

**SAT  
INDUSTRIES  
LIMITED**

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CIN : L25199MH1984PLC034632

Global Business



**SIL/BSE/2022-23**

August 12, 2022

To  
The General Manager,  
Department Of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai – 400001

**Company Code: 511076**

**Sub: Quarterly Business Updates for the First Quarter ended June 30, 2022.**

Dear Sir/Ma'am,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith the Quarterly Business Updates for the First Quarter ended June 30, 2022

Kindly take the same on your record.

Thanking you,

Yours faithfully,

**FOR SAT INDUSTRIES LIMITED**

**Harikant Turgalia**  
Whole-Time Director  
DIN: 00049544



Encl.: as above



CIN: L25199MH1984PLC034632

Registered Office: 121, B-Wing, Mittal Tower, Nariman Point, Mumbai - 400021

### Q1 FY23 – Earnings Release

Revenue from Operations increased by **86.43% y-o-y**

EBITDA increased by **55.55% y-o-y**

PAT increased by **42.17% y-o-y**

**Mumbai, 12<sup>th</sup> Aug 2022: SAT Industries Limited (SAT)** announced in its board meeting held on 12<sup>th</sup> Aug 2022 that the Company has inter-alia considered and approved the unaudited Financial Results of the Company for the First Quarter Ended on 30<sup>th</sup> June 2022.

#### **About SAT Industries Limited:**

SAT Industries Limited (SAT) is a BSE listed Company having been in existence for more than 37 years. SAT is a diversified business group with interests in manufacturing of packaging material, flexible flow solutions and investment in start-ups. The business model of the company is uniquely balanced between consistent cash flow of existing conventional business and value driven from investments in high growth start-ups. SAT, through its subsidiaries, has a presence in more than 100 countries across the world. SAT actively invests in start-ups which have disruptive and innovative business models. SAT has invested in 114 companies across 27 sectors. SAT has invested in sectors such as food-tech, ed-tech, e-commerce, hyper-local services, digital media portal, hyper-local advertising, virtual reality products, artificial intelligence enabled research platform, IoT products, among others. Some of the major investments include Venture Catalysts (Vcats), 1Crowd, Eduvanz, LenDen Club, Creditas (Clear My Dues), Beardo, Ketto, ConfirmTkt and Inc42.

#### **Consolidated Financial Statement Highlights for Q1 FY23 v/s Q1 FY22**

| Particulars (₹ Mn)   | Q1 FY23         | Q1 FY22       | Y-o-Y %       | Q4 FY22         |
|--|-----------------|---------------|---------------|-----------------|
| Revenue from Operations  | 1,172.19        | 634.33        |               | 1,085.90        |
| Other Income   | 13.26           | 1.54          |               | 39.00           |
| <b>Total Revenue</b>   | <b>1,185.45</b> | <b>635.87</b> | <b>86.43%</b> | <b>1,124.90</b> |
| Total Expenses excluding Depreciation, Amortisation & Finance Cost | 1,013.80        | 525.52        |               | 926.77          |
| <b>EBITDA*</b>   | <b>171.65</b>   | <b>110.35</b> | <b>55.55%</b> | <b>198.13</b>   |
| Depreciation & Amortisation  | 14.80           | 14.06         |               | 18.00           |
| Finance Cost   | 11.54           | 15.88         |               | 28.58           |
| <b>PBT before Exceptional Item</b>                                 | <b>145.31</b>   | <b>80.41</b>  | <b>80.71%</b> | <b>151.55</b>   |
| Exceptional Items  | -               | -             |               | -               |

|                                   |        |       |        |        |
|-----------------------------------|--------|-------|--------|--------|
| PBT                               | 145.31 | 80.41 | 80.71% | 151.55 |
| Tax                               | 35.86  | 3.42  |        | 67.99  |
| PAT                               | 109.46 | 76.99 | 42.17% | 83.56  |
| Other comprehensive profit / loss | 10.50  | 3.17  |        | 5.69   |
| Net PAT                           | 119.96 | 80.16 | 49.65% | 89.25  |
| Diluted EPS                       | 0.97   | 0.68  |        | 0.74   |

*\*EBITDA includes Other Income*

#### **Financial Performance Comparison – Q1 FY23 v/s Q1 FY22:**

- Total Revenue increased by 86.43% from ₹635.87 Mn in Q1 FY22 to ₹1,185.45 Mn in Q1 FY23 mainly driven by strong performances of our subsidiaries.
- The EBITDA increased by 55.55% from ₹110.35 Mn in Q1 FY22 to ₹171.65 Mn in Q1 FY23 owing to increase in overall scale of business.
- Finance cost decreased by 27.33% from ₹15.88 Mn in Q1 FY22 to ₹11.54 Mn in Q1 FY23.
- Net profit stood at ₹119.96 Mn in Q1 FY23, compared to ₹80.16 Mn in Q1 FY22.

#### **Recent notable Developments:**

- On 30<sup>th</sup> May, 2022, the Board recommended a dividend of 7.50% for the year ended 31<sup>st</sup> March, 2022.
- SAT appointed Mr. Parthasarathi Sarkar (MBA – IIM(A), B.Tech. (Hons) – IIT, Delhi) and Mr. Arpit Khandelwal, (CA & CFA) as an Additional Independent Director. **Mr. Sarkar** has over 40 years of experience in the field of Finance & Investment Banking. He was the Managing Director of Tata Finance Limited and has experience of Tata Administrative Services wherein he worked directly with Mr. Ratan Tata. Mr. Khandelwal, a young & enterprising professional has over 9 years of experience in the field of Banking, Technology, Treasury, Finance. He will be instrumental in Risk Management, Corporate Laws, Indirect Taxes, and International Trade Laws for the Company.

**Investment in Startups,** SAT has made 14 new investments during Q1 of FY23, out of which 8 investments were made in follow up rounds in the existing investee companies and 6 new investments in startups which are spread across various sectors such as Satellite, Logi-Tech, HR-Tech, D2C and FMCG. Sat invested in a total of 114 Start-ups as on Q1 of FY23, which are spread across 27 different sectors.

***In the current quarter, SAT exited from GetupForChange Services Private Limited (Online RTI) which yielded a return of 3x on the investment.***

**Aeroflex Industries Limited,** a substantially owned (98.70%\*) subsidiary of SAT Industries Limited, is one of the leading manufacturers of stainless-steel flexible hoses and assemblies in India. Aeroflex has

a production capacity of 11 million metres of SS corrugated flexible flow solutions, exporting to more than 80 countries, in an ultra-modern facility in Taloja, Navi Mumbai, India.

**Consolidated Financial Statement Highlights for Aeroflex Industries Limited Q1 FY23 v/s Q1 FY22:**

| Particulars (₹ Mn) | Q1 FY23 | Q1 FY22 | Change (%) |
|--------------------|---------|---------|------------|
| Total Revenue      | 703.51  | 470.35  | 49.57%     |
| EBITDA*            | 131.63  | 81.48   | 61.55%     |
| PBT                | 113.08  | 55.83   | 102.54%    |
| PAT                | 85.58   | 55.83   | 53.29%     |
| Net PAT            | 85.57   | 55.83   | 53.27%     |

\*EBITDA includes Other Income

**Recent notable Developments:**

- Aeroflex appointed **Mr. Parthasarathi Sarkar**, (MBA – IIM(A), B.Tech. (Hons) – IIT, Delhi) and **Ms. Shilpa Bhatia**, (Bachelor of Arts (Hons), Diploma in Personnel Management, LLB, LLM) as an Additional Independent Director.

**Sah Polymers Limited (SPL)**, a substantially owned (91.79%) subsidiary of SAT Industries Limited, is a leading and pioneer manufacturer and exporter of FIBCs, PP/HDPE Woven Bags and BOPP laminated bags in India, having an installed capacity of 3,960 MT spread over 8,000 sq. mt. SPL is expanding by setting up another plant at Udaipur with an installed capacity of 3,960 MT taking the total capacity to 7,920 MT and total area to 24,000 sq. mt. SPL is known as one of the top exporters, exporting to more than 25 countries, of FIBC, PP woven bags, fabric & box bags. SPL has acquired a 51.01% stake in Fibcorp Polyweave Pvt Ltd. to expand its existing business and market in the FIBC segment. SPL aims at providing customisation facilities that gives its customers the freedom to make the best use of SPL's wide product range and a long-term business relationship.

**Consolidated Financial Statement Highlights for Sah Polymers Limited Q1 FY23 v/s Q1 FY22:**

| Particulars (₹ Mn) | Q1 FY23 | Q1 FY22 | Change (%) |
|--------------------|---------|---------|------------|
| Total Revenue      | 361.32  | 140.83  | 156.56%    |
| EBITDA*            | 23.60   | 18.97   | 24.40%     |
| PBT                | 17.20   | 13.83   | 24.36%     |
| PAT                | 12.51   | 11.56   | 8.21%      |
| Net PAT            | 12.51   | 11.56   | 8.21%      |

\*EBITDA includes Other Income

### **Recent notable Developments:**

- Sah Polymers Limited had commenced the construction work of its new plant in Udaipur in November 2021. The plant is expected to be commissioned by Q3 FY23.

### **Management Comments:**

Commenting on the performance of Q1 FY23, Mr. Asad Daud (Director) said:

*“SAT Industries Limited delivered a strong performance in Q1 results due to our continued focus in improving the product mix and robust demand for our products. Our Revenue grew by 86.43% on a Y-o-Y basis from INR 635.87 Mn in Q1 FY22 to INR 1,185.45 Mn in Q1 FY23 on account of strong performance and growth from our subsidiaries. Our EBITDA has grown from ₹110.35 Mn to ₹171.65 Mn on a Y-o-Y basis on account of better product mix and economies of scale.*

*Our subsidiary, Aeroflex, witnessed a robust growth of 49.57% in revenue for Q1 FY23 as compared to Q1 FY22. We are expanding the operations of Aeroflex by augmenting the existing capacities backed by a strong demand. We expect a better growth in the coming years as well. We believe that the future of flexible flow solutions is extremely positive, due to its multi-faceted application across traditional industries such as manufacturing, oil and gas and new age industries like electric vehicles, robotics, drones, semiconductor, renewables, aerospace and satellite. Aeroflex's vision is to develop products that serve critical applications and thus become a specialised product provider. Our execution is reflected in rising revenue and EBITDA.*

*Our Subsidiary, Sah Polymers Limited, has recorded an impressive revenue growth of 156.56% in Q1 FY23 as compared to Q1 FY22. With our acquisition of Fibcorp Polyweave Pvt Ltd, a company engaged in the manufacturing of Flexible Intermediate Bulk Containers (FIBCs), we have expanded our offerings in FIBC space thereby leading to significant growth. Further, the IPO plan for Sah Polymers is progressing smoothly. The proceeds of the IPO will be utilised for expanding our capacities and reaching to new geographies.*

*In Q1 FY23, SAT and its subsidiaries made a total of 14 investments, out of which 8 investments were made in follow up rounds in the existing investee companies and 6 new investments in startups.*

*Till now, we have made an investment in 114 companies covering 27 sectors. We monitor the performance of our investee companies on a quarterly basis and are pleased to say that the majority of our investee companies are on track to achieve their goals and are creating a significant impact in their industry.*

*Apart from the strong financial performance, I'm also delighted to share that we have made significant strides in employee welfare activities. In this quarter we conducted seven awareness and training programs in areas of managing stress, dealing, and preventing diabetes and hypertension, diet awareness, environment awareness and fire safety.*

***We are also delighted to onboard two experienced professionals on the board of SAT, who bring on board deep domain expertise in their respective subjects, which will enable SAT to progress on multiple opportunities.***

***Going forward, we believe this robust performance and investment in our physical and human capital holds promise to unlock great benefits for all our stakeholders in the future.”***

**Thank you.**

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For further information on the Company, please visit [www.satgroup.in](http://www.satgroup.in)

**SAT Industries Limited**

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Krunal Shah/ Naman Maheshwari

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*SAH POLYMERS LIMITED, a subsidiary of Sat Industries Limited, is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations to make an initial public offer of its Equity Shares and has filed the DRHP dated April 21, 2022 with SEBI on April 21, 2022. The DRHP is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) as well as on the websites of the Stock Exchanges i.e. BSE at [www.bseindia.com](http://www.bseindia.com) and NSE at [www.nseindia.com](http://www.nseindia.com) and is available on the website of the BRLM i.e. Pantomath Capital Advisors Private Limited at [www.pantomathgroup.com](http://www.pantomathgroup.com). Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see “Risk Factors” on page 25 of the DRHP. Potential investors should not rely on the DRHP for any investment decision. The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“U.S. Securities Act”), or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.*

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