



SATIA INDUSTRIES LIMITED



39th Annual Report 2019-20

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Rakesh Kumar Dhuria

CHIEF FINANCIAL OFFICER

Mr. Inderjeet Monga

STATUTORY AUDITORS

Deepak Grover & Associates

Office: # 45, Opp. Thana Sadar, Red Cross Complex,
The Mall, Ferozepur City-152002 (Punjab)
Phone No: - 01632-503792

CORPORATE IDENTIFICATION NUMBER

L21012PB1980PLC004329

REGISTERED/ CORPORATE OFFICE

Malout – Muktsar Road, Village Rupana,
Sri Muktsar Sahib - 152032
Tel. 01633-262001, 262215, 263585
Fax: 01633-263499
Website: www.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@rediffmail.com
Website: www.beetalfinancial.com

BANKERS

Punjab National Bank
Central Bank of India
Andhra Bank
Union Bank of India
UCO Bank
Indusind Bank Ltd

OUR BOARD

Dr. Ajay Satia - Chairman & M.D



Dr. Satia is an MBBS, he has been the pioneer for setting up this integrated paper mill in 1980. His vision to adopt technological changes and economies of scale along with timely capital infusion has brought the unit among the best in the industry in terms of pulping strength, power self-sufficiency,

effluent treatment and meeting the environmental norms. Dr. Satia has a passion for work and possesses unparalleled enterprising spirit for expansion and modernisation. His greatest strength lies in building and retaining a strong and trusted team which has turned his dreams into reality.

Mr. R.K. Bhandari (MBA) - Joint Managing Director



Looks after marketing and other administrative responsibilities since the last 33 years

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 has added new energy to the workforce.

Mr. Hardev Singh Director (Technical)

He has a wide experience in installation of projects

Mr. Arun Kumar Gupta (Independent Director)

Senior Chartered Accountant

Mr. Avinash Chand Ahuja (Independent Director)

Ex. Executive Director IFCI, Delhi

Mr Dinesh Chand Sharma (Independent Director)

Master of Engineering in Chemical Engineering

Mr Vinod Kumar Kathuria (Independent Director)

M.Com, CAIIB , 36 Year Experience in Punjab National Bank

Mr. Ashok Kumar Gupta (Independent Director)

CAIIB 35 Year, Retied from Punjab National bank

Mr. I.D. Singh (Independent Director)

B.com, LLB, CAIIB Retired from Punjab National bank

Mrs. Dr. Priti Lal Shivhare (Independent Director)

MSC, Ph.D. Chemistry

Mr. Rakesh Kumar Dhuria (LLB.ACS)– Company Secretary

Mr. Inderjeet Monga (C.A.) - CFO

MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

Our economy is passing through an unseen crisis especially having adverse impact on the writing and printing industry with a fall in demand by almost

60% due to Covid-19 epidemic breakout in the country. We are still not sure of how long it will persist and how badly damaged different players in the industry will come out which is running at almost 50% capacity utilisation.

Indian Paper Industry was growing the fastest in the world at a steady pace of 6% -7% and once situation normalizes; we are very optimistic that growth story will continue to propel us to produce more paper that is able to compete both quality and cost wise with international players as the markets are wide opening to global competition and despite government fiscal support to the domestic industry through Anti-dumping duty placed on photocopier paper and uncoated paper imports from ASEAN countries; we cannot remain complacent under such challenging environment.

We have always tried to lived up to your expectations and are going ahead with our expansion plans to add another 1,00,000

tons of paper volume to our existing capacity and this is likely to result in top line of Rs 1600 crore within next two years. Main raw material for this paper machine will be wood pulp only.

Meeting this challenge to implement the new plans can not be possible without the trust and support of all stake holders and I assure you we shall definitely come upto your expectations this time too. We have always stayed one step ahead in implementing new technologies for optimum utilization of resources, energy saving and keeping a strict vigil on our environmental obligations.

Once again, I thank you all for your continued support and trust placed.

Best Wishes,

Dr. Ajay Satia

Chairman & Managing Director

JOINT MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

It's a delightful opportunity to present the 39th Annual Report of Satia Industries Limited.

We have been able to continue with our growth story and were able to register an increase of over 8% in production volumes and almost maintain our PAT margin too. Increase in production volume was direct benefit of technological upgradation and modernization of the paper machines to run at higher speed.

Chemical Recovery Plant has been upgraded to meet the requirements of handling the additional black liquor likely to come with new expansion plans under implementation and management is optimistic that we shall come into production by the end first quarter of next financial year. We plan to aggressively enter into export market in the coming days to expand our foot prints in new geographical areas.

Your company recently launched Virgin pulp based cup stock paper in heavy GSM and our share in that market is ever growing. We have launched our copier paper in different brands in new markets and with our volume increasing, our presence in this segment is being felt much more strongly.

I shall conclude saying that everything is going great for your company except for the Covid-19 impact which has shaken one and all world wide. We have so far been able to sustain and trying our best to come out of this situation with least damage.

Thanking you all for your trust and support

R.K. Bhandari

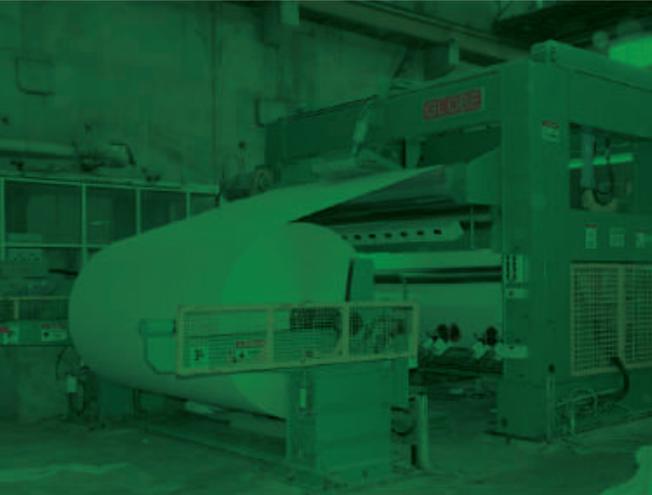
Joint Managing Director



OUR INFRASTRUCTURE



OUR OPERATIONS



Pulping

SIL has developed inbuilt flexibility and capacity to make pulp using three types of raw materials i.e. Agricultural Residues, Wood Chips and Waste Paper. The plant facility having a production capacity of 1,05,000 MTPA is located in Muktsar, Punjab which is considered the wheat belt of Punjab, and has an abundant availability of wheat straw, wood chips and veneer waste to meet the company's current and future requirements. SIL thus has an advantage in pricing as there is no paper mill in a radius of 100 km.

Paper

The company started with a single paper machine in the year 1984 and has over the years expanded its capacity to its present level by installing two new paper machines. All three machines have been continuously upgraded technologically to achieve higher speed and lower energy consumptions. The third paper machine has been upgraded to make surface sized maplitho and copier paper quality and it ranks as the best in its own segment.

Chemical Recovery Facility

The company has two soda recovery boilers (one stand by) within the existing facility. Caustic soda is used to cook and convert raw material into pulp and while washing brown cooked pulp, Black Liquor which is most polluting effluent in the Paper industry is generated. This Black Liquor is concentrated and fired in the chemical recovery boiler to recover 90-95% of caustic soda used in the cooking process. Further the high-pressure steam that is generated in the process is used to produce power. While this enables company to turn waste into wealth, it simultaneously achieves the prescribed standards of effluent discharge.



Power Generation

To secure a reliable and quality source of power supply without any trippings, the company has invested and achieved self sufficiency in power over a period of time by establishing 27.95 MW cogeneration power plant based on biomass as its fuel. Rice husk which is being used as fuel is abundantly available at a competitive price in the area. As this is considered as green energy; the company earns Renewable Energy certificates (REC). These certificates are traded on the energy exchanges and are an additional source of income for the company.

SIL has also installed a solar power plant with a capacity of 6.5 MW.

Effluent Discharge Handling

SIL is conscious of its responsibilities and commitment to the sustainability of the environment, society and law of the land. Hence all effluents are treated to the desired standards and no effluent is discharged into any water body of the state.

Based on the research done by Central Soil Salinity Research Institute, Karnal even popularly known as Karnal technology there was an interesting revelation made. It was found that in the case of Eucalyptus trees planted on ridges and effluent water flowing through the burrows, the eucalyptus plant acts as natural pump lifting water and evaporating it through its leaves into the atmosphere which increases land capability to handle more water on continuous basis.

Based on this study, SIL has planted Eucalyptus trees in over 540 acres. This plantation gives multifold benefits as it not only handles our total treated effluent; it also supplements the company's future raw material requirements.



CORPORATE SOCIAL RESPONSIBILITY

India is a country with contrasting demographics on one hand, India has grown to be one of the largest economies in the world, and an increasingly important player in global market, and on the other hand, it is still home to the largest number of people living in absolute poverty.

The guiding principle of Satia Industries Limited CSR programs is enabling people to lead a better life. The Company's focus areas are Education and Health and Wellness and Environmental Sustainability.

The Company's participation focuses on operations where it can contribute meaningfully either through employee volunteering or by using core competency which develops solutions.

- The company spent around INR 16.1MN in FY 20, INR 11.2 Mn in FY19 vs INR 4.9 Mn spent in FY18.
- The management has approved INR 25 Mn for the CSR programs in surrounding villages. The activities mentioned therein shall be carried out within a time frame of 5 years (FY18-FY22)

COMMUNITY HEALTH IMPROVEMENT

Periodical medical checkups, blood donation camps to

be organized near the project site, eye check-up camps, health awareness camps for mother and child and health and hygiene practices.

COMMUNITY EDUCATION FACILITIES

Augmentation of furniture, blackboard, etc. in village schools, award scholarships to meritorious students, distribution of educational books, stationery, uniforms, aids, etc.

COMMUNITY WELFARE ACTIVITIES

Development of worship places as well as beautification, distribution of seeds & saplings, promotion & support to various Government schemes.

COMMUNITY WATER CONSERVATION

Rain water harvesting, ground water recharge pits and water conservation awareness programs.

COMMUNITY CAPACITY BUILDING

Development of vocational training for technical skills, self-employment trainings for women such as, stitching, embroidery, tailoring, and handicrafts, etc.



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY OVERVIEW

Global growth is projected at -4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

- The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by -3 percent in 2020, much worse than during the 2008-09 financial crisis. In a baseline scenario--which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound--the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support.

Global growth is projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021—a downward revision of 0.1 percentage point for 2019 and 2020 and 0.2 for 2021 compared to those in the October World Economic Outlook (WEO).

INDIAN ECONOMY OVERVIEW

Hit hard by the COVID-19 pandemic, the Indian economy is expected to contract by 4% during the current financial year, the ADB said in a supplement to its Asian Development Outlook

(ADO) on Thursday. Countries in 'Developing Asia' will 'barely grow' in 2020, the ADB forecast.

Growth in Indian GDP slowed to 3.1% in the last quarter. Its slowest since early 2003. Economic growth slowed to 4.2% in the whole of the last fiscal year as both exports and investment started to contract.

High-frequency indicators such as purchasing managers indexes fell to all-time lows in April, reflecting the bleak outlook. Migrant workers have gone home to their villages after losing their jobs in the cities and will be slow to return even after containment measures are relaxed. GDP is expected to contract by 4% in FY2020 before rebounding by 5% in FY2021," it said.

In its annual flagship ADO published on April 3, ADB had projected that India's economic growth rate would slip to 4% in the current fiscal on account of the global health emergency created by the COVID-19 pandemic.

GLOBAL PAPER & PAPER BOARD PACKAGING MARKET

Global Paper & Paperboard Packaging Market is expected to rise from its initial estimated value of USD 199.01 billion in 2018 to an estimated value of USD 264.09 billion by 2026, registering a CAGR of 3.6% in the forecast period of 2019-2026. This rise in market value can be attributed to the rising levels of sustainable packaging methods and materials.

Paper and paperboard are specifically manufactured from wood pulp. There is no such significant difference between paper and paperboard except that paperboard is thick in size compared to paper. Moreover, paperboard is strong, versatile, lightweight, cost-effective and can be easily cut which makes it suitable for packaging. It is also used to cover books, magazines, postcards, and many other items. In the food industry, the paper and paperboard packaging is used to pack fruits, vegetables, ice-

cream, meat, etc. One of the major advantages of paper is that it can be easily recycled and hence it is expected to fuel the demand in near future. The rising demand for packaging material in food and beverage industry is also driving the market. To address the concern of eco-friendly packaging material, several manufacturers are investing in new materials and water technologies also. The growing demand for cost-effective paperboard container for food and beverages is also playing a major role in demand for paper and paperboard trays. These containers offer many benefits to end use industries such as thermal stability, retail differentiation, and moisture content. According to American forest and paper association, the usage of paper products has increased from 92 million tons to 208 million tons in last 20 years. Hence with the increasing demand of paper in packaging industry, the market is expected to grow on a good scale.

INDIAN PAPER MARKET

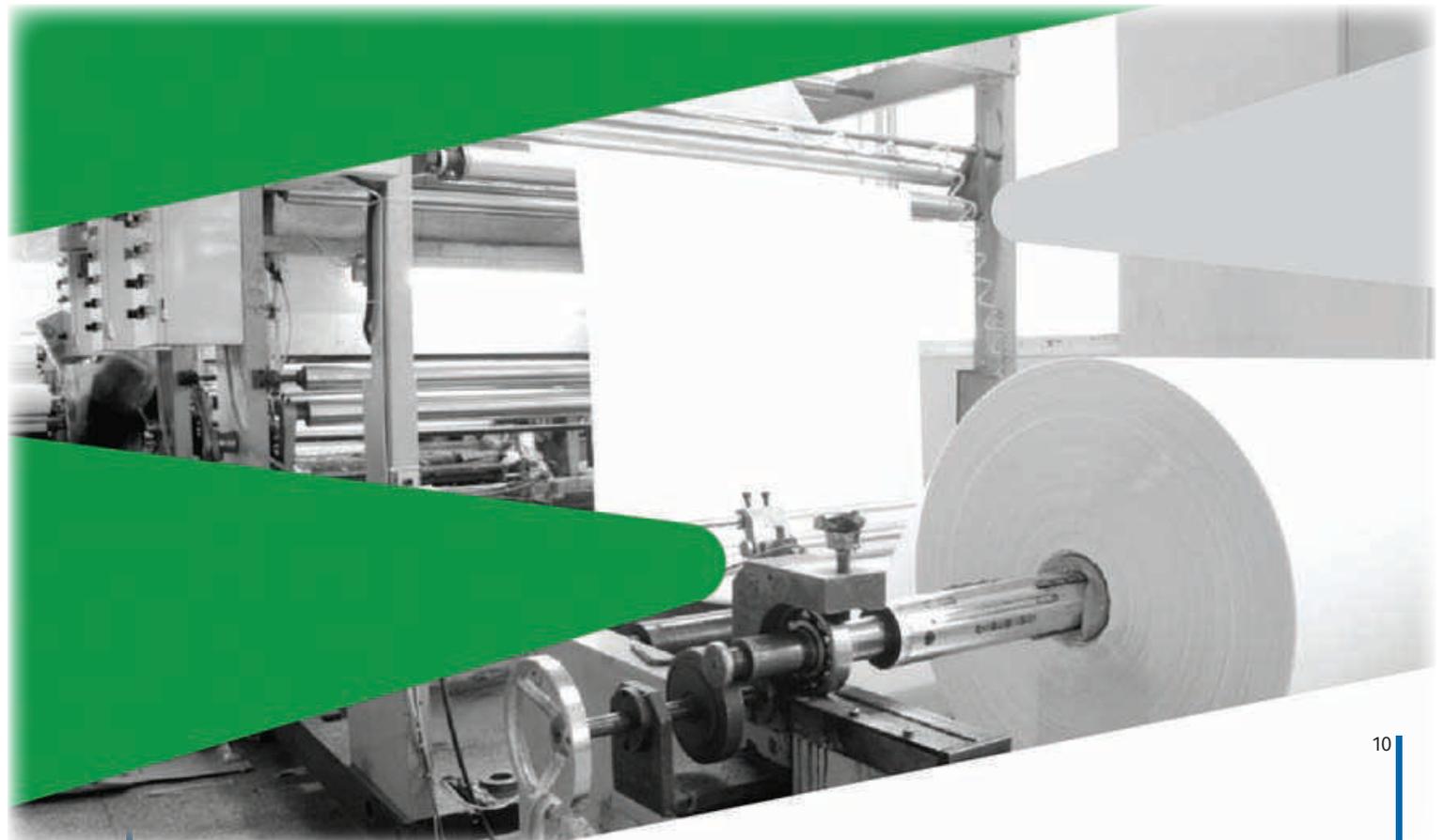
India's Paper and Print Industries show large potential. Demand for paper is growing, also due to an increase in demand for packaged products. Resources for the paper market are limited, but domestic production is increasing. The paper

industry of India is providing employment to 400,000 people directly and 1.5 million indirectly. Paper consumption in India is approximately 15 million tonnes per annum. In addition, it is expected to reach 23.5 tonnes per annum by 2025. Some of the paper mills are existing for several decades, which make up-gradation and investments into newer machinery necessary. This opens up opportunities for manufacturing companies in the sector.

The print market in India is growing as well. This is mainly because of the growing demand for high-qualitative products. In fact, the print machinery production registered a year-on-year growth of 20% in the last few years. Besides, the two sectors projected to grow the most are packaging and published printing.

COVID-19 IMPACT

The COVID-19 impact on paper and print industry is seen to be low in comparison to other sectors. Although there is a steep decline in the print volume, the same will get back to normal once the effects of the pandemic are subsided. In fact, the print industry is expected to get a new lease of life post normalcy returns. Meaning, digital presence for print media will become critical. It will further translate into greater monetization opportunities.



NOTICE

Notice is hereby given that the 39th Annual General Meeting of Satia Industries Ltd will be held on Wednesday, 30th September, 2020 At 10:30 A.M. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2020 and Profit and Loss Account for the year ended on that date along with the Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Sh Chirag Satia, Executive Director who retires by rotation, being eligible and offer himself for re-appointment.
3. To ratify and confirm the interim dividend of Rs. 0.15/- per equity share already paid during the financial year 2019-20.
4. **To Consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution: -**

Ratification of appointment of Auditors

“RESOLVED that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time, and pursuant to the resolution passed by the members at the AGM held on 29th September, 2017, the appointment of M/s Deepak Grover & Associates, Chartered Accountants (Firm Registration Number: 020678N) as the Auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified”

Special Business

5 Re-appointment of Sh Inder Dev Singh as an Independent Director for the Second Term

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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies

(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sh. Inder Dev Singh, (DIN 00825892), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 01.10.2020 to 30.09.2025 and whose office shall not be liable to retire by rotation”.

“RESOLVED FURTHER that pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Consent of the Company be and is hereby accorded to appoint Sh Inder Dev Singh, (DIN: 00825892) Director of the Company as Independent.”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all necessary acts, deeds, matter and things, which may be usual, expedient or proper to give effect to the above resolution”

6 Appointment of Sh Vinod Kumar Kathuria as an Independent Director for term of 5 years.

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

“RESOLVED that Sh. Vinod Kumar Kathuria (DIN:06662559) who was appointed as an Additional Director (Independent) with effect from 08.02.2020 on the Board of the Company in terms of Section 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with the requisite

deposit proposing his candidature for the office of independent Director be and is hereby appointed as an independent Director of the company, to hold office as such for a period of 5 (five) consecutive years, with effect from 01.10.2020 and that shall not be liable to retire by rotation.”

“**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to do all necessary acts, deeds, matter and things, which may be usual, expedient or proper to give effect to the above resolution”

7 Increase in Salary of Dr Ajay Satia, (DIN: 00850792) Chairman Cum Managing Director of the Company

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

“**RESOLVED** that Pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and in term of recommendation of Nomination and Remuneration Committee and as approved by the Board of Director, approval of Members be and is hereby accorded for revision in the remuneration of Dr Ajay Satia, (DIN: 00850792) Chairman Cum Managing Director of the Company, as mentioned here below:

1. Salary: Rs.40,00,000/- Per Month w.e.f. April 01, 2019.
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.

“**RESOLVED FURTHER** that in the event of absence or inadequacy of profits in any financial year, the remuneration shall be governed by Section II of Part II of Schedule V of the Act or any statutory modification thereof and the same shall be treated as the minimum remuneration payable to the CMD.”

“**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to do all necessary acts, deeds, matter and things, which may be usual, expedient or proper to give effect to the above resolution”

NOTES:

In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

1. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is stated in the explanatory statement.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through

- remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address.
4. As per Regulation 40 of SEBI 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 shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, for assistance in this regard.
 5. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with TCPL in case the shares are held by them in physical form.
 6. 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 DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
 7. In case of joint holders, 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 at the AGM.
 8. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website www.satiagroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of <https://www.evoting.nsdl.com>
 9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act
 10. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. 20. Instructions for e-voting and joining the AGM are as follows:
 11. Members are requested to notify immediately any change in their address, to the Registered Office of the Company.
 12. 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.
 13. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2020 to 30.09.2020 both days inclusive.
 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) to facilitate E-voting. E-voting is optional and Members shall have the option to vote either through e-voting or at the General Meeting through VC/OAVM. 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 27.09.2020, 10.00 AM and ends on 29.09.2020 at 5.00 PM. During these period shareholders holding share either in physical form or in dematerialized form as on the cut-off date 23.09.2020 (record date) may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting thereafter.

- ii Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting though VC/OAVM.
- iii The shareholders should log on to the e-voting website www.evotingindia.com.
- iv Click on Shareholders.
- v Now Enter your User ID
 - 1. For CDSL: 16 digits beneficiary ID,
 - 2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi Next enter the Image Verification as displayed and Click on Login.
- vii If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii If you are a first-time user follow the steps given below:

| | |
|--|--|
| | characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- ix After entering these details appropriately, click on "SUBMIT" tab.
- x Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the Satia Industries Ltd on which you choose to vote.
- xiii. 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.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| 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"> ● Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on the label of address affixed on the Annual Report. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two |

- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) Any person, who acquires shares of the Company and become Member of the

Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 23.09.2020 may follow the same instructions as mentioned above for e- Voting.

- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

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 of e-voting period, unblock the votes in presence of at least 2 witnesses not in employment of the Company and make a report of the vote cast in favour or against, if any, forthwith to the Chairman of the Company.

5. 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.

VIDEO CONFERENCING (VC)

General Instructions.

Minimum requirement for joining the meeting.

1. Computer / Laptop with minimum operating system of Window 7 with Webcam Mic and Speaker.
2. Use Internet with a good speed to avoid any disturbance during the meeting.
3. Participants can use mobile phone also, but please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
4. For better experience, please download the Webex Meeting App. Given below URL to download Cisco Webex Meeting client.

<https://www.webex.com/downloads.html/>

Participants may attend the AGM, by JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application.

Mainly participants are divided in following categories.

| Categories of Participants | Roles |
|--|---|
| Host/Moderator | <ul style="list-style-type: none"> • Host is a participant who will manage the meeting. • There can be only one host for one VC event. • Host can be switched with any panelist during the meeting, if required. • Major functions of HOST will be: he can mute/unmute anybody during the event, on/ off record the meeting proceedings etc. • He/she should be a person having good IT background preferably a tech- savvy person. |
| Presenter | <ul style="list-style-type: none"> • Presenter is the one who will conduct the proceedings of entire meeting like introduction of all panelists, welcoming board members and KMPs. • During the proceedings, he/ she will control screen visible to all shareholders. He/she will coordinate between panelists like who will speak next and what is to be shown to all attendees, etc. • Company secretary of company is most appropriate to become event Presenter. |
| Panelists | Panelists are the Board of Directors and KMP. |
| Persons of Management/ Auditors, promoters | Large shareholders, promoters, institutional investors, Chairperson of Audit committee, Nomination & remuneration committee and Stakeholder relationship committee, auditors, etc. |
| Attendees/ Shareholders | Usually the shareholders. |

1. Company will give the list of presenter/panelist with their Name, Designation, Mobile number and e-mail

id to HOST in advance. Host will send the invitations to all the participants on their e-mail ids.

2. Presenter/panelist can join the meeting by opening their e-mail ids and by clicking on JOIN MEETING tab. By clicking on join meeting they will be redirected to Meeting room via browser or by running Temporary Application.
3. For example, if scheduled start time of meeting is 5:30 PM, so the host will start the meeting at 5 p.m.; Presenters & all panelists should join the meeting between 5:00 PM to 5:30 PM. During these 30 minutes, host will check connectivity, voice and video of all. During the entire event each panelist can mute-unmute themselves, video on-off for themselves at their own, but till actual start of meeting every panelist will keep their voice and video off.
4. At 5:00 PM i.e. 30 minutes prior to schedule start time, attendees will also start joining the meeting through e-voting platform of the depositories namely CDSL/ NSDL. By default all the attendees will remain on mute mode. Neither they can unmute themselves nor they can show their photo at their own. Only Host has right to unmute any/all attendees and allow each attendees photo visible one by one. A live number count of attendees will be shown at bottom of presenter screen and will be viewable to all panelists too. During these 30 minutes, the presenter may run any promotional video/message of the company, for the attendees. At 5:30 PM, after having full quorum, the presenter will call the meeting to order.
5. Now, all the activity will go as it was happening in physical meeting. The presenter will start the meeting by a welcome message. He will then introduce the dignitaries. As the name of each dignitary is announced by the presenter, he/she will unmute himself/herself and will show his/her video (must). The host will play a 'Applause audio' in the background to welcome each dignitary. Chairman of meeting will be declared with or without voting, as the case may be. Chairman of the meeting will give 'Chairman Speech'. The Presenter, or to whom the presenter will allow, will read the resolutions or it will be announced as READ as in physical meeting. The presenter will allow Auditors to either read the Auditors' Report or take it as READ in case there is no qualification(s).
6. Once the reading of resolutions and Auditors' Report

is over, the presenter will open chat window for all attendees to ask any question on agenda items, with permission of the Chairman of the meeting. For this, attendee will write only his/her USER ID with name in chat window. Presenter will activate Chat window for 5 minutes only. Depending upon available time limit and number of attendees requested to ask question, Presenter one by one will inform HOST to allow attendees to ask question. Host will unmute same attendee. Host can show attendee's video on main screen too, if attendees has put their camera on and allowed by Chairman of meeting. It is suggested that Chairman should allow attendee's audio only. At any point of time, Host can quit the present attendee and allow next attendee to ask question. This can go on till the time allowed by Chairman of Meeting.

7. After question-answer session is over, the Chairman will put all resolutions together for voting. During the meeting voting will be done by those attendees only who have joined the meeting and have not exercised their votes through remote e-voting. Procedure of e-voting will remain same as remote e-voting process. After a reasonable time period the Scrutinizer only will close the e-voting.
8. After closing of voting presenter will request Chairman of the meeting to give vote of thanks and declare meeting successfully closed/over.
9. After the meeting depositories will provide the files for attendance i.e. who have joined the meeting along with e-voting and voting done during the AGM.

Comparison between previous procedure and current procedure.

| As per previous Guidelines | As per New Guidelines |
|--|---|
| Record date seven days prior to AGM/EGM | Same |
| Sending Notices and Annual Report by e-mail and physical copy to shareholders who have not registered e-mail id | Only through e-mail and notice in news paper for registration of e-mail id etc. |
| Procedure for e-voting on depository plate form AGM at designated place with physical presence of directors / CS and shareholders | Same AGM will be held through Video Conferencing, all Directors, CS, KMP and shareholders will join through VC from anywhere. |
| Venue voting through paper vote / tab vote same as e-voting. | Venue voting is available through Depositories plate form |
| Registration of attendance at AGM of the shareholder | Shareholders has to use user id and password for attending the AGM by login through Depository plate form which will be opened ½ hr in advance before the Schedule AGM time and will continue till the end of AGM |
| Quorum for AGM is based on attendance done at registration counter | Attendance will be taken from the depository plate form for the shareholders who have login through their platform and click the link of joining AGM. Depository will provide the facility to Company and scrutinizer to monitor the same and download the list. |
| Chairmen speech / CS speech at the auditorium | Chairmen/CS Speech will be through VC, Auditor report as per requirement. |
| Shareholders speaker instant at AGM | Shareholder speaker will be registered in advance to speak in the AGM with their query/question given in advance Shareholders can raise their queries during the AGM through Chat box which will be given to Company so that they can reply with 5-7 days . Chairmen can say queries received by the company will be replied in due course. |

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

Item No. 5

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, at the 34th Annual General Meeting held on 30th September, 2015, Shri I.D. Singh was appointed as an Independent Directors of the Company for a period of 5 (five) consecutive years for a term upto the conclusion of the 39th Annual General Meeting of the company in the calendar year, 2020. Since, Shri I.D. Singh shall complete his initial term as an Independent Directors of the Company on 30.09.2020, He is eligible for re-appointment for one more term.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 10.08.2020, subject to approval of Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on their skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members for re-appointment of Shri I.D.Singh as an Independent Non-Executive Director of the Company for the second term of 5 (five) years w.e.f. 01.10.2020 upto 30.09.2025 is sought and he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013

Shri I.D.Singh is not disqualified from being appointed as Directors in terms of Section 164 of the Act and he has given his consent to act as Director.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures

of Shri I.D.Singh for the office of Directors of the Company.

The Company has also received declarations from Shri I.D.Singh that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (LODR) Regulations, 2015.

In the opinion of the Board, Shri I. D. Singh fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri I. D. Singh is independent of the management.

Brief resume of Shri I.D.Singh. nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (LODR) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.

This Statement may also be regarded as a disclosure under Regulation 17(1A) of SEBI (LODR) Regulations, 2018.

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

Item No. 6

The Board of Directors in their meeting held on 08.02.2020 (based on the recommendation of Nomination and Remuneration Committee) had appointed Sh Vinod Kumar Kathuria (DIN:06662559) as an Additional Director (Independent) w.e.f from 08.02.2020. up to the date of the forthcoming Annual General Meeting. Sh Vinod Kumar Kathuria, being eligible has offered himself for appointment as a Director (Independent).

The Company had, pursuant to the provisions of SEBI(LODR) Regulations, 2015 appointed Sh Vinod Kumar Kathuria, as Independent Directors Pursuant to the provisions of SEBI (LODR) Regulations, 2015, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. The Nominations Committee has recommended the appointment as Independent Directors Sh Vinod Kumar Kathuria has given a declaration to the Board that he meets the criteria of independence as provided under SEBI(LODR)

Regulations, 2015. In the opinion of the Board, Sh Vinod Kumar Kathuria fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of director as Independent Director is now being placed before the Members for their approval.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. The Nominations and remuneration Committee has recommended the appointment of Sh Vinod Kumar Kathuria as Independent Directors has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Sh. Vinod Kumar Kathuria director fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of this director as Independent Director is now being placed before the Members for their approval.

A brief profile of the Independent Director to be appointed is given here below:

Qualification

Sh Vinod Kumar Kathuria is a M. Com from University of Delhi and CAIIB from Indian Institute of Banking & Finance.

Experience

Sh Vinod Kumar Kathuria has four decades of experience in key banking areas of Corporate Credit, Recovery, Retail Lending, Treasury Operations, International Banking Business, Agriculture, Financial Inclusion etc. Regular Expert contribution as Resource Person on policy issues involving macro & micro factors of the economy in various committees and conferences. Team Builder and motivational speaker. Unblemished service record of 38 Years and Last assignment was Executive Director at Union Bank of India.

Expert Services

Expert Services by Sh Vinod Kumar Kathuria:-

- i) Associate Director on the Board of Union Asset Management Co. (2016 - 2018)
- ii) Nominee Director on the Boards of Principal Trustee Co. (2013 – 2014)
- iii) Nominee Director on the Boards of PNB Insurance Broking. (2013 – 2014)
- iv) Board Member of India Factoring Services P. Ltd. from (Aug. 2013- Mar 2014)
- v) Member in the Core Management Team for formation of Bhartiya Mahila Bank. (July 2013 – November 2013). The Bank started operation within 4 months of formation of Core Team.
- vi) Member of the Committee formed by SEBI to oversee working of the Board of MCX-SX. (2014)
- vii) Member in the Committee of Tier I Perpetual Bonds under BASEL III norms formed by Dept. of Financial Services, Govt. of India (2014).

Item No. 7

The Nomination and Remuneration Committee and the Board of Directors, in their respective meetings held on 22.06.2020 have approved the revision in remuneration of Rs 40,00,000/- per month and Commission of 1% on net profit of the Company payable to Dr Ajay Satia, Chairman Cum Managing Director with effect from 01.04.2019 for remainder of duration of appointment subject to the approval of the shareholders in the General Meeting. The payment of remuneration was approved by the Board based on industry standards, work responsibilities handled by the Chairman and Managing 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, 2019 to Dr Ajay Satia as Chairman Cum Managing Director.

The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution. None of the Directors except Dr Ajay Satia,

CMD himself and Mr. Chirag Satia, Executive Director 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.

Place : Rupana
Dated : 10.08.2020

By Order of the Board
For Satia Industries Ltd.

(Rakesh Kumar Dhuria)
Company Secretary

DIRECTORS' REPORT

Dear Members,

The Directors have the pleasure of presenting the 39th Annual Report of your Company for the financial year 2019-20.

Financial Result:

The financial performance of your Company for the year ended March 31, 2020 is summarized below:-

(Rs in Lakh)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Revenue and Other Income | 82383.51 | 75285.12 |
| Profit Before interest depreciation and tax | 19011.55 | 17858.73 |
| Interest and Financial Charges | 2021.55 | 2077.50 |
| Depreciation | 5462.01 | 4773.16 |
| Profit from operations (before Tax) prior year adjustments & exceptional Item | 11527.99 | 11008.07 |
| Tax Expenses | | |
| Current Tax | 2350.02 | 1813.95 |
| Deferred Tax | -5.82 | 416.99 |
| Profit/(Loss) after Tax | 9183.79 | 8777.13 |
| Less : Appropriation | | |
| Dividend on Equity Shares | 300.00 | 250.00 |

Industry Review

Corporate Overview

Satia Industries Limited operates in the following business segments: -

- 1 Writing and Printing Paper
- 2 Yarn.
- 3 Cotton.
- 4 Agriculture
- 5 Co-generation of Power for captive consumption and

- 6 Solar Power.

Operational Review

The Highlight of the Company's Performance for the year ended March 31, 2020 are as below: -

- 1 Net revenue of your Company increased by 9.51% to Rs 80863.72 Lakh as compared to Rs 73840.55 Lakh during the corresponding period of previous year 2018-19
- 2 Profit Before Depreciation and Tax increased by 7.63% to Rs 16990.00 Lakh as compared to Rs 15781.23 Lakh during the corresponding period of previous year 2018-19
- 3 Profit before Tax increased by 4.72% to Rs 11527.99 Lakh as compared to Rs 11008.07 Lakh during the corresponding period of previous year 2018-19
- 4 Net Profit Increased by 4.63% to Rs 9183.79 Lakh as Compared to Rs 8777.13 Lakh in the previous Year.

Impact of Covid- 19

World Health Organization (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in all the units of the Company in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. During the lockdown period which was extended till May 17, 2020. However, production and supply of goods has commenced during the month of April 2020 after obtaining permissions from the appropriate government authorities. The impact of the same is reflected in the financial statements of the Company

Dividend

During the year under review, the Board has declared Interim Dividends of Rs 0.15 (15%) per equity share of Rs 1/- each in its meeting held on 08.02.2020. The Board do not recommend any final dividend for the year ended 31.03.2020 due to funds required for the ongoing

projects and the interim declared on 08.02.2020 will be considered as final dividend.

Financial Review

Change in Share Capital

During the period under review, the equity shares of the Company have been sub-divided from face value of Rs 10/- per equity shares to face value of Re. 1/- per equity share and consequent to the same Memorandum & Articles of Association of the Company was also modified and approved. Pursuant to aforesaid sub-division the paid-up share capital of the Company is Rs 1/- divided into 1 equity shares of Rs 1/- each.

Reserves

The closing balance of the retained earnings of the Company for the financial year 2020, after all appropriation and adjustments was Rs. 38469.67 Lakhs

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.

Internal Control Systems and their adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal auditor reports to the 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 the respective departments need to undertake in their respective areas and thereby strengthen the controls.

Directors and Key Managerial Personnel

Pursuant to provisions of Companies Act, 2013 ('Act') and the Articles of Association of the Company, Sh Chirag Satia, Executive Director (DIN: 03426414) retire by rotation and being eligible, offer himself for re-

appointment. During the period under review, Mr Vinod Kumar Kathuria (DIN: 06662559) has been appointed as an Additional Director (Independent) w.e.f 08.02.2020 and he holds the office of Additional Director (Independent) till the date of forthcoming Annual General Meeting. His candidature has been received by the Company for regularization as a Director (Independent) of the Company, in the ensuing Annual General Meeting to be held on 30th September, 2020, Sh S.K.Arora, Director (Independent) has vacated his office w.e.f 28.09.2019 due to his non presence from all the Board meetings held during the entire year. The term of Sh I. D Singh (Independent) Director is expiring at the ensuing Annual General Meeting in September, 2020. Based on the recommendation of the Nomination and Remuneration committee, his re-appointment for a second term of five years is proposed at the ensuing Annual General Meeting for approval of the members by way of special resolution.

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

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. 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 above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. In a separate meeting of Independent Directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non Executive Directors.

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.

Key Managerial Personnel

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet 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.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are Dr Ajay Satia, Chief Executive Officer, Chairman cum Managing Director, Sh Ashok Kumar Khurana, Chief Financial Officer (CFO) retired on 08.02.2020 and Sh Inderjeet Monga AGM(Finance) appointed w.e.f. as (CFO) and Sh Rakesh Kumar Dhuria, Company Secretary.

Audit Committee

The Audit Committee comprises Four Directors viz Sh A.C. Ahuja, Chairman, (Independent Director) Sh R.K. Bhandari, Joint Managing Director, Sh Arun Kumar Gupta, (Independent Director) and Sh Inder Dev Singh, (Independent Director). The functions performed by the Audit Committee, particulars of meetings held and attendance of Members at the said meetings are given in the Corporate Governance Report, which forms part of this Annual Report.

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 (by way of sitting fees and commission). 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-I.

Meetings

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

Director Responsibility Statement

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

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

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 were adequate and operating effectively.

Audit reports and Auditors

The Auditors Report for the year 31.03.2020 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statement in this Annual Report.

Statutory Auditors:

Under section 139 of the Companies Act, 2013 and the rules made there under, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section, in line with the requirements of the Companies Act, 2013, M/S Deepak Grover & Associates, Chartered Accountants (Firm Registration No 505923) was appointed as the Statutory Auditors of the company to hold office for a period of five consecutive years from the conclusion of the 36th Annual General Meeting of the company held on 29th September, 2017, till the conclusion of the 41st Annual General Meeting to be held in the year 2022, subject to ratification by shareholders at the Annual General Meeting or as may necessitated by the Act from time to time. The first year of audit was of the financial statements for the year ending March 31, 2017 which included the audit of the quarterly financial statements for the year. Accordingly, the appointment of M/s Deepak Grover & Associates is being placed before the shareholders for ratification.

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

Secretarial Audit:

Pursuant to provision of section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s S. Parnami & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the company. The Secretarial Audit report is annexed herewith as "Annexure V. The Secretarial Audit Report for the year under review requires no comments. 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, 2020. 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 S S P J & Co, Chartered Accountants, Internal Auditors carried out the internal audit and submitted their report.

Cost Audit

Pursuant to the provisions of the Companies Act, 2013 M/s R J Goel & Co., Cost Accountants, New Delhi has conducted the cost audit of the Company.

As recommended by the Audit Committee, the Board at its meeting held on 12.08.2019, appointed M/s R J Goel & Co., Cost Accountants, New Delhi as Cost Auditor to conduct cost audit for the year ended March 31, 2020, pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014. M/s R J Goel & Co 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 R J Goel & Co 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, 2020 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

Subsidiary Companies

The Company does not have any subsidiary.

Vigil Mechanism/Whistle blower Policy

Over the years, your Company has established a reputation for doing business with integrity and has displayed zero tolerance for any form of unethical behavior. In compliance with Section 177(9) of the Act, Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has in place a robust vigil mechanism for Directors and employees to report concerns, details of which, are covered in the Corporate Governance Report which forms part of this Annual Report. The said mechanism provides adequate safeguards against victimization of persons who use the vigil mechanism and provides direct access to the Chairperson of the Audit Committee. Whistleblower Policy has been hosted on Company's website 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 -VI

Business Risk Management

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

Particulars of Employees

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

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

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

Industrial Relations:

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

Corporate Social Responsibility Initiatives

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure IV of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on www.satiagroup.com.

The Company has carried out 'Need Assessment Study' to fulfill the requirements of its social responsibility under CSR Programs and based on that assessment of demand, the management has approved CSR program in surrounding villages (Expenditure on CSR will be reviewed in each year depending on the profitability of the Company). The activities mentioned therein shall be carried out within a time frame of 5 years (from the year 2017-18 to 2021-22). The sectors identified under the scope of CSR activities are as follows:

CSR Activities

| Sr. No | Planned activities under CSR as per specific needs | Budgetary Plan (Rs.) | | | | | |
|-----------|--|----------------------|------------------|------------------|------------------|------------------|------------------|
| | | 1st Year | 2nd Year | 3rd Year | 4th Year | 5th Year | Total |
| 1. | Community Health Improvement | | | | | | |
| i. | Disinfection facilities for dug wells and other potable water sources | 2,00,000 | 2,00,000 | 3,50,000 | 3,50,000 | 3,00,000 | 14,00,000 |
| ii. | Periodically medical checkup, blood donation camps to be organized near project site | 2,50,000 | 2,50,000 | 2,50,000 | 3,00,000 | 3,50,000 | 14,00,000 |
| iii. | Eye checkup camps | 3,00,000 | 4,00,000 | 5,00,000 | 5,00,000 | 5,00,000 | 22,00,000 |
| iv. | Health awareness camps for child and mother care, health and hygiene practices. | 1,50,000 | 1,50,000 | 2,00,000 | 2,50,000 | 2,50,000 | 10,00,000 |
| | Total | 9,00,000 | 10,00,000 | 13,00,000 | 14,00,000 | 14,00,000 | 60,00,000 |
| 2. | Community Education Facilities | | | | | | |
| i. | Augmentation of furniture, blackboard, etc. in village schools | 5,00,000 | 5,00,000 | 5,00,000 | 5,00,000 | 5,00,000 | 25,00,000 |
| ii. | Award scholarship to meritorious students | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 5,00,000 |
| iii. | Distribution of educational books, stationary, uniforms and aids etc. | 4,00,000 | 4,00,000 | 4,00,000 | 4,00,000 | 4,00,000 | 20,00,000 |
| | Total | 10,00,000 | 10,00,000 | 10,00,000 | 10,00,000 | 10,00,000 | 50,00,000 |
| 3. | Community Welfare activities | | | | | | |
| i. | Worship places development & beautician | 3,00,000 | 3,00,000 | 3,00,000 | 3,00,000 | 3,00,000 | 15,00,000 |
| ii. | Distribution of seeds & saplings | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 5,00,000 |
| iii. | Promotion & support to various Govt. Schemes | 2,00,000 | 2,00,000 | 2,00,000 | 2,00,000 | 2,00,000 | 10,00,000 |
| | Total | 6,00,000 | 6,00,000 | 6,00,000 | 6,00,000 | 6,00,000 | 30,00,000 |
| 4. | Infrastructural Development | | | | | | |
| i. | Village pond retrieval | 3,00,000 | 3,00,000 | 3,00,000 | 3,00,000 | 3,00,000 | 15,00,000 |
| ii. | R.O installation | 3,00,000 | 3,00,000 | 3,00,000 | 3,00,000 | 3,00,000 | 15,00,000 |
| | Total | 6,00,000 | 6,00,000 | 6,00,000 | 6,00,000 | 6,00,000 | 30,00,000 |
| 5. | Community Water Conservation | | | | | | |
| i. | Rain water harvesting and ground water recharge pits | 5,00,000 | 5,00,000 | 5,00,000 | 5,00,000 | 5,00,000 | 25,00,000 |
| ii. | Water conservation awareness programs | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 5,00,000 |
| | Total | 6,00,000 | 6,00,000 | 6,00,000 | 6,00,000 | 6,00,000 | 30,00,000 |
| 6. | A forestation Programs | | | | | | |
| i. | Plantation of trees in village road side | 5,00,000 | 5,00,000 | 5,00,000 | 5,00,000 | 5,00,000 | 25,00,000 |

| Sr. No | Planned activities under CSR as per specific needs | Budgetary Plan (Rs.) | | | | | |
|-----------|---|----------------------|------------------|------------------|------------------|------------------|--------------------|
| | | 1st Year | 2nd Year | 3rd Year | 4th Year | 5th Year | Total |
| ii | Development of nursery | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 5,00,000 |
| | Total | 6,00,000 | 6,00,000 | 6,00,000 | 6,00,000 | 6,00,000 | 30,00,000 |
| 7. | Community Capacity Building | | | | | | |
| i | Impairing vocational training for technical skills, self-employment training for women as stitching, embroidery, tailoring, handicrafts | 2,00,000 | 3,00,000 | 4,00,000 | 5,00,000 | 6,00,000 | 20,00,000 |
| | Total | 2,00,000 | 3,00,000 | 4,00,000 | 5,00,000 | 6,00,000 | 20,00,000 |
| | Grand Total | 45,00,000 | 47,00,000 | 51,00,000 | 53,00,000 | 54,00,000 | 2,50,00,000 |

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

The Annual Report on CSR activities are annexed herewith as Annexure- IV

Report on Corporate Governance

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come. 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 Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the Report on corporate governance.

Management Discussion and Analysis Report

In compliance with Regulation 34(3) read with Schedule V(B) of the Listing Regulations, Management Discussion and Analysis forms part of this Annual 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 : Rupana
Date : 10.08.2020

(Dr Ajay Satia)
Chairman Cum Managing Director

(R.K.Bhandari)
Joint Managing Director

Annexure-I**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 criteria for determining qualifications, 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.
- 4 To ensure that the remuneration for Directors is reasonable and sufficient to attract, retain and motivate appropriate Directors required for running the Company effectively.
- 5 To ensure that the remuneration to Key Managerial Personnel and Senior Management involves a balance between the pay and goals appropriate to the working of the Company.

- 6 To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

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

The 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, 2020 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 & Managing Director) | 625.02 | 0 | 167.11 | 5.42 | 0.76 |
| Sh. R.K. Bhandari (Joint Managing Director) | 70.25 | 81.52 | 18.78 | 0.61 | 0.08 |
| Sh. Chirag Satia (Executive Director) | 370.47 | 0 | 99.05 | 3.21 | 0.45 |
| Sh. Ashok Kumar Khurana CFO * | 12.73 | 0 | 3.40 | 0.11 | 0.01 |
| Sh Inderjeet Monga * * | 1.93 | 0 | | 0.01 | 0.01 |
| Sh. Rakesh Kumar Dhuria Company Secretary | 19.09 | 16.89 | 5.0 | 0.17 | 0.02 |

• Sh Ashok Kumar Khurana (CFO) retired from Office w.e.f 08.02.2020

** Sh Inderjeet Monga (CFO) appointed as CFO w.e.f 08.02.2020

- 1 The median Remuneration of Employees was Rs 3.74 lakh P.A.
- 2 In the financial year, there was an increase of 9% in the median remuneration of employees.
- 3 There were 1310 permanent employees on the rolls of the Company as on March 31, 2020
- 4 Relationship between average increase in remuneration and Company performance: -

The following factors are considered while giving increase in remuneration:

(a) Financial performance of the Company.

(b) Comparison with peer companies, and

(c) Industry benchmarking and consideration towards cost of living adjustment/inflation Comparison of the remuneration of the Key Managerial Personnel(s) against the Performance of the Company: -

For the financial year 2019-20 key Managerial Personnel were paid 9.53% and 1.33% 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 | Gross Salary | Last Employment |
|--------|-----------------------------|------------------------------|----------------------|-------------------|-------|--------------|--|
| 1 | Sandeep Pabha | SR.G.M.(Engg.& Projects) | B.E Production Engg. | 25.4 | 47.6 | 2740000 | Kuatam Paper |
| 2 | Leeladhar Bagla | SR.G.M.[Paper] | B.SC. | 25.7 | 46.1 | 2712000 | BILT Grapbic Paper Products Ltd. |
| 3 | Venkumahanthi Srinivasa Rao | G.M.(Utilities Projects) | B.Tech (Mech.) | 13.4 | 35.11 | 2666000 | Concept Technologies |
| 4 | Sanjay Jain | General Manager (INSTT.) | Dip Elect.Engg. | 31.6 | 53 | 2136000 | Rainbow Papers Ltd. |
| 5 | Deepak Sharma | G.M. (CO.GEN.) | MBA (Power Mgement) | 21.5 | 39.4 | 2115000 | Gemco Energy Ltd. |
| 6 | Parveen Kumar | General Manager (ELECT.) | DIP. In Elect. Engg. | 29.5 | 47.5 | 2032920 | Punjab Concast Steels (Nahar Intt. Ltd.) |
| 7 | Manav Sarin | SR.GM (MKT. & INSTLL. SALES) | M.B.A. | 27.1 | 47.11 | 1913400 | Rama Newsprint & Papers Ltd. |
| 8 | Rakesh Kumar Dhuria | SR.GM (Secretarial) | LL.B, C.S. | 30.2 | 59 | 1909200 | Girnar Fibres Ltd. |
| 9 | S.Madhukar Rao | General Manager (QC) | B.SC. | 34.4 | 59.1 | 1866400 | Murli Agro |
| 10 | Satpal Arora | SR.G.M.(MKT & PPC) | M.B.A. | 28.7 | 52.12 | 1697160 | First Employment |

1. 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

2. Average Net Profit of the Company for last three financial years

lacs

| Particulars | 31.03.2019 | 31.03.2018 | 31.03.2017 | Average |
|-------------|------------|------------|------------|---------|
| Net Profit | 11008.07 | 8333.05 | 4751.31 | 8030.81 |

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

Manner in which the amount spent during the financial year

| Sr No. | CSR project or activity identified | Sector in Which The Project Is covered | Projects or programs(1) Local area or Other (2) Specify the State and district where projects or Program Program was undertaken | Amount Outlay (budget) Projects or Program wise | Amount Spent on the projects or programme Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads | Cumulative Expenditure Up to the Reporting period | Amount Spent Direct or Through Implementing Agency |
|--------|---|--|---|---|--|---|--|
| 1 | Promoting Education, eradication Poverty, hunger and malnutrition, especially in rural areas, empowering women economically, supplementing primary education and participating in rural capacity building programs and such other initiatives | Literacy | Sri Muktsar Sahib (Punjab) | 61.00 | 68.77 | 68.77 | Direct |
| 2 | Promoting preventive healthcare | Community welfare | 1.Sri Muktsar Sahib(Punjab) Village : Kauni Village Rupana | 25.00 | 26.97 | 26.97 | |
| 3 | Eradicating Hunger and Poverty | do | do | 60.00 | 64.48 | 64.48 | |
| 4 | Environmental sustainability | do | do | 10.00 | 2.90 | 2.90 | |

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

(Sd/-)

A. C. Ahuja
(CHAIRMAN-CSR COMMITTEE)

(Sd/-)

R. K. Bhandari
(EXECUTIVE DIRECTOR)

Two percent of the amount as in item III above Rs. 160.61 lakh towards CSR. Unspent amount from previous year Rs nil.

The Company is required to spend Rs 160.61 lakh towards CSR

4. Details of CSR spent during the financial year

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Govt. of India declared lockdown. Resultantly, Company could be able to expend Rs 1,11,40,167.00 upto 31st March, 2020 and the balance required amount of Rs 49,20,833.00 was expended by the Company upto the date of this report and nothing is outstanding unspent as on date of this report.

(a) Amount unspent, if any: NIL

Annexure-V

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED
31 MARCH, 2020**

[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
Vill. Rupana, Malout-Muktsar Road, Muktsar (Punjab)
CIN: L21012PB1980PLC004329

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 there on.

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, 2020 complied with the statutory provisions listed here under 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 here in after:

We report that-

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statement of the company.
- d) Where-ever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Satia Industries Limited and produced before us for the financial year ended on 31st March, 2020 according to the provisions of:
 - (i) The companies Act, 2013 (the Act) and the rules made there under;

During the period under review the company has complied with the provisions of the Act, rules, regulations, Guidelines, Standards, etc. mentioned above.
 - (ii) The company has complied with the relevant provisions of Securities contracts (regulation) act, 1956 ('SCRA') and the rules made there under where ever applicable to the company.
 - (iii) The company has complied with the relevant provisions of the Depositories act, 1996 and the regulations and Bye- laws framed there under where ever applicable to the company.
 - (iv) There were no issues which required specific compliance of the Foreign exchange Management act, 1999 and the rules and regulations made there under.
 - (v) The following regulations and Guidelines prescribed under the Securities and exchange Board of India act, 1992 ('SEBI act'):-
 - (a) there were no 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 up to date.
- (b) there were 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 up to 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.
- (e) There were no issues which required the specific compliance/approval of the Securities and exchange Board of India (issue and listing of Debt Securities) regulations, 2008 amended up to date.
- (f) There were no issues which required the specific compliance/approval of the Securities and exchange Board of India (registrars to an issue and Share transfer agents) regulations, 1993 regarding the companies Act and dealing with client amended up to date.
- (g) There were no issues which required the specific compliance/approval of the Securities and exchange Board of India (De-listing of equity Shares) regulations, 2009 amended up to date;
- (h) 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
- (i) 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
- 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 above except to the extent as mentioned below:
- Where as in terms of the provisions of Section 135 of the Companies Act, 2013 read with rules of the Companies (Corporate Social Responsibility) Rules, 2014, the Company was required to spend in every financial year, at least two percent of the average

net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR Policy, the company could not comply with the same upto 31st March 2020 and an amount of Rs. 49,20,883.00 remained unspent during the year towards Corporate Social Responsibility

(Due to Corona Virus disease (COVID-19) outbreak Declaration as Global Pandemic by World Health Organization and Consequently Declaration of Nation-wide Lockdown By Government of India, Company could be able to expend Rs. 1,11,40,167.00 up to 31st March, 2020 and the balance required amount of Rs 49,20,833.00 was expended by the Company upto the date of this report and nothing is outstanding unspent as on date of this report.)

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 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.

- a) The Members had passed a Special Resolution under Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sh. A C Ahuja, (DIN: 00327032), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 01.10.2019 to 30.09.2024 and whose office shall not be liable to retire by rotation"
- b) The Members had passed a Special Resolution under Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sh Dinesh Chand Sharma, (DIN: 02460345), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 01.10.2019 to 30.09.2024 and whose office shall not be liable to retire by rotation"
- c) The Members had passed a Special Resolution under Section 196, 197, 198 and 203 read with schedule V

and all other applicable provisions, if any, of the Companies Act 2013, Remuneration Committee and as approved by the Board of Directors, approval of Members be and is hereby accorded for revision in the remuneration of Dr Ajay Satia, (Din: 00850792) Chairman Cum Managing Director of the Company, as mentioned here below

- i. Salary: Rs. 3800000/- Per Month w.e.f. April 01, 2018
 - ii. Commission: Not exceeding 1.00 (one) percent of net profit in an accounting year and all other as given in the resolution.
- d) The Members had passed a Special Resolution under Section 196, 197, 198 and 203 read with schedule V and all other applicable provisions, if any, of the Companies Act 2013, Remuneration Committee and as approved by the Board of Directors, approval of Members be and is hereby accorded for revision in the remuneration of Sh R. K. Bhandari, (Din: 00732588) Joint Managing Director of the Company, as mentioned here below
- I. Salary: Rs.635000/- Per Month w.e.f. July 01, 2019 with an Annual Increment of Rs 35000 PM as per agreement and all other perquisites/ benefits as given in the resolution.
- e) The Members had passed a Special Resolution under Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and in term of recommendation of Nomination and Remuneration Committee and as approved by the Board of Director, approval of Members be and is hereby accorded for revision in the remuneration of ShHardev Singh, Director (Technical) of the Company as stated below:
- I. Salary: Rs.250000/- Per Month w.e.f. April 01, 2018 with an Annual Increment of Rs 25000/- PM. as per agreement and all other perquisites/ benefits as per rules of the Company.
- f) The Members had passed a Special Resolution under Section 61(1)(d), and other applicable provisions, if any, of the Companies Act, 2013 read with the rules and subject to such approvals, consents, permissions and sanctions as may be necessary from concerned authorities or bodies and as

approval of the members be and is hereby accorded for sub-division of Equity Shares of the Company having the face value of Rs. 10/- (Rupees Ten Only) each fully paid up into 1 (one) equity shares of face value of Rs.1/- (Rupees one Only) each fully paid up.

- g) The Members had passed a Special Resolution under Sections 13 and 61 and other applicable provisions of the Companies Act, 2013 and the rules made Clause V of the Memorandum of Association of the Company be and is hereby amended and substituted by the following : V. The authorized Share Capital of the Company is Rs. 220000000/- (Rupees twenty two crores only) consisting of 220000000 equity shares of Rs.1/- (Rupees one) each with power to increase and reduce the capital to attach there to respectively.
- h) The Members had passed a Special Resolution under Section 188 of the Companies Act, 2013 and all other applicable Provisions, Rules and Regulations, to sale of Solar Power Plant of the Company at the fair market price to YCD Industries Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

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.

Dated : 10.08.2020

Place : Bathinda

S. Parnami & Associates

Company Secretaries

FCS No. 9396

CP No. 11181

UDIN: F009396B000565127

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

'Annexure 1'

To,

The Members,

Satia Industries Limited

Vill. Rupana, Malout-Muktsar Road, Muktsar (Punjab)

CIN: L21012PB1980PLC004329

Our Secretarial audit report for the financial year 31st March 2020 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 are 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 effective ness 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.

For S. Parnami & Associates
Company Secretaries
Sourabh Parnami
M.No.F9396
CP NO: 11181

Dated : 10.08.2020
Place : Bathinda

(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
Vill. Rupana, Malout-Muktsar Road, Muktsar (Punjab)
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 portal www.mca.gov.in) as considered necessary and explanations furnished tome/us by the Company & its Directors/officers, I/We hereby certify thatnone of the Directors on the Board of the company for the Financial Year ending on 31st March, 2020 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 StatutoryAuthority.

For S. Parnami & Associates
Company Secretaries
Sourabh Parnami
M.No.F9396
CP NO: 11181

Dated : 10.08.2020
Place : Bathinda (Pb.)

CORPORATE GOVERNANCE REPORT 2019-20

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

Your Company places strong emphasis on Corporate Governance and Company's philosophy on Corporate Governance extends across its business operations to meet the needs of all stakeholders and the communities in which it operates to create long term sustainable value. Adoption and adherence to the Code of Conduct further strengthens your Company's philosophy on Corporate Governance. We ensure that we follow the corporate governance guidelines and best practices. We consider it our responsibility to disclose timely and accurate information regarding our financial performance as well as the leadership and governance of the company. The company is in compliance with the requirements stipulated under regulation 27 of the SEBI listing regulations, as applicable, with regard to corporate governance

2 Board of Directors

In terms of Company's Corporate Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of supervision, control and direction.

The Board has complete access to the information available with the company. Members of the Board have complete freedom to express their views on agenda items and discussions at Board level are taken after due deliberations and full transparency. The Board provides direction and exercises appropriate control to ensure that your company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

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 gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committee.

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

The Chairman and Managing Director is the leader of the Board. 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. He is responsible for matters pertaining to governance, including the organization, composition and effectiveness of the Board and its committees and the performance so individual directors in fulfilling their responsibilities. The Chairman and Managing Director will provide independent leadership to the Board, identify guidelines for the conduct and performance of directors and over see the management of the Board's administrative activities, such as meeting, schedules, agenda, communication and documentation.

Composition of the Board of Directors

The SIL Board is a balanced Board, Comprising Executive and Non-Executive Directors. The Non-Executive Directors Include Independent professionals. As on march 31, 2020 the Board has 11 directors comprising 4 Executive Directors and 7 Non Executive Independent Directors (i.e 63.64%). At least one-third of the total strength of the Board was required to comprise Independent Directors as on 31st March, 2020. The composition of the Board is in conformity with Regulation 17 of the SEBI listing regulations read with Section 149 of the Act.

- i. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors is related to each other except Dr Ajay Satia, Chairman Cum Managing Director and Sh Chirag Satia, executive Director.
- ii. 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, 2020 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 2019-20, Five Board Meetings were held on the following dates:-

- 1 09-05-2019
- 2 12-08-2019
- 3 28-09-2019
- 4 14-11-2019
- 5 08-02-2020

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

The Composition of Board of Directors and their attendance at the Board meetings during the year and at last Annual General Meeting of the Company as also the number of other Directorship and committee Membership/ Chairmanship as on 31.03.2020 are as follows:

| Sr. No. | Name of Director | Category of Directorship | No. of Board Meetings attended | Attendance Last AGM | No. of other Directorship (See note) | No. of Committee Membership | |
|---------|--------------------------------|-----------------------------------|--------------------------------|---------------------|--------------------------------------|-----------------------------|----------|
| | | | | | | Member | Chairman |
| 1. | Dr. Ajay Satia | Chairman & Managing Director | 5 | Yes | - | - | - |
| 2. | Sh. R. K. Bhandari | Joint Managing Director | 5 | Yes | - | 1 | - |
| 3. | Sh. A. C. Ahuja | Independent Director | 5 | Yes | 3 | 2 | 2 |
| 4. | Sh. Dinesh Chand Sharma | Independent Director | 4 | No | - | - | - |
| 5. | Sh. I.D. Singh | Independent Director | 5 | No | - | - | - |
| 6. | Sh. Chirag Satia | Executive Director | 5 | Yes | - | - | - |
| 7. | Sh. Hardev Singh | Director (Technical) | 4 | No | - | - | - |
| 8. | Dr. Mrs. Priti Lal Shivhare ## | Independent Director | 3 | No | - | - | - |
| 9. | Sh. Ashok Kumar Gupta | Independent Director | 5 | No | - | - | - |
| 10. | Sh. Arun Kumar Gupta | Independent Director | 1 | No | 2 | 1 | 2 |
| 11. | Sh. S. K. Arora# | Independent Director | 0 | No | - | - | - |
| 12. | Sh. Vinod Kumar Kathuria # # | Additional Director (Independent) | 0 | No | - | - | - |

Sh S.K.Arora Independent Director vacated his office w.e.f 28-09-2019

Sh Vinod Kumar Kathuria was appointed as Additional Independent Director w.e.f 08.02.2020

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 | - | 2 |
| 4. | Sh Dinesh Chand Sharma | 2 | - | - |
| 5. | Sh I. D. Singh | 1 | 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 | 2 | - | - |

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.

- During the year, one meeting of the Independent Directors was held on 08.02.2020 Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Chairman of the company and the Board as a whole.
- The Board periodically reviews the compliance reports of all laws applicable to the company, prepared by the company.
- The details of the familiarization programmer of the independent Directors are available on the website of the Company (<http://www.satiagroup.com/investors>).

Board Level Committees

The Board has constituted various committees 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 of the company is constituted in line with the provisions of regulation 18 of SEBI listing regulations, read with Section 177 of the Act

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. The terms of reference of the Audit committee constituted by the Board in terms of Section 177 of the companies Act, 2013 and the corporate Governance code as prescribed under listing regulations, which broadly includes matters pertaining to adequacy of internal control systems, review of financial reporting process, discussion of financial results, interaction with auditors, appointment and remuneration of auditors, adequacy of disclosures and other relevant matters

The role of the Audit Committee shall include the following:

- (1) Ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment and terms of appointment of auditors.

- (3) 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 estimates 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;
 - (4) reviewing with the management, the quarterly financial statements before submission to the board for approval;
 - (5) 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;
 - (6) reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
 - (7) approval of transactions of the listed entity with related parties;
 - (8) scrutiny of inter-corporate loans and investments;
 - (9) evaluation of internal financial controls and risk management systems;
 - (10) reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (11) 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;
 - (12) discussion with internal auditors of any significant findings and follow up thereon;
 - (13) 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;
 - (14) 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;
 - (15) to review the functioning of the whistle blower mechanism;
 - (16) approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
 - (17) 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 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
- The Audit Committee as on March 31, 2020 comprised of four Directors**
- Following Directors were the members of the Audit Committee: -**
- (1) Sh. A. C. Ahuja, chairman Independent Non-executive Director

- (2) Sh. R. K. Bhandari, Joint Managing Director
- (3) Sh. Inder Dev Singh, Independent Non-executive Director
- (4) Sh. Arun Kumar Gupta, Independent Non-executive Director

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 Ashok Kumar Khurana Chief Finance Officer retired on 08.02.2020 and Sh Inderjeet Monga, appointed as CFO on 08.02.2020 regularly attends the meetings and 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, four (4) Meetings of Audit Committee were held on 09.05.2019, 12.08.2019, 14.11.2019 and 08.02.2020. Composition of Audit Committee attendance of the members at the Committee Meetings during the year are as under: -

| Sr. No. | Name of Member | Status in Committee | Directorship | No. of Meetings attended |
|---------|----------------------|---------------------|-------------------------|--------------------------|
| 1 | Sh. A. C. Ahuja | Chairman | Independent Director | 4 |
| 2 | Sh. R. K. Bhandari | Member | Joint Managing Director | 4 |
| 3 | Sh. Inder Dev Singh | Member | Independent Director | 4 |
| 4 | Sh. Arun Kumar Gupta | Member | Independent Director | 1 |

Nomination and Remuneration Committee Term of Reference:

The nomination and remuneration committee of the company is constituted in line with the provisions of regulation 19 of SEBI listing regulations, read with Section 178 of the Act. The term of reference of this committee is wide enough covering the matter specified

under the SEBI listing regulations and the companies Act, 2013

Composition of the Nomination and Remuneration Committee & attendance of the members at the Committee Meetings during the year ended 31.03.2020 are as follows:-

| Sr. No. | Name of Member | Status in Committee | Directorship | Number of Meetings during the year 2019-20 | |
|---------|-------------------------|---------------------|----------------------|--|----------|
| | | | | 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

Nomination and remuneration policy of the company is designed to attract, motivates and retain man power in competitive market. The main provision of this policy is given in the Board's report.

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 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, 2020 is as under: -

| Sr. No. | Name of Director | Sitting Fee (Rs.) | Salary | P.F | Others | Total (Rs.) |
|---------|---------------------------|-------------------|----------|-------|---------|-------------|
| 1 | Dr Ajay Satia | 0 | 59800000 | - | 2701904 | 62501904 |
| 2 | Sh R. K. Bhandari | 0 | 6930000 | - | 94919 | 7024919 |
| 3 | Sh Chirag Satia | 0 | 36000000 | 21600 | 1024900 | 37046500 |
| 4 | Sh Hardev Singh | 0 | 3150000 | - | 56407 | 3206407 |
| 5 | Sh A. C. Ahuja | 205000 | 0 | 0 | 0 | 205000 |
| 6 | Sh Dinesh Chand Sharma | 115000 | 0 | 0 | 0 | 115000 |
| 7 | Sh I. D. Singh | 195000 | 0 | 0 | 0 | 195000 |
| 8 | Sh Ashok Kumar Gupta | 120000 | 0 | 0 | 0 | 120000 |
| 9 | Sh Arun Kumar Gupta | 30000 | 0 | 0 | 0 | 30000 |
| 10 | Mrs Dr Priti Lal Shivhare | 80000 | 0 | 0 | 0 | 80000 |

Corporate Social Responsibility (CSR) Committee

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

The composition of the committee as at 31st March, 2020 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 08 February, 2020 under the Chairmanship of Sh A. C. Ahuja, Independent Director

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 composition of committee is as below:-

- Sh Ashok Kumar Gupta, Independent Director:
Chairman
- Sh R.K.Bhandari, Joint Managing Director :
Member
- 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. Over see 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 08th February, 2020 inter alia to:

- Review the performance of Non Independent Directors and the Board of Directors as a Whole:
- Review the performance of the chairman of the company, taking into accounts the views of the executive and Non-Executive Directors.
- Review the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Business Risk Management Committee

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

- 1 Sh R. K. Bhandari, Joint Managing Director (Chairman)
- 2 Sh Chirag Satia, Executive Director

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

The objectives and scope of the risk Management committee broadly comprise of

- 1 Oversight of risk management performed by the executive management:

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

General Body Meetings

The Last Three Annual General Meetings were held as under:

| Sr. No. | Financial year | Date | Time | Location | No of Special Resolution Passed |
|---------|----------------|------------|----------|---|---------------------------------|
| 1 | 2018-19 | 29.09.2019 | 10.00 AM | At Regd. Office; Muktsar- Malout Road, Vill.Rupana Distt. Muktsar | Seven |
| 2 | 2017-18 | 29.09.2018 | 10.00AM | At Regd. Office; Muktsar- Malout Road, Vill.Rupana Distt. Muktsar | Six |
| 3 | 2016-17 | 29.09.2017 | 10.00AM | At Regd. Office; Muktsar- Malout Road, Vill.Rupana Distt. Muktsar | Four |

Postal Ballot

During the year under review, no resolution was passed through Postal Ballot.

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

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.

II. Reconciliation of share capital audit: -

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

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 Jagaran 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, 2020 (10:30 AM)

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

g) Financial Calendar

Next Financial Year April 1, 2020 to March 31, 2021

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

| Results | Announced on |
|---|----------------|
| For 1 st Quarter ended on 30.06.2020 | August, 2020 |
| For 2 nd Quarter ended on 30.09.2020 | November, 2020 |
| For 3 rd Quarter ended on 31.12.2020 | February, 2021 |
| For The Year ended on 31.03.2021 | May, 2021 |

h) **Date of Book Closure** : 24th September, 2020 to 30th September, 2020 (Both days inclusive)

i) **Listing on Stock Exchange** : Equity Shares of The Company are listed at BSE & 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-2019 | 739.9 | 620 | 00 | 00 |
| May-2019 | 740 | 670 | 00 | 00 |
| Jun-2019 | 780.9 | 677 | 00 | 00 |
| Jul-2019 | 741 | 640 | 739.9 | 638 |
| Aug-2019 | 670 | 627 | 675 | 625 |
| Sep-2019 | 809 | 650.1 | 810 | 650.05 |
| Oct-2019 | 80.7 | 700 | 747 | 70.4 |
| Nov-2019 | 97 | 75.1 | 97.95 | 74.4 |
| Dec-2019 | 102 | 79 | 102 | 75.6 |
| Jan-2020 | 109.8 | 77.5 | 108.7 | 77 |
| Feb-2020 | 112.95 | 86.9 | 112.5 | 86.4 |
| Mar-2020 | 101.4 | 57 | 102 | 50.1 |

Distribution of shareholding as on March 31, 2020

| No. of equity shares held | No of Share-holders | %age | Shares | %age total |
|---------------------------|---------------------|--------|-----------|------------|
| UP to 5000 | 1341 | 78.01 | 120450 | 0.1205 |
| 5001 – 10000 | 62 | 3.60 | 49807 | 0.0498 |
| 10001- 20000 | 138 | 8.02 | 187384 | 0.1874 |
| 20001 – 30000 | 38 | 2.21 | 95600 | 0.0956 |
| 30001 – 40000 | 18 | 1.04 | 67289 | 0.0673 |
| 40001 – 50000 | 17 | 0.98 | 78467 | 0.0785 |
| 50001 – 100000 | 35 | 2.03 | 254848 | 0.2548 |
| 100001 and above | 70 | 4.07 | 99146155 | 99.1462 |
| Total | 1719 | 100.00 | 100000000 | 100.000 |

l) Categories of shares as on 31.03.2020

| Sr No. | Particulars | No of Shares | Amount (Rs. In Lacs) | %Age |
|--------|----------------------|--------------|----------------------|--------|
| 1 | Promoter | | | |
| | Core Promoter | 51676390 | 51676390 | 51.68 |
| | Friends/ Relatives | 0 | 0 | 0 |
| 2 | Financial Institutes | 0 | 0 | 0 |
| 3 | Public | 48323610 | 48323610 | 48.32 |
| 4 | Banks | 0 | 0 | 0 |
| 5 | Others | 0 | 0 | 0 |
| | Total | 100000000 | 100000000 | 100.00 |

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) Ltd
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre, New Delhi

o) Share Transfer System

The company's shares are in compulsory dematerialized

list and are transferable through depository system. Shares in physical form are processed and approved by M/s Beetal Financial and Computer Services Pvt. Ltd., the registrar and transfer Agents ,

Stake Holder Relation Committee

The Stake Holder relation committee of the company for the year ended 31.03.2020 looks after the work of redressal of investors/shareholders complaints. The members of the committee are Sh Ashok Kumar Gupta, Sh R. K.Bhandari and Sh Chirag Satia. The company has not received a single grievance/complaint from the investors/shareholders.

p) Plant location : **Muksar- Malout Road, VPO Rupana Distt. Muktsar (Punjab)**

q) Investors

Correspondence : Muktsar-Malout road,
VPO Rupana, Distt.
Muktsar-152026 (Punjab)

Website the Company's website (www.satiagroup.com) contains a separate dedicated section "investor relation" where shareholders information is available. The Company's annual report is also available in a user-friendly and down-loads form.

For and on behalf of the Board of Director

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

(R.K.Bhandari)
Joint Managing
Director

PLACE : VPO:Rupana

DATED : 10.08.2020

The Members,
Satia Industries Ltd.
VPO: Rupana

DECLARATION BY THE MANAGING DIRECTOR

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, 2020 in terms of regulation 26(3) of SEBI (Listing Obligation And Disclosure Requirements) Regulations, 2015

(Dr Ajay Satia)
Chairman cum Managing Director

Place : VPO: Rupana

Date : 10.08.2020

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:-
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of 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 take nor propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that:
- i) 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 evolvment therein, if any, of the management or an employee having

a significant role in the company's internal control system over financial reporting.

**(Inderjeet Monga)
Chief Financial Officer**

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

**Place : VPO: Rupana
Date : 10.08.2020**

AUDITORS' CERTIFICATE

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

We have examined the compliance of conditions of corporate governance by Satia Industries Limited for merely known as Satia Paper Mills Ltd., for the year ended on 31st March 2020 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 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 Deepak Grover & Associates
Chartered Accountants**

**Date : 10.08.2020
Place : VPO: Rupana**

**Deepak Grover
(Proprietor)**

ANNEXURE VI**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2020****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS:**

| | | |
|----|--|--|
| 1. | CIN | L21012PB1980PLC004329 |
| 2. | Registration Date | 26.11.1980 |
| 3. | Name of the Company | SATIA INDUSTRIES LIMITED |
| 4. | Category/Sub-category of the Company | PUBLIC |
| 5. | Address of the Registered office & contact details | VPO: RUPANA, MALOUT-MUKTSAR ROAD, DISTT : MUKTSAR (PUNJAB)-152026 Phone No:- 01633-262001 |
| 6. | Whether listed company | LISTED |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Beetal Financial & Computer Services (P) Ltd Beetal House, 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@rediffmail.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 |
|--------|--|---------------------------------|------------------------------------|
| | Writing and printing paper | 17093 | 97.74 |

III. Particulars of Holding, Subsidiary and Associate Companies

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

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

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2019] | | | | No. of Shares held at the end of the year [As on 31-March-2020] | | | | % Change during the year |
|--|---|----------|---------|-------------------|---|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 5164609 | 3030 | 5167639 | 51.67 | 51676390 | 00 | 51676390 | 51.67 | 00 |
| b) Central Govt | | | | | | | | | |
| c) State Govt(s) | | | | | | | | | |
| d) Bodies Corp. | | | | | | | | | |
| e) Banks / FI | | | | | | | | | |
| f) any other | | | | | | | | | |
| total shareholding of promoter (a) | 5164609 | 3030 | 5167639 | 51.67 | 51676390 | 00 | 51676390 | 51.67 | 00 |
| 2) foreign | | | | | | | | | |
| total Shareholding of promoter (a) | 5164609 | 3030 | 5167639 | 51.67 | 51676390 | 00 | 51676390 | 51.67 | 00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) insurance Companies | | | | | | | | | |
| g) FIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) others (specify) other individual Huf | 6600 | 0 | 6600 | 0.0029 | 76887 | 00 | 76887 | 0.076 | 0.073 |
| Sub-total (B)(1):- | 6600 | 0 | 6600 | 0.0029 | 76887 | 00 | 76887 | 0.076 | 0.073 |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2019] | | | | No. of Shares held at the end of the year [As on 31-March-2020] | | | | % Change during the year |
|--|---|----------|----------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 2. non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 3888414 | 280560 | 4168974 | 41.68 | 41217932 | 127500 | 41345432 | 41.34 | -0.34 |
| individuals | | | | | | | | | |
| i) individual shareholders holding nominal share capital upto Rs. 1 lakh | 194712 | 101250 | 295962 | 2.95 | 664003 | 410800 | 1074803 | 1.074 | -1.876 |
| ii) individual shareholders holding nominal share capital in excess of Rs 1 lakh | 356655 | 1510 | 358165 | 3.58 | 5527688 | 278850 | 5806538 | 5.806 | 2.22 |
| c) others (specify) | | | | | | | | | |
| Non resident Indians | 847 | 00 | 847 | 0.0085 | 14581 | 00 | 14581 | 0.0146 | 0.006 |
| overseas corporate Bodies | | | | | | | | | |
| foreign nationals | | | | | | | | | |
| clearing Members | 1813 | 0 | 1813 | 0.018 | 5369 | 0 | 5369 | 0.005 | -0.013 |
| trusts | | | | | | | | | |
| foreign Bodies - D R | | | | | | | | | |
| Sub-total (B)(2):- | 4449041 | 383320 | 4832361 | 48.32 | 47506460 | 817150 | 48323610 | 48.32 | 00 |
| total Public Shareholding (B)=(B)(1)+ (B)(2) | 4449041 | 383320 | 4832361 | 48.32 | 47506460 | 817150 | 48323610 | 48.32 | |
| c. Shares held by custodian for GDRs&ADrs | | | | | | | | | |
| Grand total (a+B+C) | 9613650 | 386350 | 10000000 | 100.00 | 99182850 | 817150 | 100000000 | 100.00 | 00 |

Shareholding of Promoter:-

| Sr No | Shareholder's Name | Shareholding at the end 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 | 2235299 | 22.3529 | 9.022 | 22352990 | 22.3529 | 9.022 | - |
| 2 | Smt Bindu Satia | 811594 | 8.12 | 0 | 8115940 | 8.12 | 0 | - |
| 3 | Sh Chirag Satia | 685167 | 6.85 | 0 | 6851670 | 6.85 | 0 | - |
| 4 | Sh Dhruv Satia | 797454 | 7.97 | 0 | 7974540 | 7.97 | 0 | - |
| 5 | Ms Yachana Mehta | 258750 | 2.59 | 0 | 2587500 | 2.59 | 0 | - |
| 6 | Ms Priyanka Satia | 360000 | 3.60 | 0 | 3600000 | 3.60 | 0 | - |
| 7 | Dr Ajay Satia (HUF) | 19375 | 0.193 | 0 | 193750 | 0.193 | 0 | - |
| | Total | 5167639 | 51.673 | 9.022 | 51676390 | 51.673 | 9.022 | - |

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 | 1572800 | 15.73 | 0 | 15728000 | 15.73 |
| 2 | SDS Cotton Private Limited | 1493586 | 14.94 | 0 | 14935860 | 14.94 |
| 3 | Adya Design Private Limited | 485319 | 4.85 | 0 | 4853190 | 4.85 |
| 4 | RKB Sales Private Limited | 273378 | 2.73 | 0 | 2733780 | 2.73 |
| 5 | White Gold transport Private Ltd | 252209 | 2.52 | 0 | 2522090 | 2.52 |
| 6 | Bhai Apminder Singh | 22687 | 0.22 | +8000 | 306870 | |
| 7 | Sh. Rasbeer Singh | 120000 | 1.2 | +5000 | 1250000 | 1.25 |
| 8 | Smt. Jasminder Kaur | 0 | 0 | +25726 | 257260 | 0.25 |
| 9 | S. Jaskaran Singh | 0 | 0 | +25250 | 252500 | 0.25 |
| 10 | Sh Saroop Singh Brar | 64340 | 0.64 | -750 | 635900 | 0.63 |

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 | 2235299 | 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 | 2235299 | 22.35 | 22352990 | 22.35 |
| 2 | Sh R.K.Bhandari | | | | |
| | At the beginning of the year | 25625 | 0.256 | 261000 | 0.26 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | 475 | | | |
| | At the end of the year | 26100 | 0.26 | 261000 | 0.26 |
| 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.): | | | | |
| | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | Sh Chirag Satia | | | | |
| | At the beginning of the year | 685167 | 6.85 | 6851670 | 6.85 |
| | 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 | 685167 | 6.85 | 6851670 | 6.85 |

| 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 |
| 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 | ShHardev 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.): | | | | |
| | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| 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 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 |

| 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 |
| 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 | 0.00 | 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 |
| | Key Managerial Personnel | | | | |
| 11 | Sh Ashok Kumar Khurana CFO | | | | |
| | At the beginning of the year | 500 | 0.005 | 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 | 500 | 0.00 | 0.00 | 0.00 |
| 12 | Sh Rakesh Kumar Dhuria, Company Secretary | | | | |
| | At the beginning of the year | 10 | 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 | 10 | 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 |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 19747.87 | 867.15 | | 20615.02 |
| ii) Interest due but not paid | - | - | | - |
| iii) Interest accrued but not due | 11.08 | - | | 11.08 |
| Total (i+ii+iii) | 19758.95 | 867.15 | | 20626.10 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 11797.81 | - | - | 11797.81 |
| * Reduction | -4557.30 | -646.99 | | -5204.29 |
| Net Change | 7240.51 | -646.99 | | 6593.52 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 26988.38 | 220.16 | | 27208.54 |
| ii) Interest due but not paid | - | - | | - |
| iii) Interest accrued but not due | 10.28 | - | | 10.28 |
| Total (i+ii+iii) | 26998.66 | 220.16 | | 27218.82 |

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 | 480.00 | 69.30 | 360.00 | 31.50 | 940.8 |
| | Value of perquisites u/s 17(2) Income-tax Act, 1961 | 27.02 | 0.95 | 10.47 | 0.56 | 39.00 |
| | 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... | 118.00 | -- | - | - | 118.00 |
| 5 | Others, please specify | - | -- | - | - | |
| | Total (A) | 625.02 | 70.25 | 370.47 | 32.06 | 1097.80 |

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. Priti Lal Shiv hare |
| 1 | Independent Directors | | | | | | |
| | Fee for attending board committee meetings | 205000 | 115000 | 195000 | 120000 | 30000 | 80000 |
| | Commission | 0 | 0 | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (1) | 205000 | 115000 | 195000 | 120000 | 30000 | 80000 |
| 2 | Other Non-Executive Directors | | | | | | |
| | Fee for attending board committee meetings | 0 | 0 | 0 | 0 | 0 | 0 |
| | Commission | 0 | 0 | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (2) | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (B)= (1+2) | 205000 | 115000 | 195000 | 120000 | 30000 | 80000 |

Independent Auditor's Report**To the Members of Satia Industries Limited, V Rupana.****Report on the Standalone Financial Statements****Opinion**

We have audited the accompanying the standalone Ind AS financial statements of Satia Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to standalone Ind AS Financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial

statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note No. 53 to the Standalone Ind AS Financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

| S no. | Key Audit Matter | Auditor's response |
|-------|---|---|
| 1. | In respect of parties' balances, confirmations were sought from all the parties at the year end. Some parties have sent the confirmations. In respect of other parties' management realises that due to Covid-19 lockdown with many offices being closed and others working with skeleton staff, confirmations are not coming. It has also been explained that management has the system of reconciling balances with the parties from time to time. All the parties are running parties with whom company has regular business transactions. | In the absence of external confirmations, we as auditors carried out alternative procedures to verify the balances: <ol style="list-style-type: none"> We tested the effectiveness of controls over sale and purchase transactions with the parties and accounting of the same. All transactions of sale/purchase were verified through external bills and invoices to/from the parties. The payments were cross verified from the bank statements of the company. In view of the high magnitude of such transactions we followed SA 530 "Audit Sampling" in this regard. |

| S no. | Key Audit Matter | Auditor's response |
|-------|--|---|
| 2. | <p>Physical Verification of Stock</p> <p>The physical verification of stock is carried out by the management every year so as to cover all the locations. Each year a team of the technical qualified personal is constituted by the company for verification of inventory.</p> <p>Due to outbreak of COVID 19, there was a lock down in the state. The physical verification of stock could not be accomplished as on 31.03.2020. The company took permission from the Authorities and the verification of the stock was conducted as on 16.04.2020.</p> | <p>We have followed the following processes:</p> <ul style="list-style-type: none"> i. We carried out checking of the stock records to verify the stock as on 16.04.2020. Keeping in view the magnitude of transactions, the same has been done as per sample selection basis in accordance with SA 530 "Sample Selection" of ICAI ii. The records of the physical verification of stock were verified. iii. Keeping in view the location, magnitude and nature of the inventory consisting of Agro waste material, Husk, Chemicals, store & Spares etc, we were not technically competent to personally verify the stock physically and relied on the report prepared by the technical team constituted by the company. iv. We used roll backward procedure to arrive at the physical stock as at March 31, 2020. v. We also tallied the same with the regular stock records maintained by the company and produced for our verification. |

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 controls 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules 2015 as amended, unless stated otherwise.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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 standalone financial statements Refer Note No. 47 to Standalone Financial Statement;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deepak Grover & Associates

Place : V. Rupana
Date : 22-06-2020

Chartered Accountants
Deepak Grover
Proprietor
M.No.505923
FRN:020678N
UDIN:20505923AAAADU9842

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Satia Industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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, to the best of our information and according to the explanations given to us, 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 March 31, 2020, 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.

For Deepak Grover & Associates

Place : V. Rupana Chartered Accountants

Date : 22-06-2020 Deepak Grover
Proprietor
M.No.505923
FRN:020678N
UDIN:20505923AAAADU9842

Annexure - B to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property Plant and Equipment.
- (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 by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals by the Management.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories except for material lying on floor & work in progress (which has been determined during the physical verification at the yearend) and the stocks of REC/CER/E-CERTS etc (which are being accounted on sale basis only). The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
- (iii) In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act 2013, in our opinion, the rate of interest and other terms and conditions on which the loans have been granted not prejudicial to the interest of the company. There is no overdue amount in the loan accounts.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied

with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

- (v) The Company has not accepted any deposits from the public during the year. According to the explanation given to us the securities lying with the company have been received from the vendors/customers/employees in the course of trade transactions and are exempt as per the provisions of Acceptance of Deposit Rules.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
- (vii) In respect of Statutory Dues:

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, Goods & Services Tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, Goods & Services Tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value

added tax have not been deposited by the Company on account of disputes:

| Nature of Statute | Nature of Dues | Forum where Dispute is pending | Period to which relates | Amount (Rs-In Lakhs) |
|--------------------------|----------------|--|-------------------------|----------------------|
| Central Excise Act, 1944 | Central Excise | Punjab & Haryana High Court, Chandigarh. | 1994-95 | 3.84 |
| Custom Duty | Custom Duty | Commissioner (Appeal) | 2010-11 | 1.73 |
| Custom Duty | Custom Duty | Commissioner (Appeal) | 2019-20 | 17.45 |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans (Except from banks). Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Deepak Grover & Associates

Place : V. Rupana
Date : 22-06-2020

Chartered Accountants
Deepak Grover
Proprietor
M.No.505923
FRN:020678N
UDIN:20505923AAAADU9842

BALANCE SHEET AS AT MAR 31, 2020
 (in Indian rupee lacs, unless otherwise stated)

(Rs. in Lacs)

| Particulars | Notes No. | Year ended As at March 31, 2020 | Year ended As at March 31, 2019 |
|--|--------------|---------------------------------------|---------------------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 5 | 37,090.90 | 38,264.40 |
| (b) Capital work-in-progress | 6 | 21,474.00 | 5,612.91 |
| (c) Financial assets | | | |
| (i) Investments | 7 | 327.67 | 311.07 |
| (ii) Loans | 8 | - | 168.12 |
| (iii) Other financial assets | 9 | 102.00 | 101.90 |
| (d) other Non- Current Assets | 10 | 519.25 | - |
| (e) Deferred tax asset (net) | 11 | 319.63 | 587.72 |
| Total non-current assets | | 59,833.45 | 45,046.12 |
| (2) Current assets | | | |
| (a) Inventories | 12 | 5,310.66 | 5,987.11 |
| (b) Biological assets other than bearer plants | 13 | 2,812.75 | 3,029.20 |
| (c) Financial assets | | | |
| (i) Trade receivables | 14 | 13,228.37 | 10,574.16 |
| (ii) Cash and cash equivalents | 15 | 172.41 | 46.91 |
| (iii) Bank balances other than above | 16 | 1,374.73 | 353.95 |
| (iv) Other financial assets | 17 | 234.50 | 262.83 |
| (d) Current tax assets | 18 | 220.99 | - |
| (e) Other current assets | 19 | 1,321.32 | 737.31 |
| Total current assets | | 24,675.73 | 20,991.47 |
| Total assets | | 84,509.18 | 66,037.59 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 20 | 1,000.00 | 1,000.00 |
| (b) Other equity | 21 | 38,548.10 | 29,757.38 |
| Total equity | | 39,548.10 | 30,757.38 |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 22 | 15,876.73 | 10,540.60 |
| (ii) Other financial liabilities | 23 | 8,503.45 | 8,229.07 |
| (b) Other non current liabilities | 24 | 691.51 | 28.18 |
| (c) provisions | 25 | 931.19 | 771.75 |
| Total non-current liabilities | | 26,002.88 | 19,569.60 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 26 | 5,958.97 | 5,366.73 |
| (ii) Trade payables | 27 | | |
| Total Outstanding dues of micro enterprises and small enterprises | | 440.47 | 414.12 |
| Total Outstanding dues of creditors other than micro enterprises and small enterprises | | 4,860.51 | 4,123.99 |
| (iii) Other financial liabilities | 28 | 6,670.17 | 5,162.60 |
| (b) Current tax liabilities | 29 | - | 129.85 |
| (c) Other current liabilities | 30 | 927.66 | 441.50 |
| (d) provisions | 31 | 100.42 | 71.82 |
| Total current liabilities | | 18,958.20 | 15,710.61 |
| Total liabilities | | 44,961.08 | 35,280.21 |
| Total equity and liabilities | | 84,509.18 | 66,037.59 |

The accompanying notes are an integral part of these financial statements
 In terms of our report attached

Deepak Grover & Associates
 Chartered Accountants

For and on behalf of the Board of Directors

Dr. Ajay Satia
 Chairman-Cum Managing Director
 DIN : 00850792

R.K Bhandari
 Joint Managing Director
 DIN : 00732588

Deepak Grover
 (Proprietor)
 M.No.505923
 FRN : 020678N

Place : Rupana
 Date : 22-06-2020

Inderjeet Monga
 Chief Financial Officer

Rakesh Kumar Dhuria
 Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MAR 31, 2020
(in Indian rupee lacs, unless otherwise stated)

(Rs. in Lacs)

| Particulars | Notes No. | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 |
|---|-----------|-----------------------------------|-----------------------------------|
| Revenue from operations | 32 | 80,863.72 | 73,840.55 |
| Other income | 33 | 1,519.79 | 1,444.57 |
| Total Revenue (I) | | 82,383.51 | 75,285.12 |
| Expenses | | | |
| Cost of material consumed | 34 A | 33,562.38 | 27,784.54 |
| Purchases of traded goods | 34 B | 1,576.29 | 642.77 |
| Change in inventory of finished goods, stock in progress and stock in trade | 34 C | 192.30 | 22.05 |
| Employee benefits expense | 35 | 5,283.16 | 4,722.52 |
| Depreciation | 36 | 5,462.01 | 4,773.16 |
| Impairment loss/(Gain) on financial assets | 37 | (16.60) | (17.48) |
| Finance cost | 38 | 2,021.55 | 2,077.50 |
| Other expenses | 39 | 22,774.43 | 24,271.99 |
| Total expenses (II) | | 70,855.52 | 64,277.05 |
| Profit before tax (I - II = III) | | 11,527.99 | 11,008.07 |
| Tax expense: (IV) | | | |
| Current tax | 40 | 2350.02 | 1,813.95 |
| Deferred tax | | (5.82) | 416.99 |
| Net tax expense / (benefit) | | 2344.20 | 2,230.94 |
| Profit after tax (III - IV = V) | | 9183.79 | 8,777.13 |
| Profit for the year (V) | | 9,183.79 | 8,777.13 |
| Other Comprehensive Income (VI) | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| (a) Remeasurement of defined benefit obligation | | (47.52) | 31.36 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 16.12 | (10.85) |
| Total Other Comprehensive Income (A (i-ii)+B(i-ii)) | | (31.40) | 20.51 |
| Total Comprehensive Income for the year, net of tax (V+VI=VII) | | 9,152.40 | 8,797.64 |
| Earnings per equity share (for continuing operation) | | | |
| 1 Basic | | 9.18 | 8.78 |
| 2 Diluted | | 9.18 | 8.78 |

The accompanying notes are an integral part of these financial statements
In terms of our report attached

Deepak Grover & Associates
Chartered Accountants

Deepak Grover
(Proprietor)
M.No.505923
FRN : 020678N

Place : Rupana
Date : 22-06-2020

Dr. Ajay Satia
Chairman-Cum Managing Director
DIN : 00850792

Inderjeet Monga
Chief Financial Officer

For and on behalf of the Board of Directors

R.K Bhandari
Joint Managing Director
DIN : 00732588

Rakesh Kumar Dhuria
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2020

(in Indian Rupees lacs, unless otherwise stated)

Statement of Change in Equity

| a. Equity share capital | Number of Shares | Equity share capital |
|---|------------------|----------------------|
| Balance at April 1, 2018 | 1000.00 | 1,000.00 |
| Changes in equity share capital during the year | - | - |
| Balance at March 31, 2019 | 1000.00 | 1,000.00 |
| Changes in equity share capital during the year | - | - |
| Balance at March 31, 2020 | 1000.00 | 1,000.00 |

b. Other Equity

Reserves and surplus

| Particulars | Retained earnings | Other reserve (Investment allowance utilisation reserve) | Total |
|--|-------------------|--|------------------|
| Balance at March 31, 2018 | 21,182.66 | 78.43 | 21,261.09 |
| Profit for the year | 8,777.13 | - | 8,777.13 |
| Other comprehensive income for the year, net of income tax | 20.51 | - | 20.51 |
| Payment of dividends | (250.00) | - | (250.00) |
| Tax on dividends | (51.35) | - | (51.35) |
| Balance at March 31, 2019 | 29,678.95 | 78.43 | 29,757.38 |
| Balance at April 1, 2019 | 29,678.95 | 78.43 | 29,757.38 |
| Profit for the Period | 9,183.79 | - | 9,183.79 |
| Other comprehensive income for the year, net of income tax | (31.40) | - | (31.40) |
| Payment of dividends | (300.00) | - | (300.00) |
| Tax on dividends | (61.67) | - | (61.67) |
| Balance at March 31, 2020 | 38,469.67 | 78.43 | 38,548.10 |

The Company has one class of equity shares only 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.

During the Year equity shares of the company have been sub-divided from existing face value of Rs 10/- per equity shares to face value of Re. 1/- per equity share based on approval by the shareholders in its 38th Annual General Meeting. Accordingly, Previous year Number of shares have been reclassified. basic and diluted earnings per equity share have been computed for all the periods presented in the above results on the basis of new number of equity shares.

Deepak Grover & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Deepak Grover
(Proprietor)
M.No.505923
FRN : 020678N

Dr. Ajay Satia
Chairman-Cum Managing Director
DIN : 00850792

R.K Bhandari
Joint Managing Director
DIN : 00732588

Place : Rupana
Date : 22-06-2020

Inderjeet Monga
Chief Financial Officer

Rakesh Kumar Dhuria
Company Secretary

(INR in Lacs)

Cash Flow Statement for the year ended March 31, 2020

| Particulars | Notes No. | Year ended As at March 31, 2020 | Year ended As at March 31, 2019 |
|---|-----------|---------------------------------|---------------------------------|
| A. Cash flow from Operating Activities: | | | |
| Net profit before tax | | 11,527.99 | 11,008.07 |
| Adjustments for: | | | |
| Depreciation and amortisation | | 5,462.01 | 4,773.16 |
| Finance costs | | 2,021.55 | 2,077.50 |
| Interest income | | (96.71) | (48.85) |
| Net loss (gain) on sale / discarding of fixed assets | | (0.39) | (7.25) |
| Gain on government grant | | (5.96) | (7.22) |
| Gain on fair valuation of biological assets | | (493.59) | (559.47) |
| Exchange Rate (Gain)/loss | | (37.57) | (48.99) |
| Impairment loss/(Gain) on financial assets | | (16.60) | (17.48) |
| Operating Profit before Working Capital changes | | 18,360.73 | 17,169.47 |
| Adjustments for changes in Working Capital : | | | |
| - Increase/(decrease) in trade payables & other payables | | 1,523.41 | (758.59) |
| - (Increase)/decrease in trade receivables & Other receivables | | (4,079.25) | 2,560.64 |
| - Increase/(decrease) in other financial liabilities & provisions | | 188.04 | 82.49 |
| - (Increase)/decrease in inventories | | 1,386.49 | (244.65) |
| Cash generated from Operating Activities | | 17,379.42 | 18,809.36 |
| - Taxes (paid) | | (2,410.82) | (2,095.32) |
| Net Cash from Operating Activities | | 14,968.60 | 16,714.04 |
| B. Cash flow from Investing Activities: | | | |
| Purchase of Property, plant and equipment | | (4,312.94) | (11,920.31) |
| Payment for Capital WIP | | (15,861.09) | (2,663.35) |
| Other Non Current Asset | | (519.25) | - |
| Sale of Property, plant and equipment | | 25.00 | 83.77 |
| Interest received | | 78.83 | 38.85 |
| Net Cash from Investing Activities | | (20,589.45) | (14,461.04) |
| C. Cash flow from Financing Activities: | | | |
| Proceeds of short term borrowings (Net) | | 2,110.89 | (1,392.30) |
| Proceeds of long term borrowings (Net) | | 5,336.13 | 1,444.68 |
| Other Financial Liabilities | | 663.33 | - |
| Interest paid | | (2,002.33) | (2,091.70) |
| Dividend paid | | (300.00) | (250.00) |
| Corporate dividend tax paid | | (61.67) | (51.35) |
| Net Cash from Financing Activities | | 5,746.35 | (2,340.68) |
| Net Increase/(Decrease) in cash & cash equivalents (A+B+C) | | 125.50 | (87.69) |
| Cash and cash equivalents at the beginning of the year | | 46.91 | 134.61 |
| Cash and cash equivalents at the end of the year | 15 | 172.41 | 46.92 |
| Cash and cash equivalents comprise | | | |
| Cash & cheques in hand | | 34.71 | 31.45 |
| Balance with banks | | 137.70 | 15.46 |
| | | 172.41 | 46.92 |

The accompanying notes are an integral part of these financial statements
In terms of our report attached

Deepak Grover & Associates
Chartered Accountants

Deepak Grover
(Proprietor)
M.No.505923
FRN : 020678N

Place : Rupana
Date : 22-06-2020

Dr. Ajay Satia
Chairman-Cum Managing Director
DIN : 00850792

Inderjeet Monga
Chief Financial Officer

For and on behalf of the Board of Directors

R.K Bhandari
Joint Managing Director
DIN : 00732588

Rakesh Kumar Dhuria
Company Secretary

Notes Forming Part Of The Financial Statements

Corporate Information

Satia Industries Limited (herein after referred to as 'The Company') was incorporated on 26 November, 1980 under the Companies Act with the registration no L21012PB1980PLC004329 is presently dealing in the following business a) Manufacturer of Writing and Printing Paper b) Generation of Power c) Trading activities in Cotton & Yarn, d) Agricultural & Plantation Operations etc. The shares of the Company are listed on BSE Limited (BSE) & (NSE).

1: Significant Accounting Policies:-

1.1 Statement of compliance, Basis of Preparation & Presentation:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) as notified under section 133 of the Act read with Companies (Indian Accounting Standards) Rule, 2015 and Companies (Indian Accounting Standards) amendment Rules, 2016 and other relevant provisions of the Act as amended from time to time.

1.2 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 the cost of fixed assets 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 tangible property, plant and equipment has been provided on the Written Down Value 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 for the financial year 2019-20 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 Assets is as per the Schedule II of the Companies Act, 2013.

The estimated useful life, deprecation 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 incurrance 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 & 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 10% of the historical cost.

1.3 Intangible Assets:

Expenditure on computer software, which is not an integral part of hardware, is capitalised as an intangible asset. The cost of software includes license fee and implementation cost and is capitalised in the year of its implementation. Patent and Software is amortized over useful life of assets over which economic benefits will be derived. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Patents and trademarks, etc. are accounted at their cost of acquisition and amortized over their estimated economic life not exceeding 10 years.

1.4 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.

1.5 Financial Instruments

1.5.1 Financial assets

Financial assets are recognised when the company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities which are not recognised through profit & Loss account are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

1.5.2 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.

1.5.3 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.

1.5.3.1 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.

1.5.4 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.

1.5.5 Financial Liabilities

i. Initial recognition and measurement

Financial liabilities are initially measured at fair value except Trade Securities. 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 Trade Securities.

1.5.6 De-recognition of financial liabilities

A financial liability is de-recognised when they are discharged.

1.5.7 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.

1.5.8 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 18.

1.6 Revenue Recognition

"Under Ind As 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were 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 performace 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.”

1.6.1 Income from CER/VER

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

1.6.2 Income from REC/E-Certs/Dividend

keeping in view of the Nature REC/E-Certs/ dividend Income is recognised on cash realization basis unlike other Incomes.

1.6.3 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.

1.7 Valuation of Inventories:-

Raw Materials, Stores & Spares:

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

on transaction moving weighted average.

Work-in-Progress and Finished Goods:

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods except lying in the factory premises includes Taxes, Duties etc. on which input credit is not available.

By Products and Waste:

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 & 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.

1.8 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."

1.9 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.

1.10 Employee Benefits

i. Liability for gratuity, leave salary and post-retirement medical 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; and

*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.

ii. The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognized as an expense during the period when the employees render the services.

1.11 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.

1.12 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.

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

1.14 Provisions, Contingent Liabilities & Contingent Assets:

a. 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.

b. 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.

c. Contingent Assets

Contingent assets are not recognized in the accounts. However they are disclosed when the possible right to receive exists.

1.15 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.

1.16 Leases

"The Company's lease asset classes consist both

tangible and intangible assets. The Company assesses whether a contract contains a lease, at inception of a contract. 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. This policy applies to contracts existing and entered on or after 1 April 2019. The Company elected to use the following practical expedients on initial application:

1. Application of a single discount rate to a portfolio of leases of similar assets in uniform economic environment with an identical end date.
2. Application of the exemption not to recognize right-of-use assets and liabilities for leases with a term less than 12 months on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Application of the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line-method from the commencement date over the period of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be

recoverable, impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement in statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the statement of profit or loss over the lease term.

As Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

if an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

1.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.18 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.

1.19 Loan to Employees and 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 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.

1.20 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.

1.21 Estimation of uncertainties related to the global health pandemic from COVID-19

In the Continuous process of risk assessment the company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements, has used internal and external source of information.

5. Property, plant and equipment

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------|-------------------------|-------------------------|
| Carrying amounts of: | | |
| Freehold Land | 904.92 | 744.90 |
| Plant and Equipment | 20,851.87 | 21,661.92 |
| Turbine | 9,373.35 | 9,687.47 |
| Solar | 1,857.01 | 2,267.51 |
| Roads | 42.20 | 59.45 |
| Buildings | 3,304.71 | 3,191.85 |
| Electrical installation | 116.43 | 129.90 |
| Office equipment | 22.17 | 41.80 |
| Furniture and fixtures | 29.44 | 24.12 |
| Vehicles | 550.19 | 415.88 |
| Computers | 38.61 | 39.60 |
| Total | 37,090.90 | 38,264.40 |

Notes forming part of financial statements (In Indian Rupees lacs, unless otherwise stated)

5.1 Property, plant and equipment

(Rs. in Lacs)

| Particulars | Freehold Land | Plant and Equipment | Turbine | Solar | Road | Building | Electrical installation | Office equipments | Furniture and fittings | Vehicles | Com- puters | Total |
|-----------------------------------|------------------|------------------------|-----------|----------|--------|----------|----------------------------|----------------------|------------------------------|----------|----------------|-----------|
| At Cost of Deemed cost | | | | | | | | | | | | |
| Balance at March 31, 2018 | 376.68 | 24,747.83 | 7,703.29 | 2,313.98 | 63.08 | 3,342.77 | 177.14 | 74.54 | 33.38 | 556.93 | 75.93 | 39,465.55 |
| Additions | 368.22 | 6,951.90 | 3,027.39 | 553.64 | 43.74 | 742.85 | 21.60 | 7.72 | 3.33 | 181.24 | 18.68 | 11,920.31 |
| Disposals | - | 10.69 | - | - | - | - | - | - | - | 95.85 | - | 106.54 |
| Balance at March 31, 2019 | 744.90 | 31,689.04 | 10,730.68 | 2,867.62 | 106.82 | 4,085.62 | 198.74 | 82.26 | 36.71 | 642.32 | 94.61 | 51,279.32 |
| Additions | 160.02 | 3,042.84 | 233.66 | - | 5.50 | 463.66 | 4.94 | 2.20 | 14.70 | 365.53 | 19.89 | 4,312.94 |
| Disposals | - | - | - | - | - | - | - | - | - | 129.21 | - | 129.21 |
| Balance at March 31, 2020 | 904.92 | 34,731.88 | 10,964.34 | 2,867.62 | 112.32 | 4,549.28 | 203.68 | 84.46 | 51.41 | 878.64 | 114.50 | 55,463.04 |
| Accumulated Depreciation | | | | | | | | | | | | |
| Balance at March 31, 2018 | - | 6,660.96 | 632.08 | 183.70 | 19.16 | 586.63 | 45.62 | 21.54 | 7.91 | 74.70 | 39.48 | 8,271.78 |
| Depreciation expense | - | 3,366.16 | 411.13 | 416.41 | 28.21 | 307.14 | 23.22 | 18.92 | 4.68 | 181.76 | 15.53 | 4,773.16 |
| Eliminated on disposals of assets | - | - | - | - | - | - | - | - | - | 30.02 | - | 30.02 |
| Balance at March 31, 2019 | - | 10,027.12 | 1,043.21 | 600.11 | 47.37 | 893.77 | 68.84 | 40.46 | 12.59 | 226.44 | 55.01 | 13,014.92 |
| Depreciation expense | - | 3,852.89 | 547.78 | 410.50 | 22.75 | 350.80 | 18.41 | 21.83 | 9.38 | 206.79 | 20.88 | 5,462.01 |
| Eliminated on disposals of assets | - | - | - | - | - | - | - | - | - | 104.78 | - | 104.78 |
| Balance at March 31, 2020 | - | 13,880.01 | 1,590.99 | 1,010.61 | 70.12 | 1,244.57 | 87.25 | 62.29 | 21.97 | 328.45 | 75.89 | 18,372.15 |
| Net block | | | | | | | | | | | | |
| Balance at March 31, 2018 | 376.68 | 18,086.87 | 7,071.21 | 2,130.28 | 43.92 | 2,756.14 | 131.52 | 53.00 | 25.47 | 482.23 | 36.45 | 31,193.77 |
| Balance at March 31, 2019 | 744.90 | 21,661.92 | 9,687.47 | 2,267.51 | 59.45 | 3,191.85 | 129.90 | 41.80 | 24.12 | 415.88 | 39.60 | 38,264.40 |
| Balance at March 31, 2020 | 904.92 | 20,851.87 | 9,373.35 | 1,857.01 | 42.20 | 3,304.71 | 116.43 | 22.17 | 29.44 | 550.19 | 38.61 | 37,090.90 |

INR in Lakhs

Depreciation/Amortization for the year

5,456.05

Add: Dep, related to IND AS adjustment of Govt. Grants

5.96

Depreciation/Amortization charged to statement of Profit & Loss

5,462.01

Notes forming part of the financial statements

6. Capital work-in-progress

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Building under construction | 1582.22 | 574.14 |
| Plant and Machinery under erection | 19891.78 | 5,038.77 |
| Total | 21474.00 | 5,612.91 |

7. Financial assets: Other Investments

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Carried at Fair Value through Profit and Loss | | |
| Unquoted investments (all fully paid) | | |
| Investment in Equity Instruments | | |
| 35,50,000 Equity shares of Rs.10/- each fully paid up in YCD Industries Limited (Formally known as Bhandari Exports Industries Ltd.). (Value determined by registered valuer) | 311.07 | 293.59 |
| | 311.07 | 293.59 |
| Less: Impairment loss (Gain) in value of investments | (16.60) | (17.48) |
| Total investment carrying value | 327.67 | 311.07 |
| Aggregate value of unquoted investments | 327.67 | 311.07 |
| Current | - | - |
| Non-current | 327.67 | 311.07 |
| Total | 327.67 | 311.07 |

There are no quoted investments.

8. Financial Assets: Loans

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Carried at amortised cost - Unsecured, Considered good | | |
| Loans to directors and other officers | | |
| Loan to Key Management Personnel | - | 168.12 |
| Total | - | 168.12 |

9. Other financial assets

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Carried at amortised cost - Unsecured, Considered good | | |
| Security deposits | 102.00 | 101.90 |
| Total | 102.00 | 101.90 |

10. Other non current assets**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------|-------------------------|-------------------------|
| Right to Use Assets | 519.25 | - |
| Total | 519.25 | - |

Note : In accordance with Ind As 116 Right to Use Assets represent the right over leasehold land.

11. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated balance sheet:

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Deferred tax assets | 1,955.47 | 2,463.03 |
| Deferred tax liabilities | 1,635.84 | 1,875.31 |
| | 319.63 | 587.72 |
| Components of Deferred Tax Asset and Liability : | | |
| Deferred Tax Liability | | |
| Depreciation and Amortization expenses | 1,635.84 | 1,875.31 |
| | 1,635.84 | 1,875.31 |
| Deferred Tax Assets | | |
| Expenditure covered by section 43B of Income tax Act 1961 | 68.55 | 291.94 |
| Fair Value of Employee Loan | - | 4.23 |
| Recognition of Borrowings at effective Interest Rate | (54.13) | (67.09) |
| Mat Credit Entitlement | 1,933.25 | 2,218.75 |
| Fair Value of Investment | 7.80 | 15.20 |
| | 1,955.47 | 2,463.03 |
| Net Deferred Tax Liability (Asset) | (319.63) | (587.72) |

Note :- Provisions for tax on income is made after taking into consideration benefit admissible under the provisions of the Income tax Act, 1961 except for deduction u/s 80IA.

12. Inventories**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Raw Materials | 1796.58 | 2,314.03 |
| Work-in-progress | 619.50 | 988.64 |
| Finished goods | 648.56 | 471.72 |
| Stores and spares (including packing material) | 2246.02 | 1,810.50 |
| Agriculture produce/Harvested Wood | - | 402.22 |
| Total | 5310.66 | 5,987.11 |

13. Biological Assets other than bearer plants

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year | 3,029.20 | 2,951.65 |
| Other adjustments | 493.59 | 562.66 |
| Disposal during the year | (710.04) | (485.11) |
| Balance at the end of the year | 2,812.75 | 3,029.20 |

14. Financial assets: Trade receivables

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Current | | |
| Unsecured - considered good | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 24.54 | 23.16 |
| Others | 13203.83 | 10,551.00 |
| | 13228.37 | 10,574.16 |
| Less Allowances for credit Impaired | - | - |
| Total | 13228.37 | 10,574.16 |

Age of trade receivables is as follows

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Within the credit period | 13,203.83 | 10,551.00 |
| Upto 6 Months | - | - |
| More than 6 Months | 24.54 | 23.16 |
| Total | 13,228.37 | 10,574.16 |

15. Financial assets: (i) Cash and cash equivalents

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------|-------------------------|-------------------------|
| Cash and Cash Equivalents | | |
| Cash on hand | 4.71 | 7.70 |
| Draft in transit | 30.00 | 23.75 |
| Bank balances | - | - |
| Current accounts | 137.70 | 15.46 |
| Cash and Cash Equivalents | 172.41 | 46.91 |

16. Financial assets: Bank balances other than (i) above**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|-------------------------|-------------------------|
| Fixed deposits held as margin money | 1374.73 | 353.95 |
| Total | 1374.73 | 353.95 |

17. Other financial assets**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------|-------------------------|-------------------------|
| Carried at amortised cost | | |
| Unsecured, Considered good | | |
| Security/ tender deposits | 189.84 | 231.07 |
| Interest accrued on deposits | 42.33 | 31.76 |
| Other | 2.33 | - |
| Total | 234.50 | 262.83 |

18. Current tax assets/(Liabilty)**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Advance income tax /TDS (net of provisions) | 220.99 | - |
| | 220.99 | - |

19. Other current assets**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Unsecured - Considered Good | | |
| Advance to supplier | 929.46 | 479.22 |
| Advance rent | 134.25 | 69.51 |
| Other Advance | 18.02 | 13.77 |
| Prepaid insurance | 75.74 | 36.69 |
| Prepaid expense (others) | 77.19 | 45.38 |
| Export incentive receivable | 37.16 | 30.10 |
| DEPB Recoverable | 7.38 | 4.40 |
| Deferred employee cost | 0.00 | 15.95 |
| Miscellaneous recoverable | 42.12 | 42.29 |
| Total | 1321.32 | 737.31 |

Statement of changes in Equity for the Period ended March 31, 2020

20. Equity

a. Equity share capital

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Authorised capital 22,00,00,000 equity shares of Re 1 each (Previous year 2,20,00,000 equity shares of Rs.10 each) | 2,200 | 2,200 |
| Issued, Subscribed and Paid up 10,00,00,000 equity shares of Re 1 each | 1,000 | 1,000 |
| | 1,000 | 1,000 |

(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, 2019 | | | | | |
| | No. of Shares 1,000 | - | - | - | 1,000 |
| | Amount 1,000 | - | - | - | 1,000 |
| Year Ended March 31, 2020 | | | | | |
| | No. of Shares 1,000 | - | - | - | 1,000 |
| | Amount 1,000 | - | - | - | 1,000 |

(ii) Rights, preferences and restriction attached to shares

The Company has one class of equity shares only 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 March 31, 2020 | | As at March 31, 2019 | |
|--|--------------------------|--------|--------------------------|--------|
| | Number of shares held | % | Number of shares held | % |
| Equity shares | | | | |
| Sh. Ajay Satia | 223.53 | 22.35% | 223.53 | 22.35% |
| Smt. Bindu Satia | 81.16 | 8.12% | 81.16 | 8.12% |
| Mr. Dhruv Satia | 79.75 | 7.97% | 79.75 | 7.97% |
| S.D.S Cotton (P) Ltd | 149.36 | 14.94% | 149.36 | 14.94% |
| Muktsar Logistics and Trading (P) Ltd. | 157.28 | 15.73% | 157.28 | 15.73% |
| Chirag Satia | 68.52 | 6.85% | 68.52 | 6.85% |

iv) No shares allotted as fully paid up without payment being received in cash during 5 years immediately preceding March 31, 2020.

- v) During the Year equity shares of the company have been sub-divided from existing face value of Rs 10/- per equity shares to face value of Re. 1/- per equity share based on approval by the shareholders in its 38th Annual General Meeting. Accordingly, Previous year Number of shares have been reclassified. basic and diluted earnings per equity share have been computed for all the periods presented in the above results on the basis of new number of equity shares.

21. Other Equity**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Retained Earnings | 38,469.67 | 29678.95 |
| Investment Allowance utilisation reserve | 78.43 | 78.43 |
| Total | 38,548.10 | 29757.38 |

21.1 Retained Earnings**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year | 29,678.95 | 21182.66 |
| Profit for the year | 9,183.79 | 8777.13 |
| Other comprehensive income for the year (net of tax) | (31.40) | 20.51 |
| Payment of dividends | (300.00) | (250.00) |
| Tax on dividends | (61.67) | (51.35) |
| Balance at the end of the year | 38,469.67 | 29678.95 |

Reserves and surplus

| Particulars | General reserve | Retained earnings | Other reserve (Capital reserve) | Other reserve (Investment allowance utilization reserve) | Total |
|--|--------------------|----------------------|------------------------------------|--|------------------|
| Balance at March 31, 2018 | - | 21,182.66 | - | 78.43 | 21,261.09 |
| Profit for the year | - | 8,777.13 | - | - | 8,777.13 |
| Other comprehensive income for the year, net of income tax | - | 20.51 | - | - | 20.51 |
| Payment of dividends | - | (250.00) | - | - | (250.00) |
| Tax on dividends | - | (51.35) | - | - | (51.35) |
| Balance at March 31, 2019 | - | 29,678.95 | - | 78.43 | 29,757.38 |
| Balance at April 1, 2019 | - | 29,678.95 | - | 78.43 | 29,757.38 |
| Profit for the Period | - | 9,183.79 | - | - | 9,183.79 |
| Payment of dividends | - | (300.00) | - | - | (300.00) |
| Tax on dividends | - | (61.67) | - | - | (61.67) |
| Other comprehensive income for the year, net of income tax | - | (31.40) | - | - | (31.40) |
| Balance at Mar 31, 2020 | - | 38,469.67 | - | 78.43 | 38,548.10 |

22. Non current borrowings

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Secured (Carried at amortised cost) | | |
| Term loan from banks | | |
| Punjab National Bank | 2,742.97 | 3,482.48 |
| Central Bank of India | 2,716.58 | 3,872.84 |
| Indian Overseas Bank | - | 87.27 |
| Indusind Bank | 2,891.53 | - |
| Andhra Bank | 218.29 | 398.24 |
| Union Bank of India | 4,028.70 | 2,360.22 |
| AKA Bank | 2,543.24 | - |
| UCO Bank | 554.03 | - |
| Vehicle loans | 181.39 | 122.16 |
| Unsecured (at amortised cost) | | |
| HDB Financial Services | - | 217.39 |
| Total | 15,876.73 | 10,540.60 |

Term loans:

- The loans due to Punjab National Bank, Central Bank of India, Indian Overseas Bank, Andhra Bank and Indusind Bank are secured by way of equitable mortgage on all present and future immovable properties, hypothecation of company's present and future movable assets except Vehicles which have been specifically hypothecated which rank pari-passu among the lenders. All these borrowings are personally guaranteed by the Chariman Cum Managing Director and joint managing director of the company.
- The Loan due to Punjab National Bank are further secured by pledge of 90.22 Lakhs equity shares of the promoter of the company.
- Company entered into a swap agreement against Indusind Bank 9.75% loan amounting to INR 3019.55 lakhs with 4.5% loan amounting to Euro 38,54,187.
- 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.
- The loan due to AKA Bank Frankfurt Germany is an external commercial borrowing amounting to EURO 53,59,800 equivalent INR 4298.19 Lakhs with interest at the rate of 1.40%+ Libor. Exchange rate fluctation gain/loss is adjusted against the carrying amount of the asset.
- Vehicle loans are secured by hypothecation of vehicles acquired against such loans.
- Installment for repayment of term loans due to be paid in the next year amounting Rs.5372.84 lacs (2019-20 4707.69 Lacs) has been treated as current liability and are not included in long term liability.

(7) Terms of repayment:

Normal Repayment Period : 5-7 Years

(Rs. in Lacs)**23. Other financial liabilities**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Unsecured | | |
| Security deposits | 8176.70 | 8,229.07 |
| Derivative Financial Liability - Currency Swap | 326.75 | - |
| Total | 8503.45 | 8,229.07 |

24. Other non current liabilities**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Deferred capital government grants | 23.26 | 28.18 |
| Lease Liability | 668.25 | - |
| Total | 691.51 | 28.18 |

25. Long term provisions**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Leave encashment | 264.69 | 210.68 |
| Gratuity obligation | 666.50 | 561.07 |
| Total | 931.19 | 771.75 |

26. Current borrowings**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Secured | | |
| Working capital loans from Banks | | |
| Punjab National Bank | 5,238.54 | 3,264.16 |
| Union Bank of India | - | 754.73 |
| Central Bank of India | 720.43 | 1,347.84 |
| Total | 5,958.97 | 5,366.73 |

27. Financial liabilities: Trade payables**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Total Outstanding dues of micro enterprises and small enterprises | 440.47 | 414.12 |
| Total Outstanding dues of creditors other than micro enterprises and small enterprises | 3155.56 | 2,783.59 |
| Acceptances Against LC | 1704.95 | 1,340.40 |
| Total | 5,300.98 | 4,538.11 |

28. Other financial liabilities**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Interest accrued but not due | 10.28 | 11.08 |
| Current maturities of non-current borrowings | 5372.84 | 4,707.69 |
| Punjab National Bank | 1484.64 | 1,905.43 |
| Central Bank of India | 1190.20 | 1,669.39 |
| Indian Overseas Bank | - | 176.60 |
| Andhra Bank | 175.00 | 175.00 |
| AKA Bank | 1094.27 | - |
| Indusind Bank | 128.02 | - |
| Union Bank | 900.00 | - |
| Vehicle loans | 180.55 | 131.51 |
| Unsecured loans | 220.16 | 649.76 |
| Others | 1273.44 | 443.83 |
| Derivative Financial Liability - Currency Swap | 13.61 | - |
| Total | 6670.17 | 5,162.60 |

29. Current tax liabilities**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------|-------------------------|-------------------------|
| Income tax payable | - | 129.85 |
| Total | - | 129.85 |

30. Other current liabilities/(Assets)**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Advances from customers | 711.51 | 28.89 |
| Statutory dues | 204.52 | 368.15 |
| Deferred capital government grants | 4.92 | 5.96 |
| Others | 6.71 | 38.50 |
| Total | 927.66 | 441.50 |

31. Short term provisions**(Rs. in Lacs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Leave encashment | 32.28 | 18.55 |
| Gratuity obligation | 68.14 | 53.27 |
| Total | 100.42 | 71.82 |

The Provision for employee benefits includes annual leave and gratuity. Relevant factors related to provision are explained in Note no. 43.

32. Revenue from Operations**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|-----------------------------|------------------------------|------------------------------|
| Gross sales | 95,860.27 | 90,718.22 |
| Less: Inter divisional sale | 14,959.99 | 16,870.93 |
| Less: Discount | 36.56 | 6.74 |
| Total | 80,863.72 | 73,840.55 |

Sale of Products**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Particulars of sale of products comprises | | |
| I PAPER DIVISION | | |
| MANUFACTURED GOODS | | |
| Writing & Printing Paper | 77,007.19 | 72,171.23 |
| Sale of Chemicals | 87.57 | 79.67 |
| Sale Of Scrap | 18.93 | 102.57 |
| Sale of of Waste | 94.41 | 117.82 |
| Sale Of Wood Pulp | 182.24 | 210.75 |
| TRADED GOODS | | |
| Sale of writing & printing paper | 1,969.19 | - |
| Gross Sales | 79,359.53 | 72,682.04 |
| Sales Less Returns | 79,359.53 | 72,682.04 |
| II COTTON & YARN DIVISION (TRADE) | | |
| Sale (Cotton) | 18.66 | 887.87 |
| Sale (Yarn) | - | 548.65 |
| III CO-GENERATION DIVISION | | |
| Sale Of Electricity & Steam | 14,959.99 | 15,864.49 |
| IV SOLAR DIVISION | | |
| Sale of Solar Power | 233.45 | 245.77 |
| Sale (Cotton) | - | 406.51 |
| V AGRICULTURE DIVISION | | |
| Agriculture division | 1,288.64 | 82.89 |
| | 95,860.27 | 90,718.22 |

33. Other Income**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Interest income | 78.83 | 43.39 |
| Interest income on employee loan | 17.88 | 45.72 |
| Insurance claims | 158.45 | 16.83 |
| Miscellaneous income | 5.52 | 61.92 |
| Exchange Rate fluctuation, Gain | 37.57 | 48.99 |
| Discount earned on DEPB and SHIS purchase | 2.05 | 0.27 |
| Export incentive | 54.04 | 46.03 |
| Income from Renewable energy certificate | 1,005.87 | 605.95 |
| Profit on sale of capital assets (net of loss on assets sold/scrapped/written off) | 0.39 | 7.25 |
| Gain on fair valuation of Biological assets | 493.59 | 559.47 |
| Government grant income | 5.96 | 7.22 |
| Cash Discount | - | 1.53 |
| MTM Gain (Loss) on Derivative Instrument | (340.36) | - |
| Total Other Income | 1,519.79 | 1444.57 |

34 A. Cost of material consumed**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|-------------------|------------------------------|------------------------------|
| Raw materials | 20,338.45 | 16178.55 |
| Chemicals | 11,704.38 | 11235.00 |
| Biological assets | 1,117.33 | 370.99 |
| Harvested Goods | 402.22 | - |
| Total | 33,562.38 | 27784.54 |

34 B. Cost of purchase of stock in trade**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--------------------------------|------------------------------|------------------------------|
| Cotton | 18.66 | 1101.66 |
| Yarn | - | 547.55 |
| Paper | 1,557.63 | - |
| Less : Inter Division Transfer | - | 1006.44 |
| Total | 1,576.29 | 642.77 |

34 C. Change in inventory**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---------------------------------------|------------------------------|------------------------------|
| Opening stock | | |
| Finished goods | 471.72 | 382.39 |
| Stock in process | 240.30 | 206.15 |
| Semi finished | 748.34 | 702.23 |
| Cotton | - | 191.64 |
| | 1,460.36 | 1482.41 |
| Closing stock | | |
| Finished goods | 648.56 | 471.72 |
| Stock in process | 159.18 | 240.30 |
| Semi finished | 460.32 | 748.34 |
| | 1268.06 | 1460.36 |
| (Increase)/ decrease in stocks | 192.30 | 22.05 |

35. Employee Benefits Expense**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Salary, Allowances & Other Employee Benefits | 4,017.83 | 3561.44 |
| Contribution to PF, EPS | 197.03 | 152.69 |
| Staff Welfare Expenses | 1,068.30 | 1008.39 |
| Total Employee Benefit Expense | 5,283.16 | 4722.52 |

36. Depreciation**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Depreciation | 5,462.01 | 4773.16 |
| Total depreciation and amortisation expense | 5,462.01 | 4773.16 |

37. Impairment in value of Financial Assets**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|------------------------------------|------------------------------|------------------------------|
| Impairment in value of Investments | (16.60) | (17.48) |
| | (16.60) | (17.48) |

38. Finance Cost**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|-----------------------------|------------------------------|------------------------------|
| Interest on term loans | 1,066.96 | 1161.74 |
| Interest on working capital | 807.95 | 807.60 |
| Bank and other charges | 146.64 | 108.16 |
| Total | 2,021.55 | 2077.50 |

39. Other Expenses**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Printing and Stationery | 8.78 | 7.34 |
| Traveling and Conveyance | 103.49 | 115.33 |
| Fuel | 7,770.80 | 8972.42 |
| Stores and spare parts consumed | 3,330.31 | 4075.30 |
| Packing material and expense | 1,914.49 | 2515.67 |
| Power consumed | 308.17 | 497.17 |
| Water supply charges | 52.16 | 51.14 |
| Electricity & Water | 10.33 | 10.26 |
| Repairs and maintenance - Buildings | 143.32 | 97.57 |
| Repairs and maintenance - Plant and Machinery | 345.65 | 370.19 |
| Repairs and maintenance - Others | 43.26 | 15.75 |
| Raw Material and chemical expense | 549.32 | 453.91 |
| Handling and Shifting - Fuel | 83.46 | 120.08 |
| Insurance expenses | 131.41 | 96.79 |
| Freight and handling outward/ export expenses | 2,931.32 | 2488.67 |
| Vehicle Running & Maintenance Expenses | 68.94 | 61.79 |
| Postage, telegram and telephone | 19.35 | 17.60 |
| Sales tax | - | 16.51 |

| | | |
|--------------------------------------|------------------|-----------------|
| Disposal and cartage | 192.15 | 123.62 |
| Rent | 51.42 | 63.93 |
| Legal & Professional Charges | 120.59 | 68.34 |
| Fees & Subscriptions | 90.86 | 50.77 |
| Advertisement | 2.21 | 3.66 |
| Board meeting expenses | 7.52 | 5.30 |
| Rebate & Discounts | 6.74 | 3.14 |
| Charity and donations | 2.78 | 0.34 |
| Auditors remuneration and expenses | 6.71 | 13.49 |
| Commission | 4,247.57 | 3508.82 |
| Computer expense | 41.55 | 22.01 |
| CSR Expenses | 108.24 | 112.53 |
| Entrepreneur Social Commitment (ECS) | 5.00 | 235.83 |
| Institution & Other Building Tax | - | 35.55 |
| Miscellaneous Expenses | 76.53 | 41.17 |
| Total Other Expenses | 22,774.43 | 24271.99 |

40. Tax expense**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Current tax | 1,977.38 | 2,324.86 |
| Minimum Alternate Tax (MAT) credit availed | 294.26 | (306.60) |
| Short / (Excess) provision for tax relating to prior years | 78.38 | (204.30) |
| Net current tax expense | 2,350.02 | 1,813.95 |

41. Earning Per Share**(Rs. in Lacs)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--------------------------------------|------------------------------|------------------------------|
| Basic earning Per Share | | |
| From Continuous Operations | 9.18 | 8.78 |
| Total basic earning Per Share | 9.18 | 8.78 |

There are no dilutive instruments issued by the company.

Basic earning per share

The earnings and weighted average number of equity shares used in the calculation of basic earning per share are as follows:

(Rs. in Lacs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Profit for the year attributable to owners of the Company | 9183.79 | 8777.13 |
| Earning used in the calculation of basic earnings per share | 9183.79 | 8777.13 |
| Earning used in the calculation of basic earnings per share from Continuing operations | 9183.79 | 8777.13 |
| Weighted average number of equity shares for the purposes of basic earning per share | 1000.00 | 1000.00 |
| i) Existing Shares as on the first dat of year | 1000.00 | 1000.00 |
| ii) Issued during the Year | - | - |
| iii) Share application money recived during the year | - | - |
| iv) Weighted average at the end of the year | 1000.00 | 1000.00 |

Impact of changes in accounting policies

There are no changes in the accounting policies which had impact on the amounts reported for earning per share.

During the Year equity shares of the company have been sub-divided from existing face value of Rs 10/- per equity shares to face value of Re. 1/- per equity share based on approval by the shareholders in its 38th Annual General Meeting. Accordingly, basic and diluted earnings per equity share have been computed for all the periods presented in the above results on the basis of new number of equity shares.

42. Operating lease arrangements

42.1 Leases:

Effect of Ind AS 116

Background- The new leases standard i.e. Ind AS 116, Lease is applicable for the period beginning on or after 1 April 2019. Ind AS 116 replaces Ind AS 117, Lessees. It eliminates the classification of lease either finance or operation lease as required under Ind AS 17. A Lease is required to recognize a "Right to use Asset" along with a lease liability on its balance sheet if it has the right to control the use of an identified asset in a contract.

To ease the implementation, the standard provides different transition options and practical expedients, which can be selected independently of each other or can also be elected on a lease-by-lease basis. The Choice of transition option and practical expedient selected will affect the costs and timing of implementation of the standard. These choices will also affect financial statements for years to come.

Transition- The Company has adopted Ind AS 116, an effective annual reporting period beginning April 1, 2019, and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the company has not restated comparative information. As on April 1, 2019, the company has recognized a right to use asset equivalent to the lease liability, and consequently, there has been no adjustment to the opening balance of retained earnings as on April 1, 2019. The effect of the adoption of Ind AS 116 on the financial results was insignificant.

On April 1, 2019, the company has adopted Ind AS 116 "Leases", using the modified retrospective approach. Accordingly, the Comparatives have not been retrospectively adjusted.

| The Following is the movement in lease liabilities during the year ended 31 March 2020 | | INR in Lakhs |
|--|--|---------------------|
| Balance at the beginning | | - |
| Reclassified on account of adoption of Ind as 116 | | 771.46 |
| Finance Cost accrued during the period | | 75.22 |
| payment of lease liabilities | | 178.43 |
| Balance of lease liabilities as on 31 march 2020 | | 668.25 |
| The Following is the movement in Right to use asset during the year ended 31 March 2020 | | |
| Balance at the beginning | | 0.00 |
| Reclassified on account of adoption of Ind as 116 | | 771.46 |
| Depreciaton for the year | | 252.21 |
| Balance of lease liabilities as on 31 march 2020 | | 519.26 |

43. Employee benefit plans

A. Defined Contribution Plans

The Company makes contribution towards employees' provident fund and employees' pension scheme. 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 139.88 lacs (2018-19 -139.88 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 :-

(Rs. in Lacs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| a) Employers contribution to Employee's Pension Scheme 1995 | 100.92 | 94.83 |
| b) Employers contribution to Provident fund | 48.85 | 45.05 |
| | 149.77 | 139.88 |

B. Defined Benefit Plans and Other Long Term Benefits

- a) Contribution to Gratuity Funds - Employee's Gratuity Fund.

The Company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is non funded. The liability for the same is recognized on the basis of actuarial valuation.

- b) Leave Encashment/Compensated Absence

The company has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves and medical 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, 2020 by 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 | March 31, 2020 | | March 31, 2019 | |
|---|--|----------------------------|--|----------------------------|
| | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund |
| Economic Assumptions | | | | |
| Discount rate (per annum) | 7.00% | 7.00% | 7.75% | 7.75% |
| Rate of increase in compensation levels | 5.00% | 5.00% | 5.00% | 5.00% |
| Rate of return on plan assets | 0 | 0 | 0 | 0 |
| 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 | IALM2006-2008 | IALM2006-2008 |

“Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.”

Amounts recognised in statement of profit or loss in respect of the defined benefit plans are as follows-

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|--|----------------------------|--|----------------------------|
| | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund |
| Current service cost | 42.20 | 60.49 | 35.45 | 51.43 |
| Company's Contribution | - | - | - | - |
| Past Service Cost | - | - | - | - |
| Remeasurements | - | - | - | - |
| Net Interest cost | 16.05 | 43.00 | 22.62 | 45.00 |
| Net actuarial (Gains)/loss | 30.33 | - | (64.40) | 0.00 |
| Components of defined benefit costs recognised in profit or loss* | 88.57 | 103.49 | (6.33) | 96.42 |
| 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- | - | - | - | - |

| | | | | |
|--|--------------|---------------|---------------|----------------|
| -Actuarial (gains) / losses arising from experience adjustments | - | 47.52 | - | (31.36) |
| Components of defined benefit costs recognised in other comprehensive income(OCI)** | - | 47.52 | - | (31.36) |
| Total | 88.57 | 151.01 | (6.33) | 65.06 |

* 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 | March 31, 2020 | | March 31, 2019 | |
|--|--|----------------------------|--|----------------------------|
| | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund |
| Present value of obligation as at beginning of the year | 229.23 | 614.34 | 291.81 | 580.64 |
| Adjustment in beginning balance | - | - | - | - |
| Interest cost | 16.05 | 43.00 | 22.62 | 45.00 |
| Past Service Cost | - | - | - | - |
| Current service cost | 42.20 | 60.49 | 35.45 | 51.43 |
| Contribution by plan participants | - | - | - | - |
| Benefits paid | (20.84) | (30.71) | (56.24) | (31.37) |
| Transfer In | - | - | - | - |
| Actuarial (gain) / loss on obligations due to remeasurements | - | - | - | - |
| a. Effect of change in Financial Assumptions | - | - | - | - |
| b. Effect of change in Demographic Assumptions | - | - | - | - |
| c. Experience (Gain)/ Losses | 30.33 | 47.52 | (64.40) | (31.36) |
| Present value of obligation as at the year end | 296.97 | 734.64 | 229.24 | 614.34 |

Reconciliation of present value of defined benefit obligation and fair value of assets

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|--|----------------------------|--|----------------------------|
| | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund |
| Present value of obligation as at the year end | 296.97 | 734.64 | 229.23 | 614.34 |
| Fair value of plan assets as at the year end | - | - | - | - |
| Net (asset)/ liability recognised in balance sheet | 296.97 | 734.64 | 229.23 | 614.34 |
| Classified as non- current | 264.68 | 666.50 | 210.68 | 561.07 |
| Classified as current | 32.28 | 68.14 | 18.55 | 53.27 |
| Total | 296.97 | 734.64 | 229.23 | 614.34 |

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. 51.69 lacs (increase by Rs.59.23) (as at March 31, 2019: decrease by Rs. 42.82 lacs (increase by Rs.48.88 lacs).
- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 58.91 lacs (decrease by Rs. 52.12 lacs) (as at March 31, 2019: increase by Rs. 48.98 lacs (decrease by Rs. 43.44 lacs))
- The estimated term of the benefit obligations in case of gratuity is 13 years(As at March 31, 2019:13 years)

Leave Encashment

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 22.01 lacs (increase by Rs.25.72 lacs) (as at March 31, 2019: decrease by Rs. 16.92 lacs (increase by Rs. 19.70 lacs))
- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs.25.99 lacs (decrease by Rs. 22.61 lacs) (as at March 31, 2019: increase by Rs. 20.05 lacs (decrease by Rs. 17.49 lacs))

The estimated term of the benefit obligations in case of leave encashment is 15 years(As at March 31, 2019: 16 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.

44. 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 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.

Year ended 31 March 2020

(Rs. in Lacs)

| 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 |
| 1 Revenue | | | | | | | | | | | |
| Segment Revenue | | | | | | | | | | | |
| *-'External Sales | 79,322.97 | 72,675.29 | 18.66 | 430.09 | - | - | 1,288.64 | 82.89 | 233.45 | 652.29 | 80,863.72 |
| *-'Inter Segment Sales | - | - | - | 1,006.4 | 14,959.99 | 15,864.49 | - | - | - | - | 14,959.99 |
| - Interest Income | 96.71 | 89.11 | - | - | - | - | - | - | - | - | 96.71 |
| - Other Income | 417.21 | 749.51 | - | - | 1,005.87 | 605.95 | - | - | - | - | 1,423.08 |
| Total revenue | 79,836.89 | 73,513.91 | 18.66 | 1,436.53 | 15,965.86 | 16,470.44 | 1,288.64 | 82.89 | 233.45 | 652.29 | 97,343.50 |
| 2 Segment results | | | | | | | | | | | - |
| Unallocated corporate expenses (net off unallocated Income) | | | | | | | | | | | - |
| Profit before interest and tax | 6905.92 | 6510.8 | - | 1.63 | 6590.96 | 6531.94 | 306.25 | 235.31 | (253.59) | (194.11) | 13549.54 |
| Interest expense | 1,676.45 | 1807.55 | - | - | 291.86 | 174.77 | - | - | 53.24 | 95.18 | 2021.55 |
| Provision for taxation | 2344.2 | 2230.94 | - | - | - | - | - | - | - | - | 2344.2 |
| Share of profit/ loss from associate(s) | - | - | - | - | - | - | - | - | - | - | - |
| 3 Profit/(loss) after tax | 2885.27 | 2472.31 | - | 1.63 | 6299.1 | 6357.17 | 306.25 | 235.31 | (306.83) | (289.29) | 9183.79 |
| 4 Other information | | | | | | | | | | | - |
| a Segment assets | 68119.77 | 51916.48 | 367.33 | 418.56 | 10391.19 | 7900.2 | 3769.85 | 3534.84 | 1861.03 | 2267.51 | 84509.17 |
| Unallocated corporate assets | - | - | - | - | - | - | - | - | - | - | - |
| Total assets | 68119.77 | 51916.48 | 367.33 | 418.56 | 10391.19 | 7900.2 | 3769.85 | 3534.84 | 1861.03 | 2267.51 | 84509.17 |
| b Segment liabilities | 18873.07 | 15386.57 | 399.72 | 447.32 | 1276.16 | 662.46 | 28.80 | 7.16 | 3.15 | 7.03 | 20580.90 |
| Unallocated corporate liabilities | - | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | 18873.07 | 15386.57 | 399.72 | 447.32 | 1276.16 | 662.46 | 28.8 | 7.16 | 3.15 | 7.03 | 20580.90 |
| Others | | | | | | | | | | | |
| Capital Expenditure | 18778.55 | 11125.56 | - | - | 1,395.5 | 2793.97 | - | 3.95 | - | 553.64 | 20174.03 |
| Depreciation | 4429.73 | 3895.20 | - | - | 619.6 | 459.62 | 2.23 | 1.93 | 410.50 | 416.41 | 5,462.01 |
| "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 3. 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.

Segment revenue and expenses which are not directly identifiable to the primary reportable segments have

been disclosed under unallocable, which primarily includes interest and other income and Corporate Expenses. Other income includes interest income, export incentives Income. Corporate Expenses includes Employee staff benefit expense, Administrative expense and Depreciation expense of Corporate office.

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. 39548.1 (As at March 31, 2019: Rs. 30757.38) on account of share capital, other equity, deferred tax liabilities and other liabilities of corporate office.

Other segment information

(Rs. in Lacs)

| Particulars | Paper division | | Yarn and cotton division | | Co Generation division | | Agriculture division | | Solar division | | Total Segments |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------|
| | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | |
| Capital Expenditure | 18778.55 | 11125.56 | - | - | 1395.47 | 2793.97 | - | 3.95 | - | 553.64 | 20174.03 |
| Depreciation and amortisation | 4429.73 | 3895.20 | - | - | 619.55 | 459.62 | 2.23 | 1.93 | 410.50 | 416.41 | 5462.01 |
| Non cash expenses other than depreciation and amortisation | - | - | - | - | - | - | - | - | - | - | - |

Notes:

Capital Expenditure includes addition during the year to Fixed Assets and CWIP.

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 | Year ended March 31, 2020 | Year ended March 31, 2019 |
|-------------------|---------------------------|---------------------------|
| India | 76,845.29 | 70,735.47 |
| Rest of the world | 4,018.43 | 3,105.09 |
| | 80,863.72 | 73,840.56 |

Information about major customers

No single customer contributed 10% or more to company's revenue for both 2019-20 and 2018-19.

45. Financial Instruments

45.1 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 | (Rs. in Lacs) | |
|---------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Debt * | 27208.54 | 20615.02 |
| Cash and bank balances | 1547.14 | 400.86 |
| Net debt | 25661.40 | 20214.16 |
| Equity** | 39548.10 | 30757.38 |
| Net debt to equity ratio | 64.89% | 65.72% |

*Debt is defined as long-term and short-term borrowings (excluding derivatives and financial guarantee contracts).

** Equity includes all capital and reserved of the company that are managed as capital.

45.2 Categories of financial instruments

| Particulars | (Rs. in Lacs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| Financial assets | | |
| Measured at amortised cost | | |
| (a) Cash and bank balances | 1547.14 | 400.86 |
| (b) Trade and other receivables | 13228.37 | 10574.16 |
| (c) Loans | - | 168.12 |
| (d) Other Financial Assets | 336.50 | 364.73 |
| Measured at Fair Value through Profit and Loss | | |
| (a) Investments | 327.67 | 311.07 |
| Financial liabilities | | |
| Measured at amortised cost | | |
| (a) Borrowings | 21835.70 | 15907.33 |
| (b) Trade payables | 5300.98 | 4538.11 |
| (c) Other Financial Liabilities | 15173.62 | 13391.67 |

45.3 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.

45.3.1 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.

45.3.2 (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.

(Rs. in Lacs)

| Currency | Liabilities as at | | Assets as at | |
|----------|-------------------|----------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| USD | 301,041 | 154.94 | 105,799 | 120 |
| EURO | 9,250,838 | - | 55,844 | - |

45.3.2 (b) Foreign Currency sensitivity analysis

For the year ended March 31, 2020, every one rupee depreciation/appreciation in the exchange rate against U.S. dollar, might have affected the Company's incremental operating margins approximately by 0.01 % the Company's exposure to foreign currency changes for all other currencies is not material. And for every one rupee depreciation/appreciation in the exchange rate against Euro, might have affected the Company's incremental operating margins approximately by 0.68 %

45.3.3 (a) 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.

45.3.3 (b) Interest rate sensitivity analysis

For the year ended March 31, 2020, every 1 percent increase/ decrease in weighted average bank interest rate might have affected the company's incremental operating margins approximately by 0.34%

45.3.4 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.

45.4 Credit risk management

"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 owing to the balance of trade receivables as explained in Note no. 14. Company's bank balances are held with a reputed and creditworthy banking institution resulting to limited credit risk from the counterparties."

45.5 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, 2020:

(Rs. in Lacs)

| 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 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|-----------------------------|
| Financial Liabilities | | | | | | | |
| Accounts payable & acceptances | 5300.98 | 5300.98 | - | - | - | - | 5300.98 |
| Borrowings | 21249.57 | 5372.84 | 4106.12 | 3786.85 | 4327.45 | 4666.15 | 22259.41 |
| Other financial liabilities | 8503.45 | 8503.45 | - | - | - | - | 8503.45 |

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019:

(Rs. in Lacs)

| 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 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|-----------------------------|
| Financial Liabilities | | | | | | | |
| Accounts payable & acceptances | 4538.11 | 4538.11 | - | - | - | - | 4538.11 |
| Borrowings & interest thereon | 21069.93 | 10074.42 | 3708.12 | 2509.82 | 1869.31 | 2728.80 | 20890.47 |
| Other financial liabilities | 8229.09 | 8229.09 | - | - | - | - | 8229.09 |

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2020:

(Rs. in Lacs)

| Particulars | Carrying amount | upto 1 year | 1-3 year | 3-5 year | More than 5 year | Total contracted cash flows |
|---------------------------|-----------------|-------------|----------|----------|------------------|-----------------------------|
| Non-current investments** | 327.67 | - | - | - | 327.67 | 327.67 |
| Trade receivables | 13228.37 | 13228.37 | - | - | - | 13228.37 |
| Loans and advances | 0 | - | 0 | - | - | 0 |
| Other financial assets | 336.50 | 234.5 | - | - | 102.00 | 336.50 |

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2019:

(Rs. in Lacs)

| Particulars | Carrying amount | upto 1 year | 1-3 year | 3-5 year | More than 5 year | Total contracted cash flows |
|---------------------------|-----------------|-------------|----------|----------|------------------|-----------------------------|
| Non-current investments** | 311.07 | - | - | - | 311.07 | 311.07 |
| Trade receivables | 10574.16 | 10574.16 | - | - | - | 10574.16 |
| Loans and advances | 168.12 | - | 186.00 | - | - | 186.00 |
| Other financial assets | 364.73 | - | - | - | 364.73 | 364.73 |

46. STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

Name of related party and nature of related party relationship

A. Individual owning directly or indirectly substantial interest in the voting power of the company

T.C Spinners Pvt Ltd

Satia Paper Mills Pvt. Ltd

YCD Industries Ltd (Formerly known as Bhandari Export Industries Ltd)

RYM Realtors private limited

B. Others

M/s Satia Paper Mills (Enterprise of Mr. Dhruv Satia)

M/s Chirag Satia & Sons (Enterprise of Mr. Chirag Satia)

B. Key Management Personnel and other relatives

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

Mr. Chirag Satia (Executive Director)

Mrs Bindu Satia (Wife of Dr. Ajay Satia)

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

Mr. Hardev Singh (Director)

Mr. Dhruv Satia (Son of Dr Ajay Satia)

Mrs Priyanka Satia (Daughter in Law of Dr. Ajay Satia)
 Mrs. Archana Saluja (Sister of Dr. Ajay Satia)
 Mrs. Yachna Satia (Daughter of Dr. Ajay Satia)
 Mrs.Pushpa Bhandari (Mother of Mr. R.K. Bhandari)
 Ms.Vasudha Bhandari (Daughter of Mr. R.K. Bhandari)
 Mr. Vineet Bhandari (Son of R.K Bhnadari)
 Mr. Amit Kumar (Son of Mr. Hardev Singh)

Mrs. Renu Pahwa (Sister of Dr. Ajay Satia)
 Mr. Anil Satia (Brother of Dr. Ajay Satia)
 Mr. Rajat Mehta (son in law of Dr.Ajay Satia)
 Mrs. Kiran Bhandari (Wife of Mr. R.K. Bhandari)
 Mr. Ankit Dani (Son in law of Mr. R.K Bhandari)
 Mrs Suman Rani (Wife of Mr. Hardev Singh)

“The following table summarizes related-party transactions and balances included in the financial statements for the year ended and as at March 31, 2020:” (Rs. in Lacs)

| 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-2020 | For the year ended 31-Mar-2019 | For the year ended 31-Mar-2020 | For the year ended 31-Mar-2019 | For the year ended 31-Mar-2020 | For the year ended 31-Mar-2019 |
| Repayment Loan and advances | - | - | 186.00 | 246.00 | - | - |
| Rent | - | - | - | - | 38.88 | 37.62 |
| Manageral Remuneration | - | - | 1097.80 | 1138.18 | - | - |
| Salary | - | - | - | - | 23.55 | 15.56 |
| Sales | 272.99 | 281.05 | - | - | 1709.46 | 1913.06 |
| Purchases | 35.6 | 678.66 | 1.00 | - | 0.82 | - |
| Investment (Purchases) | - | - | - | - | - | - |
| Commision | - | - | - | - | - | - |
| Consultancy Fees | - | - | - | - | - | - |
| Sale of Investment | - | - | - | - | - | - |

The following table summarizes related-party transactions outstanding balances included in the financial statements for the year ended and as at March 31, 2020: (Rs. in Lacs)

| 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-2020 | For the year ended 31-Mar-2019 | For the year ended 31-Mar-2020 | For the year ended 31-Mar-2019 | For the year ended 31-Mar-2020 | For the year ended 31-Mar-2019 |
| RLoan & Advances Credit | - | - | - | - | - | - |
| Loan & Advances Debit | - | - | - | 168.12 | - | - |
| Manageral Remuneration | - | - | 247.97 | 5.13 | - | - |
| Salary | - | - | - | - | 1.96 | 0.36 |
| Investment in Equity Shares | 327.66 | 311.07 | - | - | - | - |
| Rent | - | - | - | - | 38.88 | 1.26 |
| Debtors | 50.72 | - | - | - | 3170.2 | 2575.47 |

Compensation of key management personnel:

(Rs. in Lacs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--------------------------|------------------------------|------------------------------|
| Short-term benefits | 1097.8 | 1138.18 |
| Post-employment benefits | - | - |
| Total | 1097.8 | 1138.18 |

47. Contingent liabilities and contingent assets

Contingent Liabilities and Commitments to the extent not provided for :-

(Rs. in Lacs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| i) Bank Guarantee | 2062.25 | 635.00 |
| ii) Excise & Customs duty demand in dispute | 3.84 | 5.57 |
| iii) Custom Duty in respect of Export Obligations | 19.18 | - |
| v) Punjab Vat, demand in dispute | - | 1.24 |

Commitments for expenditure

(a) Estimated amounts of contracts remaining to be executed on capital account, net of advances - Rs. 0 (2019: 0 lakhs)

48. The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Principal amount due to suppliers under MSMED Act at the year end. | 440.47 | 414.12 |
| Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid at the year end. | - | - |
| Payment made to suppliers (other than interest) beyond the appointed date during the year | - | - |
| Interest paid to suppliers under section 16 of MSMED Act during the year | - | - |
| Interest due and payable to suppliers under MSMED Act for payments already made. | - | - |
| Interest accrued and not paid to suppliers under MSMED Act up to the year end. | - | - |

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.

49. Payment to Auditors

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Statutory Audit (including consolidated accounts) | 1 | 1 |
| Tax audit and other audits | 0.6 | 0.6 |
| For taxation matters | 0.75 | 0.75 |
| Cost Audit Fees | 1.5 | 1.5 |
| Out of Pocket Expenses | 0.3 | 0.4 |
| Total | 4.15 | 4.25 |

Note : The above amount are exclusive of taxes.

50. 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

51. Approval of financial statements

The financial statements were approved for issue by the board of directors on June 22,2020.

Note 52. - 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) |
|--|------------------|-----------|----------------------|---|-----------------------------------|
| | 3/31/2020 | 3/31/2019 | | | |
| Investments in Equity | 327.67 | 311.065 | Level3 | Fair valuation of investment is based on weighted average Discounted of cash flow and Net asset value. 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 |

There are no significant changes observed in fair value of investment due to change in unobservable input.

Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring)

| Particulars | 3/31/2020 | | 3/31/2019 | |
|---|-----------------|-----------------|-----------------|-----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| <i>Financial assets carried at Amortised Cost</i> | | | | |
| – loans to related parties | - | - | 168.12 | 168.12 |
| – trade and other receivables | 13564.87 | 13564.87 | 10938.89 | 10938.89 |
| Total | 13564.87 | 13564.87 | 11107.01 | 11107.01 |

| Particulars | 3/31/2020 | | 3/31/2019 | |
|--|-----------------|-----------------|-----------------|-----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial liabilities | | | | |
| <i>Financial Instruments not carried at Fair Value</i> | | | | |
| – bank loans | 27208.54 | 27208.54 | 20615.02 | 20615.02 |
| – trade and other payables | 15101.76 | 15101.76 | 13222.09 | 13222.09 |
| Total | 42310.30 | 42310.30 | 33837.11 | 33837.11 |

Fair value hierarchy as at 31-March-2020

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------|----------|-----------------|-----------------|
| Financial assets | | | | |
| Financial assets carried at Amortised Cost | | | | |
| – loans to related parties | - | - | - | - |
| – trade and other receivables | - | - | 13564.87 | 13564.87 |
| Total | - | - | 13564.87 | 13564.87 |

| Financial liabilities | | | | |
|--|---|---|------------------|------------------|
| <u>Financial Instruments not carried at Fair Value</u> | | | | |
| – bank loans | - | - | 27,208.54 | 27,208.54 |
| – trade and other payables | - | - | 15,101.76 | 15,101.76 |
| Total | - | - | 42,310.30 | 42,310.30 |

Fair value hierarchy as at 31-March-2019

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|------------------|------------------|
| Financial assets | | | | |
| Financial assets carried at Amortised Cost | | | | |
| – loans to related parties | - | - | 168.12 | 168.12 |
| – trade and other receivables | - | - | 10,938.89 | 10,938.89 |
| Total | - | - | 11,107.01 | 11,107.01 |
| Financial liabilities | | | | |
| Financial Instruments not carried at Fair Value | | | | |
| – bank loans | - | - | 20615.02 | 20615.02 |
| – trade and other payables | - | - | 13222.09 | 13222.09 |
| Total | - | - | 33837.11 | 33837.11 |

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 | 3/31/2020 | 3/31/2019 |
|---|---------------|---------------|
| Opening balance | 311.07 | 293.59 |
| Total gains or losses: | | |
| – in profit or loss | 16.60 | 17.48 |
| – in other comprehensive income | | |
| Reclassification | - | - |
| from investment in associate to FVTOCI following partial sale of interest | | |
| Purchases | - | - |
| Issues | - | - |
| Disposals/settlements | - | - |
| Transfers out of level 3 | - | - |
| Closing balance | 327.67 | 311.07 |

Note 53 : Company's operations at its Rupana unit, Punjab were temporarily suspended due to nationwide lockdown in wake of Covid-19. The Company resumed its operations on 17th April, 2020 after necessary approvals from respective authorities. Company has considered the possible effects that may

result from the pandemic relating to COVID-19 on the carrying amounts of receivables, recognition of revenue, inventories, property, plant and equipment and intangible assets and as part of its assesment relating to validity of going concern assumption. Despite the outbreak of Covid-19, there is no modification in the lease contracts

entered into by the company. In the assumptions relating to the possible future uncertainties in the economic conditions, the company has, as at the date of approval of these financial statements, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Company. On the basis of evaluation and current indicators of future economic conditions and availability of unused line of credit facilities, the Company expects to recover the carrying amount of financial and non-financial assets and does not anticipate any impairment of these assets not an impact on its assessment relating to validity of the going concern assumption, in view

of the positive net worth, the assessment of future cash flow projections, availability of liquid funds and unused credit facilities, the management considers that it is appropriate to prepare these financial statements on a going concern basis. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions. Management is closely monitoring the developments and possible effects that may have an impact on the financial performance of the company in future. All necessary precautions relating to hygiene, sanitization and social distancing would continue to be followed.”

If undelivered please return to:

Satia Industries Limited

Malout-Muktsar Road, Village Rupana

Distt. Muktsar, Punjab-152032