

32nd

Annual Report

2012-2013



BOARD OF DIRECTORS

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

CHAIRMAN CUM MANAGING DIRECTOR
WHOLE TIME DIRECTOR

DIRECTOR (LEGAL)

Company Secretary

Mr Rakesh Kumar Dhuria

Statutory Auditors

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

Cost Auditors

M/s. R.J. Goel & Co.
Cost Accountants
New Delhi

Registered Office & Works

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

Branch Offices

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

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

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

BANKERS

Punjab National Bank
Central Bank of India

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Registrar and Transfer Agent

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

SATIA INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Members of Satia Industries Limited will be held on Monday, 30th September, 2013 at 10:00 A.M. at the Registered Office of the Company at Malout-Muktsar Road, Village Rupana, District Muktsar (Punjab)-152 032 to transact the following businesses:-

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 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. A.Krishna, who retires by rotation being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. S.K.Arora, who retires by rotation being eligible, offers himself for re-appointment.
4. To Consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:-

"RESOLVED that pursuant to provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956 M/s Rakesh Bansal & Co., Chartered Accountants, Muktsar be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Managing Director of the Company".

SPECIAL BUSINESS:

5 Appointment of Director

To consider and if thought fit , to pass with or without modifications(s) the following resolution as an Ordinary Resolution:

"RESOLVED that Sh. I. D. Singh, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company"

6. Increase in Remuneration of Dr Ajay Satia, Chairman-Cum-Managing Director of the Company

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

“RESOLVED that in partial modification to the Resolution no 5 passed by the Members at the 31st Annual General Meeting held on 29th September, 2012 approving the appointment and terms of remuneration of Dr Ajay Satia, Chairman Cum Managing Director of the Company, the consent of the Company be and is hereby accorded for the increase in remuneration of Dr Ajay Satia, Chairman Cum Managing Director from Rs 400,000 PM to Rs 800,000/- PM for the remaining period of his tenure of office with effect from 01st October, 2013 subject to the provisions of Sections 198, 269, 309, 310, 314, 316, 317 and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) of the Companies Act, 1956 and provisions of Article 115, 116, 117 & 118 and other applicable provisions of Articles of Association and subject to the approval of the Central Government and/or any other authority, if required,”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds, matter and things as may be required in this regard”.

7 Re-appointment of Sh J.R.Sharma as Director(Legal) and fixation of his remuneration

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

“RESOLVED that subject to the provisions of Sections 198, 269, 309, 310, 314, 316, 317 and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) of the Companies Act, 1956 and provisions of Article 115, 116, 117 & 118 and other applicable provisions of Articles of Association and subject to the approval of the Central Government and/or any other authority, if required, Sh J.R.Sharma, be and is hereby re- appointed as Director (Legal) of the Company for period of three years w.e.f 01.11.2013 on the terms and conditions including remuneration as given below:”

I. Terms:

- (a) Salary: Rs. 55,000/- per month with an Annual Increment of Rs. 5000/- per month.
- (b) Perquisites/ benefits
 - i) Reimbursement of medical and hospitalization expenses including dental and optical treatment for self and family subject to maximum of Rs 15000/- PA

SATIA INDUSTRIES LIMITED

II. Sh. J.R.Sharma shall perform the duties and exercise the powers from time to time which may be assigned to or vested in him by the Board of Directors and/or Managing Director of the Company.

III. **Other Terms**

Sh J.R.Sharma will be the occupier of the Company for the purpose of ensuring compliances of the provisions of Factories Act, 1948

“RESOLVED FURTHER that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay aforesaid remuneration as minimum remuneration to Sh. J. R. Sharma, Director (Legal).”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds, matters and things as may be required in this regard”

Place : Rupana
Dated : 13.08.2013

By Order of the Board
For Satia Industries Ltd.

(Rakesh Kumar Dhuria)
Company Secretary

NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint proxy to attend and vote on poll instead of himself and the proxy need not be a Member of the Company. The proxies should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
2. Members are requested to bring their copies of Annual Report at the Meeting.
3. Members are requested to notify immediately any change in their address, to the Registered Office of the Company.
4. All documents as referred in the above notice and explanatory statement are open for inspection at the Registered Office of the Company during office hours on all working days between 11:00 A.M. to 1:00 P.M. up to the date of Annual General Meeting.
5. 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2013 to 30th September, 2013 both days inclusive.
7. Explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of item No. 5 to 8 of the notice is annexed herewith.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No 5

Sh. I.D.Singh was appointed as an Additional Director on the Board w.e.f. 14.05.2013 in term of Articles 109 of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956 he holds office upto the date of this Annual General Meeting and is eligible for appointment as Director. The Company has received a notice in writing from a shareholder under Section 257 of the Act proposing his name for the appointment as Director of the Company. No equity share of the Company is being held by Sh. I.D.Singh. Keeping in view his experience, the Board recommends his appointment.

A brief profile of Sh. I.D.Singh and other information as per clause 49 of the listing agreement with Stock Exchange are provided here below. None of the Director except Sh. I.D. Singh is interested in the resolution.

Item No 6

Keeping in view the performance of the Company under the leadership of Dr Ajay Satia, Managing Director in the past and ongoing project, the remuneration committee and the Board of Directors in their respective meetings held on 13.08.2013 have approved the increase in remuneration of Dr. Ajay Satia, Chairman-Cum-Managing Director of the Company for the remaining period of his tenure of office w.e.f 01.10.2013. As per provisions of the Companies Act, approval of shareholders is required. Therefore, the Board recommends the resolution for your approval by way of special resolution.

Item No.7

Sh.J.R.Sharma aged 74 years is bachelor in Law. He has rich and varied experience in administration, personnel, legal and liasoning. The Board of Directors in their meeting held on 13.08.2013 have approved the appointment of Sh. J.R.Sharma as Director (Legal) on payment of remuneration and other terms as set out in the resolution and approved by the remuneration Committee meeting held on 13.08.2013. As per the provisions of the Companies Act, 1956 read with Schedule XIII thereof, approval of shareholders is required for the purpose. Hence, the Board recommends the resolution for your approval by way of special resolution.

The information as required under Schedule X111 of the Companies Act, 1956 is given hereunder:

1. General Information

Nature of Industry

Satia Industries limited is manufacturing writing and printing paper

Commercial Production

As on March 31st, 2013 the Company is having capacities for manufacture as hereunder:-

Sr No	Particulars of Manufacturing	Licensed Capacity
1	Writing and Printing Paper	75000

Financial Performance

During the financial year 2012-13, net revenue from operation was Rs 27845.17 lacs and the net profit after tax of the Company is Rs 1388.18 lacs

11 Information about the appointee

Background details

Sh.J.R.Sharma aged 74 years is bachelor in Law. He has rich and varied experience in administration, personnel, legal and liasoning.

Job Profile and his suitability

Remuneration proposed

Keeping in view the responsibilities assigned to Sh J.R.Sharma and his role in the Company, it is proposed to re-appoint Sh J.R.Sharma as Director (Legal) of the Company on the monthly salary of Rs.55000/- P.M.only plus other allowance and perquisites as specified in resolution.

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

Keeping in view the type of the Industry, size of the Company, responsibilities and capabilities of Sh J.R. Sharma, Director (legal), the proposed remuneration is competitive with remuneration paid by other Companies to such similar positions.

Pecuniary relationship with the Company or relationship with managerial personnel.

Sh J.R.Sharma is a professional Director of the Company.

111 Other information

Keeping the overall scenario of the industry, the Company is performing reasonably well. The Company is strengthening its focus on quality control, strategic market alliances and expansions.

The above may also be treated as an abstract of the terms of Contract/Agreement entered into between the Company and Sh J.R.Sharma as Director (Legal) pursuant to Section 302 of the Companies Act, 1956

None of he Directors is interested in the above resolution except Mr J.R.Sharma himself.

Place : Rupana
Dated : 13.08.2013

By Order of the Board
For Satia Industries Ltd.

(Rakesh Kumar Dhuria)
Company Secretary

SATIA INDUSTRIES LIMITED**Brief Profile of Directors Seeking appointment and re-appointment
(In Pursuance of Clause 49 of Listing Agreement)**

Name	Sh. A. Krishna	Sh. S.K. Arora	Sh. I.D. Singh
Date of Birth	01.09.1934	0.7.12.1954	15.04.1950
Qualification	Chemical Engineer Pulp and Paper	Chartered Accountant	B.com, LL.B CAIIB
Experienc in specific functional Area	Technocrat	Practicing Charteres Accountant	Banking
Directorship in other Companies	Nil	Nil	Nil
Chairman/member of Committee of Board of Directors of other Companies in which he is a Director	Nil	Nil	Nil
Share held in Satia Industries Ltd	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Members,

The Directors have the pleasure of presenting the 32nd Annual Report of your Company for the Financial Year 2012-13.

1. Financial Result:

The financial performance of your Company for the year ended March 31, 2013 is summarized below:-

(Rs In Lacs)

	Current Year	Previous Year
Revenue and other income	28184.07	24258.54
Gross Profit before interest and depreciation	4447.50	2850.08
Interest and Financial charges	1479.05	1428.49
Depreciation	1005.19	910.21
Profit from operations (before extra-ordinary item and tax)	1963.25	511.38
Extraordinary Items	68.81	13.68
Profit before Tax	1894.44	497.70
Provision for taxation -Current Tax	0	100.29
Deferred Tax	506.26	-1.63
Net Profit/ (Loss) after tax	1388.18	399.04

2. OPERATIONS

During the financial year 2012-13, net revenue from operation was Rs 27845.17 lacs as compared to Rs 23925.39 lacs during the corresponding period of previous year 2011-12 . The net profit after tax of the Company is Rs 1388.18 lacs as compared to Rs 399.04 lacs for the previous year.

Your Director has decided to plough back the profits and do not recommend any dividend.

3. FUTURE PROSPECTS

The prevailing mood in the paper industry is sober and the continued growth is good news for the sector, Even better, the long-term prospects are bright as education, industry and changing

lifestyle will lead to more paper consumption across diverse varieties including writing and printing and packaging paper.

The paper industry has significantly increased capacity particularly in the printing and writing paper segment where close to a million tonnes of annual capacity was added in the last three years. The industry has invested over Rs 10,000 crore in recent years contributing to significant growth in capacities. There has been demand growth that has supported the addition to capacity but it has been lesser than anticipated. Paper consumption is directly linked to GDP growth and this is around 5-6 per cent against projection of 9-10 per cent on which the expansions were based.

4. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars as prescribed under section 217(1) (e) of the Companies Act, 1956 are given in Annexure-A which forms part of the Director's Report.

5. DIRECTORS:

In terms of Article 113 of the Articles Association of the Company, Sh A.Krishna will retire by rotation at the AGM and being eligible, offered himself for reappointment. Sh S.K.Arora will retire by rotation at the AGM and being eligible, offered himself for reappointment.

Sh I.D.Singh was appointed as an additional Director by the Board and shall hold office upto the ensuing Annual General Meeting . Brief resume of the Directors proposed to be appointed/ reappointed , nature of their expertise in specific functional areas and name of Companies in which they hold Directorship and membership/chairmanship of Board Committees as stipulated under clause 49 of the Listing Agreements with Stock Exchanges are provided in the Annexure to the Notice for Annual General Meeting.

Your Company has appointed Sh J.R.Sharma as Director (Legal) for a period of five years w.e.f 01.11.2008. Since the terms of appointment of Sh J.R.Sharma , Director legal come to an end on 01.11.2013 , the Board of Directors of the Company recommends his re-appointment along with remuneration for a further period of three years w.e.f 01.11.2013

6. AUDITORS:

M/s Rakesh Bansal & Co., Chartered Accountants, Muksar, the Statutory Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

7. AUDITORS REPORT

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

8. Cost Audit

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and subject to the approval of Central Government, the Board of Directors of your Company has re-appointed M/s R.J.Goel & Co. Cost Accountants, New Delhi as Cost Auditor for the accounting year 2013-14 to carry out an audit of cost account of the Company.

9. SAFETY AND ENVIRONMENT

The Company continues to maintain a good safety record. The manufacturing units of the Company are environment friendly and maintain all safety standards and measures.

10. PARTICULARS OF EMPLOYEES

Information as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended,

"Not Applicable, No employee of the Company is drawing the salary as specified under Companies (Particulars of Employees) Rules, 1975. "

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement of Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement the Board of Directors hereby report that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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.
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- the Directors had prepared the annual accounts on a going concern basis.

12. INDUSTRIAL RELATIONS

The Industrial Relations throughout the year remained cordial as has been the case for the last many years.

13. CORPORATE GOVERNANCE

Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges in India forms part of the Annual Report. Certificate from the Auditors of the Company, M/s. Rakesh Bansal & Co., and confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

15. ACKNOWLEDGMENTS:

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

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

for and on behalf of the Board of Directors

PLACE : Rupana

(Dr AJAY SATIA)

(R. K. BHANDARI)

DATE : 13.08.2013

Chairman-Cum- Managing Director

Whole Time Director

ANNEXURE 'A' TO THE DIRECTORS REPORT

THE COMPANIES (DISCLOSURE OF PARTICULARS IN RESPECT OF BOARD OF DIRECTORS) RULES, 1988

A. Conservation of Energy

(a) Regular preventive maintenance of all capital goods, equipments are being carried out.

FORM- A

(Form for Disclosure of particulars with respect to Conservation of Energy)

A	Power and Fuel Consumption	Current Year ended 31.03.2013	Previous Year ended 31.03.2012
1	ELECTRICITY		
	Purchased Units (Lacs KWH)	256.44	377.31
	Total amount (Rs in Lacs)	1762.54	1997.15
	Rate/unit (Rs)	6.87	5.29
2	T.G.Set		
	Own Generation (net) (lacs Kwh)	619.88	471.12
	Total cost (Rs in Lacs)	1260.41	998.99
	Cost/Unit (Rs)	2.03	2.12
3	Rice Husk (Used in Boiler)		
	Quantity (Tonnes)	128718	122688
	Total Cost (Rs in Lacs)	5119.44	4487.42
	Average Rate (Rs per tones)	3977	3658
4	Furnace Oil		
	Quantity (Tonnes)	508.23	617.510
	Total Cost (RS in Lacs)	209.83	244.26
	Average Rate (Rs in tones)	41286	39555
5	Others		
	Quantity (Tonnes)	290.79	31.330
	Total Cost (Rs in Lacs)	20.32	1460304
	Average Rate (Rs in tones)	6987	46610
6	Consumption Per Unit of Production		
	Production Paper (MT)	68869	63222
	Electricity (KWH)	1272	1342
	Rice Husk (MT)	1.869	1.941
	Others (MT)	0.012	0.010

FORM – (B)

(Form for Disclosure of particulars with respect to Technology Absorption)

1 Research & Development

Specific area in which R & D carried out by the company

1. Paper Machines

a. Machine no.1

Steam and condensate system, Sectional drives in place of line shaft, wire part configuration changing from knock down to cantilever system, installation of hood above the dryers and approach flow modification with double dilution fan pumps. These changes resulted in increasing Paper Machine-1 efficiency and reduction in steam consumption from 3.0 to 2.7 t/t of finished production resulting in steam energy saving and lower production cost .

VFD was provided for fan pump, thereby around 22 kW per hour power was saved.

b. Machine No.3

Total press part frames, steam and condensate system, wire part elements were changed. Due to press part change the dryness of paper sheet increased from 38% to 42%, resulting in reduction in steam consumption from 2.9 to 2.6 T/T of finished paper. Due to change of steam and condensate system and other modifications there was significant implementation in machine efficiency & cost reduction.

2. Pulping

a. 2nd stage wet washing was commissioned during the financial year and this has helped in reducing the chlorides / potassium / silica. Due to reduction of the above the life of the pulp mill equipments has increased marginally and also the chlorides in black liquor was come down from 7 to 4%. This has helped in smooth chemical recovery operation and steam generation per ton of solids fired was increased from 2.0 to 2.2 tons.

b) All washers were provided back water washing shower which helped in reduction in fresh water consumption particularly in bleach washers.

b. Paper machine back water was taken in a 300 M3 tower for storing and using the same whenever the pulp mill is in operation. This has helped to reduce machine back water wastage during pulp mill stoppage.

3. Chemical Recovery

a. Recovery boiler condensate vapours which were venting out to the atmosphere were taken into hot water tank for generating hot water. This water is being used in Pulp mill for better washing of the unbleached Pulp.

- b. To reduce the feed WBL temperature inlet to evaporator, one flash tank is provided and has helped in maintaining the vacuum level in evaporator plant.

4. Utilities

Replacement of Air Pre-heater Tubes

Air Pre-heater upgraded and repaired to improve overall boiler efficiency. After repairing of APH tubes, air temperature increased from ambient to 120°C leading to better boiler efficiency and less fuel consumption per ton of steam.

FOREIGN EXCHANGE EARNINGS AND OUT GO:

Expenditure for the year ended 31st March, 2013 is as under :- (Rs .in Lacs)

(i) Earning in foreign exchange.		8.02
(ii) Expenditure in foreign currency.		
(CIF Value of imports	(a) Capital Goods	13.72
	(b) Store & Spares	81.74
	(C) Raw Material)	1220.20
For Travel		2.49
Interest		2.81
Bank Charges		0.20
Legal, Fees and subscription		16.55
Repair		7.75

for and on behalf of the Board of Directors

PLACE : Rupana
DATE : 13.08.2013

(Dr AJAY SATIA)
Chairman-Cum- Managing Director

(R. K. BHANDARI)
Whole Time Director

Corporate Governance Report 2012-13

A. Company's Philosophy

Good governance generates goodwill among business partners, customers and investors, earns respect from society, brings about a consistent sustainable growth for the Company and generates competitive returns for the investors. Your Company is committed to the principles of good governance. The Company continues to focus on good Corporate Governance and its objective is to create and adhere to integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligation towards shareholders and other Stakeholders.

The Board applies integrity, principles of good governance and accountability throughout its activities and each Director brings independence of character and judgment to the role. All of the members of the Board are individually and collectively aware of their responsibilities to the company's stakeholders.

B. Board of Directors

Composition of Board

The Board of Directors comprised of an Executive Chairman-Cum-Managing Director, two whole time Directors, four independent non-executive Directors. The Composition of the Board is in conformity with clause 49, which requires that at least 50 percent of the Board consist of non-executive Directors and in case the Chairman is a non executive Director at least one third of the Board should comprise of independent Directors.

Number of Board Meetings

The Board monitors compliance of objectives by holding management accountable for its activities through quarterly performance reporting. Board and committee meetings are held in an atmosphere of intellectual honesty, requiring reporting of the highest standard by management and constructive debate among Board and Committee Members.

During the financial year 2012-13, four Board Meetings were held on the following dates

- 1) 14-05-2012,
- 2) 13-08-2012
- 3) 08-11-2012
- 4) 12-02-2013

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

SATIA INDUSTRIES LIMITED

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 31.03.2013 are as follows:-

Sr. No.	Name of Director	Category of Directorship	Board Meetings attended	Attended in AGM	Other Directorships	Number of Committees Membership	
						Member	Chairman
1.	Dr. Ajay Satia	CMD	4	Yes	-	-	-
2.	Sh. R. K. Bhandari	WTD	4	Yes	-	-	-
3.	Sh. A. Krishna	INED	4	No	-	-	-
4.	Sh. A. C. Ahuja	INED	4	Yes	1	-	1
5.	Sh. J. R. Sharma	WTD	4	No	-	-	-
6.	Sh. S. K. Arora	INED	1	No	-	-	-
7.	Sh. Dinesh Sharma	INED	4	No	-	-	-

CMD – Chairman-Cum-Managing Director

WTD – Whole Time Director

INED – Independent Non-Executive Director

Note: 1. Includes directorship in public limited companies only

The Independent Directors of Satia Industries Ltd.

- > apart from receiving Directors remuneration i.e sitting fees, do not have any material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its associates which may affect independence of the Directors.
- > Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- > have not been executive of the Company in the immediately preceding three financial years.
- > Are not partner or executives or were not partner or an executives during the preceding three years
- > Statutory Audit firm or the internal Audit Firm that is associated with the Company.
- > Legal firm and consulting firm that is associated with the Company
- > Are not material suppliers, service providers or customers or lessees of the Company which may affect independence of the Directors.

As provided in Clause 49 of the Listing Agreement, none of the Directors is member of more than 10 Board level committees or a Chairman of more than 5 such committees.

SATIA INDUSTRIES LIMITED

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

The Audit Committee as on March 31, 2013 (reconstituted on 15.11.2011) comprised of three Directors, Two being non-executive and independent Directors viz. Sh. A.C.Ahuja, Sh. A.Krishna & One Whole Time Director viz. Sh. R. K. Bhandari. The terms of reference of Audit Committee are as contained in the Section 292A of the Companies Act, 1956 and also as contained in the clause 49 of the Listing Agreement. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting.

During the year under review, four (4) Meetings of Audit Committee were held on 14.05.2012, 13.08.2012, 08.11.2012, 12.02.2013. The composition of Audit Committee & attendance of the members at the Committee Meetings during the year are as under:-

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

CEO/CFO Certification

The Company is fully cognizant of, committed to and adhering to the statutory requirements for internal controls as set out by the Securities and Exchange Board of India. Accordingly, the Chairman and the Chief Financial Officer have duly verified and certified to the Board for Company's procedure and internal controls of the reporting as being fully compliant with SEBI guidelines.

The Chairman and the CFO have certified to the Board by placing a certificate thereof on the Financials of the Company that:

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

deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) They have indicated to the auditors and the Audit Committee that:

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

- i) there has been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- ii) there are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Remuneration to Directors

Remuneration Committee

The Remuneration Committee of the Company (reconstituted on 14.05.2012) reviews recommends and approves the matters connected with fixation and periodic revision of the remuneration package relating to the Managing Director and Whole Time Directors including compensation and payments.

The Composition of the Remuneration Committee & attendance of the members at the Committee Meetings during the year ended 31.03.2013 are as follows:-

Name of Directors	Position	Category	No. of Meeting attended
Sh A.C,Ahuja	Chairman	Independent Director	One
Sh A.Krishna	Member	—do—	One
Sh S.K.Arora	Member	—do—	Nil

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, 2013 is as under:-

Sr. No.	Name of Director	Sitting Fee (Rs.)	Salary (Rs.)	P.F. (Rs.)	Gratuity (Rs.)	Total
1.	Dr.Ajay Satia	-	5400000	9360	88930	5498290
2.	Sh.R.K.Bhandari	-	2058065	9360	61360	2128785
3.	Sh.A.Krishna	37500	-	-	-	37500
4.	Sh.A.C. Ahuja	37500	-	-	-	37500
5.	Sh J.R Sharma	-	530887	-	9148	-
6.	Sh S.K.Arora	5000	-	-	-	5000
7.	Sh Dinesh Sharma	20000	-	-	-	20000

Share Transfer System

In order to expedite the process of transfer of securities, the Board of Directors has constituted a Share Transfer Committee comprising of Dr. Ajay Satia and Sh. R.K.Bhandari, during the year under review, No share Transfer Committee Meeting was held and there is no pending transfer of shares.

Investor Grievance Committee

The Investor Grievance Committee of the Company for the year ended 31.03,2013 under the Chairmanship of Sh. A.Krishna, a non executive Director looks after the work of redressal of investors/ shareholders complaints. The other members of the Committee are Dr. Ajay Satia & Sh. R. K. Bhandari. No meeting of Investor Grievance Committee was held during the year under review, as the company has not received a single grievance/complaint from the investors/ shareholders.

General Body Meetings

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

Sl. No.	Financial Year	Date	Time	Place
1	2011-12	29.09.2012	10.00AM	At Regd. Office; Muktsar-Malout Road, Vill.Rupana Distt. Muktsar
2	2010-11	30.09.2011	10.00AM	At Regd. Office; Muktsar-Malout Road, Vill.Rupana Distt. Muktsar
3	2009-10	26.07.2010	10.00 AM	At Regd. Office; Muktsar-Malout Road, Vill.Rupana Distt. Muktsar

Four (4) special resolution were passed at the last three (3) Annual General Meetings of the Company.

Disclosures

There was no materially significant related party transaction, pecuniary transactions or relationships between the Company and its Directors, Promoters, or the management that may have potential conflict with the interest of the company.

Compliance made by the Company

The Company has made the compliance of the stock exchanges, SEBI and other statutory authorities on all matters related to capital market.

Means of Communication

- i) The management discussion and Analysis Report forms part of the Annual Report as an addition to the Directors' Report.

General Shareholders information**(a) Annual General Meeting**

- Date and time : 30th September, 2013 (10 AM)
Venue : At Regd. Office Muktsar-Malout Road
VPO Rupana, Distt. Muktsar – 152032

(b) Financial Calendar

Next Financial Year April 1, 2013 to March 31, 2014

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

Results	Announcement on
For 1 st Quarter ended on 30.06.2013	August, 2013
For 2 nd Quarter ended on 30.09.2013	November, 2013
For 3 rd Quarter ended on 31.12.2013	February, 2014
For the year ended on 31.03.2014	May, 2014

- (c) **Date of Book closure** : 25th September, 2013 to 30th September, 2013 (Both days inclusive)

- (d) **Dividend payment date** : N. A.

- (c) **Listing on Stock Exchanges** :

Equity shares of the company are listed on Ludhiana Stock Exchange and Delhi Stock Exchange.

- (d) **Stock Code** :

Delhi Stock Exchange (19035)

Ludhiana Stock Exchange (SETI)

- (e) **Market Price Data**

There was no trading of shares on the stock exchange during the F.Y.2012-13

SATIA INDUSTRIES LIMITED

(f) Distribution of shareholding as on March 31, 2013

No. of equity share holders	No. of Shareholders	Age	Shares	%age
UPTO 500	196	67.82	37900	0.3790
501 - 1000	34	11.76	24550	0.2455
1001- 2000	17	5.88	22550	0.2255
2001 - 3000	4	1.38	9625	0.0963
3001 - 4000	4	1.38	12500	0.1250
4000 - 5000	2	0.69	9600	0.0960
5001 - 10000	1	0.35	6500	0.0650
10001 AND ABOVE	31	10.72	9876775	98.767
TOTAL	289	100.00	10,00,00,000	100.0000

(i) Categories of shares as on 31.03.2013

Sr.No.	Particulars	No. of Shares	%age
1	Promoter		
	(a) Core Promoter	4088156	40.88
	(b) Friends/Relatives	1572800	15.73
2	Financial Institutions	0	0.00
3.	Public	4339044	43.39
4.	Banks	0	0.00
5.	Others	0	0.00
	Total	10000000	100.00

(g) Dematerialization of shares & liquidity

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

(h) Registrar & Transfer Agents :

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

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

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

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

for and on behalf of the Board of Directors

PLACE : Rupana
DATE : 13.08.2013

(Dr AJAY SATIA)
Chairman-Cum- Managing Director

(R. K. BHANDARI)
Whole Time Director

Management Discussion & Analysis

Satia Industries Ltd has developed an in house presentation system by all the department of the Company on quarterly basis to review the operation and performance of the Company. The Company Audit Committee and Board of Directors also meet regularly and advise for strengthening the corporate governances, the maximization of returns and minimization of risk. The Company is having writing and Printing Paper, Chemical Recovery and Co-generation plants at VPO Rupana, Malout -Muktsar Road, Distt Muktsar and also engaged in the trading activities of the cotton and yarn. The Company has prepared the Balance sheet, profit and Loss account and other statement of accounts in compliance with the requirement of the Companies Act, 1956 and as per mandatory accounting standard issued by the Institute of Chartered Accountants of India

Industry Structure and Development

India's Pulp and Paper industry, as one of the old and core industrial manufacturing sector with a bearing on socio-economic development has undergone a significant change during the last three decades, especially after liberalization with globalization and advancement in printing sector paper manufacture were driven to adopt better technology and cost efficiency along with quality improvement. Further analysis reveals that, apart from rising production and consumption, erstwhile import dependent India, has achieved self-sufficiency and also witnessed tremendous increase in exports since liberalization. During the same time, the energy efficiency of the sector has improved while the raw-material consumption has seen drastic shift from conventional type to energy-efficient carbon-neutral non-conventional

Opportunities and threats

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

Segmentation or product wise performance

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

Internal Control Systems and their adequacy

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

Operating & Financial Performance

The net revenue from operation of the Company was Rs 27845.17 lacs as compared to Rs 23925.39 lacs during the corresponding period of the previous year 2011-12 and the net profit after tax of the Company was Rs 1388.18 lacs from Rs 399.04 lacs recorded for the previous year.

Development in Human Resources/Industrial Relations

Considering that the company has been passing through difficult times, the human capital of the company has been motivated and committed to bring good operating performance. The industrial relations are cordial.

AUDITORS' CERTIFICATE

TO

The Members of Satia Industries Ltd.

We have examined the compliance of conditions of corporate governance by Satia industries limited formerly known as Satia Paper Mills Ltd., for the year ended on 31st March 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

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

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

**Place : Muktsar
Date : 13.08.2013**

**(RAKESH BANSAL)
Proprietor
Membership No. 090**

REPORT OF THE AUDITOR'S TO THE SHAREHOLDERS

We have audited the accompanying financial statements of Satia Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

SATIA INDUSTRIES LIMITED

2. As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For RAKESH BANSAL & CO.
CHARTERED ACCOUNTANTS**

**Place : Muktsar
Date : 14.05.2013**

**(RAKESH BANSAL)
PROPRIETOR
MembershipNo. 090278
FRN 011474N**

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Satia Industries Limited, Rupana on the accounts of the company for the year ended 31st March, 2013.

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets with effect from 01-04-1993. The assets record for the period prior to 01.04.1993 has reportedly been destroyed in fire.
 - b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are 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. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The amount outstanding has been reported to be trade debt. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
 - (b) According to the information and explanations given to us, the Company has taken loan from thirteen parties listed in the Register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 472.10 lacs and the year end balance of loans taken from such parties were Rs. 134.79 lacs. We have been informed that the loans have been taken from the parties which are exempt under the Companies (Acceptance of Deposits) Rules, 1975. These loans have not been verified by us and we have relied on the management certificate.
 - (c) In our opinion the terms and conditions of unsecured interest free loans taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
 - (d) No stipulation with regard to the payment has been made hence no comments are offered whether the company is regular in repayment of principal and if there is any over due balance.

SATIA INDUSTRIES LIMITED

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. We have been informed that security deposits as appearing in Schedule-4 of the balance sheet have been taken/accepted from the suppliers, customers and others only for the purpose of business of the Company and unsecured loan have been taken from relatives of directors which are exempt under the Companies (Acceptance of Deposits) Rules, 1975. These deposits have not been verified by us and we have relied on the management certificate.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the record of the Company & information and explanation given to us, there are no dues of Sales Tax, Income Tax, Custom duty, Wealth tax, Excise duty, Service Tax & Cess which have not been deposited on account of any dispute, other than the following:

Sr. No.	Name of Statute	Nature of dues	Amount (Rs. in Lacs)	Forum where dispute is pending
1.	Central Excise	Classification of credit whether as Input or capital goods	3.83	Punjab & Haryana High Court Chandigarh
2.	Delhi Sale Tax Act	Sales Tax Form ST-I	3.86	Asstt. Commissioner Zone-1 Delhi

SATIA INDUSTRIES LIMITED

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has given a guarantee of Rs.490 lacs (outstanding balance Rs. 204.83 lacs) on behalf of T.C. Spinners Pvt. Ltd., Lalru in favour of Uco Bank. In our opinion the terms of guarantee given are not prejudicial in the interest of the company.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**For RAKESH BANSAL & CO.
CHARTERED ACCOUNTANTS**

**Place : Muktsar
Date : 14.05.2013**

**(RAKESH BANSAL)
PROPRIETOR
MembershipNo. 090278
FRN 011474N**

SATIA INDUSTRIES LIMITED

BALANCE SHEET AS AT 31.03.2013

In Rs Lacs, Except as Other wise Stated

Particulars	Note	Year Ended As At 31 March, 2013	Year Ended As At 31 March, 2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	1,000.00	1,000.00
Reserves and surplus	2.2	6,124.68	4,736.50
Sub Total		7,124.68	5,736.50
SHARE APPLICATION MONEY			
PENDING ALLOTMENT	2.3	100.00	100.00
NON CURRENT LIABILITIES			
Long term borrowings	2.4.1	4,366.06	6,060.87
Deferred tax Liabilities	2.4.2	2,417.79	1,911.53
Other Long Term Liabilities	2.4.3	6,119.25	4,921.58
Long term Provision	2.4.4	334.26	289.51
Sub Total		13,237.36	13,183.49
CURRENT LIABILITIES			
Short term borrowings	2.5.1	3,852.16	3,409.62
Trade payables	2.5.2	2,110.81	3,666.48
Other Current Liabilities	2.5.3	843.09	610.77
Short term provisions	2.5.4	281.95	-
Sub Total		7,088.01	7,686.87
TOTAL		27,550.05	26,706.86
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS :			
Tangible assets	2.6	16,257.47	12,252.21
Intangible assets	2.6	0.00	0.00
Capital work-in-progress	2.6	624.35	3,780.93
Intangible assets under development	2.6	0.00	0.00
Sub Total		16,881.82	16,033.14
Non-current investment	2.6.2	1,127.00	727.00
CURRENT ASSETS			
Current investment	2.7.1	0.00	0.00
Inventories	2.7.2	2,431.83	3,593.23
Trade receivables	2.7.3	4,606.48	4,286.49
Cash and cash equivalents	2.7.4	330.52	235.44
Short-term loans and advances	2.7.5	1,108.36	1,203.97
Other Current Assets	2.7.6	1,064.04	627.59
Sub Total		9,541.23	9,946.72
TOTAL		27,550.05	26,706.86

Document Annexed;

1. Significant Accounting Policies
2. Notes to Accounts

As per report of even date attached
for RAKESH BANSAL & CO.
Chartered Accountants

(Rakesh Bansal)
Proprietor
M.No 090276

(Dr Ajay Setia)
Chairman-Cum Managing Director

(R.K.Bhandari)
Whole Time Director

Place : Rupana, (Muktsar)
Date : 14.05.2013

(A.K.Khurana)
V.P.(Finance)

(Rakesh Kumar Dhuria)
Company Secretary

SATIA INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT AS ON 31.03.2013

In Rs Lacs, Except as Other wise Stated

Particulars	Note	Year Ended	Year Ended
		As At 31 March, 2013	As At 31 March, 2012
I) Revenue from operations (Net of Excise)	2.8	27,845.17	23,925.39
II) Other Income	2.9	338.89	333.15
III) Total Revenue (I+II)		28,184.07	24,258.54
IV) Expenses :			
Cost of Material Consumed	2.10	10,382.08	9,300.18
Cost of Purchases of Yarn Division	2.11	153.08	34.61
Change in inventories of finished goods, work in progress and stock in trade	2.12	226.55	(215.63)
Employees Benefit Expenses	2.13	1,779.50	1,478.86
Finance Cost	2.14	1,479.06	1,428.497
Depreciation and Amortization expenses	2.15	1,005.19	910.21
Other Expenses	2.16	11,195.37	10,810.45
Total expenses		26,220.82	23,747.16
V) Profit before exceptional and extraordinary items and tax (III-IV)		1,963.25	511.38
VI) Exceptional items	2.17	0.00	0.00
VII) Profit before extraordinary items and tax (V-VI)		1,963.25	511.38
VIII) Extraordinary items	2.18	68.81	13.68
IX) PROFIT BEFORE TAX		1,894.44	497.70
X) Tax Expense:	2.19		
(1) Current Tax		0.00	100.29
(2) Deferred Tax		506.26	(1.63)
XI) Profit (Loss) for the period from continuing operations (VII-VIII)		1,388.18	399.04
XII) Profit/ (Loss) from discontinuing operations		-	-
XIII) Tax expenses of discontinuing operations		-	-
XIV) Profit/ (loss) from discontinuing operations (After tax) (XII-XIII)		-	-
XV) Profit (Loss) for the period (XI+XIV)		1,388.18	399.04
XVI) Earnings per equity share			
Basic		13.88	3.99
Diluted		13.69	3.92

As per report of even date attached for RAKESH BANSAL & CO. Chartered Accountants

(Rakesh Bansal)
Proprietor
M.No 090278

(Dr Ajay Satia)
Chairman-Cum Managing Director

(R.K.Bhandari)
Whole Time Director

Place : Rupana, (Muktsar)
Date : 14.05.2013

(A.K.Khurana)
V.P.(Finance)

(Rakesh Kumar Dhuria)
Company Secretary

Notes forming part of financial statements

Corporate Information:-

Satia Industries Limited formerly known as Satia Paper Mills Limited (herein after referred to as 'The Company') is a manufacturer of Writing and Printing Paper. The company is also engaged in generation of power and trading activities in Cotton & Yarn.

1. Significant Accounting Policies:-

1.1 Basis of Preparation:

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, except where otherwise stated, and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

1.2 Fixed Assets:

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

1.3 Depreciation:-

- 1.3.1 Depreciation on Fixed Assets is provided on Straight Line Method on prorata basis from the date of acquisition over the useful life & in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- 1.3.2 Lease hold land is amortized over the remaining period of lease.
- 1.3.3 Depreciation on the amount of addition made to Fixed Assets due to exchange fluctuation is provided over the remaining useful life of the asset to which the fluctuation relates.
- 1.3.4 Depreciation on the amount of addition made to Fixed Asset due to up gradation/ improvement is provided at the rate applied to the existing assets. Patents and trademarks, software etc are accounted at their cost of acquisition and amortized over their estimated economic life not exceeding 10 years. Leasehold improvements are charged to the profit and loss account over the primary period of lease.

1.4 Investments

Investments are stated at cost less provision for permanent diminution in the value of long term investment

1.5 Impairment of Fixed Assets:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets. If any indication exists, an assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. Impairment loss is recognized in the Profit & Loss Account.

1.6 Revenue Recognition:

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

1.6.1 Sale of Goods

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

1.6.2 Income from CER/VER/REC

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

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

1.8 Valuation of Inventories:-**Raw Materials, Stores & Spares:**

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

Work-in-Progress and Finished Goods:

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

By Products and Waste:

Net realizable value

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

1.9 Foreign Currency Transactions

Initial Recognition

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

Conversion

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

Exchange Differences

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

Forward Exchange Contracts

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

1.10 Borrowing Cost

Interest & other costs incurred by the company in connection with the borrowing of funds are recognized as expenses in the period in which they are incurred unless activities that are necessary to prepare the qualifying assets for its intended use are in progress.

1.11 Government Grants

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

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

1.12 Retirement Benefits

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

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

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

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

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

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

1.13 Leases

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

1.14 Accounting for taxes on income

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

1.15 Export incentives in case of export under DEPB entitlement, incentive has been valued on the specific rates allowed on the relevant item of export.

1.16 Provisions

A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

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2. NOTES ON ACCOUNT OF THE YEAR ENDED 31 MARCH, 2013

2.1 SHARE CAPITAL

In Rs Lacs, except as otherwise stated

Particulars	Year Ended As On 31 March, 2013	Year Ended As On 31 March, 2012
Authorized: Equity Shares of Rs. 10/- each 120,00,000 (120,00,000) equity shares	1200.00	1200.00
Issued Subscribed and Paid-Up: Equity Shares of Rs. 10/- each 100,00,000 (100,00,000) equity shares fully paid-up	1000.00	1000.00
Total	1000.00	1000.00

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

20,00,000 Shares out of the issued, subscribed and paid up share capital were allotted as bonus (20,00,000) shares in the last five years by capitalization of Reserves.

In the event of Liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of share outstanding :

No. of Shares

Particulars	Year Ended As On 31 March, 2013	Year Ended As On 31 March, 2012
Number of shares at the beginning	10,00,000	10,00,000
Add : Share issued	0	0
Number of Share at the end	10,00,000	10,00,000

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

Particulars	Year Ended As On 31 March, 2013	% Holding in the SHARES	Year Ended As On 31 March, 2012	% Holding in the SHARES
Equity Shares of Rs 10 each fully paid				
Sh. Ajay Satia	1474861	14.75%	1474861	14.75%
Smt. Bindu Satia	751094	7.50%	751094	7.50%
Sh. Anil Satia	567719	5.67%	567719	5.67%
Mr. Ankit Satia	793344	7.93%	793344	7.93%
Mr. Dhruv Satia	543169	5.43%	543169	5.43%
S.D.S Cotton (P) Ltd	1518285	15.18%	1518285	15.18%
Muktsar Fincap Pvt.Ltd	1572800	15.72%	1572800	15.72%

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

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2.2 RESERVES AND SURPLUS

Particulars	Year Ended As On 31 March 2013	Year Ended As On 31 March 2012
Capital Reserve-State Subsidy	65.00	65.00
Opening Balance	-	-
Add: Transferred from Profit and Loss account	65.00	65.00
Closing Balance	65.00	65.00
Investment Utilisation Reserve	78.43	78.43
Opening Balance	-	-
Add: Transferred from Profit and Loss account	78.43	78.43
Closing Balance	78.43	78.43
Profit and Loss account	4593.07	4194.03
Surplus - Opening Balance	1388.18	399.04
Add: Net profit after tax transferred from Statement of Profit and Loss	-	-
Balance in Profit and Loss account	5981.25	4593.07
Total	6124.68	4736.50

2.3 Share Application Money

The Company has received Share Application money of Rs.300.00 Lacs (Rs.175.12 Lacs in financial year 2003-04, Rs.92.33 Lacs in the financial year 2004-2005 and 32.55 Lacs in financial year 2005-2006) from promoters and associates to partly finance the project cost approved and stipulated by Financial Institution and Bank. During the year ended 31.03.06 the company has allotted 20,00,000 Equity shares @10 per shares amounting to Rs.200.00 lacs to the Promoters and their associates on preferential basis as per approval received from SEBI and remaining share application money of Rs.100.00 lacs against which shares will be allotted in future as permitted under the statute. These funds were utilized in the year of receipt for purpose of capital expenditure as per scheme approved by the financial institutions and the terms of allotment are as below:-

No. of Balance Shares Proposed to be issued: 140357

The amount of premium: Rs. 61.25

The company have sufficient authorised share capital amount for allotment of shares against the share application.

2.4 Non Current Liabilities

2.4.1 Long Term Borrowings : Term Loans from Banks

Particulars	Year Ended As On 31 March 2013	Year Ended As On 31 March 2012
Punjab National Bank	1675.19	3365
Central Bank of India	2490.39	2480
Vehicle Loan	200.48	215
	4366.06	6060

The above loans are secured by first charge by way of equitable mortgage of company's immovable properties, present and future and hypothecation of company's moveable assets.

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present and future in Favour of PNB & CBI on Parri Passu basis and further personally guaranteed by the Managing Director and a Director of the company. The loan due to PNB are further secured by pledge of 24,00,000 equity shares held by promoters, except vehicle loans which are secured by hypothecation of the specific assets only.

Instalments for repayment of term loans due to be paid in next year amounting to Rs 1538.34 Lacs has been considered as current Assets by the Company and are included as long terms liability.

2.4.2 DEFERRED TAXES

Particulars	Year Ended As On 31March,2013	Year Ended As On 31March,2012
Deferred tax Liabilities Related to the Fixed Assets	2518.70	2005.46
Deferred Tax Assets Related to the disallowances under section 43B of the Income Tax Act,1961	100.91	93.93
	2417.79	1911.53

2.4.3 OTHER LONG -TERM LIABILITIES

Particulars	Year Ended As On 31March,2013	Year Ended As On 31March,2012
UNSECURED LOAN :		
Security Deposits	5059.51	3639.76
From Banks	932.94	1009.10
From Body Corporate	0.00	4.135
From Other than Body Corporate	126.80	78.41
From Directors	0.00	190.17
	6119.25	4921.58

2.4.4 LONG-TERM PROVISIONS

Particulars	Year Ended As On 31March,2013	Particulars As On 31March,2012
Provision for Employee benefits		
Provision for Employee benefits	111.83	94.23
Gratuity Obligation	222.43	195.28
Total	334.26	289.51

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

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2.5 Current Liabilities

2.5.1 Short Term Borrowings

Particulars	Year Ended As On 31 March 2013	Year Ended As On 31 March 2012
Working Capital Loans: Banks (Rupees Loan)		
Punjab National Bank	2849.25	2476.10
Central Bank of India	847.37	850.14
Bill Discounting	155.54	83.38
Total	3852.16	3409.62

Working capital Borrowings are secured by hypothecation of all stocks of raw material stores, work in progress finished stock and book debts in addition to personal guarantee by M.D & a Director of the company. In addition to this the working limits are further secured by any of second Parri-Passy charges on all the fixed assets of the Company

2.5.2 Trade Payables

Particulars	Year Ended As On 31 March 2013	Year Ended As On 31 March 2012
Sundry Creditors:		
Micro, Small & Medium Enterprises	24.88	20.28
Others	123.40	2394.85
Acceptances not due for payments	1962.53	1251.35
Total	2110.81	3666.48

2.5.3 OTHER CURRENT LIABILITIES

Particulars	Year Ended As On 31 March 2013	Year Ended As On 31 March 2012
Statutory Liabilities	76.85	49.40
Advance from Customers	341.15	172.30
Interest Accrued But not Due	27.45	102.59
Other Liabilities	397.64	286.48
Total	843.09	610.77

2.5.4 SHORT-TERM PROVISIONS

Particulars	Year Ended As On 31 March 2013	Year Ended As On 31 March 2012
Income-Tax (Net)	281.95	0.00
Total	281.95	0.00

2.6 NON CURRENT ASSETS

2.6.1 FIXED ASSETS

Particulars	Year Ended As On 31 March 2013	Year Ended As On 31 March 2012
Gross Block	23945.44	18988.55
Less Depreciation	7687.97	6736.34
Net Block	16257.47	12252.21

A detail chart depicting of fixed assets of the company and depreciation thereof has been attached as Annexure-A

FIXED ASSETS

Annexure-A

S. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		COST AS ON 01.04.2012 (Rs.)	ADDITIONS DURING THE YEAR (Rs.)	SALES/ ADJUSTMENT (Rs.)	COST AS ON 31.03.2013 (Rs.)	PROVIDED UPTO 31.03.12 (Rs.)	FOR THE CURRENT YEAR 31.03.2013 (Rs.)	WRITTEN BACK (Rs.)	TOTAL UPTO 31.03.13 (Rs.)	AS AT 31.03.13 (Rs.)	AS AT 31.03.12 (Rs.)
1	Land	137.05	0.00	0.00	137.05	0.00	0.00	0.00	0.00	137.05	137.05
2	Building	2044.22	357.21	0.00	2401.43	625.89	69.22	0.00	695.12	1706.31	1418.33
3	Plant & Machinery	15573.19	4569.79	0.00	20142.98	5346.74	841.52	0.00	6188.26	13954.72	10226.45
4	Electrical installation fitting & equipments	580.89	0.00	0.00	580.89	437.73	29.10	0.00	466.83	114.07	143.17
5	Office Equipment	47.96	3.13	0.00	51.09	20.87	2.44	0.00	23.31	27.78	27.09
6	Furniture & fittings	52.30	0.50	0.00	52.80	37.70	3.26	0.00	40.96	11.84	14.60
7	Vehicles	411.57	98.12	84.37	425.32	163.07	42.34	53.56	151.85	273.47	248.50
8	Computers	105.80	10.64	0.00	116.43	85.039	14.97	0.00	100.01	16.42	20.76
9	A.C.Fan & Cooler	35.58	1.87	0.00	37.45	19.29868	2.34	0.00	21.64	15.81	16.28
10	TOTAL	18988.55	5041.26	84.37	23945.44	6736.33	1005.19	53.56	7687.97	16257.47	12252.21
11	Previous Year	18421.29	662.70	95.44	18988.55	5867.40	910.21	41.27	6736.33	12252.21	12553.89

Intangible Assets

There are no intangible assets.

CAPITAL WORK IN PROGRESS

Particulars	Year Ended As On 31 March, 2013	Year Ended As On 31 March, 2012
Building under Construction	106.42	330.00
Plant and Machinery under Erection	283.24	3295.00
Advance to suppliers for Capital Goods	218.52	138.00
Others	16.17	16.00
Total	624.35	3780.00

Intangible Assets under development

There are no intangible assets under development.

2.6.2 NON CURRENT INVESTMENTS

Particulars	Year Ended As On 31 March, 2013	Year Ended As On 31 March, 2012
Non-current investment - at cost		
Trade Investment (Unquoted)		
5450000 Equity Shares of Bhandari Export Industries Ltd (5450000) of Rs.10 Each at par	545.00	445.00
5820000 Equity Shares of T.C Spinners(P) Ltd of Rs.10 each at par (182000)	582.00	182.00
Total	1127.00	727.00

2.7 CURRENT ASSETS

2.7.1 CURRENT INVESTMENTS

There are no current investments.

2.7.2 Inventories

Particulars	Year Ended As On 31 March, 2013	Year Ended As On 31 March, 2012
Raw Materials, Chemicals & Fuels	521.43	1348.00
Stock in Process	134.49	130.00
Semi Finished Stock	548.65	639.00
Finished Stocks	519.07	656.00
Consumable stores, spares and Packing material	670.10	805.00
Scrap	10.88	9.00
Agriculture Development Expenses	27.21	
Total	2431.83	3593.00

2.7.3 TRADE RECEIVABLES

Particulars	Year Ended As On 31 March 2013	Year Ended As On 31 March 2012
Over Six Months	28.82	117.55
Other Debts	4577.66	4168.94
	4606.48	4286.49
Less: Provision for doubtful debts	0.00	0.00
	4606.48	4286.49

(Unsecured, considered good unless otherwise stated)

2.7.4 CASH AND CASH EQUIVALENTS

Particulars	Year Ended As On 31 March 2013	Year Ended As On 31 March 2012
Cash in hand	2.77	9.25
Balance with Banks	3.23	34.91
Draft/Cheque in transit	1.03	0.14
Fixed Deposit with Banks against Margin Money*	226.49	191.14
Fixed Deposit with Banks (Others)	97.00	0.00
	330.52	235.44

2.7.5 SHORT TERM LOANS AND ADVANCES

Particulars	Year Ended As On 31 March 2013	Year Ended As On 31 March 2012
LOANS & ADVANCES	996.28	1107.54
EXCISE DUTY DEPOSITED	0.22	2.82
DEPB PENDING FOR UTILIZATION	0.42	0.96
INSURANCE CLAIMS RECOVERABLE	0.00	1.64
SALES TAX DEPOSITED AGT APPEAL	1.96	1.96
INSURANCE PREPAID	28.01	21.07
PREPAID EXPENSES	4.70	5.59
RENT ADVANCE	0.17	0.10
MISC. RECOVERABLE	26.11	26.11
EDUCATION CESS ON SERVICE TAX (GOODS FREIGHT)	0.02	0.00
SERVICE TAX RECOVERABLE	3.34	23.52

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ADVANCE LEASE RENT A/C.	44.97	12.66
PUNJAB STATE POWER CORPORATION LTD	1.22	0.00
SERVICE TAX ON WORKS CONTRACT	0.94	0.00
	1108.36	1203.97

(Unsecured, considered good unless otherwise stated)

2.7.6 OTHER CURRENT ASSETS

Particulars	Year Ended As On 31 March, 2013	Year Ended As On 31 March, 2012
Deposit with Excise (including balance under Cenvet against inputs and capital goods)	112.69	130.58
Security/Tender deposits	130.14	126.80
MAT Credit Entitlement	804.35	356.18
Interest Receivable	16.86	14.03
	1064.04	627.59

2.8 REVENUE FROM OPERATION

Particulars	Year Ended As On 31 March, 2013	Year Ended As On 31 March, 2012
Gross Sales*	30392.43	24638.64
Less: Excise Duty	1163.08	713.25
Less Inter Divisional Sale of Power of Steam	1384.18	0.00
Net Sales	27845.17	23925.39

*Includes inter divisional sales of Rs. 1384.18

2.8.1 PARTICULARS OF SALE OF PRODUCTS

Particulars	Year Ended As On 31 March, 2013	Year Ended As On 31 March, 2012
PAPER DIVISION		
WRITING & PRINTING PAPER (Including Excise Duty)	28572.00	24330.43
SALE OF WOOD PULP	0.00	72.10
SALE OF WASTE PAPER	138.82	77.80
SALE OF SCRAP	21.53	23.50
SUB TOTAL	28732.34	24503.93
LESS: GOODS RETURN	1.07	

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SALES LESS RETURNS	28731.27	24503.98
COTTON & YARN DIVISION		
SALE (YARN)	0.00	4.05
SALE (COTTON)	153.47	30.32
SALE (POLYSTER)	0.00	0
SUB TOTAL	153.47	34.37
COGEN DIVISION		
SALE OF ELECTRICITY (COGEN DIVISION)	723.98	0
SALE OF STEAM	660.19	0
SUB TOTAL	1384.18	0.00
POWER DIVISION		
SALE OF WIND POWER	123.51	100.29
TOTAL	30392.43	24638.64

2.9 OTHER INCOME

Particulars		
Interest Income	38.42	29.12
Insurance Claims	48.85	52.18
Misc Income	53.91	174.98
Exchange Rate Variation	0.00	0.00
Export Incentive	3.83	4.36
Discounting Earned on DEPB Purchase	2.59	8.99
Gain on Sale of Assets	0.00	1.00
Income from CER/VER	50.12	62.51
Income from REC Accrued	141.17	0.00
	338.89	333.15

2.10 COST OF MATERIAL CONSUMED

Particulars	Year Ended As On 31 March 2012	Year Ended As On 31 March 2011
Raw Material	5241.68	5280.83
Chemicals	5140.40	4019.35
	10382.08	9300.18

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2.11 COST OF PURCHASE OF STOCK IN TRADE

Particulars	Year Ended As On 31 March, 2013	Year Ended As On 31 March, 2012
	153.08	30.57
Cotton	0.00	4.20
Yarn	0.00	0.00
Polyster Fibre	0.00	0.00
Waste	0.00	0.00
Paper	0.00	0.00
Total	153.08	34.60

2.12 CHANGE IN INVENTORIES STOCK

Particulars	Year Ended As On 31 March, 2013	Year Ended As On 31 March, 2012
Opening Stock :		
Finished Goods	656.27	464.00
Stock in process	133.50	138.00
Semi Finished	639.94	611.00
Scrap	9.93	8.00
	1439.64	1224.00
Closing Stock :		
Finished goods	519.07	656.00
Stock in process	134.49	133.00
Semi Finished	548.65	639.00
Scrap	10.88	9.00
	1213.09	1435.00
INCREASE(+)/DECREASE(-) IN STOCKS	226.55	-211.00

2.13 EMPLOYEE BENEFITS EXPENSE

Particulars	Year Ended As On 31 March, 2013	Year Ended As On 31 March, 2012
a) Salaries, Wages and Bonus	1055.59	920.00
b) Welfare Expenses	630.34	490.00
c) Contribution to Provident and Other Funds	93.57	50.00
	1779.50	1470.00

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2.14 FINANCE COST

Particulars		
a) Interest on Term Loan	459.59	493.44
b) Interest on Working Capital	974.47	892.62
c) Bank & Other Charges	45.00	42.43
	1479.06	1428.49

2.15 DEPRECIATION AND AMORTISATION CHARGE

Particulars	Year Ended As On 31 March 2012	Year Ended As On 31 March 2011
Depreciation	1005.19	910.21
	1005.19	910.21

2.16 EXPENSES

Particulars		Year Ended As On 31 March 2012	Year Ended As On 31 March 2011
a) UTILITIES:			
i) Power Consumed	2486.54		
Less Inter Divisional Purchase	723.99	1762.55	1997.15
i) Steam Consumed	660.19		
Less Inter Divisional Purchase	660.19	0.00	0.00
ii) Fuel	5349.59	4746.28	
iii) Water Supply Charges	59.25	46.49	
iv) Effluent Treatment Expenses	0.00	5.21	
b) Stores and Spare Parts Consumed	1520.61	1536.52	
c) Repair & Maintenance :			
i) Building		77.83	78.32
ii) Machinery		160.52	96.96
iii) Others		65.70	58.81
d) Packing Material & Exp.		635.08	586.40
e) Handling and Shifting :			
i) Raw Material and Chemicals		164.28	149.94
ii) Fuel		42.26	41.71

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	275.67	492.7-
f) Reversal of Convect Credit of ED	0	0.00
g) Job Work Charges		
h) SELLING,ADMINISTRATIVE AND OTHER EXPENSES :	18.97	14.87
a) Printing and Stationery	14.29	12.47
b) Postage,Telegram & Telephone	9.80	0.00
c) Sales Tax	64.94	28.45
d) Travelling & Conveyance	141.69	131.25
e) Disposal and Cartage	24.34	24.32
f) Vehicle Running and Maintenance	60.22	55.70
g) Rent	0.00	2.55
h) Institution and other Building Tax	55.91	32.50
i) Legal & Professional Charges	23.06	16.35
j) Fee & Subscription	1.00	0.90
k) Director Sitting Fee	11.46	0.00
l) Loss on Sale of Assets	133.46	53.02
m) General Expenses	2.98	2.60
n) Auditors Remuneration and Expenses	6.92	6.30
o) Electricity and Water Charges	6.13	3.35
p) Charity and Donation	107.59	104.14
q) Freight & Handling outward/Export Exp.	324.08	273.40
r) Commission	50.59	113.97
s) Discounts & Rebate	20.31	94.30
t) Exchange Rate Variation	2.17	3.35
u) Advertisement	2.11	0.00
v) Corporate Social Responsibility Expenses		
Total Expenses	11195.36	10810.45

2.17 Exceptional Items

There were no exceptional Items during the year.

2.18 Extraordinary Items

In includes Prior period expenses.

SATIA INDUSTRIES LIMITED

2.19 TAX EXPENSES

Particulars	Year Ended 31st Dec 2013	Year Ended 31st Dec 2012
Current Tax		
Provision for Tax	386.00	100.29
Less MAT Credit Entitlement	386.00	0
Net Current Tax	0.00	100.29
Deffered Tax	506.26	-1.63
	892.26	98.66

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

Particulars	Year Ended 31st Dec 2013	Year Ended 31st Dec 2012
Bank Guarantee	81.14	227.98
Unexpired Letter of Credit (Opened by Bank) (Material received against LCs has been accounted for and credited to suppliers account)	1962.53	1239.09
Excise & Customs duty demand in dispute	3.83	4.40
Sales Tax demand in dispute	3.86	3.86
Customs Duty in respect of Export Obligation	53.27	22.78
Corporate Guarantee in favour of Uco Bank on Behalf of T.C Spinners Pvt.Ltd(Outstanding balance Rs. 204.83)	490.00	490.00

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

Name of the Party	Name of Related Party
Individual Owning directly or indirectly substantial interest in the voting power of the company.	M/s T.C. Spinners Pvt. Ltd.
Key Management Personnel	Mr. Ajay Satia Mr. R.K. Bhandari Mr. Janak Raj Sharma
Relative of key Management(Relevant Personnel)	Mrs Bindu Satia (Wife of Sh. Ajay Satia) Mr. Anil Satia (Brother of Sh. Ajay Satia) Mrs Saloni Satia(Wife of Sh Anil Satia)

SATIA INDUSTRIES LIMITED

	Smt.Krishna Satia (Mother of Sh. Ajay Satia) Mrs. Renu Pahwa (Sister of Sh. Ajay Satia) Ms Yachna Satia (Daughter of Sh. Ajay Satia) Mr. Chirag Satia (Son of Sh. Ajay Satia) Mr. Kulbir Pahwa (Sisters Husband of Dr. Ajay Satia) Mr. Vinod Saluja (Sisters Husband of Dr. Ajay Satia) Mrs. Archana Saluja (Sister of Dr. Ajay Satia) Mrs. Pushpa Bhandari (Mother of Sh. R.K. Bhandari) Mrs. Kiran Bhandari (Wife of Sh. R.K. Bhandari) Ms. Vasudha Bhandari (Daughter of Sh. R.K. Bhandari) Mr. Amit Sharma (Son of Sh. Janak Raj. Sharma) Mr. Dhruv Satia (Son of Dr Ajay Satia)
--	---

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

	Interest in the voting power of the company			
Loan Receipt	- (-)	143.00 (156.17)	131.00 (2.00)	274.00 (158.17)
Loan Repayment	- (-)	381.67 (12.00)	79.62 (22.00)	461.29 (34.00)
Rent	- (-)	3.60 (3.60)	21.08 (21.46)	24.68 (25.06)
Managerial Remuneration	- (-)	81.66 (83.32)	- (-)	81.66 (83.32)
Salary	- (-)	- (-)	5.36 (13.83)	5.36 (13.83)
Purchase	- (-)	- (-)	- (-)	- (-)
Sales	153.08 (15.50)	- (-)	- (-)	153.08 (15.50)
Investment	- (-)	- (-)	400.00 (-)	400.00 (-)

(Figure in brackets relates to previous year)

SATIA INDUSTRIES LIMITED

Outstanding balance as on 31.03.2012

Managerial Remuneration	- (-)	2.95 (13.07)	- (-)	2.95 (13.47)
Loan and Advances Credit	- (-)	0 (207.17)	128.17 (98.29)	128.17 (305.46)
Loan and Advances Debit	0 (127.51)	- (-)	- (-)	0 (127.51)
Corporate Guarantee	204.83 (287.92)	- (-)	- (-)	204.83 (287.92)
Share Application Money Received	- (-)	4.25 (4.25)	- (-)	4.25 (4.25)
Investment in Share/Application Money Invested*	582.00 (182.00)	- (-)	- (-)	582.00 (182.00)
Rent	- (-)	- (-)	13.04 (7.56)	13.04 (7.56)
Salary	- (-)	- (-)	0.60 (0.19)	0.60 (0.19)

* Equity shares have been allotted by M/C T.C. Spinners Pvt Ltd.

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

	31.03.2012	31.03.2011
Capital Goods	13.72	81.53
Raw Material	1220.2	1666.35
Stores & Spares	81.74	76.44
TOTAL	1315.66	1824.32

2.23 ACTIVITY IN FOREIGN CURRENCY

Particulars	2007	2006
Travel	2.49	0.00
Interest	2.81	10.50
Bank Charges	0.20	0.94
Repairs	7.75	0.00
Legal & Technical Fees and Subscription	16.55	10.61
Total	29.80	22.05

2.24 FOB VALUE OF EXPORTS OF GOODS

Particulars	2007	2006
Writing & Printing Paper	8.92	15.42
Total	8.92	15.42

2.25 MSMED ACT2006

The company has been obtaining confirmation from suppliers who have registered themselves under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED ACT, 2006). Based on the information available with the company, balance due to Micro & Small Enterprises as defined under the MSMED ACT, 2006 is Rs. 24.88 lacs (previous year Rs. 20.26 lacs). Further no interest during the year has been paid under the terms of the MSMED Act, 2006.

2.26 CER/VER/REC ACCOUNTING

Carbon Emission Reductions (CER), Voluntary Emission Reductions (VER) and Renewable Energy Certificates have been accounted for on accrual basis against the Clean Development Mechanism registered (CDM) project with the United Nations Framework Convention on Climate Change (UNFCCC).

2.27 EMPLOYEE BENEFITS

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

SATIA INDUSTRIES LIMITED

The following table sets out the status of the gratuity scheme plan as at 31.03.2013.

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

	Year Ended 31 March 2013	Year Ended 31 March 2012
Present value of the obligation at the beginning of the period	195.28	176.63
Interest cost	16.07	15.46
Current service cost	20.11	17.41
Benefits paid (if any)	(23.84)	(10.85)
Actuarial (gain)/loss	14.81	-3.36
Present value of the obligation at the end of the period	222.43	195.28

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

	Year Ended 31 March 2013	Year Ended 31 March 2012
Present value of the obligation at the end of the period	222.43	195.28
Fair value of plan assets at the end	0.00	0.00
Net Liability/(asset) recognised in Balance sheet and related analysis	222.43	195.28
Funded Status	(222.43)	(195.28)

2.3 Expense recognized in the statement of Profit and Loss:

	Year Ended 31 March 2013	Year Ended 31 March 2012
Interest cost	16.07	15.46
Current service cost	20.11	17.41
Expected Return on plan	0.00	0.00
Net Actuarial (gain)/loss recognized in the year	14.81	-3.36
Expense recognized in the statement of Profit and Loss	50.99	29.50

2.4 Experience Adjustment

Experience Adjustment (Gain)/loss for plan Liabilities	7.00	3.61
Experience Adjustment (Gain)/loss for plan Assets	0.00	0

3.1 Summary of membership data of valuation and statistics based thereon:

Number of employees	1039.00	994.00
Total monthly salary (In Lakhs)	58.71	51.67
Average Past Service(Years)	8.30	8.00
Average remaining working lives of employees(years)	23.30	23.00
Average Age(Years)	36.70	37.00

3.2 The assumption employed for the calculations are tabulated:

Discount Rate (Per annum)	8.25%	8.75%
Salary Growth Rate (Per annum)	4.00%	4.00%
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Expected rate of return	0	0
Withdrawal rate(Per Annum)	5.00%	5.00%

3.3 Benefits valued:

Normal Retirement Age	60 Years	60 Years
Salary	Terminal Basic Salary (excluding) all other allowances and Perquisites)	Terminal Basic Salary (excluding) all other allowances and Perquisites)
Vesting Period	5 Years of Service	5 Years of Service
Benefits on Normal Retirement	15/26 *Salary* Number of Completed Years of Service	15/26 *Salary* Number of Completed Years of Service
Benefit on early exit due to Death and Disability	As above Except that no vesting conditions apply.	As above Except that no vesting conditions apply.
Limit (In Lakhs)	10.00	10.00

SATIA INDUSTRIES LIMITED

2.28 Calculation of Deferred Tax Liability

Written Down Value of Fixed Assets as per Books	16302.7104	12252.21
Written Down Value of Fixed Assets as per Income Tax	8487.31	6071.1
(A) Deferred Liability	7815.40	6181.11
Expenses disallowed u/s 43B	363.43	289.51
Unabsorbed Depreciation & Losses	0	0
(B) Deferred Assets	363.43	289.51
Net Deferred (Assets)/Liability	7451.97	5891.60
As on date (A-B)	2417.79	1911.53
Net Deferred Tax (Assets)/Liability for the year	506.26	-1.63

2.29 Director's Remuneration

(a) Managing Director		
(i) Salary	54.00	60.00
(ii) Contribution to Provident Fund	0.09	0.09
(iii) Perquisites	0.89	0.73
(b) Whole Time Director		
(i) Salary	25.89	21.80
(ii) Contribution to Provident Fund	0.09	0.09
(iii) Perquisites	0.70	0.61
(c) Directors Sitting Fee	1.00	0.90

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

2.31 The liability of Excise Duty on finished goods remaining uncleared in the factory premises and lying in stock at the end of the year estimated at Rs 28.48 lacs (Previous year Rs.22.26 lacs) are not included in the valuation of inventory of such goods. However the said liability if provided in accounts would have no effect on the profits for the period.

2.32 (a) Statutory Auditor's Remuneration:

For Audit Fee including service-tax	2.00	1.70
For Other Services	0.40	0.40
For out of pocket Expenses	0.00	0.00
	2.40	2.10
(b) Cost Audit Fee including Service Tax	0.85	0.85
For out of pocket Expenses	0.12	0.06
	0.97	0.91

2.33 Derivative Instruments and unhedged Foreign currency exposure.

Unhedged Foreign currency exposure as at the balance sheet

Import Creditors	USD 0.36 (19.16)	USD 4.37 (9.43)
	EURO 0 (0)	EURO 0 (4.90)

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

a) Net Profit/ (Loss) after tax & before Extra ordinary Items (Rs. In lacs)	1456.99	412.72
b) Net Profit/ (Loss) after tax & after Extra ordinary Items (Rs. In lacs)	1388.18	399.03
c) Weighted Average No. of Shares	10000000	10000000
d) Diluted potential equity shares	10140353	10174322

Earning Per Share (EPS)

Basic	13.88	3.99
Diluted	13.69	3.92

Diluted EPS is calculated after taking into consideration of potential equity share capital. The company proposes to issue 140357 nos. of equity shares to promoters and associates (calculated on basis of book value of equity shares as on 31.03.2013) under obligation to financial institutions and banks as per scheme sanctioned by financial institution and bank.

2.35 During the period the company has made provisions for Minimum Alternative Tax amounting to Rs 386 Lacs against which the Company is entitled to MAT Credit entitlement of 386 lacs. The management of the Company has not recognised any loss for impairment of any of the fixed of the Company.

2.36 Segment Reporting

A. Business Segments:

Based on the guiding principles given in AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Groups business segment include: Writing & Printing Paper, power generation and yarn division.

B. Geographical segments:

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

C. Segment Accounting Policies:

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

a) Segment Revenue and expenses:

Segment revenue and expenses are directly attributable to the segments.

b) Segment assets and liabilities

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

c) Inter segment revenue:

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

d) Information about business segments:

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

SATIA INDUSTRIES LIMITED

- 2.37 Current Assets including advances are considered good and in view of the management of the company to be realizable within 12 months from the date of Balance Sheet.
- 2.38 Outstanding balances in sundry debtors, creditors & security deposits are subject to confirmation.
- 2.39 Figures in brackets represent figures of previous year.
- 2.40 Previous Year's figures have been regrouped and/or re-arranged wherever considered necessary. Figures have been rounded off to the nearest rupee.

For RAKESH BANSAL & CO.
Chartered Accountants

For and On behalf of Board of Directors

(Rakesh Bansal)
Proprietor
Membership No 090278

(Dr. Ajay Satia)
Chairman-Cum Managing Director

(R.K.Bhandari)
Whole Time Director

Place : Rupana, (Muktsar)
Date : 14.05.2013

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

(Rakesh Kumar Dhuria)
Company Secretary

Disclosure Format of Primary Segments

Annexure to note no. 2.36

	Paper		Yarn		Wind Power		Cogeneration		Elimination		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE												
External Sale	27568.19	23790.73	153.47	34.37	123.51	100.29	0.00	0.00	0.00	0.00	27845.17	23925.39
Inter-segment Sale	0.00	0.00	0.00	0.00	0.00	0.00	1384.18	0.00	1384.18	0.00	0.00	0.00
Total Revenue	27568.19	23790.73	153.47	34.37	123.51	100.29	1384.18	0.00	1384.18	0.00	27845.17	23925.39
Result												
Segment Result	2869.17	1886.32	0.38	-1.15	78.19	54.70	494.57	0.00	0.00	0.00	3442.31	1939.87
Unallocated Corporate exp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Profit	2869.17	1886.32	0.38	-1.15	78.19	54.70	494.57	0.00	0.00	0.00	3442.31	1939.87
Interest Expense												
Tax Expense											1479.06	1428.49
Profit from ordinary activities											544.01	98.66
Extraordinary											1419.24	412.72
Loss: uninsured earthquake damage to factory											31.06	13.68
Net Profit											0.00	0.00
											1388.18	399.04

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

	CURRENT YEAR		(Rs. in Lacs) PREVIOUS YEAR	
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS		1963.25		511.38
ADJUSTMENT FOR :-				
DEPRECIATION		1005.19		910.21
LOSS ON SALE OF FIXED ASSETS		11.46		-1.00
INTEREST & OTHER FINANCIAL CHARGES		1434.06		1386.06
PROVISION FOR GRATUITY & EARNED LEAVE		44.75		23.35
INTEREST RECEIVED (GROSS)		-38.42		-29.12
INCOME FROM INVESTMENT		0		0
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		4,420.29		2,800.88
ADJUSTMENT FOR				
TRADE & OTHER RECEIVABLES	-660.83		1127.24	
INVENTORY INCREASE	1161.40		-616.36	
TRADE PAYABLE/OTHER LIABILITIES	-1041.40	(540.83)	-430.17	80.71
CASH GENERATED FROM OPERATIONS		3,879.46		2,881.59
PRIOR-PERIOD EXPENSES/(INCOME)	-68.81		-13.68	
DIRECT TAXES PAID/ADJUSTED	0	(68.81)	-149.13	(162.81)
NET CASH FLOW FROM OPERATING ACTIVITIES(A)		3,810.65		2,718.78
B. CASH FLOW FROM INVESTING ACTIVITIES				
INTEREST RECEIVED		38.42		29.12
SALE OF FIXED ASSETS		19.34		55.17
INVESTMENT MADE DURING THE YEAR		-400.00		-80.00
SALE OF INVESTMENT		0		0
INCOME FROM INVESTMENT		0		0
PURCHASE OF FIXED ASSETS	-1884.68	-1884.68	-2735.47	-2735.47
NET CASH USED IN INVESTING ACTIVITIES(B)		-2,226.92		-2,731.18
C. CASH FLOW FROM FINANCING ACTIVITIES				
SHARE APPLICATION MONEY		0		0
PROCEEDS FROM LONG TERM BORROWINGS		416.25		2553.21
REPAYMENT OF LONG TERM BORROWINGS		-2111.05		-1792.96
INCREASE IN WORKING CAPITALBORROWINGS				
PROCEEDS FROM WORKING CAPITAL BORROWINGS		442.54		203.30
REPAYMENT OF OTHER LOANS & SECURITY DEPOSITS		-2227.70		-146.79
PROCEEDS FROM OTHER LOANS & SECURITY DEPOSITS		3425.37		569.56
INTEREST PAID		-1434.06		-1386.06
NET CASH FLOW FROM FINANCING ACITIVITES(C)		-1488.65		0.26
NET CASH INCREASE/(DECREASE)IN CASH & CASH EQUIVALENTS		95.08		12.14
CASH AND CASH EQUIVALENTS AT THE BEGINNING		235.44		223.30
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		330.52		235.44

For RAKESH BANSAL & COMPANY
Chartered Accountants

For and on behalf of Board of Directors

(Rakesh Bansal)
Membership No. 090278
Proprietor

(Dr Ajay Satia)
Chairman-Cum-Manging Director

(R.K.Bhandari)
Whole Time Director

Place : Rupana, (Muktsar)
Date : 14.05.2013

SATIA INDUSTRIES LIMITED

Regd. Office: Malout - Muktsar Road, Village Rupana, District Muktsar-152032

PROXY FORM

I/We.....of.....
.....being a member/ members of SATIA INDUSTRIES LTD.
hereby appoint.....of.....or failing
him..... of..... as my/our proxy to vote
for me/us and on my/our behalf at the Thirty Second Annual General Meeting of the Company to
be held on 30th day of September, 2013 and at any adjournment thereof.

Signed.....day of.....2013

Member(s) Name

Folio No.....

Affix a One
Rupee
revenue
Stamp

Note: The proxy must be returned as to reach the Registered Office of the company at least 48
hours before the time for holding the Annual General Meeting. The proxy need not be a member of
the company.

SATIA INDUSTRIES LIMITED

Regd. Office: Malout - Muktsar Road, Village Rupana, District Muktsar-152032

ATTENDANCE SLIP

Please complete the attendance slip and hand it over at the entrance of the hall.

I hereby record my presence at the 32nd Annual General Meeting of the Company being held on
30th day of September, 2013 at 10:00 A.M. at the Regd. Office of the Company at Malout - Muktsar
Road, Village Rupana, District Muktsar, Punjab.

Full Name of the Member (in Block Letters) :

Full Name of Proxy, if applicable :

Folio No. :

No. of shares held :

Signatures of Member/Proxy :

BOOK - POST

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