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 of these financial statements that give a true and fair view of the financial position and 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 controls, 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.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no

realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance

in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 197(16) of the Act, based on our audit and to the best of our information and according to explanations given to us, we report that the Company has paid remuneration to its Directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2020 ('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" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. 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 including other comprehensive income, the cash flow statement and the statement of changes in equity dealt with by this

report are in agreement with the relevant books of account.

- (d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- (e) The matter described in the Emphasis of Matters, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (h) 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, as amended 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 as at 31st March 2023. Refer note 44 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- iv. (a) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (b) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever



by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. Dividend declared or paid during the year by the company is in compliance with section 123 of Companies Act, 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company incorporated in India with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**for N. Kumar Chhabra and Co.**

**Chartered Accountants**

**ICAI Firm Registration Number 00837N**

**CA. Ashish Chhabra**

**FCA, Partner**

**Membership Number 507083**

**UDIN: 23507083BGVQLP2145**

**Place of Signature : Village Rupana**  
**Date : 28th April, 2023**

## **Annexure A to the Independent Auditors’ Report**

**Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Satia Industries Limited (“the Company”) on the financial statements for the year ended 31st March, 2023. We report that:**

- (i) (a) (A) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars of intangible assets
- (b) As explained to us, property plant and equipment 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 property plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee)

- disclosed in the financial statements are held in the name of the company
- (d) The Company has not revalued its property, plant and equipment (including Right of use assets) during the year ended 31st March, 2023.
- (e) According to the information and explanation given to us and the records of the Company examined by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us and As disclosed in the note 52, the Company has been sanctioned working capital limit in excess of ₹ 5 Crores on the basis of security of current assets, in aggregate, during the year from banks and financial institutions and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) In respect of Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:
- (a) During the year, the Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year and hence reporting under clause 3(iii) (a) is not applicable to the Company
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made are, prima facie, not prejudicial to the interest of the company. Further, the Company has not provided guarantees, given security, granted loans or advances in the nature of loans during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not given any loans or advances in the nature of loans to any party and hence reporting under clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or

any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment and hence reporting under clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investment made.
- (v) In our opinion and according to the information and explanations given to us, no deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 have been accepted by the Company and hence reporting under clause 3(v) of the Order is not applicable to the Company.
- (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) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, sales tax, custom duty, duty of excise, value added tax, cess and other statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Sr. No.	Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where Dispute is pending	Amount Demanded (In ₹ Lakhs)	Amount paid under protest (In ₹ Lakhs)
1.	The Central Excises Act, 1944	Duty of excise	1994-96	Punjab and Haryana High Court, Chandigarh	3.83	-
2.	The Customs Act, 1962	Custom Duty	2010-11	Commissioner (Appeal), Chandigarh	1.88	0.14
3.	The Customs Act, 1962	Custom Duty	2019-20	The Deputy Commissioner, Central Excise and Service Tax Division, Tiruchirapalli	17.45	-
4.	Income-tax Act, 1961	Income-tax	2018-19	Income Tax Appellant Tribunal (ITAT), Amritsar	534.50	-

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the order is not applicable to the Company.
- (ix) (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lender and hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) On the basis of information and explanations given to us, the Company has not been declared as wilful defaulter by any bank or financial institution or other lender
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has availed loans from banks and financial institutions. The amount of loan was applied for the purpose for which the loan was obtained.
- (d) According to the information and explanations given to us and on the basis of our examination of the records, short term funds raised during the year by the Company have not been utilized for long term purposes.
- (e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates and joint venture and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiaries, joint venture or associate companies and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment, private placement of shares or fully or partly convertible debentures during the year or in the recent past and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) During the year, no report under sub section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on our audit procedure

- performed and according to the information and explanations given to us, no whistle blower complaints were received by the Company during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act and all the details have been disclosed in the financial statements as required by the applicable Accounting Standard.
- (xiv) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedure.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Company does not have any CICs, which are part of any Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year, and there were no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period

of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) According to the information and explanations given to us and based on our examination of the records of the Company, in respect of CSR Expenditure other than ongoing CSR projects, there were no amount remaining unspent u/s 135 (5) of the Act, hence no amount was required to be transferred to a Fund specified in Schedule VII to the Companies Act.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there was no amount remaining unspent which requires to be transferred by the Company to the special account in compliance with the provision of subsection 6 of section 135 of the said Act.
- (xxi) The Company doesn't have any subsidiary, accordingly, the reporting under clause (xxi) is not applicable in respect of audit of financial statements of the Company.

**for N. Kumar Chhabra and Co.**

**Chartered Accountants**

**ICAI Firm Registration Number 00837N**

**CA. Ashish Chhabra**

**FCA, Partner**

**Membership Number 507083**

**UDIN: 23507083BGVQLP2145**

**Place of Signature : Village Rupana**

**Date**

**: 28th April, 2023**

## **Annexure - B to the Independent Auditors' Report**

### **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 ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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.

### **Auditors' Responsibility**

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

ICAI. 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 judgment, 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.

### **Meaning of Internal Financial Controls 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.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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.

### **Opinion**

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 31st March, 2023, 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 ICAI.

**for N. Kumar Chhabra and Co.**

**Chartered Accountants**

**ICAI Firm Registration Number 00837N**

**CA. Ashish Chhabra**

**FCA, Partner**

**Membership Number 507083**

**UDIN: 23507083BGVQLP2145**

**Place of Signature : Village Rupana**

**Date**

**: 28th April, 2023**

**Balance Sheet as at Mar 31, 2023**  
(in Indian Rupees lacs, unless otherwise stated)

Particulars	Note	Year ended as at March 31, 2023	Year ended as at March 31, 2022
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2	68,925.38	79,954.27
(b) Right of use assets	2.a	1,270.64	1,238.29
(c) Capital work-in-progress	2.b	13,740.16	8,054.05
(d) Other intangible assets	3	202.08	247.00
(e) Intangible assets under development	3a.	17.81	-
(f) Financial assets			
(i) Investments	4	652.49	745.50
(ii) Other financial assets	5	27.52	25.13
(g) Deferred tax assets (net)	6	3,448.25	-
(h) Other non-current assets	7		
Advance against capital items		5,103.70	682.10
Other		84.50	68.23
<b>Total non-current assets</b>		<b>93,472.53</b>	<b>91,014.57</b>
<b>(2) Current assets</b>			
(a) Inventories	8	15,965.07	14,667.06
(b) Biological assets other than bearer plants	9	4,435.63	3,741.55
(c) Financial assets			
(i) Trade receivables	10	19,043.86	10,646.09
(ii) Cash and cash equivalents	11	41.03	98.73
(iii) Bank balances other than above	12	1,802.05	1,172.17
(iv) Other financial assets	13	398.24	493.97
(d) Current tax assets (Net)	14	455.78	-
(e) Other current assets	15	1,602.06	1,869.63
<b>Total current assets</b>		<b>43,743.72</b>	<b>32,689.20</b>
<b>Total assets</b>		<b>137,216.25</b>	<b>123,703.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	1,000.00	1,000.00
(b) Other equity	17	72,319.75	53,499.80
<b>Total equity</b>		<b>73,319.75</b>	<b>54,499.80</b>
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	25,784.27	29,499.16
(ii) Other financial liabilities	19		
Other financial liabilities		6,111.43	10,148.27
Lease liability		1,241.19	1,384.43
(b) Other non current liabilities	20	13.08	15.85
(c) Deferred tax liabilities (net)	6	-	559.69
(d) Provisions	21	1,059.90	983.38
<b>Total non-current liabilities</b>		<b>34,209.87</b>	<b>42,590.78</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	16,154.61	13,262.02
(ii) Lease liability	23	290.48	125.00
(iii) Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		1,062.59	2,129.93
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,932.14	8,938.06
(iv) Other financial liabilities	25	1,060.28	860.37
(b) Other current liabilities	26	1,066.71	1,049.37
(c) Provisions	27	119.82	110.95
(d) Current tax liabilities (Net)	28	-	137.49
<b>Total current liabilities</b>		<b>29,686.63</b>	<b>26,613.19</b>
<b>Total liabilities</b>		<b>63,896.50</b>	<b>69,203.97</b>
<b>Total equity and liabilities</b>		<b>137,216.25</b>	<b>123,703.77</b>

The accompanying notes are an integral part of these financial statements.  
This is the balance sheet referred to in our report of even date.

for N. Kumar Chhabra and Co.  
Chartered Accountants  
ICAI Firm Registration Number 00837N

for and on behalf of the Board of Directors

CA. Ashish Chhabra  
FCA, Partner  
Membership Number 507083  
UDIN: 23507083BQVQLP2145  
Place : Rupana  
Date : 28-04-2023

Dr. Ajay Satia  
Chairman-Cum Managing Director  
DIN: 00850792

Rachit Nagpal  
Chief Financial Officer

Rajinder Kumar Bhandari  
Joint Managing Director  
DIN: 00732588

Rakesh Kumar Dhuria  
Company Secretary



**Statement of Profit and Loss for the Year ended March 31, 2023**  
(in Indian Rupees lacs, unless otherwise stated)

Particulars	Note	Year ended as at March 31, 2023	Year ended as at March 31, 2022
Revenue from operations	29	188,374.20	89,093.02
Other income	30	1,405.53	2,582.16
<b>Total income (I)</b>		<b>189,779.73</b>	<b>91,675.18</b>
<b>Expenses</b>			
Cost of material consumed	31 A	87,187.95	38,800.13
Purchases of traded goods	31 B	2,400.38	720.99
Change in inventory of finished goods, stock in process and stock in trade	31 C	(518.14)	46.71
Employee benefits expense	32	9,163.75	5,981.77
Finance cost	33	3,518.04	2,188.33
Depreciation and amortization	34	20,712.74	6,592.10
Impact on fair valuation of financial assets	35	93.01	(366.01)
Other expenses	36	48,870.50	25,444.27
<b>Total expenses (II)</b>		<b>171,428.23</b>	<b>79,408.29</b>
<b>Profit before tax (I - II = III)</b>		<b>18,351.50</b>	<b>12,266.89</b>
<b>Tax expense: (IV)</b>	37		
Current tax		3,144.72	1,950.16
Deferred tax		(4,010.65)	249.28
<b>Net tax expense / (benefit)</b>		<b>(865.93)</b>	<b>2,199.44</b>
<b>Profit after tax (III - IV = V)</b>		<b>19,217.43</b>	<b>10,067.45</b>
<b>Other Comprehensive Income (VI)</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit obligation		3.88	(3.28)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.36)	1.11
<b>Total Other Comprehensive Income (i + ii) = VI</b>		<b>2.52</b>	<b>(2.17)</b>
<b>Total Comprehensive Income for the Period, net of tax (V + VI = VII)</b>		<b>19,219.95</b>	<b>10,065.28</b>
Earnings Per Share (Face value of ₹ 1/- per share)	38		
- Basic		19.22	10.07
- Diluted		19.22	10.07

The accompanying notes are an integral part of these financial statements.  
This is the balance sheet referred to in our report of even date.

for N. Kumar Chhabra and Co.  
Chartered Accountants  
ICAI Firm Registration Number 00837N

for and on behalf of the Board of Directors

CA. Ashish Chhabra  
FCA, Partner  
Membership Number 507083  
UDIN: 23507083BGVQLP2145  
Place : Rupana  
Date : 28-04-2023

Dr. Ajay Satia  
Chairman-Cum Managing Director  
DIN: 00850792

Rachit Nagpal  
Chief Financial Officer

Rajinder Kumar Bhandari  
Joint Managing Director  
DIN: 00732588

Rakesh Kumar Dhuria  
Company Secretary

**Cash Flow Statement for the Year ended March 31, 2023**  
(in Indian Rupees lacs, unless otherwise stated)

Particulars	Year ended as at March 31, 2023	Year ended as at March 31, 2022
<b>A. Cash Flow from Operating Activities</b>		
Net profit before tax	18,351.50	12,266.88
<b>Adjustments for</b>		
Depreciation and amortisation	20,712.74	6,357.61
Finance costs	3,518.04	2,082.16
Interest income	(86.24)	(74.12)
Net loss (gain) on sale / discarding of fixed assets	(11.71)	(159.04)
Gain on government grant	(3.35)	(4.06)
Gain on fair valuation of biological assets	(637.66)	(887.78)
Exchange rate (gain)/ loss	321.21	(52.66)
Impact on fair valuation of financial assets	93.01	(366.01)
MTM gain/(loss) on derivative Instrument	(150.94)	139.39
Allowances for credit Impaired	87.09	-
<b>Operating Profit before Working Capital changes</b>	<b>42,193.69</b>	<b>19,302.37</b>
<b>Adjustments for changes in Working Capital</b>		
- Increase/ (decrease) in trade payables and other payables	(316.43)	6,919.19
- (Increase)/ decrease in trade receivables and Other receivables	(8,661.25)	(2,512.84)
- Increase/ (decrease) in other financial liabilities and provisions	85.39	(74.25)
- (Increase)/ decrease in inventories	(1,354.43)	(5,346.21)
- (Increase)/decrease in other current assets		
<b>Cash generated from Operating Activities</b>	<b>31,946.97</b>	<b>18,288.26</b>
- Taxes paid	(3,736.64)	(2,331.22)
<b>Net Cash from Operating Activities</b>	<b>28,210.33</b>	<b>15,957.04</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment, intangible assets and capital work-in-progress and intangible assets under development (including capital advances)	(20,295.63)	(21,895.85)
Sale of property, plant and equipment	758.78	1,601.24
Interest received	95.77	56.11
<b>Net Cash from Investing Activities</b>	<b>(19,441.08)</b>	<b>(20,238.50)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from/ (repayment of) short-term borrowings	397.13	(3,587.29)
Proceeds from/ (repayment of) long-term borrowings	(1,044.69)	9,019.97
Payment of lease liabilities	(337.13)	(333.30)
Other financial liabilities	(3,949.42)	1,391.02
Interest paid	(3,492.84)	(2,078.67)
Dividend paid	(400.00)	(100.00)
<b>Net Cash from Financing Activities</b>	<b>(8,826.96)</b>	<b>4,311.73</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(57.70)</b>	<b>30.27</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>98.73</b>	<b>68.46</b>
<b>Cash and cash equivalents at the end of the period (Refer note 11)</b>	<b>41.03</b>	<b>98.73</b>
<b>Cash and cash equivalents comprise</b>		
Cash in hand	4.51	5.28
Balance with banks	36.52	93.45
	<b>41.03</b>	<b>98.73</b>

The above statement of cash flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Figures in brackets indicates cash outflow.

Previous year's figures have been regrouped wherever necessary, to confirm to this year's classification.

The accompanying notes are an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

for N. Kumar Chhabra and Co.  
Chartered Accountants  
ICAI Firm Registration Number 00837N

for and on behalf of the Board of Directors

CA. Ashish Chhabra  
FCA, Partner  
Membership Number 507083  
UDIN: 23507083BGVQLP2145  
Place : Rupana  
Date : 28-04-2023

Dr. Ajay Satia  
Chairman-Cum Managing Director  
DIN: 00850792

Rachit Nagpal  
Chief Financial Officer

Rajinder Kumar Bhandari  
Joint Managing Director  
DIN: 00732588

Rakesh Kumar Dhuria  
Company Secretary

**Statement of Changes in Equity for the period ended March 31, 2023**  
(in Indian Rupees lacs, unless otherwise stated)

<b>A. Equity Share Capital</b>	<b>Number of Shares</b>	<b>Amount</b>
<b>Balance at April 1, 2021</b>	<b>100,000,000</b>	<b>1,000.00</b>
Changes in equity share capital during the year	-	-
<b>Balance at March 31, 2022</b>	<b>100,000,000</b>	<b>1,000.00</b>
Changes in equity share capital during the period	-	-
<b>Balance at March 31, 2023</b>	<b>100,000,000</b>	<b>1,000.00</b>

**B. Other Equity**

<b>Particulars</b>	<b>Reserve and Surplus</b>		<b>Total</b>
	<b>Capital Reserve</b>	<b>Retained earnings</b>	
<b>Balance at April 1, 2021</b>	91.53	43,442.99	43,534.52
Profit for the year	1,081.00	8,986.45	10,067.45
Other comprehensive income for the year, net of income tax	-	(2.17)	(2.17)
Dividend Appropriation	-	(100.00)	(100.00)
<b>Balance at March 31, 2022</b>	<b>1,172.53</b>	<b>52,327.27</b>	<b>53,499.80</b>
Balance at April 1, 2022	1,172.53	52,327.27	53,499.80
Profit for the Period	198.44	19,018.99	19,217.43
Other comprehensive income for the Period, net of income tax	-	2.52	2.52
Dividend Appropriation*	-	(400.00)	(400.00)
<b>Balance at March 31, 2023</b>	<b>1,370.97</b>	<b>70,948.78</b>	<b>72,319.75</b>

\* Refer Note 45

The Company has only one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General

Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The distribution will be in proportion to the number of equity shares held by the shareholders.

The accompanying notes are an integral part of these standalone financial statements.

This is the statement of changes in equity referred to in our report of even date.

for N. Kumar Chhabra and Co.  
Chartered Accountants  
ICAI Firm Registration Number 00837N

for and on behalf of the Board of Directors

CA. Ashish Chhabra  
FCA, Partner  
Membership Number 507083  
UDIN: 23507083BGVQLP2145

Dr. Ajay Satia  
Chairman-Cum Managing Director  
DIN: 00850792

Rajinder Kumar Bhandari  
Joint Managing Director  
DIN: 00732588

Place : Rupana  
Date : 28-04-2023

Rachit Nagpal  
Chief Financial Officer

Rakesh Kumar Dhuria  
Company Secretary

## 1. Summary of Significant Accounting Policies

### I Corporate Information

Satia Industries Limited (herein after referred to as “the Company”) was incorporated on November 26, 1980 under the Companies Act with the registration number L21012PB1980PLC004329 is presently dealing in the following business a) Manufacturer of writing and printing paper, b) Generation of power, c) Trading activities in cotton and yarn, d) Agricultural and plantation operations etc. The shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE).

The financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company on April 28, 2023.

### II Significant Accounting Policies

#### (a) Statement of compliance, Basis of preparation and presentation

The financial statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the rules notified under the relevant provisions of the Companies Act, 2013, (as amended from time to time) and presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time.

The Company’s financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lacs (₹ 00,000) leaving the scope of rounding up variations, except when otherwise indicated.

#### (b) Property, Plant and Equipment

(i) Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated

impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes net of interest on capital advances and duty credits and is inclusive of freight, duties, taxes and other incidental expenses. Items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS 16 when they meet the definition of property, plant and equipment

(ii) Capital work-in-progress includes expenditure incurred in respect of property, plant and equipment that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date.

(iii) Depreciation/ Amortization

Depreciation on property, plant and equipment is provided on the Written Down Value (WDV) Method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions

of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc and accordingly the useful life of the referred Property plant and equipment has been reviewed by Chartered Engineer (CE) for the financial year 2022-23 as per below

Item	Useful Life (Years)	Basis
Building	20	Based on CE certificate
Machinery*	12	Based on CE certificate
Electrical Installations	12	Based on CE certificate
Vehicles	5	Based on CE certificate

\* Machinery excludes Co-generation and solar division.

Useful life of all other property, plant and equipment is as per the Schedule II of the Companies Act, 2013.

The estimated useful life, depreciation method and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

- iv) Capital expenditure on enabling assets, the ownership of which is not with the Company are charged off to revenue in the accounting period of incurrence of such expenditure. However, capital expenditure on enabling assets, ownership of which rests with the company and which have been created on land not belonging to the Company is written off to the Statement of profit and loss over its approximate period of utility. For this purpose, land is not considered to be belonging to the Company, if the same is not owned or leased/ licensed to the Company.

- v) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

- vi) 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 on yearly basis.

- vii) 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 5% (Previous Year 10%) of the historical cost.

### (c) Intangible Assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any.

Amortization of intangible assets such as softwares is computed on a straight-line basis, at the rates representing estimated useful life of up to 6 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

**(d) Impairment of Non-financial Assets**

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Component of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is

reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

**(e) Financial Instruments**

**Financial Assets**

Financial assets are recognised when the company becomes a party to the contractual provisions of the instruments.

**i. Initial recognition and measurement**

The financial assets are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities which are not recognised through the statement of profit and loss account are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**ii. Subsequent measurement**

**a) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)**

- A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.
- iii. De-recognition of financial assets  
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
- iv. Impairment of financial asset  
In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.
- v. Trade receivable  
As a practical expedient the Company has adopted ‘simplified approach’ using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rate observed over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are

analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivables are similar. on the basis of above analysis suitable provision for allowance for credit impaired is to be made.

vi. Other financial assets

Impairment loss on other financial assets is recognised based on the difference between the present value of the expected cash flows and carrying value.

### Financial Liabilities

i. Initial recognition and measurement

Financial liabilities are initially measured at fair value except Security deposits. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

ii. Subsequent measurement

The Company’s financial liabilities are not held for trading and are also carried at amortized cost using effective interest rate except security deposits.

iii. Derivative financial instruments and hedge accounting

#### a. Introduction

The policy of the Company with regards to its derivative transactions, specifically interest rate swaps, currency swaps, and forward covers on External Commercial Borrowings (ECBs). The purpose of these transactions is to manage and mitigate risks associated with interest rate fluctuations and foreign exchange

exposures. This note provides an overview of our approach, accounting treatment, and the impact on financial statements.

**b. Derivative instruments**

The Company enters into the following derivative transactions

**Interest rate swaps**

Interest rate swaps are utilized to manage interest rate risks associated with our borrowings. Through these agreements, we exchange fixed and floating interest rate obligations, thereby effectively converting the interest rate exposure on our liabilities. This allows us to mitigate potential fluctuations in interest rates or minimize the interest costs.

**Currency swaps**

The Company swap its borrowings from INR to EUR. Currency swaps help us reduce interest costs through carry benefits, although they do not eliminate currency risk entirely. By actively managing this risk, we aim to achieve a more stable financial position and minimize the potential adverse effects of currency fluctuations.

**Forward covers on External Commercial Borrowings (ECBs)**

Forward covers are utilized to hedge the principal and interest repayment of our External Commercial Borrowings. These transactions involve entering into agreements to buy a specific currency at a predetermined future date and exchange rate. This strategy allows us to protect against potential exchange rate volatility, thereby ensuring the availability of funds for timely repayment of ECBs.

**c. Accounting treatment**

The Company accounting treatment for derivative transactions follows the guide-lines and principles outlined in the relevant accounting standards. The key considerations are as follows

**Mark-to-Market (MTM) Gain/ Loss**

At the balance sheet date, we calculate the fair value of our derivative instruments including currency swaps. Any resulting MTM gain or loss is recognized in the financial statements. However, no initial accounting recognition is given to these transactions.

**Interest cost benefit**

If there is a benefit in interest cost resulting from the derivative transactions, it is recognized accordingly. The adjustment is made in the finance cost, ensuring a fair representation of our financial position and performance.

**d. Risk management**

The objective of our derivative transactions is to effectively manage and mitigate risks associated with interest rate fluctuations and foreign exchange exposures. The use of these instruments is governed by our risk management policies, which include robust risk assessment, approval processes, and ongoing monitoring to ensure alignment with our strategic objectives and risk appetite.

**iv. De-recognition of financial liabilities**

A financial liability is de recognised when they are discharged.



v. Offsetting of financial instruments

Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

vi Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of

The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

**(f) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to/ by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input

that is significant to the fair value measurement is unobservable.

**(g) Revenue Recognition**

Under Ind AS 115, the Company recognized revenue when (or as) a performance obligation is satisfied, i.e., when 'control' of the goods underlying the particular performance obligation are transferred to the customer. Ind AS 115 establishes a five-step model i.e., i). Identify the contract with the customer ii). identify the performance obligation iii). determine the transaction price iv). Allocate the transaction price v). recognise revenue when performance obligations are satisfied to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Company exercised judgements, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers in accordance with Ind AS 115. The standard also specified the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

**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).

**Income from REC/E-Certs Dividend**

Keeping in view of the Nature REC/ E-Certs/ESCERTS/dividend income is recognised on cash realization basis unlike other Incomes.

Insurance Claims/Counter claims/ Penalties/Awards

Claims/counter-claims/penalties/ awards are accounted for in the year of its settlement/crystallize.

Insurance Claims / counter-claims / penalties/awards are shown separately under the head other income and corresponding expenses are shown under respective expense head in the Profit and Loss a/c. Revenue from these claims are recognised as and when the realization from the insurer is ascertained.

**Export incentives**

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

**(h) Inventories**

Raw Materials, Stores and Spares

Raw Materials, Stores and Spares are valued at lower of cost and net realizable value in accordance with Indian Accounting Standard. 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 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 Taxes, Duties etc. on which input credit is not available.

By Products and waste

By products and waste are valued at net realizable value.

Net realisable value represents the estimated selling price for inventories

less all estimated costs of completion and costs necessary to make the sale.

Agriculture Operations Inventory valuation for agricultural produce are as follows:

- i. Eucalyptus and poplar trees: Trees has been categorised based on their ageing. Company has follows mix approach i.e., cost and fair value approach. Trees ageing below 3 years are valued at cost and trees ageing more than 3 years are valued on the basis of fair value less cost to sell of the trees.

Fair value of the trees at different age group is based on the realisable value of the tree at that age group.

- ii. Crops: Inventory for crops are recognised when the same is full grown up and is under saleable condition at fair market value less cost to sell.

#### (i) 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, other than the liabilities incurred for acquiring fixed assets from a country outside India, entered into by the Company is recognized as gain or loss over the period of contract and charged to the statement of profit and loss in the year in which the exchange rates change. However if exchange rate pertains to acquiring fixed assets then such difference is adjusted in the carrying amount of the respective fixed assets.

Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

#### (j) Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are deferred and recognised in profit or loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government Grants relating to the specific assets are disclosed as deduction from the gross value of the assets concerned

#### (k) Employee Benefits

- i. Short-term obligations

All employee benefits payable / available within twelve months of rendering the service such as salaries, wages and bonus etc., are classified as short-term employee benefits and are recognised in the statement of profit and loss in the period in which the employee renders the related service.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees. The Company makes specified contributions towards the following schemes:

Employees' State Insurance (ESI)

The Company has a scheme of state insurance for its employees, registered with the regional state insurance commissioner. The Company's contribution to the state insurance is charged to the statement of profit and loss every year.

Employees' Provident Fund (EPF)

All directly recruited employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan. Both employee and employer make monthly contribution to the plan at a predetermined rate of employee's basic salary and dearness allowance. These contributions to provident fund are administered by the provident fund commissioner. Employer's Contribution to provident fund is expensed in the statement of profit and loss as and when incurred.

Labour Welfare Fund

The Company makes contribution to labour welfare fund scheme in accordance with Labour Welfare Fund Act. The Company's contribution to the welfare fund is charged to the statement of profit and loss every year.

iii. Defined benefit plans

Gratuity

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs.

Leave Encashment

Leave encashment are post-employment benefit and are in the nature of defined benefit plans. The liability recognized in the balance sheet in respect of compensated absences is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs.

Liability for gratuity and leave salary benefits payable to employees is provided for on accrual basis using the Projected Accrued Benefit Method (Projected Unit Credit Method with control period of one year) done by an independent actuary as at the annual closing Balance Sheet date.

Remeasurement, comprising actuarial gains and losses the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying

the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item ['employee benefits expenses']. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Termination benefits are immediately recognised in the statement of profit or loss account. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

## (l) Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other

years and items that are never taxable or deductible under the provisions of Income Tax Act. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement has been presented as Deferred Tax in Balance Sheet.

#### **(m) Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of the qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the Statement of Profit or Loss in the period in which they are incurred.

#### **(n) Dividends**

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India a distribution is authorised

when it is approved by the shareholders, However, Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is sought to be declared. A corresponding amount is recognised directly in equity.

#### **(o) Provisions, Contingent Liabilities and Contingent Assets**

##### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of

the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on the assets associated with that contract.

#### a. Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### b. Contingent Assets

Contingent assets are not recognized in the accounts. However they are disclosed when the possible right to receive exists.

### (p) Earnings Per Share (EPS)

Basic earnings per share ('EPS') is computed by dividing the net profit or loss without impact of Other Comprehensive Income for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti-dilutive.

### (q) Equity Share Capital

Proceeds from issuance of ordinary shares are recognised as equity share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

### (r) Leases

A contract is, or contains, a lease if the

contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

Right of use assets and lease liabilities

For any new contracts entered into on or after 1st April, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company enters into leasing arrangements for various assets. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company obtains substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Recognition and initial measurement  
At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the

right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in standalone statement of profit and loss on a straight-line basis over the lease term.

#### **Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent

rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### **(s) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

#### **(t) Cash and Cash Equivalent**

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **(u) Loan to Employees and Key Managerial Personnel (KMP)**

The Company has policy to provide Loan to Employees and KMP as per the provisions of the Companies Act 2013. In case a period of loan is more than twelve months, a discount rate is applied to check the variation where the interest being is charged is different from the discount rate. if any variation is assessed then same will be recognised as income or expense in the statement of profit and loss account.



**(v) Significant management judgement in applying accounting policies and estimation uncertainty****i. Significant management judgements**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Recognition of deferred tax assets:** The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

**ii. Estimation**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual result may be substantially different.

**Defined benefit obligation:** Management estimates of these obligation is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses.

**Provisions:** At each balance sheet date based on management judgement, changes in facts and legal aspects, the company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future /outcome may be differ from this judgement.

**(w) Current and Non Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(x) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules,

2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

➤ **Ind AS 1 - Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

➤ **Ind AS 12 - Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise

to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

➤ **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

The Company has evaluated the above amendments and there is no material impact on its standalone financial statements.

## 2. Property, Plant and Equipment

(Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Carrying amounts of</b>		
Freehold land	915.27	914.43
Plant and equipment	49,988.40	58,662.98
Turbine	11,206.13	12,987.36
Roads	7.02	18.66
Buildings	6,071.28	6,770.35
Electrical installation	72.91	101.34
Office equipment	29.06	47.17
Furniture and fixtures	52.24	67.67
Vehicles	477.28	259.02
Computers	74.63	72.63
Servers and networks	31.16	52.66
<b>Total</b>	<b>68,925.38</b>	<b>79,954.27</b>

### 2.1 Property, plant and equipment

Particulars	Freehold Land	Plant and Equipment	Turbine	Solar	Road	Building	Electrical installation	Office equip- ments	Furniture and fixtures	Vehicles	Com- puters	Servers & Networks	Total
<b>At Cost of Deemed cost</b>													
<b>Balance at March 31, 2021</b>	904.92	41,304.24	15,590.11	2,867.62	114.11	5,161.32	211.90	109.70	109.77	732.48	143.12	-	67,249.29
Additions	9.51	40,384.51	307.55	-	-	3,677.70	4.88	26.51	5.41	48.17	54.23	56.84	44,575.31
Disposals	-	-	-	(2,867.62)	-	-	-	-	-	(7.14)	-	-	(2,874.76)
<b>Balance at March 31, 2022</b>	914.43	81,688.75	15,897.66	-	114.11	8,839.02	216.78	136.21	115.18	773.51	197.35	56.84	108,949.84
Additions	4.44	8,847.50	-	-	-	752.20	25.49	8.35	8.86	458.92	64.36	-	10,170.12
Disposals	(3.60)	(786.13)	-	-	-	-	-	-	-	(354.37)	(1.42)	-	(1,145.52)
<b>Balance at March 31, 2023</b>	<b>915.27</b>	<b>89,750.12</b>	<b>15,897.66</b>	<b>-</b>	<b>114.11</b>	<b>9,591.22</b>	<b>242.27</b>	<b>144.56</b>	<b>124.04</b>	<b>878.06</b>	<b>260.29</b>	<b>56.84</b>	<b>117,974.44</b>
<b>Accumulated Depreciation</b>													
<b>Balance at March 31, 2021</b>	-	18,179.00	2,147.69	1,346.80	85.89	1,634.79	102.73	72.36	31.09	396.42	93.44	-	24,090.21
Depreciation expense	-	4,846.76	762.61	79.33	9.56	433.88	12.71	16.68	16.42	124.50	31.28	4.18	6,337.91
Eliminated on disposals of assets	-	-	-	(1,426.13)	-	-	-	-	-	(6.43)	-	-	(1,432.56)
<b>Balance at March 31, 2022</b>	-	23,025.76	2,910.30	-	95.45	2,068.67	115.44	89.04	47.51	514.49	124.72	4.18	28,995.56
Depreciation expense	-	16,857.39	1,781.23	-	11.64	1,451.27	53.92	26.46	24.29	162.03	62.22	21.50	20,451.95
Eliminated on disposals of assets	-	(121.44)	-	-	-	-	-	-	-	(275.74)	(1.28)	-	(398.46)
<b>Balance at March 31, 2023</b>	-	39,761.71	4,691.53	-	107.09	3,519.94	169.36	115.50	71.80	400.78	185.66	25.68	49,049.05
<b>Net block</b>													
<b>Balance at March 31, 2021</b>	904.92	23,125.24	13,442.42	1,520.82	28.22	3,526.53	109.17	37.34	78.68	336.06	49.68	-	43,159.08
<b>Balance at March 31, 2022</b>	914.43	58,662.98	12,987.36	-	18.66	6,770.35	101.34	47.17	67.67	259.02	72.63	52.66	79,954.27
<b>Balance at March 31, 2023</b>	915.27	49,988.40	11,206.13	-	7.02	6,071.28	72.91	29.06	52.24	477.28	74.63	31.16	68,925.38

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation/Amortization for the Period	20,448.60	6,333.85
Add : Depreciation related to IND AS adjustment of Government Grants	3.35	4.06
Depreciation/ Amortization charged to the statement of profit and loss (Refer note 50)	20,451.95	6,337.91

## 2a. Right of Use Assets

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Right of use assets	1,270.64	1,238.29
<b>Total</b>	<b>1,270.64</b>	<b>1,238.29</b>

The following is the movement of right of use asset

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balance at the beginning	1,238.29	806.86
Addition	306.33	724.10
Depreciaton for the year	273.98	292.67
<b>Balance of right to use asset</b>	<b>1,270.64</b>	<b>1,238.29</b>
(Refer note 3 for additional disclosures)		

## 2b. Capital Work-in-Progress

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Building under construction	1,423.48	563.61
Plant and machinery under erection	12,314.32	7,490.44
Road under construction	2.36	-
<b>Total</b>	<b>13,740.16</b>	<b>8,054.05</b>

The following is the movement in capital work-in-progress

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balance at the beginning	8,054.05	31,780.45
Addition	15,285.81	20,335.82
Capitalised during the year	9,599.70	44,062.22
<b>Balance at the closing</b>	<b>13,740.16</b>	<b>8,054.05</b>

## Capital work-in-progress aging schedule

Particulars	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress					
March 31, 2023	10,549.96	2,983.78	206.41	-	13,740.16
March 31, 2022	5,438.72	2,462.57	152.76	-	8,054.05
Projects temporarily suspended					
March 31, 2023	-	-	-	-	-
March 31, 2022	-	-	-	-	-

### 3 Other Intangible Assets

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Computer software	247.00	266.70
Less: Amortization for the period	44.92	19.70
<b>Total</b>	<b>202.08</b>	<b>247.00</b>

#### 3a. Intangible Assets under Development

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Intangible assets under development	17.81	-
<b>Total</b>	<b>17.81</b>	<b>-</b>

#### Intangible Assets Under Development Ageing Schedule

Particulars	Amount in intangible assets under development for a period of				
	"Less than 1 year	"1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress					
March 31, 2023	17.81	-	-	-	17.81
March 31, 2022	-	-	-	-	-
Projects temporarily suspended					
March 31, 2023	-	-	-	-	-
March 31, 2022	-	-	-	-	-

#### 4. Non Current Financial Assets: Other Investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Carried at Fair Value through Profit and Loss</b>		
<b>Unquoted investments (all fully paid)</b>		
<b>Investment in Equity Instruments</b>		
35,50,000 Equity shares of Rs.10/- each fully paid up in YCD Industries Limited (Formerly known as Bhandari Exports Industries Ltd.). (FY 2021-22: 35,50,000 Equity Shares) (Value determined by registered valuer)	745.50	379.49
	745.50	379.49
(Loss)/Gain on investment measured through FVTPL	(93.01)	366.01
<b>Total investment carrying value</b>	<b>652.49</b>	<b>745.50</b>
Aggregate value of unquoted investments	652.49	745.50
Current	-	-
Non-current	652.49	745.50
<b>Total</b>	<b>652.49</b>	<b>745.50</b>

There are no quoted investments.

#### 5. Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Carried at amortised cost		
Unsecured, Considered good		
Security deposits	27.52	25.13
<b>Total</b>	<b>27.52</b>	<b>25.13</b>

**6. Deferred tax assets/ (liabilities) (net)**

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets arising on account of Expenditure covered by section 43B of Income-tax Act, 1961	412.24	45.25
Right of use assets and lease liabilities	91.21	-
Others	30.43	228.76
	<b>533.89</b>	<b>274.00</b>
Deferred tax liabilities arising on account of Difference between written down value of property, plant and equipment as per the books of accounts and income tax act, 1961	(145.12)	(3,977.74)
Others	(430.68)	(231.28)
	<b>(575.79)</b>	<b>(4,209.03)</b>
Mat credit entitlement	3,490.15	3,375.33
<b>Deferred tax assets/(liability)</b>	<b>3,448.25</b>	<b>(559.69)</b>

**7. Other Non Current assets**

Particulars	As at March 31, 2023	As at March 31, 2022
Advance against capital items	5,103.70	682.10
Other	84.50	68.23
<b>Total</b>	<b>5,188.20</b>	<b>750.33</b>

**8. Inventories**

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials	8,729.65	7,474.41
Work-in-process	1,043.58	924.57
Finished goods (Including Goods in Transit)*	1,571.08	1,171.95
Stores and spares (including packing material)	4,620.76	5,096.13
<b>Total</b>	<b>15,965.07</b>	<b>14,667.06</b>

\* (Goods in transit Rs. 374.16 lacs)

**9. Biological Assets other than Bearer Plants**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	3,741.55	2,997.11
Other adjustments	694.08	887.78
Disposal during the period	-	(143.34)
<b>Balance at the end of the period</b>	<b>4,435.63</b>	<b>3,741.55</b>

**10. Current Financial Assets: Trade Receivables**

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables unsecured - considered good	19,043.86	10,646.09
Trade receivables - credit impaired	44.96	-
	19,088.82	10,646.09
Less Allowances for credit impaired	(44.96)	-
<b>Total</b>	<b>19,043.86</b>	<b>10,646.09</b>

(Refer note 42.5 for aging)

**11. Current Financial Assets: Cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in hand	4.51	5.28
Bank balances		
Current accounts	36.52	93.45
<b>Total</b>	<b>41.03</b>	<b>98.73</b>

**12. Current Financial Assets: Bank balances other than above**

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid dividend	7.67	7.51
Fixed deposits held as margin money/ security with banks	1,794.38	1,164.66
<b>Total</b>	<b>1,802.05</b>	<b>1,172.17</b>

**13. Other Current Financial Assets**

Particulars	As at March 31, 2023	As at March 31, 2022
Carried at amortised cost		
Unsecured, considered good		
Security/ tender deposits	299.43	358.68
Interest accrued on fixed deposits	46.52	56.05
Other	52.29	79.24
<b>Total</b>	<b>398.24</b>	<b>493.97</b>

**14. Current Tax Assets (Net)**

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax / TDS (net of provisions)	455.78	-
<b>Total</b>	<b>455.78</b>	<b>-</b>

**15. Other Current Assets**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured - Considered Good</b>		
Advance to supplier	1,244.09	1,465.60
Advance rent	119.45	165.32
Other advance	28.29	16.43
Prepaid insurance	88.88	59.88
Prepaid expense (others)	108.63	98.95
Export incentive receivable	4.32	8.36
MEIS/Rodtep pending for utilization	8.40	12.97
Miscellaneous recoverable	-	42.12
<b>Unsecured - Considered Doubtful</b>		
Miscellaneous recoverable	42.12	-
Less Allowances for credit Impaired	(42.12)	
<b>Total</b>	<b>1,602.06</b>	<b>1,869.63</b>

**16. Equity Share Capital**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised capital</b>		
22,00,00,000 equity shares of Re 1 each (Previous year 22,00,00,000 equity shares of Re.1 each)	2,200.00	2,200.00
<b>Issued, Subscribed and Paid up</b>		
10,00,00,000 equity shares of Re 1 each (Previous year 10,00,00,000 equity shares of Re.1 each)	1,000.00	1,000.00
<b>Total</b>	<b>1,000.00</b>	<b>1,000.00</b>

**(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

Particulars	Opening balance	Fresh issue	Change	Bonus	Closing balance
Equity shares					
Year ended March 31, 2022					
No. of Shares	100,000,000	-	-	-	100,000,000
Amount	1,000	-	-	-	1,000
Year Ended March 31, 2023					
No. of Shares	100,000,000	-	-	-	100,000,000
Amount	1,000	-	-	-	1,000

**(ii) Rights, preferences and restriction attached to shares**

The Company has only one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The distribution will be in proportion to the number of equity shares held by the shareholders.



**(iii) Details of shares held by each shareholder holding more than 5% shares in the Company:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	%	Number of shares held	%
Sh. Ajay Satia	22,352,990	22.35%	22,352,990	22.35%
Smt. Bindu Satia	8,115,940	8.12%	8,115,940	8.12%
Mr. Dhruv Satia	7,974,540	7.97%	7,974,540	7.97%
M/s S D S Cotton Private Limited	12,971,000	12.97%	12,971,000	12.97%
M/s Muktsar Logistics and Trading Private Limited	15,678,000	15.68%	15,678,000	15.68%
Mr. Chirag Satia	6,960,669	6.96%	6,960,669	6.96%

**(iv) Details of promoter shareholding**

Shares held by promoters at the end of the year 31 March, 2023					
Promoter Name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	% of total shares	% Change during the year
Sh. Ajay Satia	22,352,990	-	22,352,990	22.35%	-
Sh. Ajay Satia HUF	193,750	-	193,750	0.19%	-
Smt. Bindu Satia	8,115,940	-	8,115,940	8.12%	-
Mr. Dhruv Satia	7,974,540	-	7,974,540	7.97%	-
Mr. Chirag Satia	6,960,669	-	6,960,669	6.96%	-
Smt. Yachana Mehta	2,587,500	-	2,587,500	2.59%	-
Smt. Priyanka Satia	3,600,000	-	3,600,000	3.60%	-

Shares held by promoters at the end of the year 31 March, 2022					
Promoter Name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	% of total shares	% Change during the year
Sh. Ajay Satia	22,352,990	-	22,352,990	22.35%	-
Sh. Ajay Satia HUF	193,750	-	193,750	0.19%	-
Smt. Bindu Satia	8,115,940	-	8,115,940	8.12%	-
Mr. Dhruv Satia	7,974,540	-	7,974,540	7.97%	-
Mr. Chirag Satia	6,960,669	-	6,960,669	6.96%	-
Smt. Yachana Mehta	2,587,500	-	2,587,500	2.59%	-
Smt. Priyanka Satia	3,600,000	-	3,600,000	3.60%	-

(v) No shares allotted as fully paid up without payment being received in cash during 5 years immediately preceding March 31, 2023.

**17. Other Equity**

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve	1,370.96	1,172.53
Retained earnings	70,948.78	52,327.27
<b>Total</b>	<b>72,319.75</b>	<b>53,499.80</b>

Particulars	Capital reserve	Retained earnings	Total
<b>Balance at April 01, 2021</b>	<b>91.53</b>	<b>43,442.99</b>	<b>43,534.52</b>
Profit for the year	1,081.00	8,986.45	10,067.45
Other comprehensive income for the year, net of income tax	-	(2.17)	(2.17)
Dividend Appropriation	-	(100.00)	(100.00)
<b>Balance at March 31, 2022</b>	<b>1,172.53</b>	<b>52,327.27</b>	<b>53,499.80</b>
<b>Balance at April 1, 2022</b>	<b>1,172.53</b>	<b>52,327.27</b>	<b>53,499.80</b>
Profit for the Year	198.44	19,018.99	19,217.43
Other comprehensive income for the year, net of income tax	-	2.52	2.52
Dividend Appropriation*	-	(400.00)	(400.00)
<b>Balance at March 31, 2023</b>	<b>1,370.96</b>	<b>70,948.78</b>	<b>72,319.75</b>

\* Refer Note 45

**Capital reserve-** The REC capital receipt transfer to capital reserve.

**Retained earnings-** Retained earnings are the accumulated profits earned by the Company till date, less dividend.

**18. Non Current Financial Liabilities- Borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured (Carried at amortised cost)</b>		
<b>Term loan from banks and financial institutions</b>		
Punjab National Bank	2,865.45	2,788.30
Indusind Bank	4,897.96	9,147.10
Union Bank of India	2,194.44	3,429.21
UCO Bank	3,867.11	2,951.07
HDFC bank	2,678.10	1,800.90
Vehicle loans	236.69	9.81
<b>Term loan from others</b>		
Axis Finance	3,327.25	1,293.14
Bajaj Finance	1,412.25	1,642.47
<b>Unsecured (Carried at amortised cost)</b>		
AKA Bank	4,305.02	6,437.16
<b>Total</b>	<b>25,784.27</b>	<b>29,499.16</b>

**Notes:**

(a) Above term loans outstanding except Bajaj Finance, AKA Bank & Vehicle Loans from banks are secured as follows:-

(1) 1st pari passu charge:- Hypothecation of entire fixed assets (except assets which are exclusively

charged by other lenders) of the Company (both present and future) including equitable mortgage.

(2) 2nd pari passu charge:- Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).

(b) Term loan from Bajaj Finance is primarily secured by way of hypothecation of moveable assets specifically financed by them.

Above term loans are further personally guaranteed by the Chairman Cum Managing Director and Joint Managing Director of the company.

(c) Vehicle loans are primarily secured by way of hypothecation of moveable assets specifically financed by them.

(d) Company entered into a swap agreement amounting to INR 3018.13 lacs with loan amounting to Euro 34,50,707. The impact of Mark to market gain/(loss) under the Swap agreement has been separately provided and charged to statement of profit and loss account.

(e) The loan due to AKA Bank, Frankfurt, Germany is an external commercial borrowing amounting to 81,59,915.44 EURO at the rate of 1.40% + EURIBOR.

(f) Instalments for repayment of term loans due to be paid in the next year amounting Rs. 12,277.74 lacs (2021-22 Rs. 9,607.54 Lacs) have been treated as current liability and are not included in long term liability.

(g) India ratings and research has assigned a rating of A+ to the above term loans.

(h) Terms of repayment:

Normal Repayment Period : 4-6 Years

Interest rates on Term Loans are in range of 1.4% to 9.25%.

There was no default in repayments during financial year 2022-23 and previous year.

#### 19. Other Non Current Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Security deposits	6,031.26	9,977.92
Lease Liability	1,241.19	1,384.43
Derivative financial liability - Interest/ Currency swap	80.17	170.35
<b>Total</b>	<b>7,352.62</b>	<b>11,532.70</b>

(For lease liability detail refer note 39)

#### 20. Other non current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred capital government grants	13.08	15.85
<b>Total</b>	<b>13.08</b>	<b>15.85</b>

#### 21. Long-term Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Leave encashment	304.95	305.95
Gratuity obligation	754.95	677.43
<b>Total</b>	<b>1,059.90</b>	<b>983.38</b>

The provision for employee benefits includes annual leave and gratuity. Relevant factors related to provision are explained in note 40.

**22. Current Borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
<b>Loans repayable on demand from Banks</b>		
Punjab National Bank	1,663.57	1,401.08
Union Bank of India	421.82	229.25
UCO Bank	239.96	31.54
Indusind Bank	748.08	293.61
HDFC Bank	803.45	1,699.00
<b>Current maturities of non-current borrowings from Banks</b>		
Punjab National Bank	1,546.43	1,245.63
Andhra Bank	-	43.75
AKA Bank	2,924.76	2,763.27
Indusind Bank	4,236.28	2,265.29
Union Bank	1,200.00	1,200.00
UCO Bank	375.00	500.00
HDFC bank	652.14	716.53
Vehicle loans	104.60	59.74
<b>Current maturities of non-current borrowings from Others</b>		
Bajaj Finance	518.52	333.33
Axis Finance	720.00	480.00
<b>Total</b>	<b>16,154.61</b>	<b>13,262.02</b>

Loans repayable on demand 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 C.M.D & joint managing 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.

**23. Lease Liability**

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	290.48	125.00
<b>Total</b>	<b>290.48</b>	<b>125.00</b>

(For detail refer note 39)

**24. Financial Liabilities: Trade payables**

Particulars	As at March 31, 2023	As at March 31, 2022
Total Outstanding dues of micro enterprises and small enterprises	1,062.59	2,129.93
Total Outstanding dues of creditors other than micro enterprises and small enterprises	9,932.14	8,938.06
<b>Total</b>	<b>10,994.73</b>	<b>11,067.99</b>

(Refer note 42.4 for aging)

**25. Other Financial Liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due	68.53	43.34
Unpaid Dividend	7.67	7.51
Others	958.17	724.35
Derivative financial liability - Interest/ Currency swap	25.91	85.17
<b>Total</b>	<b>1,060.28</b>	<b>860.37</b>

**26. Other Current Liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers	474.70	735.57
Statutory dues	589.24	310.45
Deferred capital government grants	2.77	3.35
<b>Total</b>	<b>1,066.71</b>	<b>1,049.37</b>

**27. Short-term Provisions**

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Leave encashment	33.85	33.44
Gratuity obligation	85.97	77.51
<b>Total</b>	<b>119.82</b>	<b>110.95</b>

The provision for employee benefits includes annual leave and gratuity. Relevant factors related to provision are explained in note 40.

**28. Current Tax Liabilities (Net)**

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax payable	-	137.49
<b>Total</b>	<b>-</b>	<b>137.49</b>

**29. Revenue from Operations**

Particulars	As at March 31, 2023	As at March 31, 2022
Gross sales	226,630.32	105,391.22
Less: Inter divisional sale	38,230.40	16,293.41
Less: Discount	25.72	4.79
<b>Total</b>	<b>188,374.20</b>	<b>89,093.02</b>

## Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers

### A. Disaggregation of revenue information

#### Disaggregation of revenue

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>I Paper division</b>		
<b>Manufactured goods</b>		
Writing and printing paper	184,487.59	86,996.46
Sale of chemicals	220.56	120.14
Sale of scrap	219.26	271.30
Sale of waste	225.12	243.48
Sale of pulp	90.59	146.09
Others	208.71	150.04
<b>Traded Goods</b>		
Sale of wood pulp	2,847.42	822.18
<b>Gross Sales</b>	<b>188,299.25</b>	<b>88,749.69</b>
Sales less returns	188,299.25	88,749.69
<b>II Co-generation division</b>		
Sale of electricity and steam	38,230.40	16,293.41
<b>III Solar division</b>		
Sale of solar power	-	86.10
<b>IV Agriculture division</b>		
Sale of agricultural produces	100.67	262.02
	<b>226,630.32</b>	<b>105,391.22</b>
<b>Revenue from contracts with customers disaggregated based on geography</b>		
Home market	182,544.79	85,518.73
Export	5,829.41	3,574.29
<b>Total</b>	<b>188,374.20</b>	<b>89,093.02</b>

### B. Timing of revenue recognition

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	At a point in time	Over a period of time	At a point in time	Over a period of time
Sale of products	226,630.32	-	105,391.22	-
Less: Inter divisional sale	38,230.40	-	16,293.41	-
Less: Discount	25.72	-	4.79	-
<b>Total</b>	<b>188374.20</b>	<b>-</b>	<b>89093.02</b>	<b>-</b>

### C. Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Contract liabilities		
Advance from consumers	474.70	735.57
<b>Total</b>	<b>474.70</b>	<b>735.57</b>
Receivables		
Trade receivables	19,088.82	10,646.09
Less : Allowances for expected credit loss	(44.96)	-
<b>Total</b>	<b>19,043.85</b>	<b>10,646.09</b>

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer in advance.

### D. Significant changes in the contract liabilities balances during the year are as follows

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Opening balance	735.57	266.29
Amount received against contract liability/ performance obligation satisfied in current year	(260.87)	469.28
<b>Closing Balance</b>	<b>474.70</b>	<b>735.57</b>

### 30. Other Income

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest income	86.24	74.12
Insurance claims	134.14	125.64
Miscellaneous income	140.41	28.62
Gain on foreign currency transactions and translations (net)	-	52.66
Export incentive	26.93	10.80
Income from renewable energy certificate	203.26	927.57
Income from carbon credits	-	172.08
Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	11.71	159.04
Gain on fair valuation of biological assets	637.66	887.78
Government grant income	3.35	4.06
MTM gain/(loss) on derivative Instrument	150.94	139.79
Income from ESCERTS	10.89	-
<b>Total</b>	<b>1,405.53</b>	<b>2,582.16</b>

**31 A. Cost of Material Consumed**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Raw materials	60,044.91	23,902.88
Chemicals	27,074.83	14,651.00
Biological assets	68.21	246.25
<b>Total</b>	<b>87,187.95</b>	<b>38,800.13</b>

**31 B. Purchases of Traded Goods**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Wood pulp	2,400.38	720.99
<b>Total</b>	<b>2,400.38</b>	<b>720.99</b>

**31 C. Change in inventory of finished goods, stock in process and stock in trade**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Opening stock		
Finished goods	1,171.95	1,603.32
Work-in-progress	924.57	707.41
<b>Total</b>	<b>2,096.52</b>	<b>2,310.73</b>
Closing stock		
Finished goods (Including Goods-in-transit)	1,571.08	1,171.95
Work-in-progress	1,043.58	924.57
<b>Total</b>	<b>2,614.67</b>	<b>2,096.52</b>
(Increase)/ decrease in inventory	(518.14)	214.21
Less : Finished goods lost by fire	-	167.50
Net change in Change in inventory of finished goods, stock in process and stock in trade	<b>(518.14)</b>	<b>46.71</b>

**32. Employee Benefits Expense**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salary, allowances and other employee benefits	8,500.48	5,450.96
Contribution to provident fund and other funds	380.60	267.03
Staff welfare expenses	282.67	263.78
<b>Total</b>	<b>9,163.75</b>	<b>5,981.77</b>

The provision for employee benefits includes annual leave and gratuity. Relevant factors related to provision are explained in note 40.



**33. Finance Cost**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest on term loans	2,562.03	1,064.64
Interest on working capital	642.62	816.80
Interest on lease liability	110.98	115.68
Bank and other charges	202.41	191.21
<b>Total</b>	<b>3,518.04</b>	<b>2,188.33</b>

**34. Depreciation and Amortization**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation on property, plant and equipment	20,451.95	6,337.91
Amortization of intangible assets	44.92	19.70
Amortization of right of use assets	215.87	234.49
<b>Total</b>	<b>20,712.74</b>	<b>6,592.10</b>

**35. Impact on Fair Valuation of Financial Assets**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Loss/ (Gain) on investment measured through FVTPL	93.01	(366.01)
<b>Total</b>	<b>93.01</b>	<b>(366.01)</b>

**36. Other Expenses**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Printing and stationery	9.28	9.13
Travelling and conveyance	134.80	71.31
Fuel	20,997.14	8,159.95
Stores and spare parts consumed	6,382.80	3,867.33
Packing material consumed	3,591.83	2,416.64
Power consumed	984.61	396.56
Water supply charges	719.03	569.89
Electricity Expenses	16.82	13.40
Repairs and maintenance - Buildings	1.37	16.04
Repairs and maintenance - Plant and machinery	887.99	472.24
Repairs and maintenance - Others	41.13	20.55
Raw Material and chemical expense	874.18	597.00
Handling and shifting - Fuel	225.39	288.69
Insurance expenses	331.71	295.80

Freight and handling outward/ export expenses	4,500.51	3,364.83
Vehicle running and maintenance expenses	124.93	113.47
Postage, telegram and telephone	18.78	18.38
Disposal and cartage	369.74	249.00
Rent	59.03	87.51
Legal and professional charges	232.43	172.53
Fees and subscriptions	403.56	87.21
Advertisement	2.41	1.77
Board meeting expenses	12.90	12.35
Rebate and discounts	2.25	27.17
Charity and donations	5.14	0.78
Auditors remuneration and expenses	13.20	3.52
GST expense	324.52	-
Commission	6,795.07	3,502.84
Computer expense	65.88	58.85
Corporate Social Responsibilities (CSR)	205.86	328.35
Exchange rate fluctuation	321.21	-
Loss by fire	-	167.50
Allowances for credit Impaired	87.09	-
Miscellaneous expenses	127.91	53.68
<b>Total</b>	<b>48,870.50</b>	<b>25,444.27</b>

### 37. Tax Expense

Income tax expense recognised in the Statement of profit and loss

#### (a) Current Tax

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Current tax	3,134.82	1,877.57
Short/(Excess) provision for tax relating to prior years	9.90	72.59
<b>Net current tax expense</b>	<b>3,144.72</b>	<b>1,950.16</b>

#### (b) Deferred Tax

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Deferred tax	(4,010.65)	249.28
Total	(4,010.65)	249.28
<b>Total tax expense</b>	<b>(865.93)</b>	<b>2,199.44</b>

### 37. Income tax on other comprehensive income

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligations	(1.36)	1.11
<b>Total</b>	<b>(1.36)</b>	<b>1.11</b>

### 37. Tax Expense

Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit before tax	18,351.50	12,266.89
Statutory income-tax rate (Normal tax)	34.944%	34.944%
Tax expense at statutory income tax rate	6,412.75	4,286.54
<b>Tax effect of</b>		
Exempted income	(327.34)	(779.53)
Previous year taxes	9.90	72.59
Tax impact of expenses which will never be allowed	83.39	115.01
Effect of deduction under section 80-IA, 80G, and 80JJAA of the Income-tax Act, 1961	(5,324.15)	(1,560.78)
Others	(1,720.47)	65.61
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>(865.93)</b>	<b>2,199.44</b>

### 38. Earning Per Share

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Basic earnings per share	19.22	10.07
Diluted earnings per share	19.22	10.07
Face value per share	1.00	1.00
Profit after tax as per Statement of Profit and Loss (Rs. in lacs)	19,217.43	10,067.45
Number of equity shares outstanding during the year used for computing basic earnings per share	100,000,000	100,000,000
Weighted average number of equity shares outstanding during the year used for computing diluted earnings per share	100,000,000	100,000,000

### 39. Disclosures regarding leases as per Ind As 116 'Leases'

#### A. Assets taken on lease

The Company has leases for office building, and land etc. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The following is the break-up of current and non-current lease liabilities

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Current lease liabilities	290.48	125.00
Non-current lease liabilities	1,241.19	1,384.43
	1,531.67	1,509.43

The following is the movement in lease liabilities during the year

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Balance at the beginning	1,509.43	1,002.95
Additions / deletion/ adjustment	306.33	724.10
Finance cost accrued during the period	116.04	115.68
Payment of lease liabilities	(400.13)	(333.30)
Balance at the closing	1,531.67	1,509.43

The movement in the carrying value of the Right-of-use asset

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Balance at the beginning	1,238.29	806.87
Additions / deletion/ adjustment	306.33	724.10
Depreciation charge for the Period	(273.98)	(292.67)
Balance at the closing	1,270.64	1,238.29

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Less than one year	314.45	136.24
One to five years	1,052.04	1,216.11
More than five years	578.81	531.21

- B. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expenses recorded for short-term leases and low value leases is Rs. 59.03 lacs during year ended March 31, 2023 (March 31, 2022 Rs. 87.51 lacs).

#### 40. Employee Benefit Plans

##### A. Defined Contribution Plans

The Company makes contribution towards employees' state insurance, employees' provident fund, and Labour welfare fund. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes. The Company recognized Rs. 380.60 lacs (March 31, 2022 Rs. 267.03 lacs) during the year as expense towards contribution to these plans.

**During the year the Company has recognised the following amounts in the statement of profit and loss :-**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Employer's contribution to Employee State Insurance (ESI)	90.95	65.46
Employer's contribution to Provident Fund (EPF)	285.74	198.85
Employer's contribution to Labour welfare fund	3.91	2.72
<b>Total</b>	<b>380.60</b>	<b>267.03</b>

##### B. Defined benefit plans and other long-term benefits

###### a) Gratuity

The Company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is unfunded. The liability for the same is recognized on the basis of actuarial valuation.

###### b) Leave Encashment

The Company has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment have been provided on the basis of actuarial valuation.

These plans typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment Risk** The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest Risk** A decrease in the bond interest rate will increase the plan liability.

**Longevity Risk** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the

life's expectancy of the plan participants will increase the plan's liability.

#### Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation and the present value of the defined benefit obligation were carried out as at March 31, 2023 by Mr. Ashok Kumar Garg. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

An actuarial valuation was carried out in respect of the aforesaid defined benefit plans and other long term benefits based on the following assumptions.

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
Economic assumptions				
Discount rate (per annum)	7.50%	7.50%	7.25%	7.25%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%
Rate of return on plan assets	-	-	-	-
Demographic assumptions				
Employee turnover/withdrawal rate	5.00%	5.00%	5.00%	5.00%
Retirement age	60 Years	60 Years	60 Years	60 Years
Mortality	IALM 2012-2014	IALM 2012-2014	IALM 2012-2014	IALM 2012-2014

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and in the employment market.

Amounts recognised in statement of profit or loss in respect of the defined benefit plans are as follows

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
Current service cost	65.51	88.15	51.11	66.30
Company's contribution	-	-	-	-
Past service cost	-	-	-	-
Remeasurements	-	-	-	-
Net interest cost	24.61	54.73	20.29	54.46
Actuarial loss	75.82	-	71.63	-
<b>Components of defined benefit costs recognised in profit or loss*</b>	<b>165.94</b>	<b>142.88</b>	<b>143.03</b>	<b>120.76</b>

Remeasurement on the net defined benefit liability				
- Return on plan assets (excluding amounts included in net interest expense)	-	-	-	-
- Actuarial (gains) / losses arising from changes in demographic assumptions	-	-	-	-
- Actuarial (gains) / losses arising from changes in financial assumptions	-	(14.09)	-	(14.97)
- Actuarial (gains) / losses arising from experience adjustments	-	10.20	-	18.25
<b>Components of defined benefit costs recognised in other comprehensive income (OCI)**</b>	-	<b>(3.88)</b>	-	<b>3.28</b>
<b>Total</b>	<b>165.94</b>	<b>139.00</b>	<b>143.03</b>	<b>124.04</b>

\* Included in "Employee benefits expense" line item in the statement of profit and loss.

\*\* Included in "Other Comprehensive Income".

#### Movement in the present value of the defined benefit obligation are as follows

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
Present value of obligation as at beginning of the year	339.39	754.94	279.90	751.18
Adjustment in beginning balance	-	-	-	-
Interest cost	24.61	54.73	20.29	54.46
Past service cost	-	-	-	-
Current service cost	65.51	88.15	51.12	66.30
Contribution by plan participants	-	-	-	-
Benefits paid	(166.53)	(53.02)	(83.55)	(120.28)
Transfer in				
Actuarial (gain) / loss on obligations due to remeasurements	75.83	(3.88)	71.63	3.28
Present value of obligation as at the year end	<b>338.80</b>	<b>840.92</b>	<b>339.39</b>	<b>754.94</b>

#### Maturity profile of defined benefit obligation

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	Gratuity	Gratuity
Within the next 12 months (next annual reporting period)	80.21	77.51
Year II	52.72	43.23
Year III	60.75	52.14
Year IV	41.52	50.63
Year V	64.78	33.89
More than V	540.94	497.49

## Reconciliation of present value of defined benefit obligation and fair value of assets

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
Present value of obligation as at the year end	338.80	840.92	339.39	754.94
Fair value of plan assets as at the year end	-	-	-	-
Net (asset)/ liability recognised in balance sheet	338.80	840.92	339.39	754.94
Classified as non- current	304.95	754.95	305.95	677.43
Classified as current	33.85	85.97	33.44	77.51
<b>Total</b>	<b>338.80</b>	<b>840.92</b>	<b>339.39</b>	<b>754.94</b>

**Sensitivity Analysis (Based on most likely/possible changes in assumptions used)****Gratuity**

If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 59.72 lacs (increase by Rs.68.35 lacs) [as at March 31, 2022: decrease by Rs. 53.88 lacs (increase by Rs.61.71 lacs)].

If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 68.44 lacs (decrease by Rs. 60.61 lacs) [as at March 31, 2022: increase by Rs. 61.53 lacs (decrease by Rs. 54.44 lacs)].

The estimated term of the benefit obligations in case of gratuity is 13 years (As at March 31, 2022:13 years )

**Leave Encashment**

If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 26.22 lacs (increase by Rs. 30.43 lacs) [as at March 31, 2022: decrease by Rs. 28.01 lacs (increase by Rs. 32.88 lacs)].

If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 30.90 lacs [decrease by Rs. 27.04 lacs] [as at March 31, 2022: increase by

Rs. 33.29 lacs (decrease by Rs.28.81 lacs)].

The estimated term of the benefit obligations in case of leave encashment is 16 years (As at March 31, 2022: 18 years)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

**41. Segment Information**

Information reported to the Chief Operating Decision Maker (CODM) i.e., Managing director for the purposes of resource allocation and assessment of segment performance focuses on the



types of goods or services delivered or provided. The directors of the Company have chosen to organise the Company around differences in products and services. No operating segments have been aggregated in arriving at the reportable segments of the Company.

Specifically, the Group's reportable segments under Ind AS 108 are as follows

1. Paper division
2. Yarn and cotton division
3. Cogeneration division

4. Agriculture division

5. Solar division

**Note:** The note should state the judgements made by management in applying the aggregation criteria. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

(Rs. in Lakhs)

Particulars	Paper division		Yarn and cotton division		Cogeneration division		Agriculture division		Solar division		Total Segments	
	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>1. Revenue</b>												
Segment revenue												
* External sales	188,273.53	88,744.90	-	-	-	-	100.67	262.02	-	86.10	188,374.20	89,093.02
* Inter Segment Sales	-	-	-	-	38,230.40	16,293.41	-	-	-	-	38,230.40	16,293.41
<b>Total revenue</b>	<b>188,273.53</b>	<b>88,744.90</b>	<b>-</b>	<b>-</b>	<b>38,230.40</b>	<b>16,293.41</b>	<b>100.67</b>	<b>262.02</b>	<b>-</b>	<b>86.10</b>	<b>226,604.60</b>	<b>105,386.43</b>
<b>2. Segment results</b>												
Unallocated corporate expenses (net off unallocated Income)												
Profit before interest and tax	7,310.90	6,902.77	-	0.15	14,225.56	6,805.79	333.08	595.84	-	150.66	21,869.54	14,455.21
Finance Cost	3,248.67	1,744.20	-	-	158.39	222.48	110.98	106.17	-	9.31	3,518.04	2,082.16
Provision for taxation	(865.93)	2,199.44	-	-	-	-	-	-	-	-	(865.93)	2,199.44
Share of profit/ loss from associate(s)	-	-	-	-	-	-	-	-	-	-	-	-
<b>3. Profit/(loss) after tax</b>	<b>4,928.16</b>	<b>2,959.13</b>	<b>-</b>	<b>-</b>	<b>14,067.17</b>	<b>6,583.31</b>	<b>222.10</b>	<b>489.67</b>	<b>-</b>	<b>141.35</b>	<b>19,217.44</b>	<b>10,173.46</b>
<b>4. Other information</b>												
a. Segment assets	114,744.89	102,324.13	-	0.61	16,563.65	16,177.58	5,907.71	5,201.45	-	-	137,216.25	123,703.77
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>114,744.89</b>	<b>102,324.13</b>	<b>-</b>	<b>0.61</b>	<b>16,563.65</b>	<b>16,177.58</b>	<b>5,907.71</b>	<b>5,201.45</b>	<b>-</b>	<b>-</b>	<b>137,216.25</b>	<b>123,703.77</b>
b. Segment liabilities	26,696.91	24,409.23	-	0.46	2,665.87	2,048.22	323.86	155.28	-	-	29,686.64	26,613.19
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>26,696.91</b>	<b>24,409.23</b>	<b>-</b>	<b>0.46</b>	<b>2,665.87</b>	<b>2,048.22</b>	<b>323.86</b>	<b>155.28</b>	<b>-</b>	<b>-</b>	<b>29,686.64</b>	<b>26,613.19</b>
<b>Others</b>												
Capital Expenditure	18,841.64	18,300.12	-	-	1,453.99	3,527.52	32.35	431.43	-	-	20,327.98	22,259.07
Depreciation	18,652.22	4,627.44	-	-	1,840.69	643.02	219.83	235.90	-	79.33	20,712.74	5,585.69
Material non cash items other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 1. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, investment income, other gains and losses, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Revenue and expenses directly identifiable to the segments have been allocated to the

relatively primary reportable segments.

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segment.
- All liabilities are allocated to reportable segments other than Rs. 1,07,529.62 lacs (As at March 31, 2022: Rs. 97,090.57 lacs) on account of share capital, other equity, deferred tax liabilities and other liabilities of corporate office.

#### Other segment information

	Paper division		Yarn and cotton division		Cogeneration division		Agriculture division		Solar division		Total Segments	
	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>1. Revenue</b>												
Capital expenditure	18,841.64	18,300.12	-	-	1,453.99	3,527.52	32.35	431.43	-	-	20,327.98	22,259.07
Depreciation and amortisation	18,652.22	4,627.44	-	-	1,840.69	643.02	219.83	235.90	-	79.33	20,712.74	5,585.69
Non cash expenses other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-

#### Notes:

Capital Expenditure includes addition during the year to property, plant and equipment, and capital work-in-progress.

#### Geographical information:

The geographical segments considered for disclosure are based on markets, broadly as under

- India
- Rest of the World

#### Revenue from external customers

Particulars	Current year	Previous year
India	182,544.79	85,518.73
Rest of the world	5,829.41	3,574.29
<b>Total</b>	<b>188,374.20</b>	<b>89,093.02</b>

#### Information about major customers

No single customer contributed 10% or more to company's revenue for both financial year 2022-23 and 2021-22.

## 42. Financial Instruments

### 42.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the capital structure.

The capital structure of Company consist of equity and external borrowings.

#### Gearing ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at March 31, 2023	As at March 31, 2022
Debt *	41,938.88	42,761.18
Cash and bank balances (including other bank balances)	1,843.08	1,270.90
Net debt	40,095.80	41,490.28
Equity**	73,319.75	54,499.80
<b>Net debt to equity ratio</b>	<b>54.69%</b>	<b>76.13%</b>

\* Debt is defined as long-term and short-term borrowings.

\*\* Equity includes all equity share capital and other equity.

### 42.2 Categories of financial instruments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
(a) Cash and bank balances	1,843.08	1,270.90
(b) Trade and other receivables	19,043.86	10,646.09
(c) Other financial assets	425.76	519.10
Measured at Fair Value through profit and loss		
(a) Investments	652.49	745.50
<b>Financial liabilities</b>		
Measured at amortised cost		
(a) Borrowings	41,938.88	42,761.18
(b) Trade payables	10,994.73	11,067.99
(c) Other financial liabilities	8,703.38	12,518.06

### 42.3 Financial risk management objectives

The Company's corporate treasury function monitors and manages the financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest

rate risk and price risk), credit risk and liquidity risk.

#### Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

## A. Currency risk

### (a) Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange

rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

Currency	Liabilities as at		Assets as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
USD	11.80	10.24	3.35	14.00
EURO	137.78	172.65	9.45	9.54
JPY	-	-	1.68	-
CHF	-	-	-	2.02

### (b) Foreign Currency sensitivity analysis

For the year ended March 31, 2023, every one rupee depreciation/appreciation in the exchange rate against U.S. dollar, might have affected the Company's incremental operating margins approximately by 0.12% (previous year 0.08%) and for every one rupee depreciation/appreciation in the exchange rate against Euro, might have affected the Company's incremental operating margins approximately by 0.03% (previous year 0.07%).

## B. Interest risk

### Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long term debt obligations with floating interest rates.

### Interest rate sensitivity analysis

For the year ended March 31, 2023, every 1 percent increase/ decrease in weighted average bank interest rate might have affected the Company's incremental operating margins approximately by 0.17% (previous year 0.23%).

## C. Other price risks

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company doesn't actively trade these investments.

### Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has limited exposure to credit risk in respect of trade receivables. The Company's bank balances are held with a reputed and creditworthy banking institution resulting to limited credit risk from the counterparties.

### Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2023:

(Rs. in Lakhs)

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd year	Due in 4th Year	Due after 5th and above	Total contracted cash flows
Trade and other payables	10,994.73	10,994.73	-	-	-	-	10,994.73
Borrowings and interest thereon	41,938.88	18,800.42	14,613.29	9,019.80	3,965.51	2,332.63	48,731.65
Other financial liabilities	8,703.38	1,374.73	295.13	299.36	233.01	6,914.78	9,117.01

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2022:

(Rs. in Lakhs)

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd year	Due in 4th Year	Due after 5th and above	Total contracted cash flows
Trade and other payables	11,067.99	11,067.99	-	-	-	-	11,067.99
Borrowings and interest thereon	42,761.18	15,908.18	14,250.24	9,446.32	4,586.72	2,033.76	46,225.23
Other financial liabilities	12,518.06	1,225.04	305.35	247.49	250.97	10,863.34	12,492.19

42.4 Trade Payable aging schedule as on March 31, 2023 and March 31, 2022 is as follow

PARTICULARS	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	TOTAL
(i) Micro enterprises and small enterprises						
March 31, 2023	1,009.01	53.59	-	-	-	1,062.59
March 31, 2022	898.87	1,231.06	-	-	-	2,129.93
(ii) Others						
March 31, 2023	6,924.04	2,500.00	508.10	-	-	9,932.14
March 31, 2022	5,187.93	3,750.13	-	-	-	4,380.58
(iii) Disputed Dues - Micro enterprises and small enterprises						
March 31, 2023	-	-	-	-	-	-
March 31, 2022	-	-	-	-	-	-
(iv) Disputed Dues - Others						
March 31, 2023	-	-	-	-	-	-
March 31, 2022	-	-	-	-	-	-

42.5 Trade Receivable ageing schedule as on March 31, 2023 and March 31, 2022 is as follow

PARTICULARS	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT						
	Not Due	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	TOTAL
(i) Undisputed trade receivables- considered good							
March 31, 2023	10,136.60	8,652.79	237.46	0.47	-	-	19,027.32
March 31, 2022	5,529.02	5,100.06	0.47	-	-	-	10,629.55
(ii) Undisputed trade receivables- credit impaired							
March 31, 2023	-	44.96	-	-	-	-	44.96
March 31, 2022	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- considered good							
March 31, 2023	-	-	-	-	-	16.54	16.54
March 31, 2022	-	-	-	-	-	16.54	16.54
(iv) Total							
March 31, 2023	10,136.60	8,697.75	237.46	0.47	-	16.54	19,088.82
March 31, 2022	5,529.02	5,100.06	0.47	-	-	16.54	10,646.09

Movement in the expected credit loss allowance of financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	-	-
Add: Provided during the year	87.09	-
Less: Reversals of provision	-	-
Less: Amounts written off	-	-
Balance at the end of the year	87.09	-

#### 42. STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

Name of related party and nature of related party relationship (with which the company has any transaction during the year)

##### A. Individual owning directly or indirectly substantial interest in the voting power of the Company

T.C. Spinners Private Limited

Satia Paper Mills Private Limited

YCD Industries Limited (Formerly known as Bhandari Export Industries Limited)

RYM Realtors Private Limited

**B. Others**

M/s Satia Paper Mills

M/s Chirag Satia &amp; Sons

**C. Key Management Personnel and other relatives**

Dr. Ajay Satia

Mr. Rajinder Kumar Bhandari

Mr. Chirag Satia

Mr. Hardev Singh

Mr. Rakesh Kumar Dhuria (Company Secretary)

Mr. Rachit Nagpal (Chief Financial Officer)

Mrs. Bindu Satia

Mr. Dhruv Satia

Mrs Priyanka Satia

Mrs.Yachna Satia

Mrs. Kiran Bhandari

Mrs Suman Rani

The following table summarizes related-party transactions included in the financial statements for the year ended and as at March 31, 2023:

Particulars	Individual owning directly or indirectly substantial interest in the voting power of the company		Key Management Personnel		Relatives of Key management Personnel	
	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Rent	-	-	94.87	75.77	44.84	43.93
Manageral Remuneration	-	-	1,421.97	995.35	-	-
Salary	-	-	-	-	44.34	29.34
Sales	1,172.90	1,807.51	-	-	3,357.13	1,620.94
Purchases	30.01	30.6	1.51	2.55	-	0.78

The following table summarizes related-party balances included in the financial statements for the year ended and as at March 31, 2023:

Particulars	Individual owning directly or indirectly substantial interest in the voting power of the company		Key Management Personnel		Relatives of Key management Personnel	
	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Manageral Remuneration payable	-	-	49.17	88.39	-	-
Salary payable	-	-	-	-	2.98	1.88
Rent payable	-	-	-	-	10.88	4.15
Investment in Equity Shares	652.49	745.50	-	-	-	-
Trade receivable	512.63	41.07	-	-	178.82	-

**Compensation of key management personnel:**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Short-term benefits	1,421.97	995.35
Post-employment benefits	10.01	4.45
<b>Total</b>	<b>1,431.98</b>	<b>999.80</b>

Note: The Company has not given any loan to Promoter, Director, KMPs and related parties.

**44. Contingent Liabilities/ Commitments and Contingent Assets**

Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
i) Bank guarantee	3,636.34	1,638.37
ii) Pending litigations		
- Excise and customs duty demand in dispute	23.02	54.36
- Custom duty in respect of export obligations (EPCG)	6,651.61	5,652.01
- Other pending litigation	16.00	16.00
- Income Tax demand in dispute (Amount stands Paid through MAT credit)	534.50	534.50

**Commitments for expenditure**

Estimated amounts of contracts remaining to be executed on capital account, net of advances - Rs. Nil (Previous Year Nil).

**45. Dividend**

During the financial year 2022-23, the Board of Directors of the Company had declared and paid interim dividend of 20% each (Re. 0.20 per Equity Share of Rs. 1/- each). Further, the Board of Directors have recommended a final dividend of 20% (Re. 0.20 per Equity Share of Rs. 1/- each) for the financial

year 2022-2023, subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company and is not recognised as a liability as at March 31, 2023. During the financial year 2021-22, the Board of Directors had recommended a final dividend of 20% each (Rs. 0.20 per Equity Share of ₹ 1/- each).

46. The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(a) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	1,127.05	2,129.93
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-



(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

**Note:** The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

#### 47. Payment to Auditors (excluding Goods and Services Tax)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Statutory audit fee	12.00	2.50
Tax audit and other audits	1.00	1.00
For reimbursement of expenses	0.20	0.02
<b>Total</b>	<b>13.20</b>	<b>3.52</b>

#### 48. Events after the reporting period

There were no adjusting events occurred subsequent to the balance sheet date and before date of approval of financial statements.

assets (being a cash generating unit) with its future present value of cash flows and there has been no indication of impairment of the carrying amount of the Company's such Assets taking consideration into external and internal sources of information.

#### 49. Disclosure as per Ind AS 36 'Impairment of Assets'

The Company has reviewed the carrying amount of its tangible and intangible

#### 50. Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	For the Year ended March 31, 2023	For the Year ended March 31, 2022			
Investments in equity	652.49	745.50	Level 3	Fair valuation of investment is based on weighted average of Discounted Cash Flow (DCF) under income approach.	

	Future cash flows are estimated based on the management projections, discounted at weighted average cost of capital of the Company.”	Weighted average cost of capital
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**Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring)**

Particulars	Carrying amount	
	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>		
Financial assets carried at amortised cost		
- Cash and bank balances	1,843.08	1,270.90
- Trade and other receivables	19,043.86	10,646.09
- Other financial assets	425.76	519.10
<b>Total</b>	<b>21,312.70</b>	<b>12,436.09</b>

Particulars	Carrying amount	
	As at March 31, 2023	As at March 31, 2022
<b>Financial liabilities</b>		
Financial liabilities carried at Amortised Cost		
- Borrowings	41,938.88	42,761.18
- Trade payables	10,994.73	11,067.99
- Other financial liabilities	8,703.38	12,518.06
<b>Total</b>	<b>61,636.99</b>	<b>66,347.24</b>

The fair values of the financial assets and financial liabilities included in the level 3 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

**Reconciliation of Level 3 fair value measurements - Recurring items**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Opening balance	745.50	379.49
Total gains or losses:		
- in profit or loss	(93.01)	366.01
- in other comprehensive income	-	-
<b>Closing balance</b>	<b>652.49</b>	<b>745.50</b>

## 50. Disclosure as per Ind AS 1 'Presentation of financial statements' and Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'.

### (a) Changes in significant accounting estimates:

In the current financial year, to improve the appropriateness of the allocation of the depreciation expense on its property, plant and equipment over the remaining useful life of the assets, the Company has changed the estimate of residual value from 10% to 5%, which is inline with Schedule II to the Companies Act 2013. As a result of this change in estimate, the accumulated depreciation has been adjusted by Rs. 8,295.82 lacs upto March 31, 2023 and Rs. 5,903.64 lacs upto March 31, 2022 in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

It is pertinent to note that this change in depreciation estimate has been applied prospectively, and prior periods have not been restated. The Company believes that this change will lead to a more appropriate allocation of depreciation expense over the remaining useful life of the assets and is consistent with its policy of continuously reviewing and updating accounting estimates as necessary.

Further, due to the higher depreciation, higher deferred tax asset is created which correspondingly reduced the tax expense for the financial year 2022-23.

### (b) Certain other changes have also been made in the policies for improved disclosures. There is no impact on the financial statements due to these changes.

## 51. Financial Ratios

S. No.	Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Variance
1	Current Ratio (in Times)	Current Assets	Current Liabilities	1.47	1.23	19.96%
2	Debt:Equity Ratio (in Times) <sup>Note a</sup>	Total Debt (including current maturities of long-term debts and lease liabilities)	Total Equity	0.59	0.81	-27.01%
3	Debt Service Coverage Ratio (in Times) <sup>Note b</sup>	Earning available for Debt Service = Net profit after taxes + Depreciation + Finance cost	Debt payments including lease payments during the year	8.91	3.14	183.70%
4	Return on Equity ratio (in %) <sup>Note b</sup>	Net Profits After Taxes	Average of total Equity	30.07%	20.33%	47.90%
5	Inventory Turnover Ratio (in Times) <sup>Note c</sup>	Revenue From Operations	Average Inventory	12.30	7.47	64.58%
6	Trade Receivable Turnover Ratio (in Times) <sup>Note b</sup>	Revenue From Operations	Average Trade receivables	12.69	9.03	40.48%
7	Trade Payable Turnover Ratio (in Times) <sup>Note d</sup>	Cost of Material Consumed (after adjusting of Input inventory ) + Purchase of Stock in Trade + Other Expenses	Average Trade Payables	13.76	9.64	42.82%
8	Net Capital Turnover Ratio (in Times)	Net Sales	Working Capital (Current Assets- Current Liabilities)	18.71	16.47	13.65%
9	Net Profit Ratio (in %)	Net profit after tax (PAT)	Revenue From Operation	10.20%	11.30%	-9.72%
10	Return on Capital Employed (in %) <sup>Note b</sup>	Earning before Interest & Taxes	Capital Employed = Tangible net worth + Total debt + deferred tax liability	18.97%	14.78%	28.40%

The Company earns a return on investment ranging from 5.35% to 7.25% p.a. on fixed deposit.

#### Reasons for variances

- a. Due to the reason increase in total equity and reduction of in debts.
- b. Reflects better operational performance.
- c. Due to increase in revenue from operations and decrease in average inventory, in the current year.
- d. During the year, there has been a reduction in average trade payables and with higher sales, material consumption for the year has also increased resulting into an increase in the trade payable turnover ratio.

#### 52. Additional disclosures relating to the requirement of Schedule III

- a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities

(intermediaries) with the understanding that the intermediary shall;

- i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of The Company (ultimate beneficiaries) or
  - ii. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that The Company shall;
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
    - ii. Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- e) Expenditure incurred on Corporate Social Responsibilities (CSR)

Details of expenditure on Corporate Social Responsibility (CSR) Activities as per Section 135 of Companies Act, 2013 read with Schedule III are as below

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Gross amount required to be spent by the Company during the year	203.19	194.80
Amount incurred during the year	205.86	328.35*
Shortfall/ (excess) at the end of the year	(2.67)	(133.55)
Total of previous years shortfall/ (excess)	-	133.00
Net shortfall/ (excess) at the end of the year	(2.67)	(0.55)

\* This amount includes CSR expense of Rs. 133.00 lacs of earlier years.

Nature of CSR activities:

Conservation of natural resources, Promotion of Education, Health care, rural development and livelihood interventions, Disaster relief, Digital Literacy amongst others.

Note: The set off available in the succeeding years is not recognised as an asset as a matter of prudence.

- f) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search, survey or any other relevant provisions of the Income Tax Act, 1961).
- g) The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction of number of layers) Rules, 2017.
- h) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- i) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- j) Quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.
- k) The Company has not carried out revaluation of items of property, plant and equipment during the year and

accordingly the disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.

- l) The Company has used the borrowings from banks and financial statements for the specific purpose for which it was obtained.
- m) The title deeds of all immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work in progress are held in the name of the Company as at the balance sheet date.
- n) The Company does not have any transactions with companies which are struck off under Section 288 of the Companies Act 2013 or Section 560 of Companies Act, 1956 during the year ended March 31, 2023 and the year ended March 31, 2022.
52. The figures for the previous year have been reclassified / regrouped wherever necessary including for amendments relating to Schedule III of the Companies Act, 2013 for better understanding and comparability.

The accompanying notes from an integral part of the financial statements.

**for N. Kumar Chhabra and Co.**  
Chartered Accountants  
ICAI Firm Registration Number 00837N

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

**CA. Ashish Chhabra**  
FCA, Partner  
Membership Number 507083  
UDIN: 23507083BGVQLP2145

**Dr. Ajay Satia**  
Chairman-Cum Managing Director  
DIN: 00850792

**Rajinder Kumar Bhandari**  
Joint Managing Director  
DIN: 00732588

**Place:** Rupana

**Date:** 28-04-2023

**Rachit Nagpal**  
Chief Financial Officer

**Rakesh Kumar Dhuria**  
Company Secretary

## SATIA INDUSTRIES LTD

Malout – Muktsar Road, VPO: Rupana,  
Sri Muktsar Sahib – 152032  
CIN: - L21012PB1980PLC004329

### 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	
Registered Address	
E-mail Id	
Folio No. / Client Id DP Id	

I/We, being the member (s) of Satia Industries Ltd holding ----- shares----- hereby appoint: -

1. Name: -----Address: -----  
E-mail Id: ----- Signature....., or failing him
2. Name: -----Address: ----- E-mail Id: -----  
Signature....., or failing him
3. Name: -----Address: ----- E-mail Id: -----Signature.....

as my/our proxy to attend \and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company, to be held on the 30th day of September, 2023 at 09.00 a.m. at The Registered Office of the Company At VPO: Rupana, Malout Muktsar Road, Distt: Muktsar-152032, Punjab and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolution	Option	
		For	Against
1	Adoption of Audited Financial Statements for the year ended 31st March, 2023		
2	To declare final dividend on equity share and to confirm interim dividend of the financial year ended March 31, 2023.		
3	To appoint a director in place of Sh Chirag Satia, (DIN No 03426414) Executive Director who retires by rotation, being eligible and offer himself for re-appointment		
4	Appointment of M/s. N.K.Chhabra & Co., Chartered Accountants, Chandigarh as Statutory Auditor of the Company		
5	Increase in remuneration of Dr Ajay Satia, Chairman Cum Managing Director of the Company.		
6	Increase in Remuneration of Sh Chirag Satia, Executive Director of the Company		
7	Appointment of Sh Rajeev Kumar as Director (Independent) on the Board of the Company		
8	To ratify the remuneration of Cost Auditor of the Company.		

Signed this.....Day Of.....2023

Signature of Shareholder.....Signature of Proxy Holder(s).....

1. 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.
2. Shareholders may give their assent or dissent against each resolution.

\*Applicable for members holding shares in electronic form.

# LOCATION MAP



If undelivered please return to:

**Satia Industries Limited**

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