



SATIA
INDUSTRIES
LIMITED

CIN L21012PB1980PLC004329

Manufacturer of Quality
writing, Printing & Speciality
Paper with ECO MARK



SIL/CS

Date: 07.09.2022

| | |
|--|--|
| The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001 | The Manager, Listing Department, National Stock Exchange of India Ltd, Exchange Plaza, Plot No. C/1, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 |
| Scrip Code: 539201 | Symbol: SATIA |

Sub: Annual Report & Notice of 41st Annual General Meeting

Dear Sir/Madam,

This is in continuation to our earlier letter no SIL/CS dated 01.09.2022 regarding the Annual General Meeting of the Company to be held on 30.09.2022 and further in Pursuant to Regulation 34 read with Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of the Annual Report and Notice of Annual General Meeting of the Satia Industries Limited to be held on 30th September, 2022 through Video Conferencing at 10.30AM.

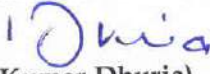
Kindly also consider this letter as compliance of prior intimation in accordance with proviso to Regulation 29 of SEBI(LODR) Regulations 2015

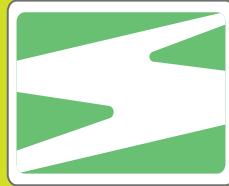
This is for your information and record please.

Thanking You,

Yours faithfully,

For Satia Industries Ltd


(Rakesh Kumar Dhuria)
Company Secretary



Satia Industries Limited



41st Annual Report 2021-22

TABLE OF CONTENTS

CORPORATE OVERVIEW

| | |
|---|---|
| Corporate Information | 2 |
| Our KMP's | 3 |
| Chairman Cum Managing Director's Message | 4 |
| SIL's Strategic and Sustainable Revenue Model | 5 |
| Management Discussion | 6 |

STATUTORY REPORTS

| | |
|-------------------------------------|----|
| Notice | 12 |
| Director's Report | 23 |
| Business Responsibility Report | 33 |
| Secretarial Audit Report | 46 |
| Corporate Governance Report 2021-22 | 52 |

FINANCIAL REPORTS

| | |
|---|----|
| Auditor's Report | 75 |
| Balance Sheet | 87 |
| Profit and Loss Account | 88 |
| Cash Flow Statement | 89 |
| Notes Forming Part of the Financial Statement | 91 |

OVERVIEW

Overview – Satia Industries Limited (SIL), is one of the largest Wood and Agro-based paper manufacturers in India. SIL was incorporated by Dr. Ajay Satia in 1980 and commenced its operations in 1984 with a small capacity of 4,850 ton per year.

1. SIL has total capacity of 205000 MT and in FY22 achieved a capacity utilization of 118%. SIL supplies 50% of its production to State textbook boards with the balance sold in the open market through pan-India network of 80+ dealers.
2. Completely integrated manufacturing setup with 4 paper machines, 100% inhouse power generation, soda recovery plant and one of the best effluent treatment facility.
3. Long-standing relationship with State Text-book Corporations helps in maintain a healthy order book with more than 40% contribution in total revenue.
4. SIL is Carbon Credit Surplus and has a regular income accruing from Renewable Energy Credits (REC).
5. Pan-India distribution network with 80+ dealers and 3 branch offices located in Delhi, Chandigarh & Jaipur with total employee strength of 1,264+ head counts.
6. SIL has 540 acres of eucalyptus plantations, developed as per Karnal Technology, which consumes total treated water discharge.

OUR ETHOS - VISION AND MISSION

VISION

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

MISSION

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



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Rakesh Kumar Dhuria

CHIEF FINANCIAL OFFICER

Mr. Rachit Nagpal

STATUTORY AUDITORS

Deepak Grover & Associates

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

CORPORATE IDENTIFICATION NUMBER

L21012PB1980PLC004329

REGISTERED/ CORPORATE OFFICE

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

REGISTRAR AND TRANSFER AGENTS

Beetal Financial & Computer Services (P) Limited
Beetal House, 3rd Floor, 99 Madangir, Behind Local
Shopping Complex, Near Dada Harsukhdas Mandir, New
Delhi-110062

Contact No: - 011-29961281-83,
FAX 011-29961284

E-mail: beetal@beetalfinancial.com
Website: www.beetalfinancial.com

BANKERS

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

OUR KMP's

Visionary Team – Our KMP's

Dr. Ajay Satia
Chairman Cum Managing Director

Dr. Satia is an MBBS, he has been the pioneer for setting up this integrated paper mill in 1980. Dr. Satia has a passion for work and possesses unparalleled enterprising spirit for expansion and modernisation.

His vision to adopt technological changes and economies of scale along with timely capital infusion has brought the unit among the best in the industry in terms of pulping strength, power self-sufficiency, effluent treatment and meeting the environmental norms.



Mr. R. K. Bhandari
Joint Managing Director

Mr. R. K. Bhandari is an MBA, he has been instrumental in steering the operations of SIL for the last over 34 years through thick and thin.

He is instrumental in strategizing and executing corporate actions, annual business plans and monitoring progress against these plans to ensure that SIL attains its objectives as cost- effectively and efficiently as possible.



Mr. Chirag Satia
Executive Director

He has been driving force behind new initiatives since he joined in 2015 and looks after Finance, Accounts and Administration.

His enterprising spirit and visionary outlook have added new energy and fresh air to the organisation.



CHAIRMAN CUM MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

Inspired by your trust in me and unwavering support of all the stakeholders in the management has brought your company to the threshold of achieving new heights and we are confident that with the completion of expansion plan for the new Paper machine in February, 2022, we shall achieve a production volume of more than 2,00,000 tons in the financial year 2022-23. Your company now can take pride in being one of the top mills producing writing and printing paper in India.

Coming out of the adverse impact of Covid 19; your company achieved a turnover of Rs 890.93 Cr which was up by 51 % than the last year because of higher sales volume and better price realization which went up by 29%. However, despite a steep hike in the cost of raw material, chemicals and fuel, we were able to achieve PAT of Rs 100.00 crore plus which is comparable to the best in the industry.

Your company has always been aware of its responsibility to the environment and society and

working in this direction Project Green has been initiated to plant more and more trees and farmers are being encouraged to go in for agro forestry and free saplings and other necessary assistance is being given by our team. Similarly, your company has been at the forefront in initiating use of rice straw as fuel in the boiler in Process industry thus helping both environment and farmer community. I assure you that we shall continue with our efforts for upliftment of the society in the field education, health and happiness.

Once again, I express my thanks and gratitude for your continued support and together we shall grow and prosper.

With Best Wishes,

Dr. Ajay Satia

Chairman Cum Managing Director

SIL'S STRATEGIC AND SUSTAINABLE REVENUE MODEL

Supplies to State boards: 40-50% of Revenues

- SIL supplies high quality watermark paper to various state text-book boards.
- Consolidated demand from all Text-books board is approximately 5,00,000 TPA of paper.
- By supplying 50-55k TPA to various state boards, SIL boasts of a 10-12% market share in this vertical.
- The State text-book orders are tender driven business funded under 'Sarva Shiksha Abhiyaan' of Govt. of India and payment to vendors come from respective state boards, thus, the average receivable days ranges in 45-60 days.

- Orders from text-book boards command higher (10%) operating margins as compared to open market, attributing to higher GSM and less finishing loss due to single size and more fillers in the paper.

Open market supplies: 50-60% of Revenues

- SIL supplies to retail traders through its strong Pan-India distribution network of 70+ dealers and 3 sales office located in Delhi, Chandigarh & Jaipur. A variety of paper grades are manufactured for this vertical such as, Exercise Book Paper, Snow White Paper, SS Maplitho Paper, Ledger Paper, Copier Paper, Colour Printing Paper and Paper Cup stock introduced recently.



MANAGEMENT DISCUSSION

REVIEW OF ECONOMY

GLOBAL ECONOMIC SCENARIO

The war in Ukraine has triggered an expensive humanitarian disaster that must be resolved peacefully. At the same time, the conflicts economic consequences will cause a considerable slowdown in global economy in 2022, as well as an increase in inflation. Fuel and food prices have risen significantly, disproportionately affecting vulnerable populations in low-income countries. The global economy is expected to decelerate from 6.1% in 2021 to 3.6% in 2022 and 2023. (Source: IMF)

INDIAN ECONOMIC SCENARIO

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

Future capital spending of the government in the Indian economy is expected to be supported by factors such as tax buoyancy, streamlined tax system, thorough assessment and rationalisation of the tariff structure and digitisation of tax filing. In the medium term, an increase in capital spending on infrastructure and asset-building projects is set to increase growth multipliers. Furthermore, revival in monsoon and Kharif sowing helped the agriculture sector gain momentum. As of July 11, 2022, the South-West monsoon has covered the entire country, resulting in 7% higher rainfall than the normal level.

India has emerged as the fastest-growing major economy in the world, and is expected to be one

of the top three economic powers globally over the next 10-15 years, backed by its robust democracy and strong partnerships.

The long-term outlook for the Indian economy is supported by a number of key growth drivers:

- The important positive factor for India is its large and fast-growing middle class, which is helping to drive consumer spending and the countrys consumption expenditure is expected to double from \$1.5 trillion in 2020 to \$3 trillion by 2030
- Large public infrastructure investments together with the PM Gati Shakti initiative to improve Indias logistics infrastructure, increased financial and technical support to states to expand capital investment will boost infrastructure spending.
- The governments production-linked incentive (PLI) scheme is expected to provide a thrust to the manufacturing sector in FY2022 and FY2023.

INDUSTRY STRUCTURE AND DEVELOPMENT

GLOBAL PAPER INDUSTRY

The pulp and paper industry is one of the largest industries in the world. Paper and paper board are used in a wide range of writing & printing and packaging applications in end-user industries such as consumer goods, hygiene, food and industrial packaging. The global pulp and paper market are projected to grow from \$351.51 billion in 2021 to \$370.12 billion in 2028 at a CAGR of 0.74% (Source: Fortune Business Insights). The World largest paper producing country is China followed by United States and Japan. These top three paper producing countries account for over 50% of the worlds total paper production. North America holds the largest market share of the paper and pulp market due to its growing requirement in the packaging and consumer goods industry. India embraces 15th rank among paper manufacturing countries in the world. It is expected that both India and China will become key players in the industry as Asia is responsible for the bulk of the market in global output and consumption of paper and paper boards.

INDIAN PAPER INDUSTRY

The Indian Paper industry is expected to see increased demand coming from manufacturing sector, requirement of better-quality packaging of FMCG products marketed through organised retail and the demand for the upstream market of paper products, such as copier paper, cup stock paper board, base paper for making straws & paper bags and other single use paper (SUP) products are expected to drive the paper & paper products market in India in coming years.

Paper consumption in India is approximately 22.05 MT and expected to reach 23.5 MT by 2025 (Source: Ministry of Commerce & Industry, Govt. of India), of which carton boards and container boards (corrugated boards) constitute the largest share of 55%, followed by writing and printing paper by 25%, specialty paper 10% and newsprint by 10%. Paper industry in India is expected to derive an annual average growth rate of 8-9% (Source: Money control) over the next 5 years led by a robust growth in packaging grade. Within consumer packaging segment it is expected to clock 9.5% CAGR in the same period driven by increased volumes in end-user segments such as household appliances, FMCG products, ready-made garments, pharmaceuticals and e-commerce. Further, the ban on single-use plastics is expected to fuel the demand for paper-based alternatives.

Consolidation: Indian paper industry could witness a round of consolidation and co-operation among various players in the next few years to collectively leverage fast changing manufacturing technologies and smoothen backward integration for raw materials.

Review and analysis of our performance

Opportunities & Threats:

Writing & Printing papers

While the Writing & Printing segment is facing challenges in the short term, we believe once normalcy returns, we shall see a V shaped recovery due to emergence of the demand.

Further the impending changes in the education

policy and curriculum are bound to create a huge demand for Writing & printing papers to meet the needs of new books etc.

Our performance for 2021-22

Our Company recorded a phenomenal growth of 54.04% with the turnover of Rs 91675.18 Lakh as compared to Rs 59515.57 lakh in the previous year.

Profit before Tax for the year 2021-22 was Rs 12266.88 lakh as against Rs 6683.58 lakh in the previous year. Profit after Tax for the year 2021-22 stood at Rs 10067.44 lakh as against Rs 4954.86 lakh in the previous year.

Successful commissioning of Paper Machine 4

Satia Industries Limited (SIL) has successfully commenced commercial production from Paper Machine 4 (PM 4), having an installed capacity of 100,000 TPA. PM 4 is a state-of-the-art paper machine and one of the most advanced machines from Allimand, France. The new PM 4 will be producing value added paper products like Copier, Surface sized Maplitho, Cup stock, Wedding base and Carry bag paper. PM 4 gives SIL an opportunity to manufacture superior quality paper and allows it to add new products to its current product mix and serve wider spectrum of the Paper market with quality at par with wood-based mills. PM 4 will enable SIL to have an additional capacity of 300 TPD and will yield higher price realization and margin as SIL is planning to foray into newer product segments and markets emerging with single use plastic ban coming from July 2022 as announced by the govt. The total aggregate installed capacity of SIL, now with the commissioning of new machine is 205,000 MTPA

CSR

Corporate Social Responsibility has always been an integral part of our operating philosophy irrespective of the statutory requirement. As in the past, we have this year also spent Rs 194.80 lakh on CSR activities. A detailed report of CSR initiatives FY 2021-22 is covered in a separate section forming part of this report

Human resources and industrial relations

The Company continues its policy of continuous training and motivation to achieve greater efficiencies and competencies. The total number of permanent employees as of 31 March 2022 was 2012.

Industrial relations were harmonious. Safety, welfare and training at all levels of our employees continue to be the areas of major focus for the Company.

Internal control systems and their adequacy

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

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

Cautionary statement

Statements in this report on Management discussion and analysis relating to the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based upon certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, selling prices, raw material costs and availability, changes in government regulations and tax structure, general economic developments in India and abroad, factors such as litigation, industrial relations and other unforeseen events.

The Company assumes no responsibility in respect of forward-looking statements made herein which may undergo changes in future on the basis of subsequent developments, information or events.



Financial Statement Highlights for FY22 v/s FY21

| Particulars (INR MN) | FY22 | FY21 |
|--|-----------------|-----------------|
| Revenue from Operations | 8,909.30 | 5,884.40 |
| Other Income | 258.22 | 67.16 |
| Total Revenue | 9,167.52 | 5,951.56 |
| Total Expenses (including Depreciation and Finance cost) | 7,940.83 | 5,283.20 |
| EBITDA | 1,812.45 | 1,361.18 |
| EBITDA Margin (%) | 20.34% | 23.13% |
| Depreciation & Amortization Expenses | 635.76 | 584.26 |
| Finance Cost | 208.22 | 175.72 |
| PBT | 1,226.69 | 668.36 |
| Current Tax | 195.02 | 154.95 |
| Deferred Tax | 24.93 | 17.92 |
| Tax | 219.95 | 172.87 |
| PAT | 1,006.74 | 495.49 |
| Other comprehensive profit / loss | (0.22) | 3.16 |
| Net PAT | 1,006.53 | 498.64 |
| PAT Margin % | 11.30% | 8.42% |
| Diluted EPS | 10.07 | 4.95 |

Financial Comparison Summary of FY22 v/s FY21

- Revenue from operations recorded a growth of **51.41%** from ₹ **5,884.40 MN in FY21 to 8909.30 MN in FY22** mainly driven by higher volumes with better price realizations.
- The EBITDA increased by **33.15%** from ₹ **1,361.18 MN in FY21 to ₹ 1,812.45 MN in FY22** mainly due to the higher sales volumes with higher realizations in our key products.
- EBITDA margins is **20.34% in FY22 and 23.13% in FY21**. There is a marginal decline in EBITDA margins mainly due to increase in the input prices.
- Net profit stood at ₹ **1,006.74 MN in FY22, compared to ₹ 495.49 FY21 recording an absolute growth of 2.03x**.

- Volume grew exponentially from **1,18,502 MT in FY21 to 1,43,716 MT in FY22** due to rise in demand of our premium products and operationalization of PM4.

Consolidated Balance Sheet

| Assets (Rs: MN) | FY 22 | FY 21 |
|---|------------------|------------------|
| Fixed Assets | | |
| Tangible Assets | 7,995.43 | 4,315.91 |
| Intangible Assets | 24.70 | 0 |
| Capital Work in Progress | 873.62 | 3,178.05 |
| Total Fixed Assets | 8,893.75 | 7,493.96 |
| Non-Current Investment & Other Financial Assets | 77.06 | 48.59 |
| Loans | 0 | 0 |
| Deferred Tax & Other Tax Assets | 0 | 0 |
| Other Non-Current Assets | 123.83 | 80.69 |
| Total Non-Current Assets | 9,094.63 | 7,623.23 |
| Current Assets | | |
| Inventories | 1,466.71 | 917.75 |
| Biological Assets Other than bearer plants | 374.16 | 299.71 |
| Trade Receivable | 1,064.61 | 908.01 |
| Cash & Cash Equivalent | 10.62 | 6.85 |
| Bank Balances other than cash & cash equivalent | 116.47 | 104.73 |
| Other Financial Assets | 49.40 | 46.88 |
| Current Tax Assets | 0 | 0 |
| Other Current Assets | 193.79 | 107.55 |
| Total Current Assets | 3,275.74 | 2,391.47 |
| Total | 12,370.38 | 1,0014.70 |

| Liabilities (Rs: MN) | FY 22 | FY 21 |
|------------------------------------|------------------|------------------|
| Fixed Assets | | |
| Shareholders Fund | | |
| Share Capital | 100.00 | 100.00 |
| Reserve & Surplus | 5,349.98 | 4,353.45 |
| Total Shareholders Fund | 5,449.98 | 4,453.45 |
| Non-Current Liabilities | | |
| Long term Borrowings | 2,715.38 | 2,279.06 |
| Other Financial Liabilities | 1,165.77 | 1,129.69 |
| Other Non-Current Liabilities | 236.12 | 101.92 |
| Long Term Provision | 98.34 | 102.56 |
| Deferred Tax Liabilities | 55.97 | 31.15 |
| Total Non-Current Liability | 4,271.58 | 3,644.38 |
| Current Liabilities | | |
| Short Term Borrowing | 365.45 | 674.29 |
| Trade Payable | 1,106.80 | 502.55 |
| Other Financial Liabilities | 1,046.79 | 630.66 |
| Other Current Liabilities | 104.94 | 43.22 |
| Short Term Provision | 11.10 | 14.30 |
| Current Tax Liabilities | 13.75 | 51.86 |
| Total Current Liabilities | 2,648.82 | 1,916.87 |
| Total | 12,370.38 | 10,014.70 |

Financial Comparison Summary of FY22 v/s FY21

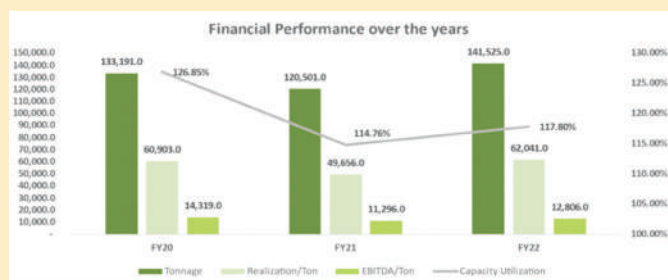
- Total Fixed Asset grew by 18.68% from Rs. 7,493.95 Mn in FY21 to Rs. 8,893.74 Mn in FY22
- Current Asset stood at Rs. 3,275.74 Mn in FY22, compared to Rs. 2,391.47 Mn in FY21.
- Long term borrowing stood at Rs. 2,715.38 Mn in FY22, compared to Rs. 2,279.06 Mn in FY21

and Short-term borrowing at Rs. 365.45 Mn in FY22, compared to Rs. 674.29 Mn in FY21. The company projects to be debt free by end of Q4 FY 25

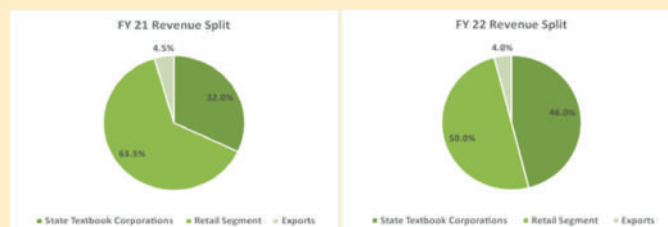
- Debt Equity ratio has decreased marginally, to 0.74x in FY 22 compared to 0.77x in FY 21, which is in line with the company's aspirations of becoming debt free.
- Cash flow from operations stands at 1,834.49 Mn for FY 22 compared to 1,574.28 Mn for FY 21
- Return On Capital Employed improved by 14.52% for FY 22 compared to 10.41% FY 21
- Return On Equity improved to 18.47% for FY 22 compared to 11.13% FY 21

*ROCE= (PBT+ Int on Term loan)/ Net Worth+ Long Term borrowings Including current Maturities of long term debt+DTL *ROE= (PAT)/(Net Worth)

Graphical Insights



In the above chart, Tonnage refers to quantity produced. Realization/Ton and EBITDA/Ton is calculated based on sales quantity



AWARDS

Government of Punjab, Department of New & Renewable Energy Sources

Award for Outstanding Contribution

First Position under the category of Energy Intensive Industries
For their effort made in the field of energy conservation

DR. AJAY SATIA, CMD

BESTOWED WITH “IARPMA AWARD OF ACHIEVEMENT”

Indian Agro and Recycled Paper Mills Association, IARPMA, the Organizer of Paperex bestowed this award for pioneering and outstanding contributions in pulping and papermaking out of wood & agricultural residues and commented -



“Over the past few years, number of modernization-cum-expansion schemes were undertaken in M/s. Satia Industries Limited under the able guidance of Dr Ajay Satia, CMD and his dynamic vision and able leadership. This effort of the company resulted in the proliferation of agro based paper mills, environmental and

eco-friendly paper mills, which are helping in making the country self-reliant in paper requirements. M/s. Satia Industries Ltd is operating with a wide product mix with well accepted quality in the market based on non-conventional raw materials.”

M/s. Satia Industries Ltd (SIL) also “helped in backward linkages which ultimately supports improving the lifestyle of the farmers in the rural areas and thereby improving the rural economy of our country.



NOTICE

Notice is hereby given that the 41st Annual General Meeting of Satia Industries Ltd will be held on Friday, 30th September, 2022 at 10:30 A.M. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2022 and Profit and Loss Account for the year ended on that date along with the Report of the Auditors and Directors thereon.
2. To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2022
3. To appoint a director in place of Sh Hardev Singh, (DIN No 07943672) Director (Technical) who retires by rotation, being eligible and offer himself for re-appointment.
4. **Appointment of Statutory Auditor of the Company**

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

“**RESOLVED** that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Rules framed thereunder, as amended or re-enacted from time to time, and pursuant to the recommendation of the Audit Committee of the Company, M/s. Rakesh Bansal & Co. Chartered Accountants (Firm Registration No. 011474N), be and is hereby appointed as the Auditors of the Company in place of the retiring Auditors, M/s. Deepak Grover & Associates, Chartered Accountants (Firm Registration No. 020678N), to hold office for a period of five (5) consecutive years from the conclusion of 41st Annual General Meeting (“AGM”) of the Company, until

the conclusion of 46th AGM of the Company to be held in the year 2027”.

Special Business

Item No. 5

Re-appointment of Mrs Dr. Priti Lal Shivhare as an Independent Director for the Second Term-

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

“**RESOLVED** that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company as well as based on the recommendation of the Nomination and Remuneration Committee, Mrs. Dr. Priti Lal Shivhare, (DIN 08031894), who was appointed as an Independent Non-Executive Director of the Company at the 37th Annual General Meeting of the Company for a period of five years i.e from 14.11.2017 to 13.11.2022 has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 14.11.2022 to 13.11.2027 and whose office shall not be liable to retire by rotation”.

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

Item No. 6**To rectify the remuneration of Cost Auditor of the Company.**

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

“**RESOLVED** that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 (“the Act”) and Rules thereunder (including any statutory modification or re-enactment thereof for the time being in force) and all other applicable provisions, if any, approval of the members of the Company be and is hereby accorded to the remuneration payable to M/s Balwinder & Associates, Cost Accountants, appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for the financial year ending on March 31, 2023 amounting to Rs 200,000/- (Rupees Two Lakh only) plus applicable taxes along with reimbursement of out of pocket expenses at actuals.”

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

NOTES:

In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (‘MCA’) has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to clarification on holding of Annual General Meeting (‘AGM’) through video conferencing(‘VC’) or Other Audio Visual Means (‘OAVM’) read with General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 19/2021 dated December 8, 2021 and Circular No. 2/2022 dated May 5, 2022 in relation

to ‘Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19’ and General Circular No.02/2021 dated January 3, 2021 (collectively referred to as ‘MCA Circulars’) and the Securities and Exchange Board of India (‘SEBI’) vide its circular No. EBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to ‘Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-COVID-19 pandemic’ and Circular Nos. SEBI/ HO/ CFD/ CMD2/ CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as ‘SEBI Circulars’) permitted the holding of the Annual General Meeting (‘AGM’/‘the Meeting’) through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (‘Act’), the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) and MCA Circulars, the **41st AGM of the Company is being held through VC/OAVM on Friday, September 30, 2022 at 10.30 AM.** The deemed venue for the AGM will be the Registered Office of the Company- VPO: Rupana, Malout Muktsar Road, District: Sri Muktsar Sahib. As per the provisions of clause 3.A.II. of the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at Item Nos. 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

The Explanatory Statement pursuant to Section 102 of the Act in respect of the business under Item Nos. 5 to 6 set out above and the relevant details of the Directors seeking appointment/ re-appointment at this AGM as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries India (‘Secretarial Standard’) are annexed hereto. Requisite declarations have been

received from the Directors seeking appointment/ re-appointment.

1. Company is convening 41st Annual General Meeting (AGM) through VC / OAVM and no physical presence of members, directors, auditors and other eligible persons shall be required for this annual general meeting
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.
3. The Members can join the AGM through VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation in the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item No. 5 to 6 the Notice, is annexed hereto.
6. **Book Closure and Dividend:**
 - The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2022 to 30th September, 2022 (both days inclusive).
7. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical, members holding shares in physical form are requested to consider converting their holdings into dematerialized form.
8. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company’s Registrar and Share Transfer Agent/ their Depository Participants, in respect of shares held in physical/ electronic mode, respectively.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s. Beetal Financial and Computer Services Private Ltd, in case the shares are held in physical form.
10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

11. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is stated in the explanatory statement.
12. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.satiagroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of [https:// www.evoting.cdsl.com](https://www.evoting.cdsl.com)
14. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
15. 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.
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Shareholders are informed

that the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL). The detailed procedure is mentioned below. For the aforesaid purpose, the Company has appointed Mr. Gaurav Bansal, Chartered Accountant as scrutinizer for scrutinizing e-voting process in a fair and transparent manner

a. The instructions for shareholders voting electronically are as under: -

- i The voting period begins on 27.09.2022, 10.00 AM and ends on 29.09.2022 at 5.00 PM. During these period shareholders holding share either in physical form or in dematerialized form as on the cut-off date 23.09.2022 (record date) may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting thereafter.
- ii Pursuant to SEBI Circular No. **SEBI/HO/CFD / CMD / CIR / P / 2020 / 242** dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/Evoting Login. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Log-in” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no: 1800 1020 990 and 1800 22 44 30 |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website. **Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

- (i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
 1. The shareholders should log on to the e-voting website www.evotingindia.com.
 2. Click on “Shareholders” module.
 3. Now enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 4. Next enter the Image Verification as displayed and Click on Login.
 5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 6. If you are a first-time user follow the steps given below:

| For Physical shareholders and other than individual shareholders holding shares in Demat. | |
|--|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to |

| | |
|--|---|
| | use the sequence number sent by Company/RTA or contact Company/ RTA. |
| Dividend Bank Details or Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field. |

- i. After entering these details appropriately, click on “SUBMIT” tab.
- ii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- iii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- iv. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- v. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- vi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- vii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- viii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- ix. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- x. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xi. **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mailed automatically and can be delink in case of any wrong mailing.
 - A scanned copy of the Board Resolution

and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / I Pads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended

to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (Company Email ID). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (Company Email ID). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share

certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800225533.

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

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

The Results shall be declared within two working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be placed in the Company website i.e www.satiagroup.com.

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

Item No. 5

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, at the 37th Annual General Meeting held on 29th September, 2018, Mrs Dr Priti Lal Shivhare was appointed as an Independent Directors of the Company for a period of 5 (five) consecutive years with effect from their date of appointment as additional Directors i.e 14.11.2017 Since, Mrs Dr Priti Lal Shivhare shall complete her initial term as an Independent Director of the Company, She is eligible for re-appointment for one more term.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 03.08.2022, subject to approval of Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on her skills, rich experience, knowledge, contributions, continued valuable guidance to the management made during her tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members for re-appointment of Mrs Dr Priti Lal Shivhare as an

Independent Non-Executive Director of the Company for the second term of 5 (five) years is sought and she shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has also received declarations from Mrs Dr Priti Lal Shivhare that she meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Brief resume of Mrs Dr Priti Lal Shivhare, nature of her expertise in specific functional areas and names of companies in which she hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mrs Dr Priti Lal Shivhare as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

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

Item No. 6

The Board, on the recommendations of the Audit Committee, has approved the appointment and remuneration of M/s Balwinder & Associates, Cost Accountants, as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2023 at remuneration as specified in the resolution plus applicable taxes and reimbursement of out-of-pocket expenses. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit

and Auditors) Rules, 2014, and other applicable provisions, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Your Board recommends the passing of Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders in the interest of the Company. None of the Directors and/or Key Managerial Personnel of the Company and/or

their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 6 of the Notice.

Place : Rupana
Dated : 03.08.2022

By Order of the Board
For Satia Industries Ltd.

(Rakesh Kumar Dhuria)
Company Secretary

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

| | |
|--|---|
| Particulars | Mrs Dr Priti Lal Shivhare |
| DIN | 08031894 |
| Date of Birth | 26-05-1967 |
| Date of Appointment | 14-11-2017 |
| Qualification | MSC, Ph.D. Chemistry |
| Expertise in specific functional areas | <ul style="list-style-type: none"> • Environmental /Analytical Chemistry • Pulping and Bleaching of Various Wood and Norwood Raw Materials • Analysis of Fibrous Raw Material • Environmentally Benign Wood Preservations • Value Addition of Cellulosic Raw Material • Production of various grades of pulp from number of wood, no wood and agro based raw material • Use of rice straw for paper making • Bio refinery from different agro residual raw materials • Up gradation of raw materials for paper making • Modern methods of bleaching of pulp • Bleaching of pulp by ECF/TCF sequences |
| Directorships held in other listed companies | Satia Industries Limited |
| Number of shares held in the Company | NIL |

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key

managerial personnel in respect of above directors, please refer to the corporate governance report which is a part of this Integrated Annual Report.

DIRECTORS' REPORT

Dear Members,

The Directors have the pleasure of presenting the 41st Annual Report of your Company for the financial year 2021-22

Financial Result:

The financial performance of your Company for the year ended March 31, 2022 is summarized below: -

(Rs in Lakh)

| Particulars | Current Year | Previous Year |
|---|-----------------|---------------|
| Revenue and Other Income | 91675.18 | 59515.57 |
| Profit Before interest depreciation and tax | 20706.65 | 14283.37 |
| Interest and Financial Charges | 2082.16 | 1757.24 |
| Depreciation | 6357.61 | 5842.55 |
| Profit from operations (before Tax) prior year adjustments & exceptional Item | 12266.88 | 6683.58 |
| TAX EXPENSES | | |
| Current Tax | 1950.16 | 1549.54 |
| Deferred Tax | 249.28 | 179.19 |
| Profit/(Loss) after Tax | 10067.44 | 4954.86 |
| Less: Appropriation | | |
| Dividend on Equity Shares | 200 | 100 |

During the period under review, both revenues and operating profitability strongly recovered as compared to the last year despite the 2nd and 3rd waves of the pandemic.

Industry Review

Covid- 19

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world in the first three months of FY 2022 and the country faced with lot of difficulties due to higher infections during the 2nd wave. The Company continues

to adopt measures to curb the impact of COVID-19 pandemic in order to protect the health of its employees and ensure business continuity with minimal disruption including maintaining social distancing, sanitisation protocols were continued during the year at all the plants and offices. There was no disruption to the Operations of the Company. However, the Management continues to closely monitor the situation as it evolves and do it's best to take all necessary measures, in the interests of all stakeholders of the Company.

Corporate Overview

Satia Industries Limited operates in the following business segments: -

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

Financial Performance and the state of the Company's affairs

Operational Review

Your Company recorded a phenomenal growth of 54.04% with the total income of Rs 91675.18 Lakh as compared to Rs 59515.57 lakh in the previous year.

Profit before Tax for the year 2021-22 was Rs 12266.88 lakh as against Rs 6683.58 lakh in the previous year. Profit after Tax for the year 2021-22 stood at Rs 10067.44 lakh as against Rs 4954.86 lakh in the previous year.

Successful commissioning of Paper Machine 4

Satia Industries Limited (SIL) has successfully commenced commercial production from Paper Machine 4 (PM 4), having an installed capacity of 100,000 TPA. PM 4 is a state-of-the-art paper machine and one of the most advanced machines from Allimand, France. The new PM 4 will be producing

value added paper products like Copier, Surface sized Maplitho, Cup stock, Wedding base and Carry bag paper. PM 4 gives SIL an opportunity to manufacture superior quality paper and allows it to add new products to its current product mix and serve wider spectrum of the Paper market with quality at par with wood-based mills. PM 4 will enable SIL to have an additional capacity of 300 TPD and will yield higher price realization and margin as SIL is planning to foray into newer product segments and markets emerging with single use plastic ban coming from July 2022 as announced by the Govt. The total aggregate installed capacity of SIL, now with the commissioning of new machine is 205,000 MTPA

Dividend

Your directors recommend for your approval, a final dividend of Rs 0.20/- (i.e. 20%) per equity share of Rs 1/- each fully paid, compared to Rs 0.10/- (10%) per equity share of Rs 1/- each fully paid in the previous year. This will involve an outgo of Rs. 2.00 crores, compared to Rs. 1.00 crore, in the previous year

The Company's Dividend Distribution Policy (DDP) is available in the Investors section of the company website: www.satia.com/Dividend Policy.

Reserves

The closing balance of the retained earnings of the Company for the financial year 2022, after all appropriation and adjustments was Rs. 53499.80 Lakh.

Fixed Deposit

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

Particulars of Loans, Guarantees or Investments:

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

Internal Control Systems and their adequacy

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

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

Directors and Key Managerial Personnel

Pursuant to provisions of Companies Act, 2013 ('Act') and the Articles of Association of the Company, Sh Hardev Singh. Director (Technical) (DIN:07943672) retire by rotation and being eligible, offer himself for re-appointment. The term of Independent Director Mrs Dr Priti Lal Shivhare (Din No 08031894) expiring at the ensuing Annual General Meeting in September, 2022. Based on the recommendation of the Nomination and Remuneration committee meeting held on 3rd August, 2022 her re-appointment for second term of five years is proposed at the ensuing Annual General Meeting for approval of the members by way of special resolution.

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

Board Evaluation

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its committees, based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board,

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

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

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

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

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

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are Dr Ajay Satia, Chief Executive Officer, Chairman cum Managing Director, Sh Rachit Nagpal, GM(Finance) – CFO and Sh Rakesh Kumar Dhuria, Company Secretary.

Committees of the Board

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

Audit Committee of Directors

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

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

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

Remuneration Policy

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

Number of meetings of the Board

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

Director Responsibility Statement

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

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

the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- (d) the Directors had prepared the annual accounts on a going concern basis.

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

Audit reports and Auditors

The Auditors Report for the year 31.03.2022 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statement in this Annual Report.

Statutory Auditors:

Under section 139 of the Companies Act, 2013 and the rules made there under, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section, in line with the requirements of the Companies Act, 2013, M/S Deepak Grover & Association, Chartered Accountants (Firm Registration No 020678N) was appointed as the Statutory Auditors of the company to hold office for a period of five consecutive years from the conclusion of the 36th Annual General Meeting of the company held on 29th September, 2017, till the conclusion of the 41st Annual General Meeting to be held in the year 2022,

The Board of Directors of the Company at its meeting held on 03rd August, 2022 on the basis of the recommendations of the Audit Committee, recommended for the approval of the Members, the appointment of M/s. Rakesh Bansal & Co., Chartered Accountants, (Firm Regn. No.011474N), as the Statutory Auditors of the Company, for a period of 5 (five) consecutive financial years from the conclusion of this AGM till the conclusion of the 46th Annual General Meeting on remuneration, terms and conditions as may approved by the Board. The

proposal for appointment of Messrs Rakesh Bansal & Co. as Statutory Auditor of the Company is listed as an item in the Notice convening the forthcoming Annual General Meeting of the Company, for necessary approval of the shareholders. Auditors Report to the shareholders for the financial year ended 31st March, 2022, does not contain any qualification.

Secretarial Audit:

Pursuant to provision of section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. S. Parnami & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the company. The Secretarial Audit report is annexed herewith as "Annexure VI. The Secretarial Audit Report for the year under review requires no comments. The said report does not contain any qualification, reservation or adverse remarks.

Annual Secretarial Compliance Report

In compliance with Circular No. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, issued by the Securities and Exchange Board of India (SEBI), M/s S. Parnami & Associates, was appointed for issuing Annual Secretarial Compliance Report for the year ended March 31, 2022. The said Report confirms that the Company has maintained proper records as stipulated under various Rules and Regulations and that, no action has been taken against the Company or promoters/directors by the SEBI/Stock Exchange.

Internal Auditors

During the year under review M/s. SSPJ & Co, Chartered Accountants, Internal Auditors carried out the internal audit and submitted their report.

Cost Audit

Pursuant to the provisions of the Companies Act, 2013 M/s Balwinder & Associates, Cost Accountants, Mohali has conducted the cost audit of the Company. As recommended by the Audit Committee, the Board at its meeting held on 13.08.2021 appointed M/s

Balwinder & Associates., Cost Accountants, Mohali as Cost Auditor to conduct cost audit for the year ended March 31, 2022, pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014. M/s Balwinder & Associates, confirmed that they are free from disqualifications as specified under Section 141 read with Sections 139 and 148 of the Act, held a valid certificate of practice and that their appointment met the requirements of Sections 141(3)(g) and 148 of the Act. M/s Balwinder & Associates also confirmed that they are independent, maintained an arm's length relationship with the Company and that no orders or proceedings are pending against them relating to professional matters of conduct before the institute of Cost Accountants of India or any competent authority/court. The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Act.

Your Company has adopted Indian Accounting Standards (IND AS). The Financial Statement for the year ended March 31, 2022 have been prepared in accordance with (IND As) notified under the Companies (Indian Accounting Standards) Rules, as amended by the Companies (Indian Accounting Standard) Rules, 2018 read with Section 133 and other applicable provisions of the Companies Act, 2013.

Related Party Transaction:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval. The Board of Directors of the Company has on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act,

2013, the rules there under and Listing Regulations. This Policy as considered and approved by the Board has been uploaded on the webs site of the Company at www.satiagroup.com.

Subsidiary Companies

The Company does not have any subsidiary.

Vigil mechanism/Whistle blower policy

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and Employees in confirmation with Section 177 of the Act and Regulation 22 of SEBI Listing Regulations, to facilitate reporting of the genuine concerns about unethical or improper activity, without fear of retaliation. The vigil mechanism of the Company provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee. The said Policy is uploaded on the website of the Company at <https://www.satiagroup.com>

Extract of Annual Return:

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

Particulars of Employees

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

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

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

Industrial Relations:

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

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

As per Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon and the Management Discussion and Analysis are attached, which forms part of this Annual Report. Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report, initiatives taken from an environmental, social and governance perspective in the prescribed format is attached as a separate section of this Annual Report.

Sustainability

Corporate Social Responsibility Initiatives

The Company has always recognized its social responsibility as an integral and critical part of its value system and carried out 'Need Assessment Study' to fulfil the requirements of its social responsibility under CSR Programs and based on that assessment of demand, the management has approved CSR program and Expenditure on CSR and will be reviewed in each year depending on the profitability of the Company. Your Company continued the social development schemes initiated in previous years. These projects covered the broad thematic areas of promotion of Education, Medical Aid, Livelihood, Eradication of Poverty, Support and help to fight Covid-19 Pandemic, Orphans, Women, Blind and Established Medical Oxygen Generation and Storage Tank for countering Covid-19, that are in compliant with Companies Act 2013. The policy on Corporate Social Responsibility is available on the website of the Company in the investor section www.satiagroup.com. The Company has spent the entire required amount of the current year ended 31.03.2022 under the CSR and nothing is now outstanding as unspent. The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the

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

Safety, Health and Environment

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

Business Responsibility Report

The Securities and Exchange Board of India ('SEBI') under Regulation 34(2)(f) of Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate

Affairs Government of India on March 13, 2019, requires top one thousand listed companies to prepare and present a Business Responsibility Report ('BRR') to its stakeholders in the prescribed format describing the initiatives taken by the Company on Environmental, Social and Governance perspective. As on March 31, 2022, In the interest of its stakeholders, The BRR as on March, 2022 is annexed herewith as an Annexure V and forms part of this Annual Report.

Awards:

1) IARPMA Award of Achievement

During the period under review your Company has achieved the following accolades to suit up their efforts for all these years. **Dr. Ajay Satia, CMD, bestowed with "IARPMA" Award of Achievement "Indian Agro and Recycled Paper Mills Association, IARPMA**, the Organizer of Paperex bestowed this award for pioneering and outstanding contributions in pulping and papermaking out of wood & agricultural residues and commented. "Over the past few years, number of modernization-cum-expansion schemes were undertaken in M/s. Satia Industries Limited under the able guidance of Dr Ajay Satia, CMD and his dynamic vision and able leadership. This effort of the company resulted in the proliferation of agro based paper mills, environmental and eco-friendly paper mills, which are helping in making the country self-reliant in paper requirements. M/s. Satia Industries Ltd is operating with a wide product mix with well accepted quality in the market based on non-conventional raw materials. M/s. Satia Industries Ltd (SIL) also "helped in backward linkages which ultimately supports improving the lifestyle of the farmers in the rural areas and thereby improving the rural economy of our country.

2 Government of Punjab, Department of New & Renewable Energy Sources awarded for Outstanding Contribution,

First Position under the category of Energy Intensive Industries for the effort made in the field of energy conservation

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

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

Report on Corporate Governance

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

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

Management Discussion and Analysis Report

In terms of Regulation 34 (2) (e) of the Listing Regulations, 2015 read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report (MDA) which forms part of this Annual Report and is incorporated herein by reference and forms an integral part of this report.

Acknowledgement

The Directors thanks the Company's Bankers, Employees, Customers, Vendors, Investors and for their continuous support. The Directors also

thank the Government of India, Government of Various States in India and concerned Government Departments and agencies for their co-operation

Place : Rupana (Dr Ajay Satia) (R.K.Bhandari)
Date : 03.08.2022 Chairman Cum Joint Managing
Managing Director

DIVIDEND DISTRIBUTION POLICY

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

The Company's Dividend Distribution Policy (DDP) is available at website: www.satia.com/Dividend Policy.

Annexure-I

REMUNERATION POLICY

The Nomination and Remuneration Committee of the Company is constituted in line with provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

Brief Description of Terms of reference:

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

The Remuneration policy principle is that the remuneration and the other terms of employment

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

Executive remuneration shall be proposed by the Committee and subsequently approved by the Board of Directors, Executive remuneration is evaluated annually against performance in determining package

of remuneration, the Committee may consult with the Chairman Cum Managing Director.

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

Annexure-II

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

| Name of the Director/KMP and Designation | Remuneration in fiscal, 2022 Rs in lacs | % increase in remuneration from previous year | Ratio of Remuneration to MRE* | Comparison of the remuneration of the KMP against the Performance of the Company | |
|---|--|---|-------------------------------|--|---------------|
| | | | | % of profits before tax | % of turnover |
| Dr. Ajay Satia (Chairman Cum Managing Director) | 484.72 | 115.81 | 163.75 | 3.95 | 0.53 |
| Sh. R.K. Bhandari (Joint Managing Director) | 89.29 | 18.85 | 30.16 | 0.73 | 0.10 |
| Sh. Chirag Satia (Executive Director) | 310.19 | 401.36 | 104.79 | 2.53 | 0.34 |
| Sh Hardev Singh Director (Technical) | 39.24 | 17.81 | 12.33 | 0.30 | 0.04 |
| Sh Rachit Nagpal (CFO) | 13.04 | 0 | 4.40 | 0.10 | 0.01 |
| Sh. Rakesh Kumar Dhuria (Company Secretary) | 9.74 | 0 | 5.06 | 0.07 | 0.01 |

1 The median Remuneration of Employees was Rs 2.96 lakh PA.

2 In the financial year, there was 35% increases in the median remuneration of employees.

3 There were 2012 permanent employees on the rolls of the Company as on March 31, 2022

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

For the financial year 2021-22 key Managerial Personnel were paid 7.68 %

and 1.03% of the net profit before tax and turnover respectively of the Company.

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

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

Detail of Ten Employees in Term of Remuneration

| Sr. No | Name of Employee | Designation of the Employee | Qualification | Experience (Yrs.) | Age | Rs. In Lacs Annual Salary | Last Employment |
|--------|------------------------------|-----------------------------|----------------------|-------------------|------|---------------------------|------------------------------|
| 1 | MANOJ KUMAR AGARWAL | SR. PRESIDENT-PAPER | B.E. (PPT) | 33.6 | 54.8 | 44.40 | Kwantum Papers Saila Khurd |
| 2 | MANAV SARIN | VICE PRESIDENT [SALES] | M.B.A. | 29.2 | 50.0 | 30.00 | Rama Newsprint & Paper Ltd. |
| 3 | VENKUMAHANATHI SRINIVASA RAO | SR. G.M. | B.TECH (MECH.) | 15.5 | 38.0 | 32.10 | Concept Technologies |
| 4 | SANDEEP PABHA | SR.G.M. (ENGG.& PROJECTS) | B.E PRODUCTION ENGG. | 27.5 | 49.8 | 31.80 | Kwantam Paper |
| 5 | PARVEEN KUMAR | SR.G.M. | DIP. IN ELECT. ENGG. | 31.6 | 49.6 | 25.20 | Punjab Concast Steels |
| 6 | SANJAY JAIN | SR.G.M. | DIP ELECT.ENGG. | 33.8 | 55.2 | 25.08 | Rainbow Papers Ltd. |
| 7 | S.MADHUKAR RAO | SR.G.M. | B.SC. | 37.0 | 61.2 | 24.00 | Murli Agro |
| 8 | SANJAY SINGH | G.M (C.R.P.) | M.SC,PG DIP.PPT | 29.7 | 51.0 | 22.84 | Ruchira Papers Ltd Kala Amb. |
| 9 | SATPAL ARORA | SR.G.M. (MKT & PPC) | M.B.A. | 30.8 | 55.0 | 22.20 | First Employment |
| 10 | DIBYAKANT SINGH | VICE PRESIDENT [P&A-HR] | M.B.A. | 14.3 | 39.6 | 21.13 | Vardhman Polytex Ltd. |

ANNEXURE III**INFORMATION UNDER SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES 2014 AND FORMING PART OF THE REPORT OF THE BOARD OF DIRECTORS.****I Conservation of Energy**

- 1) Installation of VFDs in PM, DIP, PMILL & Utility for energy conservation & better performance of equipment.
- 2) Energy efficient LED lights (more than 250) installed in plant.
- 3) IE3 premium energy efficient motors installation at PM & PMILL & Utility area.
- 4) Thermal insulation on steam lines, condensate lines and steam traps repairing.

- 5) Condensate recovery increased. Leakages removed from inside and with maintenance & providing Insulation of lines.
- 6) Energy efficient & latest technology Turbo blower (Runtech make) installed for Vacuum System at PM4 for energy efficiency , energy saving & better control of vacuum .
- 7) Energy Efficient (Level 3 efficiency) Transformers installed.

II Technological Absorption

- 1) PM4 Allimand make latest design & technology paper machine installed & commissioned in FEB 22 for increasing production capacity and quality paper for market.
- 2) 200/160 TPD DIP of Andritz make with latest technology & Drum Pulper installed

for quality pulp & minimizing wastage from waste paper

- 3) Hardwood street 200TPD of latest technology installed for wood pulp quality & production enhancement.
- 4) DD washer and Decker Washer Street of latest technology installed in wood street for better quality and productivity enhancement.
- 5) Recovery boiler ESP 1 modification for better emission control & efficient boiler operation.
- 6) PCC Plant installation for paper quality improvement (brightness increase, OBA chemical reduction, soap stone dependency reduces / market alternative).
- 7) Cutlery plant for developing a food packaging product segment for market by utilizing existing basic infrastructure.

III FOREIGN EXCHANGE EARNINGS AND OUT GO:

Expenditure for the year ended 31st March, 2022 is as under: -

| | |
|---|---------------------------------------|
| | (Rs.) |
| (i) Earning in foreign exchange. | 27294923.00 |
| (ii) Expenditure in foreign currency. | |
| CIF Value of imports | (Rs.) |
| Waste Paper | 268320111 |
| Pulp | 353680973 |
| Chemical | 17164821 |
| Store & Spares | 48438172 |
| Capital Goods | 625810511 |
| Interest | 17359307 |
| Legal, Technical Fees & other fees | 25946061 |
| Total Expenditure | 1356719956 |
| Place : Rupana | (Dr Ajay Satia) (R.K.Bhandari) |
| Date : 03.08.2022 | Chairman Cum Joint Managing |
| | Managing Director |

Business Responsibility Report

Annexure-V

Section A: General Information about the Company

| | | |
|-----|--|--|
| 1. | Corporate Identity Number (CIN): | L21012PB1980PLC004329 |
| 2. | Name of the Company | Satia Industries Limited |
| 3. | Registered Address | VPO: Rupana, Malout-Muktsar Road, Distt:- Sri Muktsar Sahib, Punjab-152032 |
| 4. | Website | www.satiagroup.com |
| 5. | Email id | satiapaper@gmail.com, satiapaper@satiagroup.com |
| 6. | Financial Year reported | 31.03.2022 |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | Writing and Printing Paper |
| 8. | List three key products / services that the Company manufactures / provides (as in balance sheet): | Writing and Printing Paper Co-generation of Power |
| 9. | Total number of locations where business activity is undertaken by the Company | 4 |
| | Number of International Locations (Provide details of major 5) | 0 |
| | Number of National Locations | 4 |
| 10. | Markets served by the Company - Local / State / National / International | National/International |

Section B: Financial Details of the Company

1. Paid up capital (INR) : 10.00 Crores
2. Total turnover (INR) : 916.75 Crores
3. Total profit after taxes (INR) : 100.65 Crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):
2% of the average on annual net profit of the preceding three financial year i.e Rs 194.80 Lakh
5. List of activities in which expenditure in 4 above has been incurred:
 - 1 Improving and preventative health cares
 - 2 Promoting education
 - 3 Rural Development

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?
No
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).
N.A
3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?
Nil

Section D: BR Information

1. Details of Director/Directors responsible for BR:
 - a) Details of the Director /Directors responsible for implementation of the BR policy / policies:

DIN Number : 00732588

Name : Rajinder Kumar Bhandari

Designation : Joint Managing Director

- b) Details of the BR Head:

Name : Rajinder Kumar Bhandari
 Designation : Joint Managing Director
 Telephone no. : 01633-262001
 e-mail id : rksmile57@gmail.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

| | |
|--------------------|---|
| Principle 1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability |
| Principle 2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle |
| Principle 3 | Businesses should promote the well-being of all employees |
| Principle 4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized |
| Principle 5 | Businesses should respect and promote human rights |
| Principle 6 | Businesses should respect, protect, and make efforts to restore the environment |
| Principle 7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner |
| Principle 8 | Businesses should support inclusive growth and equitable development. |
| Principle 9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner |

| Sr. No | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|--|---|----|----|----|----|----|----|----|----|
| 1 | Do you have a Policy / policies for | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy been formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3 | Does the policy conform to any national / international standards? If Yes, specify? (50 words) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4 | Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5 | Does the Company have a specified committee of the Board/Director / Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6 | Indicate the link for the policy to be viewed online? | Our policies are available on the Company's website at www.satiagroup.com | | | | | | | | |
| 7 | Does the Company have in-house structure to implement the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8 | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9 | Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | Y | Y | Y | Y | Y | Y |

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

ANNUALLY

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the hyperlink for viewing the same is www.satiagroup.com in the Annual Report

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

We are committed to adopting the best corporate governance practices as manifested in the company's functioning to achieve business excellence by enhancing the long-term shareholder's value. Efficient conduct of the business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices being followed at Satia Industries Ltd.

The composition of the Board of Directors of the company is governed by the Company's Act 2013 and SEBI Regulations 2015. As on March 31, 2022, the Company has 11 directors on its board (including the Chairman), of which 7 are Independent, 4 are Non-Independent and Executive Directors. To ensure accountability and monitoring, the Board has constituted various committees such as: Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee and Risk Management Committee. The committees meet periodically during the year to supervise, review performance and advice on the necessary direction to be taken.

Code of Conduct: Satia Industries Ltd has its Code of Conduct which extends to all directors and senior employees of Satia Industries Ltd which aims at maintaining highest standards of business conduct in line with the Ethics of the Company, provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. All senior employees have to read and understand this code and agree to abide by it.

The policy code of conduct is available at the company website at the link <https://www.satiagroup.com> information with the name Policies- Code of Conduct. Vigil Mechanism/ Whistle Blower Policy: The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Uniform Listing Agreement aims to provide a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1 List up of your products or services whose design has incorporated a social environmental concern, risks and/or opportunities.

All the products manufactured by the Company viz. Agro-waste based Paper are manufactured taking into account social and environmental concerns. The Company continuously strives to innovate and unlock the value of its product to present the best to its customers. At the same time being a socially responsible citizen, the Company reconciles economy with ecology.

The Company is one of the few companies manufacturing paper with wheat straw (Unconventional raw material). Besides, the Company's captive power plant utilizes waste from other processes, strengthening its credentials as an environment-friendly organization. We continued to take several initiatives to reduce water consumption. Substituting different forms of pulp (agro base, plywood industry waste etc), our pulp usage per ton of paper production (in product mix) has been reduced.

- i) The Company make the Paper is a sustainable product and can be recycled.
- ii) The Raw material used is bio waste and wood/ veneer waste processed to make final product.
- iii) Chemical especially caustic used for cooking is recovered 90%-95% from black liquor (effluent) and reused as cooking chemicals.
- iv) Lime used can be recovered again in the form lime sludge or can be used to make cement.
- v) We use rice husk and rice straw in boiler as fuel and do not use any fossil fuel to make steam and power and earn REC for using the same.
- vi) Maximum possible process back water recycling is done from one process to other process to minimize fresh water consumption per ton Paper.
- vii) We are well below the target set by BEE, Govt. of India for consumption of energy per ton of paper made.
- viii) Our eucalyptus plantation leads to carbon sequestration then reducing global climate changes.

- 2 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

Yes, the business model of the Company has their roots in an agro-based economy which leads to prosperity of farmers. The Company procures its raw material requirement from within a radius of 150 kms of the plant.

- 3 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

Yes, the Company take services from the local and small producers. Further, the raw materials used by the Company are agro-based so they are sourced from local economy.

- (1) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Through its sustained efforts, the Company has helped local farmers and service providers to prosper their respective businesses. The Company procures wheat straw, Sarkanda for Pulp and Paper Making and Rice straw, rice husk as fuel for steam and power generation and other inputs from local area. Also, the Company provides financial and other assistance to farmers who produce these agriculture products. This increases the capacity and capability of farmers and also the quality of the products produced. The Company's manufacturing sites act as an economic centre for the communities in the vicinity.

The Company ensures that it engages local villagers and small businesses around its manufacturing facilities in variety of productive employment i.e housekeeping, horticulture etc.

Principle 3: Businesses should promote the well-being of all employees.

- 1. Please indicate the Total number of employees.**

2012 permanent employees

- 2. Please indicate the Total number of employees hired on Temporary/contractual/casual basis.**

297 Contractual employees

- 3 Please indicate the Number of permanent women employees. –**

8 Women employees

- 4. Please indicate the Number of permanent employees with disabilities-**

6 Permanent employees with disabilities

- 5. Do you have an employee association that is recognized by management? – No, however an employer committee from different levels watches the interest of workers supervision.**

- 6. What percentage of your permanent employees is members of this recognized employee association? - Nil**

- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No. of complaints filed during the financial year -NIL

No. of complaints pending as at end of the financial year - Nil

1 Child labour/forced labour/ involuntary labour - - Nil

2 Sexual harassment - - Nil

3 Discriminatory employment - - Nil

- 8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

(a) Permanent Employees - 83%

- (b) Permanent Women Employees - 90%
- (c) Casual/ Temporary/Contractual Employees- 85%
- (d) Employees with Disabilities - 70%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has identified key stakeholder groups and mapped its internal and external stakeholders. The key categories include (i) Government and regulatory authorities; (ii) Employees; (iii) Consumers; (iv) Suppliers; (v) Investors, Shareholders & Lenders; (vi) Local Community; (vii) NGOs.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable & marginalised stakeholders from the nearby local communities and surrounding villages in the form of contractual employees and marginal farmers.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

The Company values the support of its stakeholders and respects the interest and concerns they have towards the Company. The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogues

with all stakeholders across businesses, identify material concerns and their resolution in an equitable and transparent manner. The Company proactively engages with and responds to those sections in the society that are disadvantaged, vulnerable and marginalized. The Company has a structured CSR program through which it assesses the needs of local stakeholders and carries out initiatives to address societal needs.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?

The Company is committed to protect the human rights of its stakeholders. Human resource is considered as a valuable resource in the organization. Human resource practices of the Company aim at ensuring not only protection but also respect for human rights, all its policies acknowledge this. The Company discourages its business associates from doing any violation of Human Rights. The Company, within its sphere of influence, promotes the awareness and realization of human rights across its value chain. To this extent, the Company extends its initiatives to promote human rights to external stakeholders including suppliers and contractors. The Company's approach to managing human rights is aligned with internationally recognised principles and guidelines. It is a constant endeavour to ensure that none of the suppliers engage in employment of child, forced or compulsory labour. The Company strongly prohibits the employment of child, forced or compulsory labour in all its operations.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any stakeholder complaint in 2021-22 regarding violation of human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1. Does the policy relate to Principle 6 cover only the Company or extends to the Group / Joint Ventures/ Suppliers/Contractors/ NGOs/ others?

The Company as a responsible corporate citizen considers its obligation to maintain highest standards of the environmental management and ensure for all its members, consultants, contractors and customers a safe and healthy environment free from occupational injury & diseases. However, the policy of the Company in this regard governs the conduct of the Company only.

- Industry has already installed four field ESP with the recovery boiler and power boiler for the control of particulates from the flue gases.
- With the proposed 75 TPH Boiler, Company plans to install four field ESP in order to achieve the prescribed norms of emissions from the stack i.e. 50 mg/Nm³.
- The flue gases discharged from the stacks shall be emitting SO₂, NO_x, and SPM. Portholes and sampling facilities have been provided for all stacks as per Central Pollution Control Board's guidelines.
- The status of ambient air quality shall be monitored regularly, at least at 3 sampling locations out of which one in the critical down wind direction. Stack flue gas analysis is carried out (3-4 times in a month's) to check the emission levels and adopt corrective measures, if required.
- Regular monitoring shall be done as per the Environmental Monitoring Plan and

CC&A for checking the efficiency of control equipment.

- Company has two UASB reactors in parallel with a capacity of 3500 m³ each to treat wet wash effluent.
- The methane gas is collected on top of the reactors with the help of 3-fold hood, provided to catch even minor gas generation. The gas is collected in a gas holder and sent to boilers to produce steam.
- The effluent is separated from the gas and is taken into two nos. of tube settlers. This helps in removing the excess anaerobic sludge from the effluent and the collected sludge is recycled back into the anaerobic reactor.
- The overflow of the reactors is finally cleared in the secondary clarifier.

2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

The Company is very much concerned about the climate change due to industrialisation, so it adopts best of processes & techniques, so that it minimises the negative effect on the environment. Decision to manufacture Paper from wheat straw was one of the most important initiatives taken by the company. This saves thousands of trees from cutting down, which is one of the best ways to preserve our precious environment from being exposed to be polluted.

3 Does the company identify and assess potential environmental risks? Y/N

Yes, potential environmental risks are identified as a part of the Company's risk management activity and feature in the Company's risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?

- i) The Company's 5 MW Biomass based power project is registered with the Clean Development Mech at UNFCCC and energy efficiency caustic recovery is registered with VERRA.
- ii) The Company has also registered a Co-generation of Power Project under verified carbon standard.
- iii) The Company has two solar 1-REC projects registered with International REC standards.
- iv) The Company has a Renewable Cogen Project registered under Indian Renewal Energy Certification Mechanism.

The Company has installed the above projects at its own as a responsible corporate citizen to maintain highest standards of the environmental management and ensure for all a safe and healthy environment.

5 Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The Company has already adopted Elemental Chlorine Free (ECF) bleaching by using in-house generated chlorine dioxide (ClO₂) thus drastically reducing the pollution load. For energy efficiency, old lights are being replaced by LED lights. For renewable energy the industry has undertook the following projects:

a) Cogen / Power Projects

The Company has installed Renewable Power/ Cogen project for captive consumption. In the absence of the projects, the Company would have purchased the power from GRID, which are based on Fossil Fuel. Thus, the Projects

displaces the use of electricity that would be purchased from the northern grid and in turn achieve GHG emission reduction.

b) CRP PROJECT

The purpose of the project activity is to recover the caustic soda from waste liquor generated at the pulping stage of the paper manufacturing process. Since the electricity consumption for the process of recovery of 1 tonne of soda is much lesser than that consumed in the production of fresh stock, the proposed project activity would help curb the greenhouse gases emissions into the atmosphere. The electricity consumed at project activity is generated inhouse from biomass-based power project.

6 Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

We meet target much below stringent norms of air emission & particulate matter in ESP stack emission is below 30 against standard of 150 ppm

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on the end of Financial Year.

There is no show cause / legal notice received from CPCB / SPCB which is pending as on the end of financial year in relation with non-compliance with environmental laws and regulations.

Principle7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

Yes, our Company was member of the following Organizations as on March 31, 2022

- i Federation of Indian Export Organisation [FIEO]
- ii Indian Agro & Recycled Paper Mill Association (IARPA)
- iii Indian Pulp and Paper Technical Association (IPPTA)

2. Have you advocated/lobbied through above associations for the advance mentor improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The Company appreciates the importance of trade associations. Trade associations provide a forum for information sharing and discussion with both trade association officials and representatives of various sectors.

1. The Company is committed towards environmental protection and has a well-defined corporate environmental policy in place. The Company encourages its suppliers and contractors to employ environment friendly measures in their day-to-day operations.
2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

Yes, the Company has taken up several initiatives to address global environmental issues such as climate change, global warming, waste minimisation, effluent reduction, water conservation.

The Company has always advocated the cause of Good Governance, Administration and Economic reforms. It actively participates and raises its concern on matters of governance, economic reforms and other public policies in public interest at appropriate forums. The Company continuously advocates the use of alternative

fuels, energy conservation and afforestation. Some of the major programmes undertaken on a continual basis are training of youths in entrepreneurship which enabled them to earn livelihood for themselves and their families.

Principle 8: Business should support inclusive growth and equitable development.

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company has been one of the foremost proponents of inclusive growth and has continued to undertake projects for overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development and livelihood interventions etc. Accordingly, over the years, its programs have diversified to entrepreneurship sustainable with modern health care and education. The Company has a CSR Policy in accordance with the provisions of the Companies Act 2013 and rules made there under. The contents of the CSR Policy are disclosed on the website of the Company.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/ any other organisation?

Programmes as covered under CSR Activities are undertaken through Company as well as external organizations also. Activities undertaken by external organizations are directed and monitored by the Company on regular intervals /periods.

3. Have you done any impact assessment of your initiative?

The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee of the Board and management periodically to understand the impact of these programmes.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the financial year 2021-22, the Company had contributed 194.80 lakh to Community Development Projects. The details of the community development projects undertaken during the financial year 2021-22 are given in Corporate Social Responsibility Report which forms part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The CSR team regularly interact with the local communities and these employees visit the areas to understand the problems being faced by the community and determine the action required to be taken to assess the impact of community development projects undertaken to ensure that the objectives and benefits of these projects are being met. The Company strives to reach out to the end user itself to have a maximum impact.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

What percentage of customer complaints/consumer cases are pending as on the end of financial year?

No Complaint is pending as on 31.03.2022

1. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. / Remarks (additional information).
2. The Company has an uncompromising commitment to provide best in-class products and customer satisfaction. The Company fully complies the laws of land. All the display and disclosure requirements as per applicable Statutes are complied with.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof.

There have been no cases relating to unfair trade practices, irresponsible advertising and/or anticompetitive behaviour against the Company in the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Customers' satisfaction is the Company's goal, which motivates the company to keep its products as per the consumers' requirements. To understand the customers better, the Company adopts several procedures including customer surveys, direct feedback. Feedback is also taken by the management during the visit of Customers at the manufacturing facilities. This helps the Company in preparing and planning the future business strategies and profitability.

The Company is focused on delivering value to its customers and therefore, customer satisfaction surveys are carried out on a regular basis. This provides valuable feedback for the Company for providing the best possible service to customers and to continuously improve in its engagement with customers.

The Company complies with all laws and regulations concerning marketing communications. In line with this, the required information as mandated by law is inscribed on the product label of the Company.

Annexure IV

Corporate Social Responsibility (CSR)

1 Brief Outline of the Company's CSR Policy

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

Our social responsibility initiatives

Satia Industries Ltd believes that being socially responsible and meeting the expectations of our stakeholders is fundamental to value system the Company beholds. The Company has been primarily focusing on important socially relevant themes- "Education, Healthcare, Wellness and Environmental Sustainability". The Company is strongly progressing in this arena and has been creating its impact on society by contributing to the development of the community. The Company also plays a significant role in promotion of inclusive growth through empowerment of socially and economically weaker sections of society. Partnerships with corporate bodies and NGOs are entered into for education and community development programmes. Active involvement of the Company's employees in volunteering. The Company's participation focuses on operations where it can contribute meaningfully either through employee volunteering or by using core competency which develops solutions.

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

2 Composition of the CSR Committee.

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

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

<https://www.satiagroup.com>

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

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

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

| Sr. No. | Financial Year | Amount available for set-off from preceding financial years (Rs in Lakhs) | Amount required to be setoff for the financial year, if any (Rs in Lakhs) |
|---------|----------------|---|---|
| 1 | 2020-21 | Nil | Nil |
| 2 | 2019-20 | Nil | Nil |
| 3 | 2018-19 | Nil | Nil |

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

Rs in Lakhs

| Particulars | 31.03.2021 | 31.03.2020 | 31.03.2019 | Average |
|-------------|------------|------------|------------|---------|
| Net Profit | 6683.58 | 11527.99 | 11008.07 | 9739.87 |

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

Rs 194.80 lacs

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

Rs 194.80 Lakhs

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

Nil

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

Nil

d) Total CSR obligation for the financial year 2021-22 (7a+7b+7c)

Rs 194.80 Lakhs

8) (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in Lakhs) | Amount Unspent (H) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 194.80 | Nil | NA | NA | Nil | NA |

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

Rs in Lakhs

| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No) | Location of the project District State | Project duration | Amount allocated for the project (H) | Amount spent in the current financial Year (H) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (H) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency- Name- CSR Registration Number |
|---------|---------------------|--|---------------------|--|---------------------------------------|--------------------------------------|--|---|--|---|
| | Promoting Education | Promoting Education | | Gujrat | Three Years from 2020- 21 to 2022- 23 | 100.00 | 100.00 | N.A | Through Implementing Agency | Anand Greens Education Foundation N.A. Commenced from 2020-21 to 2022-23 |

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

| Sr. No. | Name of the Project | Item from the list of Activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project District State | Amount spent for the project (in Lakhs) | Mode of implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency - Name - CSR Reg. No |
|---------|--|---|---------------------|--|---|--|---|
| 1 | Medical & Health care Expenses | Promoting health care (Covered Under Item - (i) of the Schedule VII) | Yes | do | 5.14 | Yes | NA |
| 2 | Education and Training expenses | Promoting Education (Covered Under Item -(ii) of the Schedule VII) | Yes | do | 23.99 | Yes | NA |
| 3 | Expenditure Towards Blind, Khushat, Orphan | Measures for the benefit of Orphans; Blind, (Covered under Item - (vi) of the Schedule VII) | Yes | do | 17.54 | Yes | NA |
| 4 | Expenditure towards Rural development | Rural Development Projects (Covered under Item - (x) of the Schedule VII) | Yes | District- Sri Muktsar Sahib, Punjab | 31.31 | Yes | NA |
| 5 | Health Care | Setting up of Medical Laboratories | Yes | District- Sri Muktsar Sahib, Punjab | 20.00 | No | Muktsar Ashram Trust, District Sri Muktsar Sahib, Punjab CSR00029505 |

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

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

(f) Total amount spent for the Financial Year Rs 194.80lakhs

(g) Excess amount for set off, if any.

Nil

(Sd/-)

A. C. Ahuja

(CHAIRMAN-CSR COMMITTEE)

(Sd/-)

R. K. Bhandari

(EXECUTIVE DIRECTOR)

Annexure-VI**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2022**

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

**To,
The Members,
Satia Industries Limited
Vill. Rupana, Malout-Muktsar Road,
Muktsar (Punjab)
CIN: L21012PB1980PLC004329**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Satia Industries Limited, Muktsar, Punjab. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and produced before us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made herein after:

We report that-

a) Maintenance of secretarial record is the responsibility of the management of the

Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statement of the company.
- d) Where-ever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. our examination was limited to the verification of procedures on test basis.
- f) The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Satia Industries Limited and produced before us for the financial year ended on 31st March, 2022 according to the provisions of:
 - (i) The companies Act, 2013 (the Act) and the rules made thereunder;

During the period under review the company has complied with the provisions of the Act, rules, Regulations, Guidelines, Standards, etc. mentioned above.

- (ii) The company has complied with the relevant provisions of Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under where ever applicable to the company.
- (iii) The company has complied with the relevant provisions of the Depositories Act, 1996 and the regulations and Bye- laws framed there under where ever applicable to the company.
- (iv) There were no issues which required specific compliance of the foreign exchange Management Act, 1999 and the rules and regulations made thereunder.
- (v) The following Regulations and Guidelines prescribed under the Securities and exchange Board of India act, 1992 ('SEBI act'):-
 - (a) there was no acquisition of which required the specific compliance/ approval of the Securities and exchange Board of India (Substantial Acquisition of Shares and takeovers) regulations, 2011 amended upto date.
 - (b) there was no acquisition of shares by the promoters, which required the specific compliance/ approval of the Securities and exchange Board of India (Prohibition of Insider trading) regulations, 1992 amended upto date.
 - (c) There were no issues which required the specific compliance/ approval of the Securities and exchange Board of India (Issue of Capital and Disclosure Requirements) regulations, 2009 amended up to Date.
 - (d) There were no issues which required the specific compliance/ approval of the Securities and Exchange Board of India (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999 amended up to date
 - (e) There were no issues which required the specific compliance/ approval of the Securities and exchange Board of India (Issue and Listing of Debt Securities) regulations, 2008 amended up to date.
 - (f) There were no issues which required the specific compliance/ approval of the Securities and exchange Board of India (registrars to an issue and Share transfer agents) regulations, 1993 Regarding the Companies Act and dealing with client amended upto date.
 - (g) There were no issues which required the specific compliance/ approval of the Securities and exchange Board of India (Delisting of equity Shares) regulations, 2009 amended up to date;
 - (h) There were no issues which required the specific compliance/ approval of the Securities and exchange Board of India (Buyback of Securities) regulations, 1998 amended up to date; and
 - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) The company is into the business of manufacturing of writing and printing paper from virgin pulp. And as per representation given by the company following are some of the laws which are specifically applicable to the company.
 - Water (Prevention and Control of Pollution) Act, 1974
 - Air (Prevention and Control of Pollution) Act, 1981
 - Environment Protection Act, 1986
 - The Hazardous Wastes (Management and Handling) Rules 1989
 - Labour Laws
 - Industrial Dispute Act, 1947

- Standards for Discharge of Environmental Pollutants
- National Green Tribunal Act, 2010
- Bureau of Indian Standards Act, 1986
- Energy Conservation Act, 2001
- The Factories Act, 1948
- Employees State Insurance Act, 1948
- Employees Provident Fund Act, 1952
- The Industries (Development and Regulation) Act, 1951
- The National Environmental Tribunal Act, 1995

The company has complied with all the provisions of the above-mentioned Acts.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India to the extent of its applicability.
- (ii) Company had entered into a listing agreement as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and duly complied the various clauses of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

system of the company is seems adequate to ensure compliance of laws specifically applicable to the company.

We further report that:

- the Board of Directors of the company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- a) The Members had passed a Special Resolution under the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and / or any other guidelines issued by the Central Government from time to time (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject

to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the Re-appointment of Dr. Ajay Satia (DIN : 00850792) as the Chairman cum Managing Director of the Company and to his receiving remuneration, benefits and amenities as the Chairman Cum Managing Director for a period from 01st October, 2021 to 30th September, 2024, upon the terms, conditions and stipulations contained in the Agreement entered into between the Company and Dr. Ajay Satia, Chairman Cum Managing Director and as stated here below:-

Terms:

1. Salary: Rs.4000000/- Per Month.
 2. Commission: Not exceeding 1.00 (one) percent of net profit in an accounting year of the Company subject to availability of profit.
 3. Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
 4. Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
 5. Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.
- b) The Members had passed a Special Resolution under the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and / or any other guidelines issued by the Central Government from time to time (including any statutory modification (s) or re-enactment

thereof, for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the Re-appointment of Sh R.K.Bhandari, (DIN : 00732588) as Joint Managing Director of the Company and to his receiving remuneration, benefits and amenities for a period from 01st October, 2021 to 30th September, 2024, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Sh R.K.Bhandari and as given below”

1. Terms:

- 1) Salary: Rs. 8,00,000/- PM with an annual increment of Rs 50,000/- PM as per agreement.
- B) Perquisites/ benefits
- (i) Company owned/ leased accommodation or reasonable house rent allowance while posted in any place other than Muktsar
 - (ii) Reimbursement of medical and hospitalization expenses including dental and optical treatment for self and family and Mediclaim insurance premium.
 - (iii) First class air fare or first-class air-conditioned railway fare and other actual expenses borne for self and family anywhere in India or abroad once a year while on leave including boarding lodging and surface travel expenses or minimum of one month salary. The necessary foreign exchange for the purpose, if required will be provided by the company but subject to any regulation prescribed by Reserve Bank of India and in force for the time being.
 - (iv) Personal Accidental Insurance.
 - (v) In addition to above Sh R.K.Bhandari, shall be entitled to all such perquisites/ benefits

which he was enjoying as Joint Managing Director of Company the total value of which shall not exceed Rs 150000/- in a year.

- c) The Members had passed a Special Resolution under the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and / or any other guidelines issued by the Central Government from time to time (including any statutory modification (s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the re-appointment of Sh Chirag Satia (DIN : 03426414) as Executive Director of the Company and to his receiving remuneration, benefits and amenities for a period from 01st October, 2021 to 30th September, 2024, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Sh Chirag Satia, and as stated here below”

I. Terms:

Salary Rs. 30,00,000/- PM

Reimbursement of medical expenses incurred in India or abroad including, hospitalization nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year. Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.

Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.

Contribution to provident fund, superannuation fund or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961; Gratuity payable at a rate not exceeding

half a month's salary for each completed year of service; and encashment of leave at the end of the tenure.

- d) The Members had passed a Special Resolution under the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and / or any other guidelines issued by the Central Government from time to time (including any statutory modification (s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the Re- appointment of Sh Hardev Singh (DIN: 07943672) as Director (Technical) of the Company and to his receiving remuneration, benefits and amenities as the Director (Technical) for a period from 01st October, 2021 to 30th September, 2024, upon the terms, conditions and stipulations contained in the Agreement entered into between the Company and Sh Hardev Singh, Director (Technical) and as stated here below:-

Terms:

- (a) Salary: Rs 3,25,000 /-PM with an annual increment of Rs. 30,000- PM as per agreement
- (b) Perquisites/benefits as per rules of the Company.

1. Company owned/ leased accommodation or reasonable house rent allowance.

Dated : 19.07.2022

Place : Bathinda

S. Parnami & Associates

Company Secretaries

Sourabh Parnami

FCS No.: 9396

CP No.: 11181

UDIN: F009396D000649629

To,
The Members,
Satia Industries Limited
Vill. Rupana, Malout-Muktsar Road,
Muktsar (Punjab)
CIN: L21012PB1980PLC004329

Our Secretarial audit report for the financial year 31st March 2022 is to be read along with this letter.

Management's responsibility

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

Auditor's Responsibility

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

Disclaimer

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

Date : 19.07.2022
Place: Bathinda

S. Parnami & Associates
Company Secretaries
Sourabh Parnami
FCS No.: 9396
CP No.: 11181
UDIN: F009396D000649629

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

To,
The Members,
Satia Industries Limited
Vill. Rupana, Malout-Muktsar Road,
Muktsar (Punjab)
CIN: L21012PB1980PLC004329

We, S. Parnami & Associates, Practicing Company Secretaries, Bathinda, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Satia Industries Limited (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with regulation 34(3) read with Schedule V para-C Sub clause 10(i) of the Securities exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the (www.mca.gov.in) as considered necessary and explanations furnished to me/us by the Company & its Directors/officers, I/We hereby certify that none of the Directors on the Board of the company for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and exchange Board of India, Ministry of corporate Affairs, or any such other Statutory Authority.

Dated : 19.07.2022
Place : Bathinda

S. Parnami & Associates
Company Secretaries
Sourabh Parnami
FCS No.: 9396
CP No.: 11181
UDIN: F009396D000649629

CORPORATE GOVERNANCE REPORT 2021-22

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

1. Company's philosophy

The Company's philosophy on Corporate Governance stems from the culture and mindset of the organisation to ensure the cardinal principles of accountability, transparency and fairness in all its transactions in the widest sense to meet stakeholder aspirations. It is not mere compliance of laws, rules and regulations but a commitment to its values, best management practices and adherence of the highest ethical principles in all its dealings to achieve the objectives of the Company, enhance stakeholder value and discharge its social responsibility. The Corporate Governance framework and philosophy is a reflection of the Company's corporate culture, policies, values and relationship with stakeholders which is driven relentlessly across the organisation. The Board of Directors ("the Board") are aware of their responsibility and commitment to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act"). The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of

sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations", as applicable, with regard to corporate governance.

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

2 Board of Directors

The Board of Directors of the Company, being the highest governance authority within the Management structure of the Company, is at the core of our Corporate Governance practices. The Board exercises its fiduciary responsibilities to foster sound standards of Corporate Governance within the Company thus providing direction and independence to the Management to achieve its objectives for value creation as well as protecting long-term interests of all stakeholders. The Board of Directors, along with its committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary duty in ensuring that the rights of all stakeholders are protected.

3 Chairman of the Board

The Chairman and Managing Director is in overall control and responsible for the day-to-day working of the company. He leads the Board, and is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committee. The

chairman is primarily responsible for ensuring that the Board provides effective governance to the company in doing so, the Chairman Cum Managing Director will preside over meetings of the Board and of the shareholders of the company. The chairman will take a lead role in managing the Board and facilitate effective communication among directors.

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

Composition of the Board of Directors

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

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

with a combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations.

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

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

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed there under. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are independent of the management.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships /Memberships held by them in other public companies as on March 31, 2022 are given herein below.

Other directorships do not include directorships of Private Limited Companies. Chairmanships/

Memberships of Board Committees shall only include Audit Committee.

During the financial year 2021-22, Four Board meetings were held on the following dates: -

1. 10.05.2021
2. 13-08-2021
3. 12-11-2021
4. 11-02-2022

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

Composition of Board of Directors and their attendance at the Board meetings during the year and at last Annual General Meeting of the Company as also the number of other Directorship and committee Membership/ Chairmanship as on 31.03.2022 are as follows:

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

Number of Companies or committee in which the Director of the Company is Director/Member/Chairman*

| Sr. No. | Name of Director | No. of Directorship in all public companies * | No. of Committee Membership in all Public Companies | |
|---------|---------------------------|---|---|------------|
| | | | Member ** | Chairman** |
| 1. | Dr. Ajay Satia | 1 | - | - |
| 2. | Sh. R. K.Bhandari | 1 | 1 | - |
| 3. | Sh. A. C. Ahuja | 2 | - | 1 |
| 4. | Sh Dinesh Chand Sharma | 2 | - | - |
| 5. | Sh I. D. Singh | 1 | 1 | - |
| 6. | Sh Chirag Satia | 1 | - | - |
| 7. | Mrs Dr Priti Lal Shivhare | 1 | - | - |
| 8. | Sh Ashok Kumar Gupta | 1 | - | - |
| 9. | Sh Arun Kumar Gupta | 3 | 1 | 2 |
| 10. | Sh Hardev Singh | 1 | - | - |
| 11. | Sh Vinod Kumar Kathuria | 3 | - | - |

Including Satia Industries Ltd and excluding Private Limited Companies, foreign companies and companies under Section 8 of the Companies Act, 2013

** Board committee for this purpose includes Audit committee of Public limited companies (including committees of Satia Industries Limited)

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

Independent Directors' Meeting

During the year under review, the Independent Directors met on February 11, 2022, inter alia to discuss: - Overall operations - Business Strategy - Overall performance of the Senior Management. All Independent Directors were present at the meeting. Pursuant to the requirements of the Listing Regulations and Schedule IV of the Companies Act, 2013 on Code of Conduct of the Independent Directors, the Independent Directors had reviewed and evaluated the performance of Non-Independent

Directors and the Board as a whole and the same was found satisfactory.

Familiarisation Program

Periodically, the Company provides familiarisation Program to the Independent Directors to enable them to understand the business of the Company. At the meetings of the Board of Directors held on quarterly basis, presentations on the Manufacturing & Technical Operations, Financials and Marketing are made. The Management also endeavours to apprise the Directors regarding their responsibilities in case of change / amendment to the Rules and Regulations. The details of the familiarisation program have been displayed on the Company's website (www.satiagroup.com).

Board Level Committees

There are five Board Committees as on March 31, 2022 for smooth and efficient operation of the activities and is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees in line with the laws

of land. The chairman, quorum and the terms of reference of each committee have been approved by the Board.

AUDIT COMMITTEE

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

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

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

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

Terms of Reference

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

- (1) Ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment and terms of appointment of auditors.
- (3) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to
 - (a) changes if any, in accounting policies and practices and reasons for the same;
 - (b) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (c) Significant adjustments made in the financial statements arising out of audit findings;
 - (d) compliance with listing and other legal requirements relating to financial statements;
 - (e) Disclosure of any related party transactions;
 - (f) Modified opinion(s) in the draft audit report;
- (4) reviewing with the management, the quarterly financial statements before submission to the board for approval;
- (5) reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
- (6) reviewing and monitoring the auditor's independence and performance and effective-ness of audit process;
- (7) approval of transactions of the listed entity with related parties;
- (8) scrutiny of inter-corporate loans and investments;

- (9) evaluation of internal financial controls and risk management systems;
- (10) reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (11) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (12) discussion with internal auditors of any significant findings and follow up thereon;
- (13) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (14) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (15) to review the functioning of the whistle blower mechanism;
- (16) approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
- (17) carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information

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

Internal Audit

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

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

During the year under review, four (4) Meetings of Audit Committee were held on 10.05.2021, 13.08.2021, 12-11-2021 and 11-02-2022. 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 | Joint Managing Director | 4 |
| 3 | Sh. Inder Dev Singh | Member | Independent Director | 4 |
| 4 | Sh. Arun Kumar Gupta | Member | Independent Director | 4 |

Nomination and Remuneration Committee

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

The Company is transparent in compensation policy of Directors. Nomination & Remuneration Committee of the Board is constituted as per Section 178 of the

Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2022, Nomination & Remuneration Committee comprises of three non-executive independent directors. the Chairman of this Committee is an Independent Director.

Composition of the Nomination and Remuneration Committee & attendance of the members at the Committee meetings during the year ended 31.03.2022 are as follows: -

| Sr. No. | Name of Member | Status in Committee | Directorship | Number of Meetings during the year 2021-22 | |
|---------|-------------------------|---------------------|----------------------|--|----------|
| | | | | Held | Attended |
| 1 | Sh. A. C. Ahuja | Chairman | Independent Director | 1 | 1 |
| 2 | Sh. Inder Dev Singh | Member | Independent Director | 1 | 1 |
| 3 | Sh. Dinesh Chand Sharma | Member | Independent Director | 1 | 1 |

NOMINATION AND REMUNERATION POLICY

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

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

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

3. To ensure disbursement of salary and perks in total compliance to the applicable statutory provisions and prevailing tax laws of the Country.

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

REMUNERATION OF DIRECTORS

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

Managing Director and Whole time Directors are appointed as per agreement and are being paid remuneration as approved by the Remuneration Committee, Board and the shareholders. Sitting fees are paid to the Directors for attending the meetings of the Board of Directors/committees thereof. The detail of remuneration paid to directors during the period ended March 31, 2022 is as under:-

| Sr. No. | Name of Director | Sitting Fee (Rs.) | Salary | P.F | Others | Total (Rs.) |
|---------|---------------------------|-------------------|----------|-----|---------|-------------|
| 1 | Dr Ajay Satia | 0 | 48000000 | 0 | 472150 | 48472150 |
| 2 | Sh R. K. Bhandari | 0 | 8820000 | 0 | 108742 | 8928742 |
| 3 | Sh Chirag Satia | 0 | 30000000 | 0 | 1018977 | 31018977 |
| 4 | Sh Hardev Singh | 0 | 3600000 | 0 | 324310 | 3924310 |
| 5 | Sh A. C. Ahuja | 245000 | 0 | 0 | 0 | 245000 |
| 6 | Sh Dinesh Chand Sharma | 145000 | 0 | 0 | 0 | 145000 |
| 7 | Sh I. D. Singh | 235000 | 0 | 0 | 0 | 235000 |
| 8 | Sh Ashok Kumar Gupta | 135000 | 0 | 0 | 0 | 135000 |
| 9 | Sh Arun Kumar Gupta | 225000 | 0 | 0 | 0 | 225000 |
| 10 | Mrs Dr Priti Lal Shivhare | 125000 | 0 | 0 | 0 | 125000 |
| 11 | Sh.Vinod Kumar Kathuria | 125000 | 0 | 0 | 0 | 125000 |

Corporate Social Responsibility (CSR) Committee

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

The composition of the committee as at 31st March, 2022 and detail of member's participation at the meeting of the committee are as under: -

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

The Meeting of CSR Committee was held on 11.02.2022 under the Chairmanship of Sh A.C. Ahuja, Independent Director

Terms of reference

The terms of reference of the CSR Committee are:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act.

- Recommend the amount to be spent on CSR activities.
- Monitor implementation and adherence to the CSR Policy of the Company from time to time.
- Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy

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

Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the Listing Regulations. The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. during the Financial Year 2021-22, the Committee met on 12.11.2021 and on 11.02.2022.

The composition of the Risk Management Committee and the details of the meetings attended by its Members during the Financial Year ended March 31, 2022 are as under:

1. # Sh Dinesh Sharma – Independent Director
- Chairman
2. Sh R. K. Bhandari: - Joint managing Director
- Member
3. Sh Chirag Satia:- Executive Director
- Member
4. Sh Hardev Singh- Director (Technical)
Member

Sh Dinesh Sharma (Independent Director) was appointed as Chairman of the Risk Management Committee w.e.f 10.05.2021

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

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

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

Stake holder Relation Committee

The Committee's composition and terms of reference are in compliance with the provisions of the companies Act, 2013 and Regulation 20 of the listing Regulations. The Committee met on 11.02.2022.

The composition of committee is as below: -

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

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

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

Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of annual reports, non-receipt of declared dividend, issue/new duplicate certificates, general meetings and so on. Oversee the performance of the Company's registrars and transfer agents. Monitor implementation and compliance with the Company's Code of Conduct for prohibition of Insider trading. Annual performance evaluation of the Committee. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

INDEPENDENT DIRECTORS MEETING

During the year under review, the independent Directors met on 11th February, 2022 inter alia to:

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

General Body Meetings

The Last three annual General meetings were held as under:

| Sr. No. | Financial year | Date | Time | Location | No of Special Resolutions Passed |
|---------|----------------|------------|----------|---|----------------------------------|
| 1 | 2020-21 | 30.09.2021 | 10.30AM | Video Conferencing | Four |
| 2 | 2019-20 | 30.09.2020 | 10.30AM | Video Conferencing | Three |
| 3 | 2018-19 | 29.09.2019 | 10.00 AM | At Regd. Office; Muktsar- Malout Road, Vill.Rupana Distt. Muktsar | Seven |

Postal Ballot

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

Other Disclosures

I. Related Party Transactions

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

The company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI listing regulations for directors and employees to report concerns about unethical behaviour. No person has been denied access to the chairman of the audit committee. The said policy has been also put upon the website of the company.

II. Reconciliation of share capital audit: -

A qualified practicing Chartered accountant has carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued

and listed equity share capital. The audit report confirms that the total issued / paid- up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Compliance made by the Company

- The company has made the compliance of the stock exchanges, SEBI and other statutory authorities on all matters related to capital market.
- There were no penalties or strictures imposed on the company by Stock exchanges or SEBI, any statutory authority on any matter related to the above.
- The management discussion and Analysis report forms part of the Annual report as an addition to the Directors' report.
- Means of Communication**
The quarterly, half yearly and Annual Financial Results were published in the financial express and Punjabi Jagran also sent to the Stock exchanges.
- SCORES (SEBI Complaints Redressal System):** The investor complaints are processed in a centralized web BASED complaints redressal system on www.scores.gov.in, a website maintained by SEBI (Securities and Exchange Board of India). The main feature of this system is central database of all complaints, online upload of action taken reports (ATR's) by the concerned companies

and online view by investors of action taken on complaints and its current status. The company has no pending complaints filed through scores.

f) General Shareholders information

Annual General Meeting

Date and Time : 30th September, 2022 (10:30 AM)

Venue : Video Conferencing

g) Financial Calendar Next Financial Year April 1, 2022 to March 31, 2023

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

| Results | Announced on |
|-------------------------------------|----------------|
| For 1st Quarter ended on 30.06.2022 | August, 2022 |
| For 2nd Quarter ended on 30.09.2022 | November, 2022 |
| For 3rd Quarter ended on 31.12.2022 | February, 2023 |
| For the Year ended on 31.03.2023 | May, 2023 |

h) **Date of Book Closure** : 24th September, 2022 to 30th September, 2022 (Both days inclusive)

i) **Listing on Stock Exchange** : Equity Shares of The Company are listed at BSE Ltd & NSE

j) **Stock Code** :
BSE Limited : 539201
NSE Symbol : SATIA
ISIN Number : INE170E01023
Corporate Identification Number : L21012PB1980PLC004329

k) Market Price Data

Market Price Data, High, low during each month in the last financial Year

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

| Month & Year | BSE | | NSE | |
|--------------|------------|-----------|------------|-----------|
| | High Price | Low Price | High Price | Low Price |
| Apr-21 | 95.00 | 75.45 | 94.00 | 75.50 |
| May-21 | 92.00 | 82.20 | 92.00 | 81.60 |
| Jun-21 | 98.00 | 81.95 | 98.00 | 82.00 |
| Jul-21 | 119.45 | 97.30 | 118.00 | 97.20 |
| Aug-21 | 108.00 | 88.40 | 108.15 | 88.50 |
| Sep-21 | 104.60 | 97.70 | 104.85 | 90.15 |
| Oct-21 | 100.90 | 89.15 | 101.00 | 88.60 |
| Nov-21 | 98.80 | 82.50 | 95.90 | 83.00 |
| Dec-21 | 94.40 | 84.30 | 94.00 | 83.25 |
| Jan-22 | 105.00 | 87.60 | 103.45 | 87.90 |
| Feb-22 | 109.90 | 86.65 | 110.25 | 87.00 |
| Mar-22 | 120.00 | 92.10 | 119.85 | 92.00 |

Distribution of shareholding as on March 31,2022

| No. of equity shares held | No of Shareholders | %age | Shares | %age total |
|---------------------------|--------------------|---------------|------------------|---------------|
| UP To 5000 | 17755 | 97.89 | 6363703 | 6.3637 |
| 5001 – 10000 | 182 | 1.00 | 1372449 | 1.3724 |
| 10001- 20000 | 103 | 0.56 | 1473492 | 1.4735 |
| 20001 – 30000 | 33 | 0.18 | 818130 | 0.8181 |
| 30001 – 40000 | 13 | 0.07 | 442965 | 0.4430 |
| 40001 – 50000 | 10 | 0.05 | 448435 | 0.4484 |
| 50001 – 100000 | 12 | 0.06 | 778206 | 0.7782 |
| 100001 and above | 29 | 0.15 | 88302620 | 88.3026 |
| TOTAL | 18137 | 100.00 | 100000000 | 100.00 |

l) Categories of shares as on 31.03.2022

| Sr No. | Particulars | No of Shares | Amount (Rs. In Lacs) | %Age |
|--------|------------------------|------------------|----------------------|---------------|
| 1 | Promoter Core Promoter | 51785389 | 51785389 | 51.78 |
| 2 | Friends/ Relatives | 0 | 0 | 0 |
| 3 | Financial institutes | 0 | 0 | 0 |
| 4 | Public | 48214611 | 48214611 | 48.21 |
| 5 | Banks | 0 | 0 | 0 |
| 6 | Others | 0 | 0 | 0 |
| | Total | 100000000 | 100000000 | 100.00 |

m) Dematerialization of shares & liquidity

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

n) Registrar & Transfer Agents:

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

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

o) Share Transfer System

The company's shares are in compulsory dematerialized list and are transferable through depository system. Shares in physical form are processed and approved by M/s Beetal Financial and Computer Services Pvt. Ltd., the Registrar and transfer Agents,

p) Stake Holder Relation Committee

The Stake Holder relation committee of the company for the year ended 31.03.2022 looks after the work of redressal of investors/shareholders complaints. The members of the committee are

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

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

r) Investors : Correspondence: Muktsar-Malout Road, VPO Rupana, Distt. Shri Muktsar Sahib-152026 (Punjab)

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

For and on behalf of the Board of Director

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

Place : VPO: Rupana

Dated : 09-08-2022

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

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

I hereby confirm that all Board Members and Senior Managerial personnel have affirmed compliance with the code of conduct for the Directors and Senior Management Personnel as approved by the Board, for the Financial Year ended 31st March, 2022 in

terms of regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Place : VPO: Rupana (Dr. Ajay Satia)
Date : 03-08-2022 CMD & CEO

CMD & CFO CERTIFICATE

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

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

effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken nor propose to take to rectify these deficiencies.

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

- i) Significant changes in internal control over financial reporting during the year.

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

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

Place : VPO: Rupana (Rachit Nagpal)
Date : 03-08-2022 Chief Financial Officer

AUDITORS' CERTIFICATE

To
The Members of Satia Industries Ltd.

We have examined the compliance of conditions of corporate governance by Satia industries Limited for merely known as Satia Paper Mills Ltd., for the year ended on 31st March 2022 as per regulations stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations) The compliance of conditions of corporate governance is the responsibility of the management. our examinations were limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company in our opinion and to the best of our information and according to the

explanation given to us, we certify that the company has complied with the conditions of corporate Governance as stipulated in the above-mentioned listing regulations, as applicable. We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Share transfer committee and Stake holder relation committee. We further state that such compliance is neither an assurance as to the future liability of the Company nor the efficiency or effectiveness with which with the management has conducted the affairs of the company.

For Deepak Grover & Associates
Chartered Accountants

Place : VPO: Rupana
Date : 27-05-2022

Deepak Grover
(Proprietor)

ANNEXURE VII**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2022****Pursuant to Section 92 (3) of the Companies act, 2013 and rule 12(1) of the Company (management & administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS:**

| | | |
|----|--|---|
| 1. | CIN | L21012PB1980PLC004329 |
| 2. | Registration Date | 26.11.1980 |
| 3. | Name of the Company | SATIA INDUSTRIES LIMITED |
| 4. | Category/Sub-category of the Company | PUBLIC |
| 5. | Address of the Registered office & contact details | VPO: RUPANA, MALOUT-MUKTSAR ROAD, DISTT : MUKTSAR (PUNJAB)-152032 Phone No:- 01633-262001,262215 |
| 6. | Whether listed company | LISTED |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Beetal Financial & Computer Services (P)Ltd Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi-110062 Contact No:- 011-29961281-83, FAX 011-29961284 E-mail: beetal@beetalfinancial.com |

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

| S. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | Writing and Printing Paper | 17093 | 100% |

III. Particulars of Holding, Subsidiary and Associate Companies

The Company has no holding, Subsidiary and Associate Companies

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

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) individual/HuF | 51785389 | 00 | 51785389 | 51.78 | 51785389 | 00 | 51785389 | 51.78 | 0.00 |
| b) Central Govt | | | | | | | | | |
| c) State Govt(s) | | | | | | | | | |
| d) Bodies Corp. | | | | | | | | | |
| e) Banks / Fi | | | | | | | | | |
| f) any other | | | | | | | | | |
| total shareholding of promoter (a) | 51785389 | 00 | 51785389 | 51.78 | 51785389 | 00 | 51785389 | 51.78 | 0.00 |
| 2) foreign | | | | | | | | | |
| total Shareholding of promoter (a) | 51785389 | 00 | 51785389 | 51.78 | 51785389 | 00 | 51785389 | 51.78 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / Fi | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) insurance Companies | | | | | | | | | |
| g) Fiis | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) others (specify) other individual Huf | 76304 | 00 | 76304 | 0.0763 | 567538 | 00 | 567538 | 0.56 | 0.48 |
| Sub-total (B)(1):- | 76304 | 00 | 76304 | 0.0763 | 567538 | 00 | 567538 | 0.56 | 0.48 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|----------|-----------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 2. non-institutions | | | | | | | | | |
| a) Bodies Corp. | 40387042 | 127500 | 40514542 | 40.51 | 32926560 | 127500 | 33054060 | 33.05 | -7.46 |
| individuals | | | | | | | | | |
| i) individual shareholders holding nominal share capital upto Rs. 2 lakh | 2625293 | 595550 | 3220843 | 3.220 | 10238108 | 533050 | 10771158 | 10.77 | 7.55 |
| ii) individual shareholders holding nominal share capital in excess of Rs 2 lakh | 4236523 | 100 | 4236623 | 4.236 | 3068070 | 00 | 3068070 | 3.06 | -1.176 |
| c) others (specify) | | | | | | | | | |
| Foreign Portfolio Investors | 00 | 00 | 00 | 0.00 | 190855 | 00 | 190855 | 0.19 | 0.19 |
| Non resident Indians | 15165 | 00 | 15165 | 0.0152 | 474974 | 00 | 474974 | 0.47 | 0.4598 |
| overseas corporate Bodies | | | | | | | | | |
| foreign nationals | | | | | | | | | |
| clearing Members | 151134 | 0 | 151134 | 0.151 | 87956 | 00 | 87956 | 0.08 | -0.071 |
| trusts | | | | | | | | | |
| foreign Bodies - D R | | | | | | | | | |
| Sub-total (B)(2):- | 47491461 | 723150 | 48214611 | 48.21 | 47554061 | 660550 | 48214611 | 48.21 | 0.00 |
| total Public Shareholding (B)= (B)(1)+ (B)(2) | 47491461 | 723150 | 48214611 | 48.21 | 47554061 | 660550 | 48214611 | 48.21 | 0.00 |
| c. Shares held by custodian for GDRs & ADRs | | | | | | | | | |
| Grand total (a+B+C) | 99276850 | 723150 | 100000000 | 100.00 | 99339450 | 660550 | 100000000 | 100.00 | 0.00 |

Shareholding of Promoter:-

| Sr No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|-------|---------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | Dr Ajay Satia | 22352990 | 22.35 | 0 | 22352990 | 22.35 | 0 | 0 |
| 2 | Smt Bindu Satia | 8115940 | 8.12 | 0 | 8115940 | 8.12 | 0 | 0 |
| 3 | Sh Chirag Satia | 6960669 | 6.96 | 0 | 6960669 | 6.96 | 0 | 0 |
| 4 | Sh Dhruv Satia | 7974540 | 7.97 | 0 | 7974540 | 7.97 | 0 | 0 |
| 5 | Ms Yachana Mehta | 2587500 | 2.59 | 0 | 2587500 | 2.59 | 0 | 0 |
| 6 | Ms Priyanka Satia | 3600000 | 3.60 | 0 | 3600000 | 3.60 | 0 | 0 |
| 7 | Dr Ajay Satia (HUF) | 193750 | 0.19 | 0 | 193750 | 0.19 | 0 | 0 |
| | Total | 51785389 | 51.78 | 0 | 51785389 | 51.78 | 0 | 0 |

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

| S. N. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | -Decrease (Sale)/ +Increase (Purchase) | Cumulative shareholding Increase during the year | |
|-------|---|---|----------------------------------|--|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | | No. of shares | % of total shares of the Company |
| 1 | Muktsar Logistics and Trading Private Limited | 15728000 | 15.73 | -50000 | 15678000 | 15.68 |
| 2 | SDS Cotton Private Limited | 14885860 | 14.89 | -1915000 | 12970860 | 12.97 |
| 3 | Adya Design Private Limited | 4708701 | 4.71 | -2925000 | 1783701 | 1.78 |
| 4 | RKB Sales Private Limited | 2329823 | 2.33 | -2329823 | 0 | 0.00 |
| 5 | White Gold Transport Private Ltd | 2282090 | 2.28 | -720000 | 1562090 | 1.56 |
| 6 | Bhai Apminder Singh | 306870 | 0.31 | 0 | 306870 | 0.31 |
| 7 | Sh. Rasbeer Singh | 1250000 | 1.25 | 0 | 1250000 | 1.25 |
| 8 | Smt. Jasminde Kaur | 257260 | 0.26 | 0 | 257260 | 0.26 |
| 9 | Sh. Jaskaran Singh | 252500 | 0.25 | 0 | 252500 | 0.25 |
| 10 | Sh Parvez Baria | 0 | 0 | +300004 | 300004 | 0.3 |

VI. Shareholding of Directors and Key Managerial Personnel:

| Sr No | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|-------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Dr Ajay Satia | | | | |
| | At the beginning of the year | 22352990 | 22.35 | 22352990 | 22.35 |
| | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | | | | |
| | At the end of the year | 22352990 | 22.35 | 22352990 | 22.35 |
| 2 | Sh R.K.Bhandari | | | | |
| | At the beginning of the year | 250000 | 0.25 | 205799 | 0.21 |
| | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | 44201 | | | |
| | At the end of the year | 205799 | 0.21 | 205799 | 0.21 |
| 3 | Sh Inder Dev Singh | | | | |
| | At the beginning of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | | | | |
| | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | Sh Chirag Satia | | | | |
| | At the beginning of the year | 6960669 | 6.96 | 6960669 | 6.96 |
| | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | | | | |
| | At the end of the year | 6960669 | 6.96 | 6960669 | 6.96 |

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

| Sr No | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|-------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 9 | Sh Ashok Kumar Gupta | | | | |
| | At the beginning of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | | | | |
| | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 | Sh Arun Kumar Gupta | | | | |
| | At the beginning of the year | 0.00 | 0.00 | 935 | 0.0009 |
| | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | | | | |
| | At the end of the year | 935 | 0.0009 | 935 | 0.0009 |
| 11 | Sh Rachit Nagpal (CFO) | | | | |
| | At the beginning of the year | 100 | 0.0001 | 100 | 0.0001 |
| | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | | | | |
| | At the end of the year | 100 | 0.0001 | 100 | 0.0001 |
| 12 | Sh.Vinod Kumar Kathuria | | | | |
| | At the beginning of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | | | | |
| | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |

| Sr No | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|-------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 13 | Sh Rakesh Kumar Dhuria (Company Secretary) | | | | |
| | At the beginning of the year | 100 | 0.0001 | 100 | 0.0001 |
| | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | | | | |
| | At the end of the year | 100 | 0.0001 | 100 | 0.0001 |

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

| Particular | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 34484.30 | - | - | 34484.30 |
| ii) interest due but not paid | - | - | - | - |
| iii) interest accrued but not due | 7.33 | - | - | 7.33 |
| Total (i+ii+iii) | 34491.63 | - | - | 34491.63 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 13359.16 | - | - | 13359.16 |
| * Reduction | 7427.60 | - | - | 7427.60 |
| Net Change | 5931.56 | - | - | 5931.56 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 40415.86 | - | - | 40415.86 |
| ii) interest due but not paid | - | - | - | - |
| iii) interest accrued but not due | 10.82 | - | - | 10.82 |
| Total (i+ii+iii) | 40426.68 | | | 40426.68 |

VIII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Rs in lakh

| S. N. | Particulars of Remuneration | Name of MD/WTD/Manager | | | | Total Amount |
|-------|--|------------------------|------------------|-----------------|-----------------|---------------|
| | | Dr Ajay Satia | Sh R.K. Bhandari | Sh Chirag Satia | Sh Hardev Singh | |
| 1 | Gross salary | | | | | |
| | Salary as per provisions contained in section 17(1) of the income-tax Act, 1961 | 480.00 | 88.20 | 300.00 | 36.00 | 904.2 |
| | Value of perquisites u/s 17(2) income-tax Act, 1961 Profits in lieu of salary under section 17(3) income- tax Act, 1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission - as % of profit - others, specify.. | - | - | - | - | - |
| 5 | Others, please specify | 4.72 | 1.08 | 10.18 | 3.24 | 19.22 |
| | Total (A) | 484.72 | 89.28 | 310.18 | 39.24 | 923.42 |

B. Remuneration to other directors

| S. N. | Particulars of Remuneration | Name of Directors | | | | | | |
|-------|---|-------------------|------------------------|---------------|----------------------|---------------------|------------------------------|--------------------------|
| | | Sh A. C. Ahuja | Sh Dinesh Chand Sharma | Sh I.D.Singh | Sh Ashok Kumar Gupta | Sh Arun Kumar Gupta | Mrs. Dr. Priti Lal Shiv hare | Sh. Vinod Kumar Kathuria |
| 1 | Independent Directors | | | | | | | |
| | Fee for attending board committee meetings | 245000 | 145000 | 235000 | 135000 | 225000 | 125000 | 125000 |
| | Commission | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (1) | 245000 | 145000 | 235000 | 135000 | 225000 | 125000 | 125000 |
| 2 | Other Non-Executive Directors | | | | | | | |
| | Fee for attending board committee meetings | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Commission | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (B)= (1+2) | 245000 | 145000 | 235000 | 135000 | 225000 | 125000 | 125000 |

Independent Auditor's Report

To the Members of Satia Industries Limited, V Rupana.

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying the standalone Ind AS financial statements of Satia Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to standalone Ind AS Financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further

described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS Financial statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the standalone Ind AS financial statements for the Financial Year ended March 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of audit procedures performed by us provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

| Key Audit Matter | Auditor's response |
|---|---|
| Revenue Recognition: | |
| <p>The Company recognizes revenues when the control of goods and/ or services are transferred to the customer at an amount that reflects the net consideration, which the Company expects to receive for those goods and/or services from customers in accordance with the terms of the contracts. In determining the sales price, the Company considers the effects of applicable rebates, and discounts (variable consideration) along with the ancillary and support services provided if any relating to each supply.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ➤ We read and evaluated the Company's revenue recognition policy and assessed its compliance in terms of the provisions of Ind AS 115 'Revenue from contracts with customers'. ➤ We assessed the design and tested the operating effectiveness of internal controls and substantive testing related to sales. |

| Key Audit Matter | Auditor's response |
|---|--|
| <p>Revenue Recognition:</p> <p>The terms of sales arrangements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount, rebates and support arrangements, create complexities that require judgment in determining sales revenues. Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter</p> | <ul style="list-style-type: none"> ➤ We performed test for a sample of sales transactions by comparing the underlying sales invoices, sales orders and other related documents to assess that revenue is recognized on transfer of control/supply to the customer in accordance with the terms of the contract. ➤ We compared the historical trend of payments and reversal of discounts and rebates to provisions made to assess the current year accruals. <p>Amongst others, we performed the following tests for a sample of transactions:</p> <ul style="list-style-type: none"> ➤ Read and verified supporting documentation for sales transactions recorded during the year which included invoices, dispatch register and shipping documents and other related documents. ➤ Tested the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end. ➤ Compared that the actual discounts and rebates in a respect of a particular scheme does not exceed their approval amount. ➤ We read and assessed the relevant disclosures of Revenue from contracts with Customers made in the financial statements |
| <p>Defined Benefit obligations</p> <p>The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, rate of inflation and mortality rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.</p> | <p>Principal audit procedures performed</p> <p>Our audit procedures include following:</p> <ul style="list-style-type: none"> ➤ We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. ➤ We have tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. <p>We found that these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <ul style="list-style-type: none"> ➤ We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, re-measurements, benefits paid, and any other amendments made to obligations during the year, if any. <p>From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p> |

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist then we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies

in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS

specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules 2015 as amended, unless stated otherwise.

- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements Refer Note No. 43 to Standalone Financial Statement;

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entity, including foreign entities (intermediaries) with the understanding, whether recorded in writing or otherwise, the intermediary shall, whether directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or behalf of the company (“ultimate beneficiaries”) or provide any guarantee, security or the like on the behalf of the ultimate beneficiaries and
- b) The management has represented that to the best of the knowledge and belief no funds have been received by the company from any person or entity including foreign entities (“Funding parties) with the understanding whether recorded in writing or otherwise that the company shall, whether directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or behalf of the funding party Ultimate Beneficiaries and
- c) Based on such audit procedures that were considered reasonable and

appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause (a) and (b) contain any material misstatement.

- v. Dividend declared or paid during the year by the company is in compliance with section 123 of Companies Act, 2013
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deepak Grover & Associates

Place : V.Rupana
Date : 27.05.2022

Chartered Accountants
Deepak Grover
Proprietor

M.No.505923
FRN:020678N
UDIN:22505923AJSHBM1977

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Satia Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deepak Grover & Associates

**Place : V.Rupana
Date : 27.05.2022**

**Chartered Accountants
Deepak Grover
Proprietor**

**M.No.505923
FRN:020678N**

UDIN:22505923AJSHBM1977

Annexure - B to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2022, we report that:

- (i) In respect of its Property, Plant and Equipment and Intangible Assets:
 - a) The Company has maintained proper records showing full particulars, including

quantitative details and situation of its Property Plant and Equipment.

The company has maintained proper records showing full particulars of intangible assets.

- b) As explained to us, Property Plant and Equipment have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the Property Plant and Equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given by the management and on the basis of examination by us, the title deeds of immovable properties (other than the cases where the company is the lessee and the lease agreements are duly executed in the favour of lessee) as disclosed in the schedule of property, plant and equipment to the financial statements, are held in the name of the Company.
 - d) The company has not re-valued its property, plant and equipment (including right to use of assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the order are not applicable to the company.
 - e) According to the information and explanation given by the management, no proceedings have been initiated or are pending against the company for holding any benami property under the prohibition of Benami Property Transactions Act, 1988 and rules made there under. Therefore the provisions of clause 3(1)(e) of the order are not applicable to the company.
- (ii) In respect of inventory:
 - a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals by the Management.
 - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories except for material lying on floor & work in progress (which has been determined during the physical verification at the yearend) and the stocks of REC/CER/E-CERTS as nil (which are being accounted on cash sale basis only). The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
 - d) As disclosed in the note no. 22 of the financial statement and based on our examination of the books of accounts, the company had sanction of working capital limit in excess of five crores in aggregate from bank and financial institutions, with respect to the sanctioned limits availed from bank and financial institutions, the quarterly return/statements have been regularly submitted by the company and no material discrepancies were noticed.
 - (iii) According to the information and explanation provided to us, the company has not made investment in, provided guarantee or security

or grant loan or advances in the nature of loans, secured or unsecured to the companies, firms, limited liability partnership or any other parties during the year. As such the provisions of clause (iii) of this order not applicable on the company.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investment made.
- (v) According to the information and explanation given to us, the Company has not accepted any deposits from the public or amount which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of deposit) rules 2014 (as amended) during the year. According to the explanation given to us the securities lying with the company have been received from the vendors/customers/employees in the course of trade transactions and are exempt as per the provisions of Acceptance of Deposit Rules.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
- (vii) In respect of Statutory Dues:
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, Goods & Services Tax, duty of customs, service tax, cess and other

material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, Goods & Services Tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

| Nature of Statute | Nature of Dues | Forum where Dispute is pending | Period to which relates | Amount (R-In Lakhs) |
|--------------------------|----------------|--|-------------------------|---------------------|
| Central Excise Act, 1944 | Central Excise | Punjab & Haryana High Court, Chandigarh. | 1994-95 | 3.84 |
| Custom Duty | Custom Duty | Commissioner (Appeal) | 2010-11 | 1.73 |
| Custom Duty | Custom Duty | Commissioner (Appeal) | 2019-20 | 17.45 |
| Income Tax Act 1961 | Income Tax | Dispute Resolution Panel, New Delhi | 2018-19 | 454.75 |
| Central Excise Act, 1944 | Central Excise | Commissioner (Appeal) | 2002-03 | 31.35 |

- (viii) According to the information and explanation given to us, there was no transactions which have not been recorded in the books of accounts, which have been surrendered or disclosed as income in the tax assessments under the Income tax act, 1961 (43 of 1961) during the year. Therefore provisions of clause 3(viii) of the order not applicable to the company.
- (ix) According to the information and explanations given to us and
- a) Based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, and government or debenture holders.
 - b) Based on the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
 - c) Based on our examination of the records of the Company, the Company has availed loans from banks and financial institutions. The amount of loan was applied for the purpose for which the loan was obtained. Further, the Company has not availed any loans from Government or has not issued any debenture during the year.
 - d) Based on the information and explanation given to us, and the books of account examined by us, short term funds raised during the year have not been utilized for long term purposes.
 - e) Based on the information and explanation given to us, and the books of account examined by us, during the year, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - f) The Company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) According to the information and explanation given to us by the management and
- a) Based upon the audit procedures performed, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans (Except from banks). Accordingly, the provisions of clause 3 (x)(a) of the Order are not applicable to the Company and hence not commented upon.
 - b) Based upon the audit procedures, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x) (b) of the order are not applicable to the company.
- (xi) According to the information and explanation given to us and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements:
- a) We have neither come across any instance of fraud by the company or on the company noticed or reported during the year nor have we been informed of any such case by the management.
 - b) We have not come across any instances of fraud, therefore the report under section 12 of section 143 of the companies Act, 2013 is not required to be filed by us in ADT-4 as prescribed under rule 13 of the companies (Audit and Auditors) Rules, 2014 with the central government.
 - c) As reported to us by the management. There are no whistleblower complaints received by the company during the year and the information and explanations given by the management, we report that no material fraud by the Company or on

the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.
- (xiv) In our opinion and based on our examination, the company has an internal audit control system commensurate with the size and nature of its business, We have considered internal audit reports of the company issued till date for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According the information and explanation given to us:
 - a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi)(a) of the Order is not applicable to the Company.
 - b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi) (b) of the Order are not applicable to the Company;
- c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company;
- d) According to the representations given by the management, the company does not have any CIC. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company;
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.
- (xviii) There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In respect of Corporate Social Responsibility Expenditure:

- a) According to the information and explanations given to us and based on our examination of the records of the Company, in respect of CSR Expenditure other than ongoing CSR projects, there were no amount remaining unspent u/s 135 (5) of the Companies Act, Hence no amount was required to be transferred to a Fund specified in Schedule VII to the Companies Act.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, there was no amount remaining un spent which requires to be transferred

by the Company to the special account in compliance with the provision of subsection 6 of section 135 of the said act.

- (xxi) The company does not have any subsidiary, associate or joint venture. Hence the requirement to report on clause 3(xxii) of the order is not applicable to the company.

For Deepak Grover & Associates

**Place : V. Rupana
Date : 27.05.2022**

**Chartered Accountants
Deepak Grover**

**Proprietor
M.No.505923
FRN:020678N
UDIN: 22505923AJSHBM1977**

Balance Sheet as at Mar 31, 2022
(in Indian Rupees lacs, unless otherwise stated)

| Particulars | Notes No. | Year ended as at March 31, 2022 | Year ended as at March 31, 2021 |
|--|-----------|---------------------------------|---------------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 2 | 79,954.27 | 43,159.07 |
| (b) Intangible Assets | 2.a | 247.00 | - |
| (c) Capital work-in-progress | 3 | 8,736.15 | 31,780.45 |
| (d) Financial assets | | | |
| (i) Investments | 4 | 745.50 | 379.49 |
| (ii) Other financial assets | 5 | 25.13 | 106.40 |
| (e) Other Non- Current Assets | | | |
| Right to Use Assets | 6 | 1,238.29 | 806.86 |
| (f) Deferred tax asset (net) | 7 | - | - |
| Total non-current assets | | 90,946.34 | 76,232.27 |
| (2) Current assets | | | |
| (a) Inventories | 8 | 14,667.06 | 9,177.51 |
| (b) Biological assets other than bearer plants | 9 | 3,741.55 | 2,997.11 |
| (c) Financial assets | | | |
| (i) Trade receivables | 10 | 10,646.09 | 9,080.07 |
| (ii) Cash and cash equivalents | 11 | 106.24 | 68.46 |
| (iii) Bank balances other than above | 12 | 1,164.66 | 1,047.29 |
| (iv) Other financial assets | 13 | 493.97 | 468.82 |
| (d) Current tax assets | 14 | - | - |
| (e) Other current assets | 15 | 1,937.85 | 1,075.48 |
| Total current assets | | 32,757.42 | 23,914.74 |
| Total assets | | 123,703.76 | 100,147.01 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 16 | 1,000.00 | 1,000.00 |
| (b) Other equity | 17 | 53,499.80 | 43,534.52 |
| Total equity | | 54,499.80 | 44,534.52 |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 27,153.84 | 22,790.61 |
| (ii) Other financial liabilities | 19 | 11,657.70 | 11,296.86 |
| (b) Other non current liabilities | 20 | 2,361.17 | 1,019.23 |
| (c) Provisions | 21 | 983.38 | 1,025.58 |
| (d) Deferred tax Liability (net) | 7 | 559.69 | 311.52 |
| Total non-current liabilities | | 42,715.78 | 36,443.80 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 22 | 3,654.48 | 6,742.89 |
| (ii) Trade payables | 23 | | |
| Total Outstanding dues of micro enterprises and small enterprises | | 2,129.93 | 644.90 |
| Total Outstanding dues of creditors other than micro enterprises and small enterprises | | 8,938.06 | 4,380.58 |
| (iii) Other financial liabilities | 24 | 10,467.90 | 6,306.56 |
| (b) Current tax liabilities | 25 | 137.49 | 518.56 |
| (c) Other current liabilities | 26 | 1,049.37 | 432.20 |
| (d) Provisions | 27 | 110.95 | 143.00 |
| Total current liabilities | | 26,488.18 | 19,168.69 |
| Total liabilities | | 69,203.96 | 55,612.49 |
| Total equity and liabilities | | 123,703.76 | 100,147.01 |

The accompanying notes are an integral part of these financial statements

In terms of our report attached

Deepak Grover & Associates
Chartered Accountants

For and on behalf of the Board of Directors

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

Place : Rupana
Date : 27.05.2022

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

R.K Bhandari
Joint Managing Director
DIN : 00732588

Rachit Nagpal
Chief Financial Officer

Rakesh Kumar Dhuria
Company Secretary

Statement of Profit and Loss for the Year ended Mar 31, 2022
(in Indian Rupees lacs, unless otherwise stated)

| Particulars | Notes No. | For the Year ended March 31,2022 | For the Year ended March 31,2021 |
|---|-----------|----------------------------------|----------------------------------|
| Revenue from operations | 28 | 89,093.02 | 58,843.95 |
| Other income | 29 | 2,582.16 | 671.62 |
| Total Revenue (I) | | 91,675.18 | 59,515.57 |
| Expenses | | | |
| Cost of material consumed | 30 A | 39,140.80 | 23,872.98 |
| Purchases of traded goods | 30 B | 720.99 | - |
| Change in inventory of finished goods, stock in process and stock in trade | 30 C | 46.71 | (1,042.67) |
| Employee benefits expense | 31 | 5,981.77 | 4,502.34 |
| Depreciation & Amortization | 32 | 6,357.61 | 5,842.55 |
| Impairment loss/(Gain) on financial assets | 33 | (366.01) | (51.83) |
| Finance cost | 34 | 2,082.16 | 1,757.24 |
| Other expenses | 35 | 25,444.27 | 17,951.38 |
| Total expenses (II) | | 79,408.30 | 52,831.99 |
| Profit before tax (I - II = III) | | 12,266.88 | 6,683.58 |
| Tax expense: (IV) | | | |
| Current tax | 36 | 1,950.16 | 1,549.54 |
| Deferred tax | | 249.28 | 179.19 |
| Net tax expense / (benefit) | | 2,199.44 | 1,728.72 |
| Profit after tax (III - IV = V) | | 10,067.44 | 4,954.86 |
| Profit for the Year (V) | | 10,067.44 | 4,954.86 |
| Other Comprehensive Income (VI) | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| (a) Remeasurement of defined benefit obligation | | (3.28) | 47.76 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 1.11 | (16.20) |
| Total Other Comprehensive Income (A (i+ii)) = VI | | (2.17) | 31.56 |
| Total Comprehensive Income for the Year, net of tax (V+VI=VII) | | 10,065.27 | 4,986.42 |
| Earnings per equity share (for continuing operation) | | | |
| 1 Basic | | 10.07 | 4.95 |
| 2 Diluted | | 10.07 | 4.95 |

The accompanying notes are an integral part of these financial statements

In terms of our report attached

Deepak Grover & Associates
Chartered Accountants

For and on behalf of the Board of Directors

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

Place : Rupana
Date : 27.05.2022

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

Rachit Nagpal
Chief Financial Officer

R.K Bhandari
Joint Managing Director
DIN : 00732588

Rakesh Kumar Dhuria
Company Secretary

Cash Flow Statement For the year ended March 31,2022
(in Indian Rupees lacs, unless otherwise stated)

| Particulars | Notes. No | Year ended as at March 31,2022 | Year ended as at March 31,2021 |
|---|--------------|-----------------------------------|-----------------------------------|
| A. Cash flow from Operating Activities: | | | |
| Net Profit Before Tax | | 12,266.88 | 6,683.58 |
| Adjustments for: | | | |
| Depreciation and amortisation | | 6,357.61 | 5,842.55 |
| Finance costs | | 2,082.16 | 1,757.24 |
| Interest income | | (74.12) | (99.66) |
| Net loss (gain) on sale / discarding of fixed assets | | (159.04) | (24.95) |
| Gain on government grant | | (4.06) | (4.92) |
| Gain on fair valuation of biological assets | | (887.78) | (391.60) |
| Exchange Rate (Gain)/loss | | (52.66) | (54.80) |
| Impairment loss/(Gain) on financial assets | | (366.01) | (51.83) |
| Operating Profit before Working Capital changes | | 19,162.98 | 13,655.61 |
| Adjustments for changes in Working Capital : | | | |
| - Increase/(decrease) in trade payables & other payables | | 7,107.66 | 1,070.25 |
| - (Increase)/decrease in trade receivables & Other receivables | | (2,505.33) | 4,539.61 |
| - Increase/(decrease) in other financial liabilities & provisions | | (74.25) | 136.97 |
| - (Increase)/decrease in inventories | | (5,346.21) | (3,659.61) |
| Cash generated from Operating Activities | | 18,344.85 | 15,742.83 |
| - Taxes (paid) | | (2,331.22) | (374.22) |
| Net Cash from Operating Activities | | 16,013.63 | 15,368.61 |
| B. Cash flow from Investing Activities: | | | |
| Purchase of Property, plant and equipment/WIP | | (21,797.72) | (22,259.07) |
| Other Non Current Asset | | (431.43) | (287.61) |
| Sale of Property, plant and equipment | | 1,601.24 | 66.85 |
| Interest received | | 56.11 | 99.66 |
| Net Cash from Investing Activities | | (20,571.80) | (22,380.18) |
| C. Cash flow from Financing Activities: | | | |
| Proceeds of short term borrowings (Net) | | 1,069.45 | 423.26 |
| Proceeds of long term borrowings (Net) | | 4,363.23 | 6,913.88 |
| Other Financial Liabilities | | 1,341.94 | 1,330.67 |
| Interest paid | | (2,078.67) | (1,760.19) |
| Dividend paid | | (100.00) | - |
| Net Cash from Financing Activities | | 4,595.95 | 6,907.62 |
| Net Increase/(Decrease) in cash & cash equivalents (A+B+C) | | 37.78 | (103.95) |
| Cash and cash equivalents at the beginning of the year | | 68.46 | 172.41 |
| Cash and cash equivalents at the end of the period | 11 | 106.24 | 68.46 |
| Cash and cash equivalents comprise | | | |
| Cash & cheques in hand | | 5.28 | 4.43 |
| Balance with banks | | 100.96 | 64.03 |
| | | 106.24 | 68.46 |

The accompanying notes are an integral part of these financial statements

In terms of our report attached

Deepak Grover & Associates
Chartered Accountants

For and on behalf of the Board of Directors

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

R.K Bhandari
Joint Managing Director
DIN : 00732588

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

Place : Rupana
Date : 27.05.2022

Rachit Nagpal
Chief Financial Officer

Rakesh Kumar Dhuria
Company Secretary

Statement of Changes in Equity for the period ended March 31, 2022
(in Indian Rupees lacs, unless otherwise stated)

| a. Equity share capital | Number of Shares | Equity share capital |
|---|------------------|----------------------|
| Balance at April 1, 2020 | 1000.00 | 1,000.00 |
| Changes in equity share capital during the year | - | - |
| Balance at March 31, 2021 | 1000.00 | 1,000.00 |
| Changes in equity share capital during the period | - | - |
| Balance at March 31, 2022 | 1000.00 | 1,000.00 |

b. Other Equity

Reserve and Surplus

| Particulars | Retained earnings | Capital Reserve | Other Comprehensive Income | Total |
|--|-------------------|-----------------|----------------------------|------------------|
| Balance at April 1, 2020 | 38,656.61 | - | (108.51) | 38,548.10 |
| Profit for the year | 4,863.33 | 91.53 | - | 4,954.86 |
| Other comprehensive income for the year, net of income tax | - | - | 31.56 | 31.56 |
| Dividend Appropriation | - | - | - | - |
| Balance at March 31, 2021 | 43,519.94 | 91.53 | (76.95) | 43,534.52 |
| Balance at April 1, 2021 | 43,519.94 | 91.53 | (76.95) | 43,534.52 |
| Profit for the Year | 8,967.79 | 1,099.65 | - | 10,067.44 |
| Other comprehensive income for the Period, net of income tax | - | - | (2.17) | (2.17) |
| Dividend Appropriation | (100.00) | - | - | (100.00) |
| Balance at March 31, 2022 | 52,387.73 | 1,191.18 | (79.12) | 53,499.80 |

The Company has one class of equity shares only having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of

liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The distribution will be in proportion to the number of equity shares held by the shareholders.

Deepak Grover & Associates
Chartered Accountants

For and on behalf of the Board of Directors

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

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

R.K Bhandari
Joint Managing Director
DIN : 00732588

Place : Rupana
Date : 27-05-2022

Rachit Nagpal
Chief Financial Officer

Rakesh Kumar Dhuria
Company Secretary

1. NOTE FORMING PART OF THE FINANCIAL STATEMENTS

Corporate Information

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

1: Significant Accounting Policies:-

1.1 Statement of compliance, Basis of Preparation & Presentation:

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

1.2 Property, plant and equipment:

- (i) Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes net of interest on capital advances and duty credits and is inclusive of freight, duties, taxes and other incidental expenses. Items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS 16 when they meet the definition of property, plant and equipment.

- (ii) Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date.

(iii) Depreciation/ Amortization:

Depreciation on tangible property, plant and equipment has been provided on the Written Down Value Method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc and accordingly the useful life of the referred Property plant and equipment has been reviewed by Chartered Engineer for the financial year 2021-22 as per below :-

| Item | Useful Life (Years) | Basis |
|--------------------------|---------------------|-------------------------|
| Building | 20 | Based on CE certificate |
| Machinery | 12 | Based on CE certificate |
| Electrical Installations | 12 | Based on CE certificate |
| Vehicles | 5 | Based on CE certificate |

* Machinery excludes Co-generation and Solar Division.

Useful life of all other Assets is as per the Schedule II of the Companies Act, 2013.

The estimated useful life ,depreciation method and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

- iv) Capital expenditure on enabling assets, the ownership of which is not with the Company are charged off to revenue in the accounting period of incurrence of such expenditure. However, capital expenditure on enabling assets,

ownership of which rests with the company and which have been created on land not belonging to the Company is written off to the Statement of Profit & Loss over its approximate period of utility. For this purpose, land is not considered to be belonging to the company, if the same is not owned or leased/licensed to the company.

- v) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.
- vi) The management of the company has considered it to be appropriate to seek the opinion of chartered engineer in order to ascertain the remaining useful life and residual value of the assets (existing as well as additions), as it may deem fit on yearly basis.
- vii) On the basis of technical advice the management of the company has considered it to be appropriate to keep the residual value of all the assets at 10% of the historical cost.

1.3 Intangible Assets:

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

1.4 Impairment of Non-financial Assets:

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Component of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

1.5 Financial Instruments

1.5.1 Financial assets

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

Initial recognition and measurement

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

1.5.2 De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

1.5.3 Impairment of financial asset

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

1.5.4 Trade receivable

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rate observed over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivables are similar on the basis of above analysis suitable provision for allowance for credit impaired is to be made.

1.5.5 Other financial assets

Impairment loss on other financial assets is recognised based on the difference between the present value of the expected cash flows and carrying value.

1.5.6 Financial Liabilities

i. Initial recognition and measurement

Financial liabilities are initially measured at fair value except Trade Securities. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

ii. Subsequent measurement

The Company's financial liabilities are not held for trading and are also carried at amortized cost using effective interest rate except Trade Securities.

1.5.7 De-recognition of financial liabilities

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

1.5.8 Offsetting of financial instruments

Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.5.9 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: \ the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

1.6 Revenue Recognition

“Under Ind As 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when ‘control’ of the goods underlying the particular performance obligation were transferred to the customer. Ind AS 115 establishes a five-step model i.e. i). Identify the contract with the customer ii). identify the performance obligation iii). determine the transaction price iv). Allocate the transaction price v). recognise revenue when performance obligations are satisfied to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Company exercised judgements, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers in accordance with Ind As 115. The standard also specified the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Income from CER/VER

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

Income from REC/E-Certs/Dividend

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

Insurance Claims/ Counter - claims / Penalties / Awards:

Claims/counter-claims/penalties/awards are accounted for in the year of its settlement/crystallize.

Insurance Claims /counter - claims/penalties/awards are shown separately under the head other

income and corresponding expenses are shown under respective expense head in the Profit and Loss a/c. Revenue from these claims are recognised as and when the realization from the insurer is ascertained.

1.7 Valuation of Inventories:-

Raw Materials, Stores & Spares:

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

Work-in-Progress and Finished Goods:

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

By Products and Waste:

Net realizable value

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Agriculture Operations

Inventory valuation for agricultural produce are as follows:

- i. Eucalyptus & poplar trees: Trees has been categorised based on their ageing. Company has follows mix approach i.e. cost and fair value approach. Trees ageing below 3 years are valued at cost and trees ageing more than 3 years are valued on the basis of fair value less cost to sell of the trees.

Fair value of the trees at different age group is based on the realisable value of the tree at that age group.

- ii. Crops: Inventory for crops are recognised when the same is full grown up and is under saleable condition at fair market value less cost to sell.

1.8 Foreign Currency Transactions

Initial Recognition

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

Conversion

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

Exchange Differences

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

Forward Exchange Contracts

In respect of forward exchange contracts, other than the liabilities incurred for acquiring fixed assets from a country outside India, entered into by the Company is recognized as gain or loss over the period of contract and charged to the statement of profit and loss in the year in which the exchange rates change. However if exchange rate pertains to acquiring fixed assets then such difference is adjusted in the carrying amount of the respective fixed assets. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

1.9 Government Grants:

Government grants are not recognised until there is reasonable assurance that the Company

will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are deferred and recognised in profit or loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

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

1.10 Employee Benefits

- i. Liability for gratuity, leave salary and post-retirement medical benefits payable to employees is provided for on accrual basis using the Projected Accrued Benefit Method (Projected Unit Credit Method with control period of one year) done by an independent actuary as at the annual closing Balance Sheet date.

Remeasurement, comprising actuarial gains and losses the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

*Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

*net interest expense or income; and

*Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item [‘employee benefits expenses’]. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Termination benefits are immediately recognised in the statement of profit or loss account. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

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

1.11 Taxes on Income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the provisions of Income Tax Act. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be

available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.12 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of the qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the Statement of Profit or Loss in the period in which they are incurred.

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

1.14 Provisions, Contingent Liabilities & Contingent Assets:

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on the assets associated with that contract.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-

occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets

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

1.15 Earnings per share (EPS)

Basic earnings per share ('EPS') is computed by dividing the net profit or loss without impact of Other Comprehensive Income for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti-dilutive.

1.16 Leases

The Company's lease asset classes consist both tangible and intangible assets. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy applies to contracts existing and entered on or after 1 April 2019. The Company elected to use the following practical expedients on initial application:

1. Application of a single discount rate to a portfolio of leases of similar assets in uniform economic environment with an identical end date.
2. Application of the exemption not to recognize right-of-use assets and liabilities for leases with a term less than 12 months on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Application of the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line-method from the commencement date over the period of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined according to the period of lease. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable, impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease Liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of re-measurement of lease liability due to

modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement in statement of profit and loss.

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

As Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interest in the head lease and the sub-lease separately. it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. if an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

1.17 Segment reporting

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

1.18 Cash and Cash Equivalent

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand, demand deposits

with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.19 Loan to Employees and KMP

The Company has policy to provide Loan to Employees and KMP as per the provisions of the Companies Act 2013. In case a period of loan is more than twelve months, a discount rate is applied to check the variation where the interest being is charged is different from the discount rate. if any variation is assessed then same will be recognised as income or expense in the statement of profit and loss account.

1.20 Significant management judgement in applying accounting policies and estimation uncertainty

i. Significant management judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets: The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

ii. Estimation

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual result may be substantially different.

Defined benefit obligation: Management estimates of these obligation is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses.

Provisions: At each balance sheet date based on management judgement, changes in facts and legal aspects, the company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future /outcome may be differ from this judgement.

Notes forming part of the financial statements

2. Property, plant and equipment

(Rs. in Lakhs)

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|-----------------------------|----------------------------------|----------------------------------|
| Carrying amounts of: | | |
| Freehold Land | 914.43 | 904.92 |
| Plant and Equipment | 58,662.99 | 23,125.24 |
| Turbine | 12,987.36 | 13,442.42 |
| Solar | - | 1,520.82 |
| Roads | 18.66 | 28.22 |
| Buildings | 6,770.35 | 3,526.53 |
| Electrical installation | 101.34 | 109.17 |
| Office equipment | 47.17 | 37.33 |
| Furniture and fixtures | 67.66 | 78.68 |
| Vehicles | 259.02 | 336.06 |
| Computers | 72.63 | 49.68 |
| Servers & Networks | 52.66 | - |
| | 79,954.27 | 43,159.07 |

2.1 Property, plant and equipment

| Particulars | Freehold Land | Plant and Equipment | Turbine | Solar | Road | Building | Electrical installation | Office equip- ments | Furniture and fixtures | Vehicles | Com- puters | Servers & Networks | Total |
|-----------------------------------|------------------|------------------------|-----------|------------|--------|----------|----------------------------|---------------------------|------------------------------|----------|----------------|--------------------------|------------|
| At Cost of Deemed cost | | | | | | | | | | | | | |
| Balance at March 31, 2020 | 904.92 | 34,731.88 | 10,964.34 | 2,867.62 | 112.32 | 4,549.28 | 203.68 | 84.46 | 51.41 | 878.64 | 114.50 | - | 55,463.05 |
| Additions | - | 6,572.36 | 4,625.77 | - | 1.79 | 612.04 | 8.22 | 25.24 | 58.36 | 20.22 | 28.62 | - | 11,952.61 |
| Disposals | - | - | - | - | - | - | - | - | - | (166.38) | - | - | (166.38) |
| Balance at March 31, 2021 | 904.92 | 41,304.24 | 15,590.11 | 2,867.62 | 114.11 | 5,161.32 | 211.90 | 109.70 | 109.77 | 732.48 | 143.12 | - | 67,249.29 |
| Additions | 9.51 | 40,384.51 | 307.55 | - | - | 3,677.70 | 4.88 | 26.51 | 5.41 | 48.17 | 54.23 | 56.84 | 44,575.31 |
| Disposals | - | - | - | (2,867.62) | - | - | - | - | - | (7.14) | - | - | (2,874.76) |
| Balance at March 31, 2022 | 914.43 | 81,688.75 | 15,897.66 | - | 114.11 | 8,839.02 | 216.78 | 136.21 | 115.18 | 773.51 | 197.35 | 56.84 | 108,949.84 |
| Accumulated Depreciation | | | | | | | | | | | | | |
| Balance at March 31, 2020 | - | 13,880.01 | 1,590.99 | 1,010.61 | 70.12 | 1,244.57 | 87.25 | 62.29 | 21.97 | 328.45 | 75.89 | - | 18,372.15 |
| Depreciation expense | - | 4,298.99 | 556.70 | 336.19 | 15.77 | 390.22 | 15.48 | 10.07 | 9.12 | 192.46 | 17.55 | - | 5,842.55 |
| Eliminated on disposals of assets | - | - | - | - | - | - | - | - | - | (124.49) | - | - | (124.49) |
| Balance at March 31, 2021 | - | 18,179.00 | 2,147.69 | 1,346.80 | 85.89 | 1,634.79 | 102.73 | 72.36 | 31.09 | 396.42 | 93.44 | - | 24,090.21 |
| Depreciation expense | - | 4,846.76 | 762.61 | 79.33 | 9.56 | 433.88 | 12.71 | 16.68 | 16.42 | 124.50 | 31.28 | 4.18 | 6,337.91 |
| Eliminated on disposals of assets | - | - | - | (1,426.13) | - | - | - | - | - | (6.43) | - | - | (1,432.56) |
| Balance at March 31, 2022 | - | 23,025.76 | 2,910.30 | - | 95.45 | 2,068.67 | 115.44 | 89.04 | 47.51 | 514.49 | 124.72 | 4.18 | 28,995.55 |
| Net block | | | | | | | | | | | | | |
| Balance at March 31, 2020 | 904.92 | 20,851.87 | 9,373.35 | 1,857.01 | 42.20 | 3,304.71 | 116.43 | 22.17 | 29.44 | 550.19 | 38.61 | - | 37,090.90 |
| Balance at March 31, 2021 | 904.92 | 23,125.24 | 13,442.42 | 1,520.82 | 28.22 | 3,526.53 | 109.17 | 37.33 | 78.68 | 336.06 | 49.68 | - | 43,159.07 |
| Balance at March 31, 2022 | 914.43 | 58,662.99 | 12,987.36 | - | 18.66 | 6,770.35 | 101.34 | 47.17 | 67.66 | 259.02 | 72.63 | 52.66 | 79,954.27 |

INR in lacs

Depreciation/Amortization for the year

6,333.85

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

4.06

Depreciation/Amortization Charged to statement of profit & Loss

6,337.91

Notes forming part of the financial statements

2.a Intangible Assets

(Rs. in Lakhs)

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|---------------------------------|----------------------------------|----------------------------------|
| Computer Software | 266.70 | - |
| Less:-Amortization for the year | 19.70 | - |
| Total | 247.00 | - |

3. Capital work-in-progress

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|-------------------------------------|----------------------------------|----------------------------------|
| Building under construction | 563.61 | 2,769.94 |
| Plant and Machinery under erection | 8,172.54 | 28,876.57 |
| Intangible assets under development | - | 133.94 |
| Total | 8,736.15 | 31,780.45 |

Capital Work-In-Progress Ageing Schedule

| Particulars | AMOUNT IN CWIP FOR A PERIOD OF | | | | |
|--------------------------------|--------------------------------|-----------|-----------|----------------------|-----------|
| | LESS THAN 1 YEAR | 1-2 YEARS | 2-3 YEARS | MORE THAN 3 YEARS | TOTAL |
| Projects In Progress | | | | | |
| March 31,2022 | 6,120.82 | 2,462.57 | 152.76 | - | 8,736.15 |
| March 31,2021 | 29,055.28 | 2,420.35 | 170.88 | - | 31,646.51 |
| Projects Temporarily Suspended | | | | | |
| March 31,2022 | - | - | - | - | - |
| March 31,2021 | - | - | - | - | - |

Intangible Assets Under Development Ageing Schedule

| Particulars | AMOUNT IN CWIP FOR A PERIOD OF | | | | |
|--------------------------------|--------------------------------|-----------|-----------|----------------------|--------|
| | LESS THAN 1 YEAR | 1-2 YEARS | 2-3 YEARS | MORE THAN 3 YEARS | TOTAL |
| Projects In Progress | | | | | |
| March 31,2022 | - | - | - | - | - |
| March 31,2021 | 133.94 | - | - | - | 133.94 |
| Projects Temporarily Suspended | | | | | |
| March 31,2022 | - | - | - | - | - |
| March 31,2021 | - | - | - | - | - |

4. Financial assets: Other Investments (Rs. in Lakhs)

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|--|----------------------------------|----------------------------------|
| Carried at Fair Value through Profit and Loss | | |
| Unquoted investments (all fully paid) | | |
| Investment in Equity Instruments | | |
| 35,50,000 Equity shares of Rs.10/- each fully paid up in YCD Industries Limited (Formally known as Bhandari Exports Industries Ltd.). (Value determined by registered valuer) | 379.49 | 327.66 |
| | 379.49 | 327.66 |
| Less: Impairment loss/(Gain) in value of investments | (366.01) | (51.83) |
| Total investment carrying value | 745.50 | 379.49 |
| Aggregate value of unquoted investments | 745.50 | 379.49 |
| Current | - | - |
| Non-current | 745.50 | 379.49 |
| Total | 745.50 | 379.49 |

There are no quoted investments.

5. Other financial assets

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|------------------------------|----------------------------------|----------------------------------|
| Carried at amortised cost | | |
| - Unsecured, Considered good | | |
| Security deposits | 25.13 | 106.40 |
| Total | 25.13 | 106.40 |

6. Other Non Current assets

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|---------------------|----------------------------------|----------------------------------|
| Right to Use Assets | 1,238.29 | 806.86 |
| Total | 1,238.29 | 806.86 |

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

7. Deferred tax balances

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

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|--|----------------------------------|----------------------------------|
| Deferred tax assets | 3,376.44 | 1,307.64 |
| Deferred tax liabilities | (3,936.13) | (1,619.16) |
| Deferred tax assets/(liability) | (559.69) | (311.52) |

8. Inventories (Rs. in Lakhs)

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|--|----------------------------------|----------------------------------|
| Raw Materials | 7,474.41 | 3,359.50 |
| Work-in-process | 924.57 | 707.41 |
| Finished goods | 1,171.95 | 1,603.32 |
| Stores and spares (including packing material) | 5,096.13 | 3,507.28 |
| Total | 14,667.06 | 9,177.51 |

9. Biological Assets other than bearer plants

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|---|----------------------------------|----------------------------------|
| Balance at the beginning of the year | 2,997.11 | 2,812.75 |
| Other adjustments | 887.78 | 391.60 |
| Disposal during the Year | (143.34) | (207.24) |
| Balance at the end of the Year | 3,741.55 | 2,997.11 |

10. Financial assets: Trade receivables

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|--|----------------------------------|----------------------------------|
| Current | | |
| Unsecured - considered good | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 16.54 | 23.45 |
| Others | 10,629.55 | 9,056.62 |
| | 10,646.09 | 9,080.07 |
| Less Allowances for credit Impaired | - | - |
| Total | 10,646.09 | 9,080.07 |

(Refer Note No. 41.6 for Ageing)

11. Financial assets: Cash and cash equivalents

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|----------------------------------|----------------------------------|----------------------------------|
| Cash in hand | 5.28 | 4.43 |
| Draft in transit | - | - |
| Bank balances | | |
| Current accounts | 100.96 | 64.03 |
| Cash and Cash Equivalents | 106.24 | 68.46 |

12. Financial assets: Bank balances other than above

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|-------------------------------------|----------------------------------|----------------------------------|
| Fixed deposits held as margin money | 1,164.66 | 1,047.29 |
| Total | 1,164.66 | 1,047.29 |

13. Other financial assets**(Rs. in Lakhs)**

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|-----------------------------------|----------------------------------|----------------------------------|
| Carried at amortised cost | | |
| Unsecured, Considered good | | |
| Security/ tender deposits | 358.68 | 427.34 |
| Interest accrued on deposits | 56.05 | 38.04 |
| Other | 79.24 | 3.44 |
| Total | 493.97 | 468.82 |

14. Current tax assets

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|--|----------------------------------|----------------------------------|
| Advance income tax / TDS (net of provisions) | - | - |
| | - | - |

15. Other current assets

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|-------------------------------------|----------------------------------|----------------------------------|
| Unsecured - Considered Good | | |
| Advance to supplier | 1,465.60 | 615.66 |
| GST input | - | 69.06 |
| Advance rent | 180.55 | 146.19 |
| Other advance | 16.43 | 15.53 |
| Prepaid insurance | 59.88 | 83.92 |
| Prepaid expense (others) | 151.94 | 90.76 |
| Export incentive receivable | 8.36 | 12.20 |
| MEIS/Rodtep pending for utilization | 12.97 | 0.04 |
| Miscellaneous recoverable | 42.12 | 42.12 |
| Total | 1,937.85 | 1,075.48 |

Statement of Changes in Equity for the period ended March 31, 2022

16. Equity

a. Equity share capital

(Rs. in Lakhs)

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|---|----------------------------------|----------------------------------|
| Authorised capital | | |
| 22,00,00,000 equity shares of Re 1 each (Previous year 22,00,00,000 equity shares of Re.1 each) | 2,200 | 2,200 |
| Issued, Subscribed and Paid up | | |
| 10,00,00,000 equity shares of Re 1 each | 1,000 | 1,000 |
| | 1,000 | 1,000 |

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

| Particulars | | Opening balance | Fresh issue | Change | Bonus | Closing balance |
|---------------------------|---------------|--------------------|-------------|--------|-------|-----------------|
| Equity shares | | | | | | |
| Year Ended March 31, 2021 | No. of Shares | 1,000 | - | - | - | 1,000 |
| | Amount | 1,000 | - | - | - | 1,000 |
| Year Ended March 31, 2022 | No. of Shares | 1,000 | - | - | - | 1,000 |
| | Amount | 1,000 | - | - | - | 1,000 |

(ii) Rights, preferences and restriction attached to shares

The Company has one class of equity shares only having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares in the Company:

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|--------------------------|--------|--------------------------|--------|
| | Number of shares held | % | Number of shares held | % |
| Equity shares | | | | |
| Sh. Ajay Satia | 223.53 | 22.35% | 223.53 | 22.35% |
| Smt. Bindu Satia | 81.16 | 8.12% | 81.16 | 8.12% |
| Mr. Dhruv Satia | 79.75 | 7.97% | 79.75 | 7.97% |
| S.D.S Cotton (P) Ltd | 129.71 | 12.97% | 148.86 | 14.89% |
| Muktsar Logistics and Trading (P) Ltd. | 156.78 | 15.68% | 157.28 | 15.73% |
| Mr. Chirag Satia | 69.61 | 6.96% | 69.61 | 6.96% |

iv) Shareholding of Promoters

(Rs. in Lakhs)

| Promoter Name | As at March 31, 2022 | | % Change During the year |
|----------------------|-----------------------|--------|-----------------------------|
| | Number of shares held | % | |
| Equity shares | | | |
| Sh. Ajay Satia | 223.53 | 22.35% | - |
| Sh. Ajay Satia HUF | 1.94 | 0.19% | - |
| Smt. Bindu Satia | 81.16 | 8.12% | - |
| Mr. Dhruv Satia | 79.75 | 7.97% | - |
| Mr. Chirag Satia | 69.61 | 6.96% | - |
| Smt Yachana Mehta | 25.88 | 2.59% | - |
| Smt.Priyanka Satia | 36.00 | 3.60% | - |

v) No shares allotted as fully paid up without payment being received in cash during 5 years immediately preceding March 31, 2022.

17. Other Equity

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|---------------------|----------------------------------|----------------------------------|
| Reserve and Surplus | 53,499.80 | 43,534.52 |
| Total | 53,499.80 | 43,534.52 |

Reserves and surplus

| Particulars | General reserve | Retained earnings | Capital reserve | Other Comprehensive Income | Total |
|--|-----------------|-------------------|-----------------|----------------------------|------------------|
| Balance at April 01, 2020 | - | 38,656.61 | - | (108.51) | 38,548.10 |
| Profit for the year | - | 4,863.33 | 91.53 | - | 4,954.86 |
| Other comprehensive income for the year, net of income tax | - | - | - | 31.56 | 31.56 |
| Dividend Appropriation | - | - | - | - | - |
| Balance at March 31, 2021 | - | 43,519.94 | 91.53 | (76.95) | 43,534.52 |
| Balance at April 1, 2021 | - | 43,519.94 | 91.53 | (76.95) | 43,534.52 |
| Profit for the Year | - | 8,967.79 | 1,099.65 | - | 10,067.44 |
| Other comprehensive income for the year, net of income tax | - | - | - | (2.17) | (2.17) |
| Dividend Appropriation | - | (100.00) | - | - | (100.00) |
| Balance at March 31, 2022 | - | 52,387.73 | 1,191.18 | (79.12) | 53,499.80 |

18. Non current borrowings**(Rs. in Lakhs)**

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|--|----------------------------------|----------------------------------|
| Secured (Carried at amortised cost) | | |
| Term loan from banks and financial institutions | | |
| Punjab National Bank | 2,788.30 | 1,939.67 |
| Central Bank of India | - | 1,806.51 |
| Indusind Bank | 6,801.78 | 3,631.39 |
| Andhra Bank | - | 43.74 |
| Union Bank of India | 3,429.21 | 3,100.86 |
| AKA Bank | 6,437.16 | 8,708.53 |
| UCO Bank | 2,951.07 | 3,490.36 |
| HDFC bank | 1,800.90 | - |
| Axis Finance | 1,293.14 | - |
| Bajaj Finance | 1,642.47 | - |
| Vehicle loans | 9.81 | 69.55 |
| Total | 27,153.84 | 22,790.61 |

(a) Above term loans outstanding except Bajaj Finance, AKA Bank & Vehicle Loans from banks are secured as follows:

- (1) 1st pari passu charge: -Hypothecation of entire fixed assets (except assets which are exclusively charged by other lenders) of the Company (both present and future) including equitable mortgage
- (2) 2nd pari passu charge: -Hypothecation of stocks of raw material, stock in process and finished goods, receivables / book debts and other current assets (both present and future).

(b) Term loan from Bajaj Finance is primarily secured by way of hypothecation of moveable assets specifically financed by them.

Above term loans are further personally guaranteed by the Chairman Cum Managing Director and Joint Managing Director of the company.

(c) Vehicle loans are primarily secured by way of

hypothecation of moveable assets specifically financed by them.

- (d) Company entered into a swap agreement against Indusind bank loan amounting to INR 3019.55 lakhs with loan amounting to Euro 38,54,187. The impact of Mark to market gain/(loss) under the Swap agreement has been separately provided and charged to statement of profit and loss account
- (e) The loan due to AKA Bank Frankfurt Germany is an external commercial borrowing amounting to EURO 1,14,23,881.60 at the rate of 1.40% + EURIBOR
- (f) Instalments for repayment of term loans due to be paid in the next year amounting Rs.9607.54 lacs (2020-21 4950.81 Lacs) have been treated as current liability and are not included in long term liability.
- (g) India Ratings & Research has assigned a rating of A- with positive outlook to the above term loans.

(h) Terms of repayment:

Normal Repayment Period : 4-6 Years

19. Other financial liabilities

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|--|----------------------------------|----------------------------------|
| Unsecured | | |
| Security deposits | 9,977.92 | 9,928.84 |
| Lease Liability | 1,509.43 | 1,002.95 |
| Derivative Financial Liability - Currency Swap | 170.35 | 365.07 |
| Total | 11,657.70 | 11,296.86 |

20. Other non current liabilities**(Rs. in Lakhs)**

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|------------------------------------|----------------------------------|----------------------------------|
| Deferred capital government grants | 15.85 | 19.20 |
| Deferred Creditors | 2,345.32 | 1,000.03 |
| Total | 2,361.17 | 1,019.23 |

21. Long term provisions

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|---------------------------------------|----------------------------------|----------------------------------|
| Provision for employee benefit | | |
| Leave encashment | 305.95 | 290.83 |
| Gratuity obligation | 677.43 | 734.75 |
| Total | 983.38 | 1,025.58 |

The provision for employee benefits includes annual leave and gratuity. Relevant factors related to Provision are explained in Note No.39.

22. Current borrowings

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|---|----------------------------------|----------------------------------|
| Secured | | |
| Working capital loans from Banks | | |
| Punjab National Bank | 1,401.08 | 3,425.77 |
| Union Bank of India | 229.25 | 443.42 |
| Central Bank of India | - | 834.85 |
| UCO Bank | 31.54 | 1,180.27 |
| Indusind Bank | 293.61 | 858.58 |
| HDFC Bank | 1,699.00 | - |
| Total | 3,654.48 | 6,742.89 |

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 C.M.D & joint managing director of the company. In addition to this the working capital limits are further secured by way of second parri passu charge on all the fixed assets of the company.

23. Financial liabilities: Trade payables

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|--|----------------------------------|----------------------------------|
| Total Outstanding dues of micro enterprises and small enterprises | 2,129.93 | 644.90 |
| Total Outstanding dues of creditors other than micro enterprises and small enterprises | 8,938.06 | 4,380.58 |
| Total | 11,067.99 | 5,025.48 |

(Refer Note No. 41.7 for Ageing)

24. Other financial liabilities**(Rs. in Lakhs)**

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|---|----------------------------------|----------------------------------|
| Interest accrued but not due | 10.82 | 7.33 |
| Unpaid Dividend | 7.51 | 10.50 |
| Current maturities of non-current borrowings | | |
| Punjab National Bank | 1,245.63 | 849.47 |
| Central Bank of India | - | 900.01 |
| Andhra Bank | 43.75 | 175.00 |
| AKA Bank | 2,763.27 | 1,405.91 |
| Indusind Bank | 2,265.29 | 601.29 |
| Union Bank | 1,200.00 | 900.00 |
| UCO Bank | 500.00 | - |
| Bajaj Finance | 333.33 | - |
| HDFC bank | 716.53 | - |
| Axis Finance | 480.00 | - |
| Vehicle loans | 59.74 | 119.12 |
| Others | 756.86 | 1,307.68 |
| Derivative Financial Liability - Currency Swap | 85.17 | 30.24 |
| Total | 10,467.90 | 6,306.56 |

25. Current tax liabilities

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|--------------------|----------------------------------|----------------------------------|
| Income tax payable | 137.49 | 518.56 |
| Total | 137.49 | 518.56 |

26. Other current liabilities/(Assets)

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|------------------------------------|----------------------------------|----------------------------------|
| Advances from customers | 735.57 | 266.29 |
| Statutory dues | 310.45 | 161.85 |
| Deferred capital government grants | 3.35 | 4.06 |
| Total | 1,049.37 | 432.20 |

27. Short term provisions

| Particulars | Year ended as at Mar 31, 2022 | Year ended as at Mar 31, 2021 |
|--|----------------------------------|----------------------------------|
| Provision for employee benefits | | |
| Leave encashment | 33.44 | 47.87 |
| Gratuity obligation | 77.51 | 95.13 |
| Total | 110.95 | 143.00 |

The provision for employee benefits includes annual leave and gratuity. Relevant factors related to Provision are explained in Note No.39.

28. Revenue from Operations**(Rs. in Lakhs)**

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|-----------------------------|---|---|
| Gross sales | 105,391.22 | 70,064.94 |
| Less: Inter divisional sale | 16,293.41 | 11,216.38 |
| Less: Discount | 4.79 | 4.61 |
| | 89,093.02 | 58,843.95 |

Sale of Products

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|--|---|---|
| Particulars of sale of products comprises | | |
| I PAPER DIVISION | | |
| MANUFACTURED GOODS | | |
| Writing & Printing Paper | 86,996.46 | 57,886.24 |
| Sale of Chemicals | 120.14 | 86.22 |
| Sale of Scrap | 271.30 | 124.02 |
| Sale of Waste | 243.48 | 97.16 |
| Sale of Pulp | 146.09 | 39.91 |
| Others | 150.04 | 64.79 |
| TRADED GOODS | | |
| Sale Of Wood Pulp | 822.18 | - |
| Gross Sales | 88,749.69 | 58,298.34 |
| Sales Less Returns | 88,749.69 | 58,298.34 |
| II COTTON & YARN DIVISION (TRADE) | | |
| Sale (Cotton) | - | - |
| III CO-GENERATION DIVISION | | |
| Sale Of Electricity & Steam | 16,293.41 | 11,216.38 |
| IV SOLAR DIVISION | | |
| Sale of Solar Power | 86.10 | 225.77 |
| V AGRICULTURE DIVISION | | |
| Sale of Agricultural produces | 262.02 | 324.45 |
| | 105,391.22 | 70,064.94 |

29. Other Income

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|--|---|---|
| Interest income | 74.12 | 99.66 |
| Insurance claims | 125.64 | 53.55 |
| Miscellaneous income | 28.62 | 4.82 |
| Exchange Rate fluctuation | 52.66 | 54.80 |
| Export incentive | 10.80 | 0.73 |
| Income from renewable energy certificate | 927.57 | 91.53 |
| Income from carbon credits | 172.08 | - |

(Rs. in Lakhs)

| | | |
|--|-----------------|---------------|
| Profit on sale of capital assets (net of loss on assets sold / scrapped / written off) | 159.04 | 24.95 |
| Gain on fair valuation of biological assets | 887.78 | 391.60 |
| Government grant income | 4.06 | 4.92 |
| MTM gain/(loss) on derivative Instrument | 139.79 | (54.94) |
| Total Other Income | 2,582.16 | 671.62 |

30 A. Cost of material consumed

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|-------------------|-----------------------------------|-----------------------------------|
| Raw materials | 23,902.88 | 13,513.90 |
| Chemicals | 14,651.00 | 9,762.54 |
| Biological assets | 586.92 | 596.54 |
| | 39,140.80 | 23,872.98 |

30 B. Purchases of traded goods

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Wood Pulp | 720.99 | - |
| Paper | - | - |
| Less : Inter Division Transfer | - | - |
| Total | 720.99 | - |

30 C. Change in inventory

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|------------------------------------|-----------------------------------|-----------------------------------|
| Opening stock | | |
| Finished goods | 1,603.32 | 648.56 |
| Stock in process | 247.33 | 159.18 |
| Semi finished | 460.08 | 460.32 |
| | 2,310.73 | 1,268.06 |
| Closing stock | | |
| Finished goods | 1,171.95 | 1,603.32 |
| Stock in process | 328.58 | 247.33 |
| Semi finished | 595.99 | 460.08 |
| | 2,096.52 | 2,310.73 |
| (Increase)/ decrease in inventory | 214.21 | (1,042.67) |
| Less : Finished goods lost by fire | 167.50 | - |
| | 46.71 | (1,042.67) |

31. Employee Benefits Expense

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|--|-----------------------------------|-----------------------------------|
| Salary, Allowances & Other Employee Benefits | 4,365.98 | 3,224.31 |
| Contribution to PF, EPS | 264.31 | 215.32 |
| Staff Welfare Expenses | 1,351.48 | 1,062.71 |
| Total Employee Benefit Expense | 5,981.77 | 4,502.34 |

32. Depreciation & Amortization (Rs. in Lakhs)

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|--|-----------------------------------|-----------------------------------|
| Depreciation & Amortization | 6,357.61 | 5842.55 |
| Total depreciation and amortisation expense | 6,357.61 | 5842.55 |

33. Impairment in value of Financial Assets

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|------------------------------------|-----------------------------------|-----------------------------------|
| Impairment in value of Investments | (366.01) | (51.83) |
| | (366.01) | (51.83) |

34. Finance Cost

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|-----------------------------|-----------------------------------|-----------------------------------|
| Interest on term loans | 1,064.64 | 873.61 |
| Interest on working capital | 816.80 | 777.02 |
| Bank and other charges | 200.72 | 106.61 |
| Total | 2,082.16 | 1,757.24 |

35. Other Expenses

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|---|-----------------------------------|-----------------------------------|
| Printing and Stationery | 9.13 | 7.14 |
| Travelling and Conveyance | 71.31 | 31.71 |
| Fuel | 8,159.95 | 5,428.00 |
| Stores and spare parts consumed | 3,867.33 | 2,424.88 |
| Packing material consumed | 2,416.64 | 1,698.35 |
| Power consumed | 396.56 | 419.24 |
| Water supply charges | 569.89 | 548.70 |
| Electricity Expenses | 13.40 | 14.71 |
| Repairs and maintenance - Buildings | 16.04 | 119.82 |
| Repairs and maintenance - Plant and Machinery | 472.24 | 233.38 |
| Repairs and maintenance - Others | 20.55 | 50.81 |
| Raw Material and chemical expense | 597.00 | 520.21 |
| Handling and Shifting - Fuel | 288.69 | 107.18 |
| Insurance expenses | 295.80 | 214.88 |
| Freight and handling outward/ export expenses | 3,364.83 | 2,427.88 |
| Vehicle running & Maintenance expenses | 113.47 | 60.21 |
| Postage, telegram and telephone | 18.38 | 17.19 |
| Disposal and cartage | 249.00 | 174.42 |
| Rent | 87.51 | 59.25 |
| Legal & Professional charges | 163.35 | 113.44 |
| Fees & Subscriptions | 79.81 | 53.88 |
| Advertisement | 1.77 | 1.51 |

(Rs. in Lakhs)

| | | |
|------------------------------------|------------------|------------------|
| Board meeting expenses | 12.35 | 12.55 |
| Rebate & Discounts | 27.17 | 101.88 |
| Charity and donations | 0.78 | 3.63 |
| Auditors remuneration and expenses | 12.70 | 8.89 |
| Commission | 3,502.84 | 2,875.64 |
| Computer expense | 58.85 | 22.42 |
| CSR expenses | 328.35 | 122.19 |
| Other interest | - | 0.56 |
| Loss by fire | 167.50 | 20.83 |
| Miscellaneous expenses | 61.08 | 56.00 |
| Total Other Expenses | 25,444.27 | 17,951.38 |

36. Tax expense

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|--|-----------------------------------|-----------------------------------|
| Current tax | 1,877.57 | 1,155.98 |
| Minimum Alternate Tax (MAT) credit availed | - | (44.68) |
| Short/(Excess) provision for tax relating to prior years | 72.59 | 438.24 |
| Net current tax expense | 1,950.16 | 1,549.54 |

37. Earning Per Share

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|--------------------------------------|-----------------------------------|-----------------------------------|
| Basic earning Per Share | | |
| From Continuous Operations | 10.07 | 4.95 |
| Total basic earning Per Share | 10.07 | 4.95 |

There are no dilutive instruments issued by the company.

Basic earning per share

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

| Particulars | For the Year ended Mar 31,2022 | For the Year ended Mar 31,2021 |
|--|-----------------------------------|-----------------------------------|
| Profit for the year attributable to owners of the Company | 10067.44 | 4954.86 |
| Earning used in the calculation of basic earnings per share | 10067.44 | 4954.86 |
| Earning used in the calculation of basic earnings per share from Continuing operations | 10067.44 | 4954.86 |
| Weighted average number of equity shares for the purposes of basic earning per share | 1000.00 | 1000.00 |
| i) Existing Shares as on the first date of year | 1000.00 | 1000.00 |
| ii) Issued during the Year | - | - |
| iii) Share application money received during the year | - | - |
| iv) Weighted average at the end of the year | 1000.00 | 1000.00 |

Impact of changes in accounting policies

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

38. Operating lease arrangements

38.1 Leases:

Effect of Ind AS 116

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

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

These choices will also affect financial statements for years to come.

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

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

| The Following is the movement in lease liabilities during the year ended 31 March 2022 | INR in Lakhs |
|--|---------------------|
| Balance at the beginning | 1002.95 |
| Addition | 724.10 |
| Finance Cost accrued during the period | 115.68 |
| payment of lease liabilities | 333.30 |
| Balance of lease liabilities as on 31 march 2022 | 1509.43 |
| The Following is the movement in Right to use asset during the year ended 31 March 2022 | |
| Balance at the beginning | 806.86 |
| Addition | 724.10 |
| Depreciaiton for the year | 292.68 |
| Balance of Right to use asset as on 31 march 2022 | 1238.27 |
| The Following is the movement in lease liabilities during the year ended 31 March 2021 | |
| Balance at the beginning | 668.25 |
| Addition | 495.08 |
| Finance Cost accrued during the period | 107.61 |
| payment of lease liabilities | 267.99 |
| Balance of lease liabilities as on 31 march 2021 | 1002.95 |
| The Following is the movement in Right to use asset during the year ended 31 March 2021 | |
| Balance at the beginning | 519.26 |
| Addition | 495.07 |
| Depreciaiton for the year | 207.47 |
| Balance of Right to use asset as on 31 march 2021 | 806.86 |

39. Employee benefit plans

A. Defined Contribution Plans

The Company makes contribution towards employees' provident fund and employees' pension scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes,

to these defined contribution schemes. The Company recognized 183.44 lacs (2020-21 -147.51 lacs) during the year as expense towards contribution to these plans.

During the year the Company has recognised the following amounts in the statement of profit and loss :-

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| a) Employers contribution to Employee's Pension Scheme 1995 | 123.29 | 103.44 |
| b) Employers contribution to Provident fund | 60.15 | 44.07 |
| | 183.44 | 147.51 |

B. Defined Benefit Plans and Other Long Term Benefits

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

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

- b) Leave Encashment/ Compensated Absence.

The company has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment have been provided on the basis of actuarial valuation.

These plans typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|-----------------|---|
| Investment Risk | The present value of the defined benefit plan liability(denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. |
| Interest Risk | A decrease in the bond interest rate will increase the plan liability. |
| Longevity Risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life's expectancy of the plan participants will increase the plan's liability. |
| Salary Risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

The most recent actuarial valuation and the present value of the defined benefit obligation were carried out as at March 31, 2022 by Ashok Kumar Garg. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

An actuarial valuation was carried out in respect of the aforesaid defined benefit plans and other long term benefits based on the following assumptions.

| Particulars | March 31, 2022 | | March 31, 2021 | |
|--|--|----------------------------|--|----------------------------|
| | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund |
| Economic Assumptions | | | | |
| Discount rate (per annum) | 7.25% | 7.25% | 7.00% | 7.00% |
| Rate of increase in compensation levels | 5.00% | 5.00% | 5.00% | 5.00% |
| Rate of return on plan assets | 0 | 0 | 0 | 0 |
| Demographic Assumptions | | | | |
| Employee Turnover/ Withdrawal Rate | 5.00% | 5.00% | 5.00% | 5.00% |
| Retirement Age | 60 Years | 60 Years | 60 Years | 60 Years |
| Mortality | IALM 2012-2014 | IALM 2012-2014 | IALM 2012-2014 | IALM 2012-2014 |

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

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

(Rs. in Lakhs)

| Particulars | March 31, 2022 | | March 31, 2021 | |
|---|--|----------------------------|--|----------------------------|
| | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund |
| Current service cost | 51.11 | 66.30 | 36.51 | 60.86 |
| Company's Contribution | - | - | - | - |
| Past Service Cost | - | - | - | - |
| Remeasurements | - | - | - | - |
| Net Interest cost | 20.29 | 54.46 | 20.79 | 51.42 |
| Net actuarial (Gains)/loss | 71.63 | - | (36.41) | - |
| Components of defined benefit costs recognised in profit or loss* | 143.03 | 120.76 | 20.89 | 112.28 |
| | - | - | - | - |
| Remeasurement on the net defined benefit liability | - | - | - | - |
| - Return on plan assets (excluding amounts included in net interest expense) | - | - | - | - |
| - Actuarial (gains) / losses arising from changes in demographic assumptions | - | - | - | - |
| - Actuarial (gains) / losses arising from changes in financial assumptions | - | - | - | - |
| - Actuarial (gains) / losses arising from experience adjustments | - | 3.28 | - | (47.76) |
| Components of defined benefit costs recognised in other comprehensive income (OCI)** | - | 3.28 | - | (47.76) |
| Total | 143.03 | 124.04 | 20.89 | 64.52 |

* Included in "Employee benefits expense" line item in the statement of profit and loss.

** Included in "Other Comprehensive Income"

Movement in the present value of the defined benefit obligation are as follows-

(Rs. in Lakhs)

| Particulars | March 31, 2022 | | March 31, 2021 | |
|--|--|----------------------------|--|----------------------------|
| | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund |
| Present value of obligation as at beginning of the year | 279.90 | 751.18 | 296.97 | 734.64 |
| Adjustment in beginning balance | - | - | - | - |
| Interest cost | 20.29 | 54.46 | 20.79 | 51.42 |
| Past Service Cost | 0.00 | 0.00 | 0.00 | 0.00 |
| Current service cost | 51.12 | 66.30 | 36.51 | 60.86 |
| Contribution by plan participants | - | - | - | - |
| Benefits paid | (83.55) | (120.28) | (37.96) | (47.98) |
| Transfer In | - | - | - | - |
| Actuarial (gain) / loss on obligations due to remeasurements | - | - | - | - |
| a. Effect of change in Financial Assumptions | - | - | - | - |
| b. Effect of change in Demographic Assumptions | - | - | - | - |
| c. Experience (Gain)/Losses | 71.63 | 3.28 | (36.41) | (47.76) |
| Present value of obligation as at the year end | 339.39 | 754.94 | 279.90 | 751.18 |

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

| Particulars | March 31, 2022 | | March 31, 2021 | |
|---|--|----------------------------|--|----------------------------|
| | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund |
| Present value of obligation as at the year end | 339.39 | 754.94 | 279.90 | 751.18 |
| Fair value of plan assets as at the year end | - | - | - | - |
| Net (asset)/ liability recognised in balance sheet | 339.39 | 754.94 | 279.90 | 751.18 |
| Classified as non- current | 305.95 | 677.43 | 232.03 | 656.05 |
| Classified as current | 33.44 | 77.51 | 47.87 | 95.13 |
| Total | 339.39 | 754.94 | 279.90 | 751.18 |

Sensitivity Analysis (Based on most likely/possible changes in assumptions used)

Gratuity

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 53.88 lacs (increase by Rs.61.71 lacs) (as at March 31, 2021: decrease by Rs. 52.00 lacs (increase by Rs.59.55 lacs)).
- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 61.53 lacs (decrease by Rs. 54.44 lacs) (as at March 31, 2021: increase by Rs. 60.15 lacs (decrease by Rs. 53.40 lacs))
- The estimated term of the benefit obligations in case of gratuity is 13 years (As at March 31, 2021:12 years)

Leave Encashment

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs.28.01 lacs (increase by Rs.32.88 lacs) (as at March 31, 2021: decrease by Rs. 19.60 lacs (increase by Rs.22.65 lacs)).
- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs.33.29 lacs (decrease by Rs.28.81 lacs) (as at March 31, 2021: increase by Rs. 22.88 lacs (decrease by Rs.20.12 lacs)).

The estimated term of the benefit obligations in case of leave encashment is 18 years(As at March 31, 2021: 13 years)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

40. Segment information

Information reported to the chief operating decision maker (CODM) i.e. Managing director for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The directors of the Company have chosen to organise the Company around differences in products and services. No operating segments have been aggregated in arriving at the reportable segments of the Company.

Specifically, the Group's reportable segments under Ind AS 108 are as follows

1. Paper division
2. Yarn and cotton division
3. Cogeneration division
4. Agriculture division
5. Solar division

Note: The note should state the judgements made by management in applying the aggregation criteria. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

Year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | Paper division | | Yarn and cotton division | | Cogeneration division | | Agriculture division | | Solar division | | Total Segments |
|--|-------------------|------------------|--------------------------|---------------|-----------------------|------------------|----------------------|-----------------|----------------|-----------------|-------------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year |
| 1 Revenue | | | | | | | | | | | |
| Segment Revenue | | | | | | | | | | | |
| *-'External Sales | 88,744.90 | 58,293.73 | - | - | - | - | 262.02 | 324.45 | 86.10 | 225.77 | 89,093.02 |
| *-'Inter Segment Sales | - | - | - | - | 16,293.41 | 11,216.38 | - | - | - | - | 16,293.41 |
| Total revenue | 88,744.90 | 58,293.73 | - | - | 16,293.41 | 11,216.38 | 262.02 | 324.45 | 86.10 | 225.77 | 105,386.43 |
| 2 Segment results | | | | | | | | | | | |
| Unallocated corporate expenses (net off unallocated Income) | | | | | | | | | | | |
| Profit before interest and tax | 6,902.77 | 4,054.54 | 0.15 | 0.01 | 6,805.79 | 4,491.33 | 489.67 | 75.76 | 150.66 | (180.82) | 14,349.04 |
| Interest expense | 1,850.37 | 1,517.97 | - | - | 222.48 | 195.70 | - | - | 9.31 | 43.57 | 2,082.16 |
| Provision for taxation | 2,199.44 | 1,728.72 | - | - | - | - | - | - | - | - | 2,199.44 |
| Share of profit/loss from associate(s) | - | - | - | - | - | - | - | - | - | - | - |
| 3 Profit/(loss) after tax | 2,852.96 | 807.85 | 0.15 | - | 6,583.31 | 4,295.63 | 489.67 | 75.76 | 141.35 | (224.39) | 10,067.44 |
| 4 Other information | | | | | | | | | | | |
| a Segment assets | 102,324.12 | 77,973.89 | 0.61 | 9.51 | 16,177.58 | 16,652.83 | 5,201.45 | 3,985.71 | - | 1,525.07 | 123,703.76 |
| Unallocated corporate assets | - | - | - | - | - | - | - | - | - | - | - |
| Total assets | 102,324.12 | 77,973.89 | 0.61 | 9.51 | 16,177.58 | 16,652.83 | 5,201.45 | 3,985.71 | - | 1,525.07 | 123,703.76 |
| b Segment liabilities | 29,263.20 | 21,418.60 | 0.46 | 1.06 | 2,048.22 | 780.44 | 30.28 | 13.20 | - | 3.15 | 31,342.16 |
| Unallocated corporate liabilities | - | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | 29,263.20 | 21,418.60 | 0.46 | 1.06 | 2,048.22 | 780.44 | 30.28 | 13.20 | - | 3.15 | 31,342.16 |
| Others | | | | | | | | | | | |
| Capital Expenditure | 21,624.94 | 18,731.55 | - | - | 164.37 | 3,527.52 | 8.41 | - | - | - | 21,797.72 |
| Depreciation | 5,461.00 | 4,861.93 | - | - | 813.52 | 643.02 | 3.76 | 1.41 | 79.33 | 336.19 | 6,357.61 |
| Material non cash items other than depreciation and amortization | - | - | - | - | - | - | - | - | - | - | - |

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 1. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, investment income, other gains and losses, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Revenue and expenses directly identifiable to the segments have been allocated to the relatively primary reportable segments.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segment
- all liabilities are allocated to reportable segments other than Rs. 54499.80 (As at March 31, 2021: Rs. 44534.52) on account of share capital, other equity, deferred tax liabilities and other liabilities of corporate office.

Other segment information

(Rs. in Lakhs)

| Particulars | Paper division | | Yarn and cotton division | | Co Generation division | | Agriculture division | | Solar division | | Total Segments |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 | Year ended March 31, 2022 | Year ended March 31, 2021 | Year ended March 31, 2022 | Year ended March 31, 2021 | Year ended March 31, 2022 | Year ended March 31, 2021 | Year ended March 31, 2022 | Year ended March 31, 2021 | |
| Capital Expenditure | 21624.94 | 18731.55 | - | - | 164.37 | 3527.52 | 8.4 | - | - | - | 21797.72 |
| Depreciation and amortisation | 5461.00 | 4861.93 | - | - | 813.52 | 643.02 | 3.76 | 1.41 | 79.3 | 336.19 | 6357.61 |
| Non cash expenses other than depreciation and amortisation | - | - | - | - | - | - | - | - | - | - | - |

Notes:

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

Geographical information:

The geographical segments considered for disclosure are based on markets, broadly as under :

1. India
2. Rest of the World

Revenue from external customers

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------------------|---------------------------|---------------------------|
| India | 82,823.04 | 56,135.01 |
| Rest of the world | 6,269.98 | 2,708.94 |
| | 89,093.02 | 58,843.95 |

Information about major customers

No single customer contributed 10% or more to company's revenue for both 2021-22 and 2020-21.

41. Financial Instruments

41.1 Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising

the return to stakeholders through the optimization of the capital structure.

The capital structure of Company consist of equity and external borrowings.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows;

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|----------------------|----------------------|
| Debt * | 40415.86 | 34484.30 |
| Cash and bank balances | 1270.90 | 1115.75 |
| Net debt | 39144.96 | 33368.55 |
| Equity** | 54499.80 | 44534.52 |
| Net debt to equity ratio | 71.83% | 74.93% |

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

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

41.2 Categories of financial instruments**(Rs. in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Financial assets | | |
| Measured at amortised cost | | |
| (a) Cash and bank balances | 1270.90 | 1115.75 |
| (b) Trade and other receivables | 10,646.09 | 9,080.07 |
| (c) Other Financial Assets | 519.10 | 575.22 |
| Measured at Fair Value through Profit and Loss | | |
| (a) Investments | 745.50 | 379.49 |
| Financial liabilities | | |
| Measured at amortised cost | | |
| (a) Borrowings | 30808.32 | 29533.50 |
| (b) Trade payables | 11067.99 | 5025.48 |
| (c) Other Financial Liabilities | 20616.17 | 16600.47 |

41.3 Financial risk management objectives

The Company's corporate treasury function monitors and manages the financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

41.3.1 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

| Currency | Liabilities as at | | Assets as at | |
|----------|-------------------|----------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| USD | 1,023,702.78 | 1,064,699.98 | 1,400,411.71 | 12,243.92 |
| EURO | 17,264,938.47 | 16,198,096.19 | 953,640.86 | 34,661.59 |
| JPY | - | 48,100,000.00 | - | - |
| CHF | - | - | 202,125.00 | - |

41.3.2 (b) Foreign Currency sensitivity analysis

For the year ended March 31, 2022, every one rupee depreciation/appreciation in the exchange rate against U.S. dollar, might have affected the Company's incremental operating margins approximately by 0.08 %. And for every one rupee depreciation/appreciation in the exchange rate against Euro, might have affected the

41.3.2 (a) Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

Company's incremental operating margins approximately by 0.07 %

41.3.3 (a) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates

primarily to the company's long term debt obligations with floating interest rates.

41.3.3 (b) Interest rate sensitivity analysis

For the year ended March 31, 2022, every 1 percent increase/ decrease in weighted average bank interest rate might have affected the company's incremental operating margins approximately by 0.23%

41.3.4 Other price risks

The company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The company doesn't actively trade these investments.

41.4 Credit risk management

"Credit risk refers to the risk that a counterparty

will default on its contractual obligations resulting in financial loss to the Company. The Company has limited exposure to credit risk owing to the balance of trade receivables as explained in Note no. 10. Company's bank balances are held with a reputed and creditworthy banking institution resulting to limited credit risk from the counterparties."

41.5 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2022:

(Rs. in Lakhs)

| Particulars | Carrying amount | Due in 1st year | Due in 2nd year | Due in 3rd year | Due in 4th Year | Due after 5th and above | Total contracted cash flows |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|-----------------------------|
| Financial Liabilities | | | | | | | |
| Accounts payable & acceptances | 11067.99 | 11067.99 | - | - | - | - | 11067.99 |
| Borrowings | 36761.38 | 12028.75 | 12377.32 | 8944.04 | 4586.72 | 2033.76 | 39970.60 |
| Other financial liabilities | 10148.27 | 10148.27 | - | - | - | - | 10148.27 |

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021:

| Particulars | Carrying amount | Due in 1st year | Due in 2nd year | Due in 3rd year | Due in 4th Year | Due after 5th and above | Total contracted cash flows |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|-----------------------------|
| Financial Liabilities | | | | | | | |
| Accounts payable & acceptances | 5,025.48 | 5,025.48 | - | - | - | - | 5,025.48 |
| Borrowings & interest thereon | 27741.42 | 5,010.95 | 6687.52 | 6512.52 | 6495.81 | 3901.03 | 28,607.83 |
| Other financial liabilities | 10,293.91 | 10,293.91 | - | - | - | - | 10,293.91 |

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2022:

| Particulars | Carrying amount | upto 1 year | 1-3 year | 3-5 year | More than 5 year | Total contracted cash flows |
|-------------------------|-----------------|-------------|----------|----------|------------------|-----------------------------|
| Non-current investments | 745.50 | - | - | - | 745.50 | 745.50 |
| Trade receivables | 10,646.09 | 10,646.09 | - | - | - | 10,646.09 |
| Other financial assets | 519.10 | 494.0 | - | - | 25.13 | 519.10 |

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2021:

(Rs. in Lakhs)

| Particulars | Carrying amount | upto 1 year | 1-3 year | 3-5 year | More than 5 year | Total contracted cash flows |
|-------------------------|-----------------|-------------|----------|----------|------------------|-----------------------------|
| Non-current investments | 379.49 | - | - | - | 379.49 | 379.49 |
| Trade receivables | 9,080.07 | 9,080.07 | - | - | - | 9080.07 |
| Other financial assets | 575.22 | 468.8 | - | - | 106.40 | 575.22 |

41.6 Trade Receivable ageing schedule as on March 31, 2022 and March 31, 2021 is as follow

| PARTICULARS | OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT | | | | | | |
|---|--|--------------------|----------|-----------|-----------|-------------------|-----------|
| | NOT DUE | LESS THAN 6 MONTHS | 6 MONTHS | 1-2 YEARS | 2-3 YEARS | MORE THAN 3 YEARS | TOTAL |
| (i) UNDISPUTED TRADE RECEIVABLES - CONSIDERED GOOD | | | | | | | |
| March 31,2022 | 5,529.02 | 5,100.53 | - | - | - | - | 10,629.55 |
| March 31,2021 | 2,721.77 | 6,334.85 | - | - | 6.90 | - | 9,063.53 |
| (ii) UNDISPUTED TRADE RECEIVABLES - CONSIDERED DOUBTFUL | | | | | | | |
| March 31,2022 | - | - | - | - | - | - | - |
| March 31,2021 | - | - | - | - | - | - | - |
| (iii) DISPUTED TRADE RECEIVABLES - CONSIDERED GOOD | | | | | | | |
| March 31,2022 | - | - | - | - | - | 16.54 | 16.54 |
| March 31,2021 | - | - | - | - | - | 16.54 | 16.54 |
| (iv) DISPUTED TRADE RECEIVABLES - CONSIDERED DOUBTFUL | | | | | | | |
| March 31,2022 | - | - | - | - | - | - | - |
| March 31,2021 | - | - | - | - | - | - | - |
| (v) LESS : ALLOWANCE FOR CREDIT IMPAIRMENT | | | | | | | |
| March 31,2022 | - | - | - | - | - | - | - |
| March 31,2021 | - | - | - | - | - | - | - |
| (vi) TOTAL | | | | | | | |
| March 31,2022 | - | - | - | - | - | - | 10,646.09 |
| March 31,2021 | - | - | - | - | - | - | 9,080.07 |

41.7 Trade Payable ageing schedule as on March 31, 2022 and March 31, 2021 is as follow.**(Rs. in Lakhs)**

| PARTICULARS | OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT | | | | | |
|---------------------------|--|---------------------|--------------|--------------|----------------------|----------|
| | NOT DUE | LESS THAN 1 Year | 1-2 YEARS | 2-3 YEARS | MORE THAN 3 YEARS | TOTAL |
| (i) MSME | | | | | | |
| March 31,2022 | 898.87 | 1,231.06 | - | - | - | 2,129.93 |
| March 31,2021 | 395.91 | 248.99 | - | - | - | 644.90 |
| (ii) Other | | | | | | |
| March 31,2022 | 5,187.93 | 3,750.13 | - | - | - | 8,938.06 |
| March 31,2021 | 2,295.02 | 2,085.56 | - | - | - | 4,380.58 |
| (iii) Disputed Dues- MSME | | | | | | |
| March 31,2022 | - | - | - | - | - | - |
| March 31,2021 | - | - | - | - | - | - |
| (iv) Disputed Dues- Other | | | | | | |
| March 31,2022 | - | - | - | - | - | - |
| March 31,2021 | - | - | - | - | - | - |

42. STATEMENT OF TRANSACTIONS WITH RELATED PARTIES**Name of related party and nature of related party relationship****A. Individual owning directly or indirectly substantial interest in the voting power of the company**

T.C Spinners Pvt Ltd
Satia Paper Mills Pvt. Ltd
YCD Industries Ltd (Formerly known as Bhandari Export Industries Ltd)
RYM Realtors private limited

B. Others

M/s Satia Paper Mills
M/s Chirag Satia & Sons

B. Key Management Personnel and other relatives

Dr. Ajay Satia
Mr. R.K. Bhandari
Mr. Chirag Satia
Mr. Hardev Singh
Mrs Bindu Satia
Mr. Dhruv Satia
Mrs Priyanka Satia
Mrs. Renu Pahwa
Mrs. Archana Saluja
Mr. Anil Satia
Mrs.Yachna Satia
Mr. Rajat Mehta
Mrs.Pushpa Bhandari
Mrs. Kiran Bhandari
Ms. Vasudha Bhandari

Mr. Ankit Dani
 Mr. Vineet Bhandari
 Mrs Suman Rani
 Mr. Amit Kumar
 Mr. Rakesh Kumar Dhuria (Company Secretary)
 Mr. Inderjeet Monga (CFO till 03.09.2021)
 Mr. Rachit Nagpal (CFO w.e.f. 04.09.2021)

The following table summarizes related-party transactions and balances included in the financial statements for the year ended and as at March 31, 2022:

| Particulars | Individual owning directly or indirectly substantial interest in the voting power of the company | | Key Management Personnel | | Relatives of Key management Personnel | |
|------------------------|--|--------------------------------|--------------------------------|--------------------------------|---------------------------------------|--------------------------------|
| | For the year ended 31-Mar-2022 | For the year ended 31-Mar-2021 | For the year ended 31-Mar-2022 | For the year ended 31-Mar-2021 | For the year ended 31-Mar-2022 | For the year ended 31-Mar-2021 |
| Rent | - | - | 75.77 | - | 43.93 | 38.02 |
| Manageral Remuneration | - | - | 995.35 | 421.73 | - | - |
| Salary | - | - | - | - | 29.34 | 27.14 |
| Sales | 1,807.51 | 508.51 | - | - | 1,620.94 | 1,321.64 |
| Purchases | 30.06 | - | 2.55 | 1.11 | 0.78 | 0.94 |

The following table summarizes related-party transactions outstanding balances included in the financial statements for the year ended and as at March 31, 2022:

| Particulars | Individual owning directly or indirectly substantial interest in the voting power of the company | | Key Management Personnel | | Relatives of Key management Personnel | |
|-----------------------------|--|--------------------------------|--------------------------------|--------------------------------|---------------------------------------|--------------------------------|
| | For the year ended 31-Mar-2022 | For the year ended 31-Mar-2021 | For the year ended 31-Mar-2022 | For the year ended 31-Mar-2021 | For the year ended 31-Mar-2022 | For the year ended 31-Mar-2021 |
| Manageral Remuneration | - | - | 88.39 | 58.62 | - | - |
| Salary | - | - | - | - | 1.88 | 1.88 |
| Investment in Equity Shares | 745.50 | 379.49 | - | - | - | - |
| Rent | - | - | - | - | 4.15 | 22.08 |
| Debtors | 41.07 | 5.22 | - | - | 0.00 | 580.22 |
| Advance from Customers | - | 26.85 | - | - | - | - |

Compensation of key management personnel:

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--------------------------|---------------------------|---------------------------|
| Short-term benefits | 995.35 | 421.73 |
| Post-employment benefits | - | - |
| Total | 995.35 | 421.73 |

43. Contingent liabilities/commitments and contingent assets

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

(Rs. in Lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
| i) Bank Guarantee | 1,638.37 | 1436.19 |
| ii) Pending Litigations | | |
| - Excise & Customs duty demand in dispute | 54.36 | 54.36 |
| -Custom Duty in respect of Export Obligations (EPCG) | 5,652.01 | 4,141.85 |
| -Other Pending Litigation | 381.94 | 381.94 |
| Income Tax demand in dispute (Amount stands paid through MAT credit) | 454.75 | - |

Commitments for expenditure

- (a) Estimated amounts of contracts remaining to be executed on capital account, net of advances- Rs. 0 (2021: 0 lakhs)

44. Dividend

The Board of Directors have recommended a final dividend of 20% (` 0.20/- per Equity Share of ` 1/- each) for the financial year 2021-2022 subject to

the approval of the shareholders in the ensuing Annual General Meeting of the Company and are not recognised as a liability as at March 31, 2022. During the financial year 2020-21, the Board of Directors had recommended a final dividend of 10% each (` 0.10/- per Equity Share of ` 1/- each).

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

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
| Principal amount due to suppliers under MSMED Act at the year end. | 2129.93 | 644.90 |
| Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid at the year end. | - | - |
| Payment made to suppliers (other than interest) beyond the appointed date during the year | - | - |
| Interest paid to suppliers under section 16 of MSMED Act during the year | - | - |
| Interest due and payable to suppliers under MSMED Act for payments already made. | - | - |
| Interest accrued and not paid to suppliers under MSMED Act up to the year end. | - | - |

Note: The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

46. Payment to Auditors

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Statutory Audit (including consolidated accounts) | 2.50 | 1.00 |
| Tax audit and other audits | 1.00 | 0.60 |
| For taxation matters | 0.00 | 0.80 |
| Cost Audit Fees | 2.00 | 2.00 |
| Out of Pocket Expenses | 0.02 | 0.40 |
| Total | 5.52 | 4.80 |

Note : The above amount are exclusive of taxes.

47. Events after the reporting period

There were no adjusting events occurred subsequent to the balance sheet date and before date of approval of financial statements.

48. Approval of financial statements

The financial statements were approved for issue by the board of directors on May 27th, 2022.

Note 49. - Fair Value Measurement**Fair Valuation Techniques and Inputs used - recurring Items**

| Financial assets/ financial liabilities | Fair value as at | | Fair value hierarchy | Valuation technique(s) and key input(s) | Significant unobservable input(s) |
|--|------------------|-----------|----------------------|---|-----------------------------------|
| | 31/3/2022 | 31/3/2021 | | | |
| Investments in Equity | 745.50 | 379.49 | Level 3 | Fair valuation of investment is based on weighted average of Discounted cash flow. Future cash flows are estimated based on the management projections, discounted at weighted average cost of capital of the Company. | Weighted average cost of capital |

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

| Particulars | 31/3/2022 | | 31/3/2021 | |
|---|-----------------|-----------------|-----------------|----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| <i>Financial assets</i> | | | | |
| <u>Financial assets carried at Amortised Cost</u> | | | | |
| – trade and other receivables | 11165.19 | 11165.19 | 9655.29 | 9655.29 |
| Total | 11165.19 | 11165.19 | 9655.29 | 9655.29 |

| Particulars | 31/3/2022 | | 31/3/2021 | |
|--|-----------------|-----------------|-----------------|-----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial liabilities | | | | |
| <u>Financial Instruments not carried at Fair Value</u> | | | | |
| – bank loans | 40415.86 | 40415.86 | 34484.31 | 34484.31 |
| – trade and other payables | 22076.62 | 22076.62 | 16675.14 | 16675.14 |
| Total | 62492.48 | 62492.48 | 51159.45 | 51159.45 |

Fair value hierarchy as at 31-March-2022

(Rs. in Lakhs)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|-----------|-----------|
| Financial assets | | | | |
| Financial assets carried at Amortised Cost | | | | |
| – loans to related parties | - | - | - | - |
| – trade and other receivables | - | - | 11165.19 | 11165.19 |
| Total | - | - | 11165.19 | 11165.19 |
| Financial liabilities | | | | |
| Financial Instruments not carried at Fair Value | | | | |
| – bank loans | - | - | 40,415.86 | 40,415.86 |
| – trade and other payables | - | - | 22,076.62 | 22,076.62 |
| Total | - | - | 62,492.48 | 62,492.48 |

Fair value hierarchy as at 31-March-2021

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|----------|----------|
| Financial assets | | | | |
| Financial assets carried at Amortised Cost | | | | |
| – trade and other receivables | - | - | 9,655.29 | 9,655.29 |
| Total | - | - | 9,655.29 | 9,655.29 |
| Financial liabilities | | | | |
| Financial Instruments not carried at Fair Value | | | | |
| – bank loans | - | - | 34484.31 | 34484.31 |
| – trade and other payables | - | - | 16675.14 | 16675.14 |
| Total | - | - | 51159.45 | 51159.45 |

The fair values of the financial assets and financial liabilities included in the level 3 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Reconciliation of Level 3 fair value measurements - Recurring items

| Particulars | 31/3/2022 | 31/3/2021 |
|---|---------------|---------------|
| Opening balance | 379.49 | 327.66 |
| Total gains or losses: | | |
| – in profit or loss | 366.01 | 51.83 |
| – in other comprehensive income | | |
| Reclassification | - | - |
| from investment in associate to FVTOCI following partial sale of interest | | |
| Purchases | - | - |
| Issues | - | - |
| Disposals/settlements | - | - |
| Transfers out of level 3 | - | - |
| Closing balance | 745.50 | 379.49 |

NOTE 50. DISCLOSURE OF VARIOUS RATIOS

| S. No. | Ratio | Numerator | Denominator | 31.03.2022 | 31.03.2021 | % Change |
|--------|--|---|--|------------|------------|----------|
| 1 | Current Ratio (in Times) | Current Assets | Current Liabilities | 1.24 | 1.25 | -0.87% |
| 2 | Debt:Equity Ratio (in Times) | Total Debt | Shareholder's Equity | 0.67 | 0.62 | 8.28% |
| 3 | Debt Service Coverage Ratio (in Times) | Earning for Debt Service (EBITDA) | Debt Service (Interest +Principal Repayments) | 2.79 | 2.56 | 9.20% |
| 4 | Return on Equity | Net Profits After Taxes | Average Shareholder's Equity | 20.33% | 11.79% | 72.51% |
| 5 | Inventory Turnover Ratio (in Times) | Revenue From Operations | Average Inventory | 7.47 | 8.12 | -8.00% |
| 6 | Trade Receivable Turnover Ratio (in Times) | Revenue From Operations | Average Debtors | 9.03 | 5.28 | 71.23% |
| 7 | Trade Payable Turnover Ratio (in Times) | Cost of Material Consumed (after adjusting of Input inventory) + Purchase of Stock in Trade + Other Expenses | Average Trade Payables | 9.68 | 9.43 | 2.63% |
| 8 | Net Capital Turnover Ratio (in Times) | Net Sales | Working Capital (Current Assets-Current Liabilities) | 14.21 | 12.40 | 14.62% |
| 9 | Net Profit Ratio | Net Profit (PAT) | Revenue From Operation | 11.30% | 8.42% | 34.20% |
| 10 | Return on Capital Employed | Earning before Interest & Taxes | Capital Employed | 14.76% | 10.42% | 41.60% |

Reasons for Variances

- 1 Return on Equity ratio has improved due to higher revenue.
- 2 Trade Receivable Turnover Ratio has improved due to better collection and increased Sales
- 3 Net Capital Turnover, Net Profit and Return on capital Employed Ratios have improved due to Increased Sales and Profitability during the year.

NOTE 51. OTHER REGULATORY INFORMATION

- a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall;
 - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of The Company (ultimate beneficiaries) or
 - ii. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

- d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that The Company shall;
- i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- ii. Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- e) **EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES**

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act , 2013 read with Schedule III are as below

| Particulars | Year ended | Year ended |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Gross amount required to be spent by the Company during the year. | 194.80 | 205.99 |
| Amount spent during the year | 328.35* | 122.19 |
| Shortfall at the end of the year | - | 83.80 |
| Total Previous year's shortfall | - | 49.20 |
| Net Shortfall at the end of the Year | - | 133.00 |

* This amount includes CSR expense of INR 133.00 lakhs of earlier years.

Nature of CSR activities:

Conservation of natural resources, Promotion of Education, Health care, rural development and livelihood interventions, Disaster relief, Digital Literacy amongst others.

- f) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search, survey or any other relevant provisions of the Income Tax Act, 1961)
- g) The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction of number of layers) Rules, 2017.
- h) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- i) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- j) Quarterly returns or statements of current assets filed by The Company with banks and financial institutions are in agreement with the books of accounts.
- k) The Company has not carried out revaluation of items of Property, Plant & Equipment during the year and accordingly the disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- l) The Company has used the borrowings from banks and financial statements for the specific purpose for which it was obtained.
- m) The title deeds of all immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work in progress are held in the name of the Company as at the balance sheet date.
- n) The Company does not have any transactions with companies which are struck off under Section 288 of the Companies Act 2013 or Section 560 of Companies Act, 1956 during the year ended 31 March 2022 and the year ended 31 March 2021.

If undelivered please return to:

Satia Industries Limited
Malout-Muktsar Road, Village Rupana
Distt. Muktsar, Punjab-152032