

**SAT  
INDUSTRIES  
LIMITED**

121, B-Wing, 12th Floor,  
Mittal Tower, Nariman Point,  
Mumbai - 400 021, (INDIA)  
Phone : 91 22 6610 7025  
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Email : sil@mtnl.net.in  
Website : www.satgroup.in  
CIN : L25199MH1984PLC034632

Global Business



SIL/BSE/2019-20

Date: 20-08-2019

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

**Sub: Submission of Annual Report for the financial year 2018-19.**

As per Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of Annual Report of the Company for the financial year 2018-19.

The Annual Report for the Financial Year 2018-19 is also available on the website of the Company at [www.satgroup.in](http://www.satgroup.in)

You are requested to take the same on your record.

Thanking you,  
Yours faithfully,

For **SAT INDUSTRIES LIMITED**

Alka Premkumar Gupta  
Company Secretary & Compliance officer  
ACS No. 35442





**SAT  
INDUSTRIES  
LIMITED**



**34<sup>TH</sup>  
ANNUAL  
REPORT  
2018-2019**



## CORPORATE INFORMATION

### Board of Directors

**Mrs. Shehnaz D. Ali** Whole-time Director

**Mr. Harikant Turgalia** CFO & Whole-time Director

**Mr. Asad Daud** Director

**Mr. Ramesh Chandra Soni** Independent Director

**Mr. Sunil Mithalal Jain** Independent Director  
(up to 19-11-2018)

**Mr. Nikhil Raut** Independent Director

**Mr. Goree Shankar Shrimali** Independent Director  
(From 28-09-2018)

### COMPANY SECRETARY

Ms. Alka Premkumar Gupta

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### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronics holding with the Depository through their concerned Depository Participants.

### Audit Committee :

- Mr. Ramesh Chandra Soni – Chairman
- Mr. Harikant Turgalia
- Mr. Nikhil Raut

### Nomination and Remuneration Committee:

- Mr. Ramesh Chandra Soni – Chairman
- Mr. Sunil Mithalal Jain - (up to 18-11-2018)
- Mr. Nikhil Raut
- Mr. Goree Shankar Shrimali (From 28-09-2018)

### Stakeholders Relationship Committee:

- Mr. Ramesh Chandra Soni – Chairman
- Mr. Harikant Turgalia
- Mrs. Shehnaz D. Ali

### Bankers

#### RBL Bank Ltd.

Mittal Court, Nariman Point, Mumbai 400 021

#### HDFC Bank Ltd.

Jenangir Building, M. G. Road, Fort, Mumbai-400001

#### Kotak Mahindra Bank Ltd.

Mittal Court, Nariman Point, Mumbai 400 021

### Auditors

M/s. Sampatilal Bohara & Co.,

Chartered Accountants,

39-40, Ashwini Bazar, Udaipur (Raj) - 313 001

### Registrar and Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.

247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W),  
Mumbai – 400 083

Phone: +91-22-49186000

Fax: +91-22-49186060

### Registered Office

121, B-Wing, Mittal Tower,  
Nariman Point, Mumbai- 400 021. (INDIA)

Phone: 91-22-6610 7025

Fax: 91-22-66107027

E-mail: investor.relations@satgroup.in

Website www.satgroup.in

## Directors' Report

### To The Members of SAT INDUSTRIES LIMITED

#### Directors' Report

The Directors of your Company have pleasure in presenting the Thirty-fourth (34th) Annual Report together with the Audited accounts of the Company for the year ended March 31, 2019.

#### FINANCIAL RESULTS

Your Company's performance during the year as compared with the previous year is summarised below:

##### Standalone

(Rs. in lakhs)

Particulars	2018-2019	2017-2018
Total Revenue	3,435.89	5,189.92
Profit before Tax, Interest, Depreciation and Exceptional Items	502.82	589.34
Interest	27.76	22.61
Depreciation	28.43	14.01
Profit-before Tax and exceptional Items	446.63	552.72
Less: Tax Expense	113.37	103.69
Profit-after Tax	333.26	449.03
Net Profit/(Loss) for the year	333.26	449.03

##### Consolidated

(Rs. in lakhs)

Particulars	2018-2019	2017-2018
Total Revenue	23,012.86	10,183.53
Profit before Tax and after exceptional items	1,529.39	809.85
Less: Tax Expense	(27.34)	109.22
Profit after Tax	1,556.73	700.63
Net Profit for the year after Shares of Profit/(Loss) of Associates and Minority Interest	1,431.65	698.37

#### STATE OF COMPANY'S AFFAIRS:

The Company is engaged in the business of general trading of merchandise, leasing of assets and financing. The total

standalone revenue of your Company for the year under review amounted to Rs. 3,435.89 lakhs against Rs. 5,189.92 lakhs in corresponding previous year and earned a net profit of Rs. 333.26 lakh (pr.yr. 449.03 Lakh) after providing for depreciation and tax.

On a consolidated basis, the total revenues stood at Rs. 23,012.86 Lakh, an increase of 126% over the previous year.

#### MATERIAL CHANGES AND COMMITMENTS:

There is no material changes and commitments affecting financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

#### TRANSFER TO RESERVES

There is no amount proposed to be transferred to General Reserves during the year under review.

#### DIVIDEND:

The Directors are pleased to recommend a dividend of Re. 0.10 (5%) per equity share of Rs. 2/- each for the Financial Year 2018-19 subject to approval of the same by the members at the ensuing Annual General Meeting Together with the Dividend Distribution Tax, the total outflow on account of dividend will be appx. 129.22 Lakh.

#### CHANGE IN NATURE OF BUSINESS:

During the year, there was no change in the nature of business of the Company.

#### LISTING OF SHARES:

The Equity Shares of the Company are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and the listing fee for the Financial Year 2019-2020, has been paid.

#### SHARE CAPITAL:

During the year under report, there was no change in the issued, subscribed and paid up capital of the Company.

#### SUBSIDIARIES AND ASSOCIATES:

The Company has six subsidiaries (five Indian and one foreign subsidiary) and one Associate Company as on March 31, 2019 namely:

## Directors' Report

Sr. No.	Name of Company	Subsidiary/ Associate
1	Sah Polymers Limited	Subsidiary
2	Aeroflex Industries Limited	Subsidiary
3	Aeroflex Finance Private Limited	Subsidiary
4	Aeroflex International Limited	Subsidiary
5	Italica Furniture Private Limited	Subsidiary
6	Italica Global FZC, UAE	Subsidiary
7	Genext Students Private Limited	Associate

A Statement containing the salient features of the financial statement of the subsidiaries and associate, in the prescribed Form AOC-1 pursuant to Section 129 of the Companies Act, 2013 read with the Rule 5 of the Companies (Accounts) Rules, 2014 is forming part of this Report.

### PARTICULARS OF PERSONNEL AND RELATED DISCLOSURES:

During the year under review, no employee of the Company was in receipt of remuneration in excess of the limits prescribed under rule 5(2) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this report vide Annexure – "A"

### PUBLIC DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and rules made there under as such, no amount of principal or interest was outstanding as of the Balance Sheet date, nor is there any deposit in non-compliance of Chapter V of the Companies Act, 2013.

### DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### DIRECTORS:

Pursuant to the provisions of Section 152(5) of the Companies Act, 2013 and in terms of the Articles of Association of the Company Mr. Goree Shankar Shrimali (DIN: 08198667) was appointed as an Independent Director on the Board of Directors of the Company w.e.f. September 28, 2018.

Pursuant to the provisions of Section 168 of the Companies Act, 2013 and in terms of the Articles of Association of the Company Mr. Sunil Mithalal Jain (DIN: 03398788), who

served as an Independent Director on the Board of Directors of the Company resigned w.e.f. 19th November, 2018 due to his pre-occupation with other matters.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Asad Daud, Director (DIN: 02491539), retires by rotation at the 34th Annual General Meeting, and being eligible, offers himself for re-appointment.

### KEY MANAGERIAL PERSONNEL:

During the year there was no change in the Company's Key Managerial Personnel.

None of the Directors and Key Managerial Personnel is in any way related to each other, except Mrs. Shehnaz D. Ali and Mr. Asad Daud who are related to each other by way of mother-son relationship.

### STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTOR U/S 149(6) OF THE COMPANIES ACT, 2013:

The Company has received declaration from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

The Company continues to adopt and use the latest technologies to improve the quality of its

#### Services.

#### Earning and outgo in foreign exchange:

Particulars	2018-19 (Rs. In lakhs)	2017-18 (Rs. In lakhs)
Earnings	-	-
Outgo	153.18	34.04

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to clause (c) of sub-section 3 of section 134 of the Companies Act, 2013 It is stated that:

in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



## Directors' Report

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 and loss of the company for that period;

the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

the directors had prepared the annual accounts on a going concern basis;

the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AUDITORS:

M/S. Sampatilal Bohara & Co., Chartered Accountants, (FRN: ICAI FRN: 003324C) were appointed as Statutory Auditors of the Company for a period of five consecutive years commencing from the conclusion of Thirty-Second Annual General meeting of the Company up to the conclusion of Thirty-Seventh Annual General Meeting of the Company.

In view of the deletion of proviso to section 139 of the Companies Act, 2013, effected by the Companies (Amendments), 2017, their appointment does not require ratification at every annual general meeting. In view of this the same has not be included in the Notice to Annual General Meeting.

Further, they have confirmed that they are not disqualified from continuing as Auditors of the Company.

### FRAUDS AGAINST THE COMPANY:

The auditors have not reported frauds under sub-section (12) of section 143 of the Companies Act, 2013.

### QUALIFICATION IN THE AUDITORS' REPORT - BOARD'S COMMENTS OR EXPLANATION:

The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

### EXTRACT OF ANNUAL RETURN:

Extract of Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013 is attached herewith (Annexure-"B").

### CORPORATE GOVERNANCE:

The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is presented in separate section forming part of this Report as Corporate Governance Report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is presented in a separate section forming part of this Report as Annexure- "C"

### CEO/CFO CERTIFICATE:

Chief executive officer and Chief financial officer compliance certificate as stipulated under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is presented in a separate section forming part of this Report as Annexure- "D"

### WEB-LINK OF ANNUAL RETURN:

Annual Return of the Company can be viewed at: <http://satgroup.in/wp-content/uploads/2019/06/Extract-of-Annual-Return.pdf>

### NUMBER OF MEETINGS OF THE BOARD:

During the year, seven (7) Board Meetings were held, details of which are given in the Corporate Governance Report.

### PARTICULARS OF LOANS GIVEN, INVESTMENT MADE AND GUARANTEES GIVEN AND SECURITIES PROVIDED COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013:

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has not entered into any contract or arrangement with any person including persons covered



## Directors' Report

under sub - Section (1) of section 188 of the Companies Act, 2013. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the Company's Website: [www.satgroup.in](http://www.satgroup.in)

### **POLICY ON APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES:**

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their Remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director, which has been placed on the Company's website, [www.satgroup.in](http://www.satgroup.in). The policy on the above is attached as Annexure - "E" & Annexure - "F".

### **INDEPENDENT DIRECTORS TRAINING/ MEETING:**

During the year under review a separate meeting of the Independent Directors of the Company was held on March 23, 2019, without the presence of other Directors and members of Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of Chairperson of the Company and assessed the quality, quantity and timelines of flow of information between the Company management and the Board.

### **EVALUATION OF THE PERFORMANCE OF THE BOARD MEMBERS:**

The Company has devised a policy for performance evaluation of the individual directors, Board and its Committees, which includes criteria for performance evaluation. Pursuant to the provisions of the Act and Regulation 17(10) of Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the individual directors as well as the evaluation of working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of processes and information provided to the Board etc. A separate meeting of the Independent Directors was also held during the year for evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of the Chairman. The Nomination and Remuneration Committee has also reviewed the performance of the individual directors based on their knowledge, level of preparation and effective participation in Meetings, understanding of their roles as directors etc.

### **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Mrs. Nancy Jain, Proprietor of Nancy Jain & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made in their Secretarial Audit Report submitted to the Company. The Secretarial Audit Report is attached herewith as Annexure "G".

### **NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES DURING THE YEAR:**

Aeroflex Industries Limited (AIL) became a subsidiary of the Company with effect from April 2, 2018. Besides no other Company became or ceased to be its subsidiary, joint venture or associate Company during the year.

### **CONSOLIDATION OF ACCOUNTS:**

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and prepared in accordance with the applicable Accounting Standards in this regard.

The Auditors' report to the shareholders does not contain any qualification, observation or adverse comment.

### **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014, appointment of cost auditor is not applicable to the company.

### **RISK MANAGEMENT:**

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk identification and its management approach across the enterprise at various levels including documentation and reporting. The framework helps in identifying risks trend, exposure and potential impact analysis on a Company's business.

## Directors' Report

### INTERNAL FINANCIAL CONTROLS:

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthen the controls.

Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) Policy of your company along with the initiative taken by it are set out in Annexure "H" of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the company, <http://satgroup.in/corporate-social-responsibility-policy/>

### VIGIL MECHANISM/WHISTLEBLOWER:

Your Company has established a robust Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of the Company, which is in compliance of the provisions of Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and SEBI (LODR). The Policy provides for framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimisation or any other unfair practice being adopted against them. Adequate safeguards are provided against victimisation to those who avail of the mechanism, and access to the Chairman of the Audit Committee in exceptional cases is provided to them. The details of the Whistle Blower Policy have been uploaded on the website of the Company, [www.satgroup.in](http://www.satgroup.in)

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti-Sexual harassment Policy in line with the requirements of the Sexual harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. An Internal Complaints Committee (ICC) is in place as per the requirements of the said Act to redress complaints received regarding sexual harassment. All employees (Permanent,

contractual, temporary, trainees) are covered under this policy. No case has been reported during the year under review.

### COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

### ANNUAL PERFORMANCE EVALUATION

During the year under review, pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

A separate meeting was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board at its meeting following the meeting of Independent Directors.

### GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

Issue of equity shares with differential rights as to dividend, voting or otherwise.

Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

None of the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### ACKNOWLEDGEMENT:

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the shareholders, banks, Central and State Government Authorities etc. during the year under review.

Your Directors wish to place on record their deep sense of





## Directors' Report

appreciation for the devoted services of the executives, staff and workers of the Company for its success.

For and on behalf of Board of Directors of  
**SAT INDUSTRIES LIMITED**

**Shehnaz D. Ali**

Whole-time Director

DIN:00185452

**H.K. Turgalia**

Whole-time Director

DIN: 00049544

Date: 29-05-2019

Place: Mumbai

### Annexure – "A"

#### DISCLOSURE ON THE REMUNERATION OF MANAGERIAL PERSONNEL

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19	S. No.	Name of Director	Ratio of the remuneration of each director to the median remuneration of the employees	
		1	Mrs. Shehnaz D Ali	7.63:1	
		2	Mr. Harikant Turgalia	4.77:1	
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year 2018-19:-	S. No.	Name	Designation	Increase in remuneration in the financial year 2018-19 (in %)
		01	Mrs. Shehnaz D Ali	Whole-time Director	12.50
		02	Mr. Harikant Turgalia	Whole-time Director and Chief Financial Officer	14.98
		03	Ms. Alka Gupta	Company Secretary	15.43
3	The percentage (%) increase in the median remuneration of employees in the financial year	(6.56)			
4	The number of permanent employees on the rolls of Company	12			

**Directors' Report**

5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof	<p>The average percentile increase in salaries of the employees other than the managerial personnel is 10.96% whereas there was an increase in the remuneration of the key managerial personnel by 13.70%</p> <p><b>Justification:</b> The percentile increases in the managerial remuneration in the financial year 2018-19 is higher as compared with the average percentile increase of the employees. The increase in the KMP salary is decided on the individual performance, inflation prevailing industry trends and benchmarks and therefore comparison of one against the other is not feasible.</p>
6	Affirmation that the remuneration is as per the remuneration policy of the Company:	The company affirms remuneration is as per the remuneration policy of the Company to all the directors, Key Managerial Personnel and other Employees.

**Annexure –“B”**
**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**REGISTRATION & OTHER DETAILS:**

CIN	L25199MH1984PLC034632
Registration Date	23-11-1984
Name of the Company	SAT INDUSTRIES LIMITED
Category/Sub-category of the Company	Category: Company limited by shares Sub- category: Non-government Indian Company
Address of the Registered office & contact details	121, B- Wing, Mittal Tower, Nariman point, Mumbai- 400 021. Tel. +91 22 66107025 Fax: 91 22 66107027 website: www.satgroup.in e-mail: sil@mtnl.net.in
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W), Mumbai – 400 083 Phone: +91-22-49186000 Fax: +91-22-49186060

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



**Directors' Report**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Non-specialized wholesale Trade	46909	81.05%
2	Financial service activities, except insurance	64990	14.21%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SN	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Sah Polymers Limited E-260-261, Mewar Industrial Area, Madri, Udaipur-313003	U24201RJ1992PLC006657	Subsidiary	91.79	Section 2(87)(ii)
2	Aeroflex Industries Limited Survey No. 41, 42/13, 42/14, 42/18, Village Chal, Near MIDC, Taloja, Raigad, Maharashtra-410206	U24110MH1993PLC074576	Subsidiary	62.87	Section 2(87)(ii)
3	Aeroflex Finance Private Limited 121, B-Wing, Mittal Tower, Nariman Point, Mumbai-400021	U65929MH2016PTC282853	Subsidiary	100	Section 2(87)(ii)
4	Aeroflex International Limited 121, B-Wing, Mittal Tower, Nariman Point, Mumbai-400021	U74999MH2002PLC136032	Subsidiary	100	Section 2(87)(ii)
5	Italica Furniture Private Limited E-260-261, Mewar Industrial Area, Madri Udaipur Rajasthan-313003	U25209RJ2004PTC020052	Subsidiary	100	Section 2(87)(ii)
6	Italica Global. FZC Ajman free Zone, Ajman, UAE	N.A.	Subsidiary	100	Section 2(87)(ii)
7	Genext Students Private Limited 121-B, Mittal Tower, Plot No. 210, Nariman Point, Mumbai-400021	U80302MH2011PTC251294	Associate	31.82	Section 2(6)

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

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 01.04.2018				Shareholding at the end of the year – 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)								0.00	0.00
	Bodies Corporate	58335000	0	58335000	54.01	58335000	0	58335000	54.01	0.00
	Sub Total (A)(1)	58335000	0	58335000	54.01	58335000	0	58335000	54.01	0.00
[2]	Foreign	0	0	0	0.00	0	0	0	0.00	0.00
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)			0	0.00				0.00	0.00
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>58335000</b>	<b>0</b>	<b>58335000</b>	<b>54.01</b>	<b>58335000</b>	<b>0</b>	<b>58335000</b>	<b>54.01</b>	<b>0.00</b>





**Directors' Report**

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 01.04.2018				Shareholding at the end of the year – 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Financial Institutions / Banks	500	0	500	0.00	500	0	500	0.00	0.00
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)			0	0.00				0.00	0.00
	Sub Total (B)(1)	500	0	500	0.00	500	0	500	0.00	0.00
[2]	Central Government/ State Government(s)/ President of India	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals								0.00	0.00
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	3115258	30	3115258	2.88	3060120	30	3060150	2.83	0.051

**Directors' Report**

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 01.04.2018				Shareholding at the end of the year – 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	21905154	0	21905154	20.28	22857936	0	22857936	21.16	-0.88
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)			0	0.00				0.00	0.00
	Hindu Undivided Family	3659611	0	3659611	3.39	3654916	0	3654916	3.38	0.01
	Non Resident Indians (Non Repat)	104	0	104	0.00	100	0	100	0.00	0.00
	Non Resident Indians (Repat)	11058	0	11058	0.01	11058	0	11058	0.01	0.00
	Clearing Member	1769022	0	1769022	1.63	1013688	0	1013688	0.94	0.70
	Bodies Corporate	19204263	0	19204263	17.78	19066652	0	19066652	17.65	0.13
	Sub Total (B)(3)	49664470	30	49664500	45.99	49664470	30	49664500	45.99	0.00
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	49664470	30	49664500	45.99	49664470	30	49665000	45.99	0.00
	Total (A)+(B)	107999970	30	108000000	100.00	107999970	30	108000000	100.00	0.00
(C)	Non Promoter - Non Public								0.00	0.00
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0.00	0.00

**Directors' Report**

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 01.04.2018				Shareholding at the end of the year – 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	107999970	30	108000000	100.00	107999970	30	108000000	100.00	0.00

**Shareholding of Promoter-**

Sr No	Shareholder's Name	Shareholding at the beginning of the year – 01.04.2018			Shareholding at the end of the year – 31.03.2019			% change in share holding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	SAT INVEST PVT LTD.	50835000	47.07	0.00	50835000	47.07	0.00	0.00
2	A FLEX INVEST PRIVATE LIMITED	7500000	6.94	0.00	7500000	6.94	0.00	0.00
	Total	58335000	54.01	0.00	58335000	54.01	0.00	0.00

**Change in Promoters' Shareholding (please specify, if there is no change)**

Sr No.	Shareholding at the beginning of the year – 01.04.2018			Transactions during the year		Cumulative Shareholding at the end of the year – 31.03.2019	
	Name & Type of Transaction	No. Of Shares Held	% Of Total Shares of The Company	Date of Transaction	No. Of Shares	No of Shares Held	% Of Total Shares of The Company
1	Sat Invest Pvt Ltd.	50835000	47.07			50835000	47.07
	At the end of the Year					50835000	47.07
2	A Flex Invest Private Limited	7500000	6.94			7500000	6.94
	At the end of the Year					7500000	6.94

**Directors' Report**

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 01.04.2018		Cumulative Shareholding at the end of the year – 31.03.2019	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	Space Age Polymers LLP	6619455	6.13	6619455	6.13
2	Dawood Investments Pvt. Ltd.	7209321	6.68	7209321	6.68
3	Satendrapal Singh Chhabra	3375500	3.13	3375500	3.13
4	Park Continental Private Ltd	2799798	2.59	3181676	2.95
5	Amarjeet Kaur Chhabra	1800000	1.67	1800000	1.67
6	Shailja Mangal	1500000	1.39	1500000	1.39
7	Renu Goyal	1500000	1.39	1500000	1.39
8	Preeti Krishna Kabra	1500000	1.39	1500000	1.39
9	Shailja Mangal	1500000	1.39	1500000	1.39
10	Pankaj Kumar Jain	1500000	1.39	1500000	1.39

\* The Shares of the company are traded on daily basis and hence the datewise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder

(e) Shareholding of Directors and Key Managerial Personnel:

S.N.	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
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

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

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	65.34	-	-	65.34
ii) Interest due but not paid	0	-	-	0





**Directors' Report**

iii) Interest accrued but not due	0	-	-	0
<b>Total (i+ii+iii)</b>	<b>65.34</b>			<b>65.34</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	11.44	-	-	11.44
<b>Net Change</b>	<b>11.44</b>			<b>11.44</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	53.90	-	-	53.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>53.90</b>			<b>53.90</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs. in lakhs)
		Mrs. Shehnaz D. Ali	Mr. Harikant Turgalia	
1	Gross salary (Rs.)			
	(a) Salary as per provisions contained in <b>section 17(1)</b> of the Income-tax Act, 1961	12.82	7.80	20.62
	(b) Value of perquisites <b>u/s 17(2)</b> Income-tax Act, 1961	8.55	5.20	13.74
	(c) Profits in lieu of salary under <b>section 17(3)</b> Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0

**Directors' Report**

## B. Remuneration to other directors:

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors		-----	NIL		-----
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors		-----	NIL		-----
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN

## MD/MANAGER/WTD

SN.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (in Rs.)	-	5.19		5.19
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) 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	-	-	-	-
	Total ( in Rs.)	-	5.19	-	5.19



## Directors' Report

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			<b>NIL</b>		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			<b>NIL</b>		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			<b>NIL</b>		
Compounding					

## Directors' Report

### Annexure- "C": Management Discussion and Analysis Report

#### Disclaimer:

This section of the Annual Report has been included in adherence to the spirit enunciated in the Code of Corporate Governance approved by the Securities and Exchange Board of India. Shareholders and Readers are cautioned that in the case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Further, utmost care has been taken to ensure that the opinion expressed therein contain its perceptions on most of the important trends having a material impact on the Company's operations.

The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risk and uncertainties. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report, consequent to new information, future events, or otherwise. Estimation and expectation made in the Report may differ from actual performance due to various Economic conditions, Government Policies and other related factors.

#### Industrial Structure and Development

The Company is exploring alternative avenues for business opportunities and wish to explore area of activity. The Company is engaged in the business of import, export and domestic trading of a wide variety of goods which includes fabrics, steel, GI sheets, leather, polymers, plastic in primary form and articles thereof, building materials, paper, metal scrap and textile material & products.

At present company embraces varied business groups which includes- trading, manufacturing, education technology, leasing and startup investments, global business and financial services through its various subsidiaries and associates. It has presence in various international markets such as the Middle East, Europe, Asia, Africa and America.

#### Manufacturing of PP/HDPE Woven Bags and Fabric

Sah Polymers Limited (a subsidiary of Sat Industries Limited) has diversified into the manufacturing of FIBCs (Jumbo Bags). It has achieved its targets of export of more than 100 containers during FY 2018-19. The Export sales

of the Company has been increasing at a rapid pace year on year. In a span of just 4 years, it has exported to more than 18 countries with 5 new countries been added during FY 2018-19.

#### Manufacturing of Stainless-Steel Flexible Hoses and Assemblies

Aeroflex Industries Limited (a subsidiary of Sat Industries Limited) is one of the world's Leading Manufacturer of Stainless-Steel Flexible Hoses and Assemblies having one of the largest integrated plant situated at Taloja (Mumbai, India). Aeroflex is the first company in South East Asia to manufacture 14 inch stainless steel hoses. The company has added a new product line of Gas Hoses with Gasso (Spain). During the year the company started exporting its products to 7 new countries thereby taking the total no. of countries to 75. Recently, it developed new assemblies for its customers in the USA.

#### Ed-Tech (Education Technology)

Genext Students Private Limited (an Associate Company of Sat Industries Limited) is India's first hybrid tutoring platform that enables effective after school learning to school students with the use of advanced technology along with personalized tutoring. During the year no. of Registered Tutors has increased to 12,884 and No. of Tutoring Hours has increased by 37.49%. the Company revenue has also increased by 95% in FY 2018-19.

Genext has launched its operations in Chennai and Hyderabad with its presence now in 5 cities including Mumbai, Pune and Bangalore. Total number of students using online content has increased to 2.5 million. During the year average revenue per student has increased by 90%.

#### Leasing & Startup Investments

Sat is engaged in the business of leasing of machines and moulds which are used in the plastic processing industry. The company carries out the leasing business on its own and through its wholly owned subsidiary, Italica Furniture Private Limited. Sat actively invests through Italica Furniture Private Limited in startups which have disruptive and innovative business models. Company aims to foster the spirit of entrepreneurship and provide fuel for the growth of young innovative companies through the investments. As on March 31, 2019 the Company has invested in 37 start-ups.

#### Global Business

Sat is engaged in the global business of import, export and





## Directors' Report

services of metal, plastics and textile products through its subsidiary Italica Global FZC, UAE.

### Financial Services

Sat is also engaged in the business of financing activities through its subsidiary Aeroflex Finance Private Limited (formerly known as 'Italica Ventures Private Limited'). During the year the Aeroflex Finance Private Limited received Certificate of Registration from RBI to carry the business of non-banking financial institution without accepting public deposits on December 10, 2018.

The financing activities include providing loans and advances to individuals, firms, companies, co-operative societies, educational institutions etc., acquiring shares / stocks / bonds / debentures / securities issued by Government or local authorities or other marketable securities.

### Opportunities, Threats, Risks and concerns

The company is consolidating its position and making its best efforts to realize the maximum from the customers by taking recourse of legal remedies where warranted. The Company has to ensure that the people working for it who constitute its major competitive advantage continue to contribute productivity to its business. The Company has to be on the lookout for tracking the competition and maintaining its competitive edge in terms of quality and value proportion.

### Segment-wise or product-wise performance

During the year the Company clocked a turnover of Rs. 2,784.84 lakhs from the trading segment and Rs. Rs. 651.05 lakhs from finance and investment segment.

### Outlook

The growth in the economy, the reforms initiated by the Government and the increase outlay on infrastructure spend will lead to greater prosperity and rise in income levels. This will drive growth in disciplinary spends. This bodes well for the branded apparels business. Sat with its investment in key segments, strong brands is well equipped to grow strongly in years ahead.

### Risk and Concerns

With regard to wholesale trading and leasing of machines & moulds, there is minimum risk or concern except when the goods are sold on credit.

Your Company continues to follow suitable strategies to positively modify its risk profile by eliminating and significantly reducing key business and developing and implementing strategies to achieve the maximum possible degree of insulation from broad macroeconomic risks.

### Internal control systems and their adequacy

Your company has an adequate system of internal control, designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and properly recorded. Accounting records are adequate for preparation of financial statements and other financial information. Besides, the management has put in place system for review and monitoring of non-performing assets of the company for effecting recoveries.

### Discussion on financial performance with respect to operational performance

The turnover during the year under report was Rs. 3,435.89 lakhs and the profit earned after providing for depreciation of Rs. 446.63 lakhs but after tax was Rs. 333.26 lakhs. The Company is taking all possible steps like cost control and cost reduction to improve the financial performance of the Company. These efforts will result in improved bottom line.

### Material developments in Human Resources / Industrial Relations front, including number of people employed

Management relation with the employees remains cordial. The Company's Human Resources philosophy is to establish and build a strong performance and competency drive culture with greater senses of accountability and responsibility. The industrial relations scenario remained peaceful and harmonious. Number of employees during the financial year were 12.

## Directors' Report

### Annexure- "D": CEO/CFO Certificate

#### CEO/CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

To,

The Board of Directors  
SAT INDUSTRIES LIMITED,  
121, B - Wing, Mittal Tower,  
Nariman Point, Mumbai-400021

We, Harikant Turgalia, Whole-time Director & CFO and Shehnaz D. Ali, Whole-time Director of SAT INDUSTRIES LIMITED, have reviewed the financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:

these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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 violate the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

#### We have indicated to the Auditors and the Audit Committee

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

Instances of significant fraud of which we have become aware

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

For SAT INDUSTRIES LIMITED

**Harikant Turgalia**

Whole-time Director & CFO

DIN: 00049544

**Shehnaz D. Ali**

Whole-time Director

DIN: 00185452

Place: Mumbai

Dated: 29-05-2019

### Annexure "E"

Policy for Selection of Directors and determining Directors' Independence

#### 1. Introduction

1.1 SAT INDUSTRIES LIMITED (SIL) believes that an appropriate composition of Board with persons having diversified expertise and experience helps in providing long term vision and ensuring good corporate governance. It also helps the Board in discharging its responsibilities and duties effectively.

1.2 SIL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. SIL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

#### 2. Scope and Exclusion:

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

#### 3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 "Director" means a director appointed to the Board of a company.

3.2 "Nomination and Remuneration Committee"



## Directors' Report

means the committee constituted by SIL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 4. Policy:

#### 4.1 Qualifications and criteria

- The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.
- In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:
  - General understanding of the Company's business dynamics, global business and social perspective;
  - Educational and professional background standing in the profession; Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- The proposed appointee shall also fulfill the following requirements:
  - Shall possess a Director Identification Number;
  - Shall not be disqualified under the Companies Act, 2013;
  - Shall give his written consent to act as a Director;
  - Shall endeavor to attend all Board Meetings and wherever he is appointed

as a Committee Member, the Committee Meetings;

- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made; such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.
- The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

#### 4.2 Criteria of Independence

- The NR Committee shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- The criteria of independence as per Clause (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as below:

"Independent director" means a non-executive director, other than a nominee director of the listed entity:

  - i. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
  - ii. who is or was not a promoter of the listed entity or its holding, subsidiary or associate company;
  - iii. who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;

## Directors' Report

- iv. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- v. none of whose relatives has or had pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- vi. who, neither himself, nor whose relative(s) —
  - A. holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - B. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - 1) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
    - 2) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - C. holds together with his relatives two per cent or more of the total voting power of the listed entity; or
  - D. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;
  - E. is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
  - vii. who is not less than 21 years of age.
    - The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

### 4.3 Other directorships / committee memberships

- The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.



## Directors' Report

### Annexure "F"

Remuneration Policy for Directors, Key Managerial Personnel and other employees

#### 1. Introduction

1.1 SAT INDUSTRIES LIMITED (SIL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

#### 2. Scope and Exclusion:

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

#### 3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of the company.
- 3.2 "Key Managerial Personnel" means
- i) the Chief Executive Officer or the managing director or the manager;
  - ii) the company secretary;
  - iii) the whole-time director;
  - iv) the Chief Financial Officer; and
  - v) such other officer as may be prescribed under

the Companies Act, 2013.

3.3 "Nomination and Remuneration Committee" means the committee constituted by SIL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### 4. Policy:

Remuneration to Executive Directors and Key Managerial Personnel.

- The Board, on the recommendation of the Nomination and Remuneration (HRNR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
  - i) Basic Pay
  - ii) Perquisites and Allowances
  - iii) Stock Options
  - iv) Commission (Applicable in case of Executive Directors)
  - v) Retiral benefits
  - vi) Annual Performance Bonus
- The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

#### Remuneration to Non-Executive Directors

- The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders.
- Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board

## Directors' Report

and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### Remuneration to other employees

- Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## Annexure – G

### Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

To  
The Members,  
SAT INDUSTRIES LIMITED.  
121, B-Wing, Mittal Tower, Nariman Point Mumbai 400021

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sat Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 'Books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the Financial Year ended on 31st March, 2019 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 hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure 'I' for the Financial Year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and the Bye- laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment;

## Directors' Report

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are as follows: -
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable as the Company has not made any further issue of Shares)
  - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999. Now known as the Securities and Exchange Board of India (Share based employees Benefits) Regulations, 2014 (The Company has not introduced any such scheme during the financial year under review)
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (The Company has not issued any Debt Securities during the financial year under review)
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the Company has not delisted/propose to delist its Equity Shares from any Stock Exchange during the Financial Year under review)
  - i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; (Not applicable as the Company has not brought back/propose to Buy-back any of its securities during the Financial Year under review)

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws

and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure II.

I have also examined Compliance with the applicable clauses/Regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013;

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Director and Independent directors. 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 system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member views are captured and recorded as part of the minutes.

I 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 compliances with the applicable Laws, Rules, Regulations and Guidelines.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

In case of Direct and Indirect Tax Laws like Income Tax Act, Goods and Service Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards, etc.

## Directors' Report

I further report that during the audit period the Company has the following specific events:

1. Aeroflex Industries Limited has issued 1,33,73,971/- Equity Shares of Rs. 10/- each to the Company upon conversion of Series "A" Compulsorily Convertible Preference Shares as per details given below:

Particulars		Equity shares after conversion
Series "A" Compulsorily Convertible Preference Shares of Rs.10/- each	6,36,363	6,36,363
Series "A" Compulsorily Convertible Preference Shares of Rs.200/- each	6,37,000	1,27,37,608
Total		1,33,73,971

After the conversion of Series "A" Compulsorily Convertible Preference Shares into equity shares of Aeroflex Industries Limited, the shareholding of the Company in Aeroflex Industries Limited increased to 1,43,74,108 Equity Shares of Rs. 10/- each constituting 62.87% of the paid-up equity share capital of Aeroflex Industries Limited.

Aeroflex Industries Limited became the subsidiary of the Company w.e.f. April 02, 2018.

The Board of Directors in its meeting held on May 25, 2018 approved the re-appointment of Mrs. Shehnaz D. Ali (DIN: 00185452) and Mr. Harikant Turgalia (DIN: 00049544), as Whole-time Directors of the Company for a further term of 3 years w.e.f. January 01, 2019 subject to approval of the Members.

The Members of the Company at the Annual General Meeting of the Company held on 28th September, 2018 re-appointed Mrs. Shehnaz D. Ali (DIN: 00185452) and Mr. Harikant Turgalia (DIN: 00049544), as Whole-time Directors of the Company for a further term of 3 (three) years w.e.f. January 01, 2019.

The Members of the Company at the Annual General Meeting of the Company held on 28th September 2018 appointed Mr. Goree Shankar Shrimali (DIN: 08198667) as a Non-executive Independent Director for a term of 5 (five) years with immediate effect.

Mr. Sunil Mithalal Jain (DIN: 03398788), Non-Executive Independent Director of the Company resigned from the Board w.e.f. November 19, 2018.

Place: Mumbai  
Date: May 29, 2019

For **Nancy Jain & Associates**

**Nancy Jain**  
Practicing Company Secretary  
Membership No.ACS 44135  
COP No. 16179

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

## ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2018.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, and Share Transfer & Stakeholder Relationship Committee along with Attendance Register held during the Financial Year under report.
4. Minutes of Annual General Meetings held during the Financial Year under report.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors /Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Intimations received from directors under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

## Directors' Report

10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
11. Closure of Register of Members.

## ANNEXURE – II

List of applicable laws to the Company

1. The payment of Bonus Act, 1965
2. The payment of Gratuity Act, 1972
3. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
4. The Maternity Benefits Act, 1961
5. The Employees Provident Fund and Miscellaneous Provision Act, 1952

The Professional tax Act, 1975

## Annexure - III

To,  
The Members,  
SAT INDUSTRIES LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and process 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. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. 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.

For **Nancy Jain & Associates**

Date: May 29, 2019  
Place: Mumbai

**Nancy Jain**  
Practicing Company Secretary  
Membership No. ACS44135  
COP No. 16179

## Annexure H:

Annual Report on CSR Activities

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken is given below and the same is also available on the website of the company, [www.satgroup.in](http://www.satgroup.in).

SAT is committed to operate and grow its business in a socially responsible way, while reducing the environmental impact of its operations and increasing its positive social impact.

It aims to achieve growth in a responsible way by encouraging people to take small every day actions that will impact a big difference. This SAT CSR Policy is guided by the following vision:

- a) The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs.
- b) The Company is committed towards improving the quality of lives of people in the communities in which it operates because, the society is an essential stakeholder and the purpose of its existence. The Company believes that giving back to the society through CSR activities is its moral duty.
- c) The Company aims to fulfill the requirements laid down under the Companies Act, 2013 and act diligently to comply with all its Rules and Regulations on CSR.



## Directors' Report

The activities undertaken / to be undertaken by the company as CSR activities are not expected to lead to any additional surplus beyond what would accrue to the company in the course of its normal operations.

In accordance with Section 135 (5) of the Companies Act, 2013, the company is committed to spend at least 2% of the average net profit made during the three immediately preceding financial years in areas listed out in the Schedule VII of the Companies Act, 2013.

2. The composition of the CSR Committee: The company has a CSR committee of directors comprising of Mr. Asad Daud, Chairman of the Committee, Mr. Harikant Turgalia and Mr. Nikhil Raut as its members.
3. Average net Profit/(Loss) of the company for last three financial years for the purpose of computation of CSR: 256.49 lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above): 5.13 lakhs
5. Details of CSR spent during the financial year:
6. a. Total amount spent for the financial year: 5.85 lakhs.  
b. Amount unspent: Nil
- c) Manner in which the amount spent during the financial year is detailed below

Sr.No.	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto to the reporting period (in Rs.)	Amount spent: Direct or through implementing agency
1.	Preventive health care and promotion of education	Education & Health care for the Economically Weaker Section of the society.	Udaipur, Rajasthan	5,50,000	5,85,000	5,85,000	Direct
	<b>Total CSR spent</b>			<b>5,50,000</b>	<b>5,85,000</b>	<b>5,85,000</b>	

7. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

### Not applicable

8. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company:

We hereby declare that implementation and monitoring of the CSR policy are in compliance with the CSR objectives and the policy of the company.

**Directors' Report**
**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in lakhs)

Sl. No.	Particulars	Details					
		Sah Polymers Limited	Aeroflex Industries Limited	Aeroflex Finance Private Limited	Aeroflex International Limited	Italica Global FZC, UAE	Italica Furniture Private Limited
1.	Name of the subsidiary						
2.	Date of becoming subsidiary of the Company or the date of its acquisition	July 1, 2015	April 2, 2018	June 24, 2016	November 30, 2015	June 1, 2017	July 1, 2015
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	N.A.	NA	NA	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	AED Exch Rate 1 AED = Rs. 18.87	N.A.
5.	Share capital (Rs. in lakhs)	1,559.60	2,286.41	210.00	100.00	AED 1,85,000 Equivalent to Rs. 34.04	208.21
6.	Reserves & surplus (Rs. in lakhs)	338.05	2,486.17	16.14	(21.31)	AED 35,81,827 Equivalent to Rs. 662.38	891.31
7.	Total assets (Rs. in lakhs)	3,678.61	15,326.08	227.26	79.36	AED 1,36,22,948 Equivalent to Rs. 2,570.59	3031.52



**Directors' Report**

Sl. No.	Particulars	Details					
		Sah Polymers Limited	Aeroflex Industries Limited	Aeroflex Finance Private Limited	Aeroflex International Limited	Italica Global FZC, UAE	Italica Furniture Private Limited
8.	Total Liabilities (Rs. in lakhs)	3,678.61	15,326.08	227.26	79.36	AED 1,36,22,948 Equivalent to Rs. 2,570.59	3031.52
9.	Investments (in Rs.)	100	0	0	0	1 AED = Rs. 17.75 AED 5,000 Equivalent to Rs. 0.89	539.68
10.	Turnover (Rs. in lakhs)	4,496.79	14,042.47	0.09	4.93	AED 51,06,250 Equivalent to Rs. 964.29	117.48
11.	Profit before taxation (Rs. in lakhs)	74.98	497.18	8.38	0.14	AED 24,67,534 Equivalent to Rs. 465.98	128.20
12.	Provision for taxation (Rs. in lakhs)	37.80	(211.31)	2.23	(0.02)	0	30.59
13.	Profit after taxation (Rs. in lakhs)	37.18	708.49	6.15	0.16	AED 24,67,534 Equivalent to Rs. 465.98	97.61
14.	Proposed Dividend	0	0	0	0	0	0
15.	% of shareholding	91.79%	62.87%	100%	100%	100%	100%

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies.

Name of associates/Joint Ventures	GENEXT STUDENTS PRIVATE LIMITED
1. Latest audited Balance Sheet Date	March 31, 2019
2. Date on which the Associate was associated or acquired	May 29, 2015
3. Shares of Associate held by the company on the year end	31.82% of paid up capital of company



## Directors' Report

Amount of Investment in Associate (Rs. in lakhs)	1,99.50
Extend of Holding%	31.82%
4. Description of how there is significant influence	SAT INDUSTRIES LIMITED holds more than 20% of share capital of company.
5. Reason why the associate/joint venture is not consolidated	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet (Rs. in lakhs)	133.70
7. Profit/Loss for the year	
i. Considered in Consolidation (in Rs.)	(88.28)
ii. Not Considered in Consolidation (in Rs.)	0

1. Names of associates or joint ventures which are yet to commence operations.: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year.: NIL

For and on behalf of Board of Directors of  
**SAT INDUSTRIES LIMITED**

Date: 29-05-2019

Place: Mumbai

**Shehnaz D. Ali**

Whole-time Director

DIN:00185452

**H.K. Turgalia**

Whole-time Director

DIN: 00049544

## Corporate Governance Report

### INTRODUCTION

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended March 31, 2019 is presented below:

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Board of Directors of the Company acts as a trustee and assumes fiduciary responsibility of protecting the interests of the Company, its Members and other stakeholders. The Board supports the principles of Corporate Governance. In order to attain the highest level of good Corporate Governance practice, the Board lays strong emphasis on transparency, accountability and integrity.

#### 2. BOARD OF DIRECTORS

##### a. Composition and category of directors (e.g. promoter, executive, non-executive, independent non-executive, nominee director - institution represented and whether as lender or as equity investor);

The Board of Directors of the Company consists of Directors having varied experience in different areas. The composition of the Board is in conformity with the provisions of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company does not have any executive or non-executive Chairman.

As at March 31, 2019, the composition of the Board of Directors of the Company was as follows:

Sr. No.	Name of the Director	Promoter/ Non-Promoter	Category
1.	Mrs. Shehnaz D Ali	Promoter	Executive Director
2.	Mr. Asad Daud	Promoter	Non-Executive Director
3.	Mr. Harikant Turgalia	Non-Promoter	Executive Director
4.	Mr. Ramesh Chandra Soni	Non-Promoter	Non-Executive Independent Director
5.	Mr. Goree Shankar Shrimali*	Non-Promoter	Non-Executive Independent Director
6.	Mr. Nikhil Raut	Non-Promoter	Non-Executive Independent Director
7.	Mr. Sunil Jain**	Non-Promoter	Non-Executive Independent Director

\* Appointed w.e.f. 28-9-2018

\*\* Resigned w.e.f. 19-11-2018

##### b. Attendance of each Director at the Meetings of the Board of Directors and the last Annual General Meeting:

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended	Whether attended last AGM
1.	Mrs. Shehnaz D Ali	7	7	Yes
2.	Mr. Harikant Turgalia	7	7	Yes
3.	Mr. Asad Daud	7	7	Yes
4.	Mr. Ramesh Chandra Soni	7	6	Yes
5.	Mr. Goree Shankar Shrimali*	7	3	NA
6.	Mr. Nikhil Raut	7	7	No
7.	Mr. Sunil Jain**	7	4	No

\*Appointed w.e.f. September 28, 2018

\*\*Resigned w.e.f. November 19, 2018

##### c. Number of Committees in which a Directors is a Member or Chairperson:

Sr. No.	Name of the Director	Directorships in Other Board of Directors	Memberships of Committees of Other Boards	Chairmanships of Committees of Other Boards	Names of the listed entities where the person is a director and the category of directorship
1.	Mrs. Shehnaz D Ali	4	-	-	-
2.	Mr. Harikant Turgalia	2	-	-	-
3.	Mr. Asad Daud	6	-	-	-
4.	Mr. Ramesh Chandra Soni	3	2	2	-
5.	Mr. Goree Shankar Shrimali*	-	-	-	-
6.	Mr. Nikhil Raut	1	2	-	-
7.	Mr. Sunil Jain**	-	-	-	-

\*Appointed w.e.f. September 28, 2018

\*\*Resigned w.e.f. November 19, 2018

##### d. Number of Meetings of the Board of Directors held and dates on which held:

The Board of Directors met seven times during the financial year, on April 2, 2018, May 25, 2018, August 14, 2018, August 27, 2018, November 9, 2018, February 7, 2019 and March 23, 2019. The maximum time gap between any two meetings was less than 120 days. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

##### e. Disclosure of relationships between Directors inter-se:

None of the Directors are related to each other except Mrs. Shehnaz D. Ali and Mr. Asad Daud, who are related to each other as a Mother and Son.

**Corporate Governance (Contd.)**
**f. Number of shares and convertible instruments held by Non-Executive Directors:**

None of the Non-Executive Directors holds any share in the Company.

**g. Web link where details of familiarization programmes imparted to Independent Directors is disclosed:**

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time.

The details regarding Independent Directors' Familiarization Programmes are given under the 'Investor Relation' section on the website of the Company and can be accessed at <http://satgroup.in/familiarisation-program-to-independent-directors/>

**h. Directors Appointment/Re-Appointment:**

Mr. Asad Daud is liable to retire by rotation at the thirty-fourth AGM and being eligible, offers himself for re-appointment. Details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India (ICSI), are attached with notice of AGM.

**i. Chart setting out the skills/expertise/competence of the board of directors specifying the following:**

Below is the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those available with the board:

Sr. No.	Skills/Expertise/Competencies	Business Operations	Entrepreneurship	Accounts & Finance	Legal Compliance
	Name of Director				
1.	Mrs. Shehnaz D Ali	√	√	×	×
2.	Mr. Harikant Turgalia	√	×	√	×
3.	Mr. Asad Daud	√	√	√	×
4.	Mr. Ramesh Chandra Soni	√	×	√	√
5.	Mr. Goree Shankar Shrimali*	√	×	√	×
6.	Mr. Nikhil Raut	×	×	√	×
7.	Mr. Sunil Jain**	×	×	√	×

\*Appointed w.e.f. 28th September, 2018

\*\*Resigned w.e.f. 19th November, 2018

**j. Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.**

Mr. Sunil Jain, an Independent Director on the Board of Directors of the Company resigned before the expiry of his tenure w.e.f. November 19, 2018 due to personal reasons.

**SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on March 23, 2019, where the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- a) Review of performance of Non-Independent Directors and the Board as a whole.

## Corporate Governance (Contd.)

- b) Review of performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### COMPANY'S POLICY ON PROHIBITION OF INSIDER TRADING

The Company has also formulated a Code of Conduct to Regulate, Monitor and Report Trading by Insiders to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The full text of the Code is available on the website of Company under 'Corporate Governance' in the 'Investor Relation' section.

### SUBSIDIARY COMPANIES

The Company has six (6) subsidiaries (five Indian and one foreign unlisted subsidiary) as on March 31, 2019 namely:

1. Sah Polymers Limited
2. Aeroflex Industries Limited
3. Aeroflex Finance Private Limited
4. Aeroflex International Limited
5. Italica Furniture Private Limited
6. Italica Global FZC, UAE

Out of the above-mentioned Companies, Sah Polymers Limited is material unlisted subsidiary Company.

The Board has approved a Policy Statement for determining 'Material Subsidiaries' of the Company viz. SAT INDUSTRIES LIMITED and the same is available on the website of the Company, [www.satgroup.in](http://www.satgroup.in) under 'Corporate Governance' in the 'Investor Relation' section.

All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders.

### 3. AUDIT COMMITTEE

#### a. Brief description of terms of reference

The terms of reference of the Audit Committee

are as per the governing provisions of the Companies Act, 2013 (section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II), the Audit Committee Inter alia implement the function of approving Annual Internal Audit plan, review of financial reporting system, Internal controls system, discussion on quarterly, half-yearly and annual financial results, interaction with statutory and internal Auditors, one-on-one meetings with statutory and internal Auditors, recommendation for the appointment of statutory and their remuneration, recommendation for the appointment and remuneration of internal, in fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

#### b. Composition, Name of Members and Chairperson:

The Audit Committee comprises one Executive Director and two Non-Executive Directors as members. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Composition of Audit Committee as on March 31, 2019, is given below:

Sr. No.	Name	Category	Designation
1.	Mr. Ramesh Chandra Soni	Non-Executive Independent	Chairman
2.	Mr. Harikant Turgalia	Executive	Member
3.	Mr. Nikhil Raut	Non-Executive Independent	Member

#### c. Meetings and attendance during the year:

The Audit Committee met four times during the financial year, on 25thMay, 2018, 14thAugust, 2018, 9thNovember, 2018, 7thFebruary, 2019. The maximum time gap between any two meetings are not more than 120 days.

The necessary Quorum was present at the meetings. The attendance of each member of the Company is given below:

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	4	4
Mr. Harikant Turgalia	4	4
Mr. Nikhil Raut	4	4

### 4. NOMINATION AND REMUNERATION COMMITTEE

## Corporate Governance (Contd.)

- a. a. The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Whole time Directors as well as the nomination and appointment of Directors of the Company.

Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/whole time Director(s) and Senior Management (one level below the Board);

- To help in determining the appropriate size, diversify and composition of the Board.
- To recommend to the Board appointment/re-appointment and removal of Directors;
- To frame criteria for determining qualifications, positive attributes and independence of Directors;
- Fixing the remuneration to executive Directors. To create an evaluation framework for Independent Directors and the Board;
- To assist in developing a succession plan for the Board;
- To assist the Board in fulfilling responsibilities entrusted from time to time;

### b. Composition, Name of Members and Chairperson:

Sr. No.	Name	Category	Designation
1.	Mr. Ramesh Chandra Soni	Non-Executive Independent	Chairman
2.	Mr. Goree Shankar Shrimali*	Non-Executive Independent	Member
3.	Mr. Nikhil Raut	Non-Executive Independent	Member
4.	Mr. Sunil Jain**	Non-Executive Independent	Member

\*Appointed w.e.f. September 28, 2018

\*\*Resigned w.e.f. November 19, 2018

### c. Meetings and attendance during the year:

The Nomination and Remuneration Committee met two (2) time during the financial year, on April 2, 2018 and May 25, 2018.

The necessary Quorum was present at the meetings. The attendance of each member of the Company is given below:

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	2	2
Mr. Goree Shankar Shrimali*	2	N.A.
Mr. Sunil Jain**	2	2
Mr. Nikhil Raut	2	2

\*Appointed w.e.f. September 28, 2018

\*\*Resigned w.e.f. November 19, 2018

### d. Performance evaluation criteria for Independent Directors:

The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The evaluation of all directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

## 5. REMUNERATION OF DIRECTORS

### a. All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

There is no pecuniary relationship or transactions of the non-executive director vis-à-vis the company.

### b. Criteria of making payments to non-executive directors:

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company [www.satgroup.in](http://www.satgroup.in) in the 'Investor relation' section in 'Corporate Governance'.

### c. Disclosures with respect to Remuneration for FY 2018-2019

Name of Director	Category	Salary perquisites & other allowances	Stock option/ Bonus/ Other performance linked incentives	Total	Service contract/ notice period/ severance fees
Mrs. Shehnaz D. Ali	Whole-time Director	Rs.21,37,500/- p.a.	Nil	Rs.21,37,500/- p.a.	***
Mr. Harikant Turgalia	CFO & Whole-time Director	Rs.12,99,600/- p.a.	Nil	Rs.12,99,600/- p.a.	***

\*\*\*

Service Contract: 3 years with effect from the date of appointment i.e. 01-01-2019

Notice Period : Six months either side

Severance Fees : Six months salary

## 6. STAKEHOLDER RELATIONSHIP/GRIEVANCES COMMITTEE

The terms of reference and the ambit of powers of



## Corporate Governance (Contd.)

Stakeholders Grievance Committee are as per the governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

The member correspondences, queries, grievances etc. are endeavored to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Grievance Committee which meets at quarterly intervals.

### a. Name of Non-Executive Director heading the Committee:

Mr. Ramesh Chandra Soni, Non-Executive Independent Director was appointed as the Chairman of the Stakeholders Relationship / Grievance Redressal Committee. The Committee consists of the following persons:

(i) Mr. Ramesh Chandra Soni	Chairman
(ii) Mr. Harikant Turgalia	Member
(iii) Mrs. Shehnaz D. Ali	Member

### Name and designation of Compliance Officer:

Ms. Alka Premkumar Gupta is the Compliance Officer. Her designation is Company Secretary

### b. Number of shareholders' complaints received so far:

No shareholder complaint was received in the financial year.

### c. Number not solved to the satisfaction of shareholders: NA

### d. Number of pending complaints: NA

### e. Meetings and attendance during the year:

The committee met four times on May 25, 2018, August 14, 2018, November 9, 2018 and February 7, 2019. The necessary quorum was present at all meetings. During the year under report no complaints were received. Further there were no complaints outstanding at the beginning and end of the year.

The attendance of each member of the Committee is given below:

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	4	4
Mrs. Shehnaz D. Ali	4	4
Mr. Harikant Turgalia	4	4

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

CSR Committee of the Company has been constituted in line with the provisions of Section 135 of the Act.

The company is committed to operate and grow its business in a socially responsible way, while reducing the environmental impact of its operations and increasing its positive social impact. It aims to achieve growth in a responsible way by encouraging people to take small everyday actions that will make a big difference. This SAT CSR Policy is guided by the following vision:

1. The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs.
2. The Company is committed towards improving the quality of lives of people in the communities in which it operates because, the society is an essential stakeholder and the purpose of its existence. The Company believes that giving back to the society through CSR activities is its moral duty.



## Corporate Governance (Contd.)

3. The Company aims to fulfill the requirements laid down under the Companies Act, 2013 and act diligently to comply with all its Rules and Regulations on CSR.

Name	Category	Number of meetings during the financial year 2018-19	
		Held	Attended
Mr. Asad Daud	Non-Executive and Non -Independent	1	1
Mr. Harikant Turgalia	Executive and Non-independent	1	1
Mr. Nikhil Raut	Independent and Non-Executive	1	1

## 8. GENERAL BODY MEETINGS

- a. Location and time, where last three Annual General Meetings held:

Annual General Meeting	Date	Time	Location
31st	September 17, 2016	9:15 a.m.	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020
32nd	September 29, 2017	9:15 a.m.	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020
33rd	September 28, 2018	9:15 a.m.	Utsav Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020

- b. Special Resolutions passed in the previous three Annual General Meetings:

Date of AGM	Number of Special Resolutions passed, if any
September 17, 2016	1
September 29, 2017	2
September 28, 2018	1

- c. Postal Ballot:

During the financial year ended March 31, 2019, no resolution was passed by Postal Ballot. At present there is no proposal to pass any resolution by Postal Ballot.

## MEANS OF COMMUNICATION

- a. Quarterly results:

The Company publishes limited reviewed un-audited standalone and consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the Standalone & Consolidated audited financial results for the complete financial year. During this year Company has sent the quarterly business updates to all the shareholders of the Company.

- b. Newspapers wherein results normally published:

Quarterly financial results are regularly submitted to the Stock Exchange in accordance with the Listing Regulations and published in following newspapers:

- Free Press Journal (English)
- Navshakti (Marathi)

- c. Website, where displayed:

The financial results and the official news releases are also placed on the Company's website <http://www.satgroup.in/> in the 'Investor Relations' section.

**Corporate Governance (Contd.)**
**d. Official news releases:**

Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the 'Investor Relations' section under relevant sub-sections.

**e. Presentations made to institutional investors or to the analysts:**

During the year no press release or presentations were made to institutional investors or to the analysts.

**9. GENERAL SHAREHOLDER INFORMATION**
**a. Annual General Meeting - Date, Time and Venue:**

**Day:** Saturday

**Date:** September, 14, 2019

**Time:** 9:15 a.m.

**Venue:** Utsav Hall, Samrat Restaurant, Prem Court, J. Tata Road, Mumbai - 400 020

**b. Financial Year:** April 1 to March 31.

**c. Record Date:** As mentioned in the Notice of this AGM.

**d. Dividend Payment Date:** The final Dividend, if approved by the Shareholders at the Annual General Meeting shall be paid/credited on September 18, 2019.

**e. Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s):**

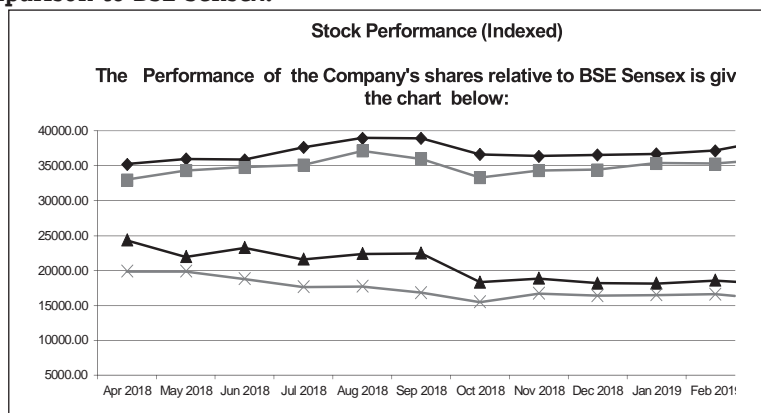
Equity shares of the company are listed on BSE Limited located at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. The annual listing fees for FY 2018-2019 to BSE have been paid by the Company within stipulated time.

**e. Stock Code**

Security ID	Security Code	ISIN
SATINDLTD	511076	INE065D01027

**g. Market price data - high, low during each month in last financial year**

Month	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
High	44.25	38.85	41.75	38.00	39.80	40.00	30.50	31.70	30.15	30.10	31.10	29.90
Low	34.00	34.00	31.60	28.90	29.10	27.00	24.00	26.75	26.00	26.30	26.50	25.00

**h. performance in comparison to BSE Sensex:**

**i. In case the securities are suspended from trading, the Directors Report shall explain the reason thereof: Not applicable**

## Corporate Governance (Contd.)

### j. Registrar to issue and Share Transfer Agents

M/s. Link Intime India Private Limited

(Unit: SAT Industries Limited)

247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W),

Mumbai – 400 083

Phone: +91-22-49186000

Fax: +91-22-49186060

E-mail: mumbai@linkintime.co.in

Website: www.linkintime.co.in

### k. Share transfer system

Share certificates, received in physical form, are

processed and returned in 10 to 15 days from the date of receipt, subject to the documents being valid and complete. As per the guidelines of the Securities and Exchange Board of India (SEBI), the Company offers the facility of transfer-cum-dematerialisation (demat).

Shares held in the dematerialised form are electronically traded in the depository. The registrar and share transfer agents of the company periodically receive from the depository the beneficiary holdings to enable them to update their records and to send out corporate communications such as dividend warrants.

Physical shares received for dematerialisation are processed and completed within 15 days from the date of their receipt, provided they are in order. Bad deliveries are immediately returned to the depository participants under advice to the shareholders.

### l. Distribution of Shareholding as on 31.03.2019

SR. NO.	SHARES RANGE			No. OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1	to	500	1004	62.05	175349	0.16
2	501	to	1000	177	10.94	149278	0.14
3	1001	to	2000	103	6.37	159542	0.15
4	2001	to	3000	57	3.52	145270	0.13
5	3001	to	4000	32	1.98	113642	0.11
6	4001	to	5000	24	1.48	112026	0.10
7	5001	to	10000	60	3.71	453735	0.42
8	10001	to	Above	161	9.95	106691158	98.79
<b>Total</b>				<b>1618</b>	<b>100</b>	<b>108000000</b>	<b>100</b>

### m. Dematerialization of shares and liquidity

The Company's shares are available for trading in the depository system of both NSDL and CDSL. As at the financial year-end 10,79,99,970 equity shares forming 99.9999 % of the share capital of the Company, stand dematerialised. The Company's share is actively traded on BSE. Any shareholder desiring to transfer his shares either in physical form or to get the physical shares converted into electronic form may contact the RTA for necessary advise and the procedure.

### n. Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:

There are no GDRs/ADRs/Warrants outstanding as on March 31, 2019.

### o. Plant locations

The company does not have any plants.

### p. Address for Correspondence

For any information/complaint/query, investors may contact:

- (1) Registrar and Share Transfer Agent:  
M/s. Link Intime India Private Limited

## Corporate Governance (Contd.)

(Unit: Sat Industries Limited)  
247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W),  
Mumbai – 400 083  
Phone: +91-22-49186000  
Fax: +91-22-49186060  
E-mail: mumbai@linkintime.co.in  
Website: www.linkintime.co.in

(2) Investor Relation Department of the Company:

Ms. Alka Premkumar Gupta  
Company Secretary and Compliance Officer  
SAT INDUSTRIES LIMITED  
121, B-Wing, Mittal Tower, Nariman Point,  
Mumbai - 400 021, India  
Phone: +91-22-66107025  
Fax: +91-22-66107027  
E-mail: investor.relations@satgroup.in

q. **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

On February 16, 2018 Company acquired BWR BBB- (BWR Triple BBB Minus) rating from Brickwork Ratings India Pvt. Ltd. for obtaining Bank loan facilities. This rating was valid for 12 months and expired on February 16, 2019.

## 10. OTHER DISCLOSURES

a. **Materially significant related party transaction:**

There have been no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives which have a potential conflict with the interests of the Company. All the related party transactions have been done at arm's length price and in the ordinary course of business with the prior approval of the Audit Committee. As per section 177 and 188 of The Companies Act 2013, Related Party Transaction policy is also available on the company website.

b. **details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has complied with all requirements specified under the Listing Regulations as well

as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

c. **Establishment of vigil mechanism:** In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company.

d. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. **Web link where policy for determining 'material' subsidiaries is disclosed:**

The policy for determining 'material' subsidiaries is available on the website of the Company under 'Corporate Governance' in the 'Investor relation' section and can be accessed at:

[http://satgroup.in/wp-content/uploads/2016/09/material\\_subsidary.pdf](http://satgroup.in/wp-content/uploads/2016/09/material_subsidary.pdf)

f. **Web link where policy on dealing with related party transactions is disclosed:**

The policy for determining 'material' subsidiaries is available on the website of the Company under 'Corporate Governance' in the 'Investor relation' section and can be accessed at

[http://satgroup.in/wp-content/uploads/2016/09/Related\\_Party\\_Transactions.pdf](http://satgroup.in/wp-content/uploads/2016/09/Related_Party_Transactions.pdf)

g. **Disclosure of commodity price risks and commodity hedging activities:**

The Company does not deal in commodities price risks and commodity hedging activities, hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

## Corporate Governance (Contd.)

- h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

- i. Certificate from a Company Secretary in Practice about disqualification of Director/s by SEBI/MCA/any other statutory body:**

A certificate has been received from Dr. S. K. Jain, Practicing Company Secretary, that none of the Directors on the Board of the Company has 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 statutory authority.

- j. Non-acceptance of any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year: NIL**

- k. The Total audit and taxation fees paid by the listed entity and its subsidiaries, on a consolidated basis, are as follows:**

(Rs. In Lakhs)

Particulars	Amount
Services as statutory auditors	4.22
Certification fees	0.02
Services for tax matters	0.19
Total	4.43

- l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Particulars	Status
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	N.A.
Number of complaints pending as on end of the financial year	N.A.

- 11. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II.**

**a) The Board of Directors:** the Company has no Chairman either executive or non-executive.

**b) Shareholder Rights:** As the Quarterly and Half Yearly Financial Results are published in the newspapers as well as displayed on the Company's Website [www.satgroup.in](http://www.satgroup.in), hence the results are not sent to household of each of the shareholders. The complete Annual report is sent to each and every shareholder of the Company.

**c) Audit Qualifications:** The Auditors have raised no qualification on the financial statements for the year ended March 31, 2019.

**d) Separate posts of Chairperson and CEO:** Presently, there is no chairperson in the Company.

**e) Reporting of Internal Auditor:** The Internal Auditor of the Company reports directly to the Audit Committee of the Company.

- 12. DISCLOSURE OF COMPLIANCE OF REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB REGULATION (2) OF REGULATION 46.**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 13. Declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management**

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics.

The Board has adopted a Code of conduct for Directors and Senior Management of the Company.

The Code is available on the website of the Company under 'Corporate Governance' in the 'Investor relation' section and can be accessed at:



## Corporate Governance (Contd.)

<http://satgroup.in/wp-content/uploads/2016/09/codeofconduct.pdf>

**Declaration pursuant to SEBI  
(Listing Obligations and Disclosure  
Requirements)  
Regulations, 2015**

All Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended March 31, 2019.

Harikant Turgalia

Mumbai, 29-05-2019 CFO and Whole-time Director

### 14. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance:

The Certificate from the practicing company secretary of the Company regarding compliance of conditions of corporate governance is annexed with Corporate Governance Report.

### 15. Disclosures with respect to demat suspense account/unclaimed suspense account:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

### 16. OTHER USEFUL INFORMATION FOR SHAREHOLDERS

Update E-mails for receiving notice/ documents in e-mode:

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible corporate citizen, your Company fully supports the MCA's endeavor.

In accordance of the same, your Company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the shareholders in electronic mode at their email addresses.

The shareholders who have not registered their email

addresses with the Company are requested to kindly register their e-mail addresses with the Company in the Form annexed with the Notice of Annual General Meeting enabling the Company to better service shareholder correspondence through e-mode. The shareholders have also an option to register their email addresses with their Depository through Depository Participant.

### Dematerialization of Shares:

Equity Shares of the Company are under compulsory demat trading segment. Considering the advantages of scrip less trading, members are advised to consider dematerialization of their shareholding so as to avoid inconvenience involved in the physical shares such as mutilation, possibility of loss/ misplacement, delay in transit etc. and also to ensure safe and speedy transaction in securities.

### Transfer / Transmission / Transposition of Shares:

The Securities and Exchange Board of India (SEBI), vide its Circular No.MRD/DoP/Cir-05/2009 dated 20th May, 2009 and Circular No. MRD/DoP/SE/RTA/Cir-03/2010 dated 7th January, 2010 made it mandatory that a copy of the PAN Card is to be furnished to the Company in the following cases:

- registration of physical transfer of shares;
- deletion of name of deceased shareholder(s) where shares are held jointly in the name of two or more shareholders;
- transmission of shares to the legal heirs where shares are held solely in the name of deceased shareholder; and
- Transposition of shares where order of names of shareholders are to be changed in the physical shares held jointly by two or more shareholders. Investors, therefore, are requested to furnish the self-attested copy of PAN card, at the time of sending the physical share certificate(s) to the Company, for effecting any of the above stated requests. Shareholders are also requested to keep record of their specimen signature before lodgment of shares with the Company to avoid probability of signature mismatch at a later date.

### Consolidation of Multiple Folios:

Shareholder(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different



## Corporate Governance (Contd.)

Ledger Folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.

### **Nomination Facility:**

Provision of Section 72 of the Companies Act, 2013 read with rule 19(1) of the rules made thereunder extends nomination facility to individuals holding shares in the physical form. To help the legal heirs/successors get the shares transmitted in their favour, shareholder(s) are requested to furnish the particulars of their nomination in the prescribed Nomination Form. Shareholder(s) holding shares in Dematerialized form are requested to register their nominations directly with their respective DPs.

Update your Correspondence Address / Bank Mandate / Email Id:

To ensure all communications/ monetary benefits received promptly, all shareholders holding shares in physical form are requested to notify to the Company,

change in their address / bank details / email Id instantly by written request under the signatures of sole/ first joint holder.

Shareholder(s) holding shares in dematerialized form are requested to notify change in bank details / address / email Id directly with their respective DPs.

### **Quote Folio No. / DP ID No.:**

Shareholders / Beneficial Owners are requested to quote their Folio Nos. / DP ID Nos., as the case may be, in all correspondence with the Company. Shareholders are also requested to quote their Email IDs, Contact / Fax numbers for prompt reply to their correspondence.

For and on behalf of Board of Directors of  
**SAT INDUSTRIES LIMITED**

Date: 29-05-2019	<b>H.K. Turgalia</b>	<b>Shehnaz D. Ali</b>
Place: Mumbai	Whole-time Director	Whole-time Director
	DIN: 00049544	DIN: 00185452



## Corporate Governance (Contd.)

### Annexure 'A'

#### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE REPORT

To The Members of  
SAT INDUSTRIES LIMITED  
121, B-Wing, Mittal Tower,  
Nariman Point Mumbai 400021

We have examined the compliance of conditions of Corporate Governance by SAT INDUSTRIES LIMITED for the year ended on 31st March, 2019

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### Managements Responsibility

The Compliance of conditions of Corporate Governance is responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

#### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

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

#### Restriction on Use

The certification is addressed to and provided to the members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Place: Mumbai  
Date: 29-05-2019

**For Nancy Jain & Associates**

**Mrs. Nancy Jain**  
Practicing Company Secretary  
Membership No. ACS 44135  
COP No. 16179

## **Independent Auditor's Report On The Consolidated Financial Statements Of Sat Industries Limited**

### **INDEPENDENT AUDITOR'S REPORT**

#### **Report on the Audit of the Consolidated Financial Statements**

#### **To the Members of Sat Industries Limited**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Sat Industries Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated Profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

On the facts and circumstances of the Group and the audit, we determine that there are no key Audit matters to communicate.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associates 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associates.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole

## Independent Auditor's Report On The Consolidated Financial Statements Of Sat Industries Limited

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 consolidated 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 consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, 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 ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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.

## Independent Auditor's Report On The Consolidated Financial Statements Of Sat Industries Limited

### Other Matters

(a) We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of Rs. 24629.61 lakhs (after elimination of intra group transactions) as at 31st March, 2019, total revenues of Rs.19947.93 lakhs (after elimination of intra group transactions) and net cash flows amounting to Rs. (450.74) lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 92.05 lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards

specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure- "A".
- (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 Group and its associate 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations which would impact the consolidated financial position of the Group and its associate.
  - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company incorporated in India.

**For Sampati Lal Bohara & Co.**

Chartered Accountants

FRN: 003324C

**Ajay Sariya**

Partner

M No. 079102

Place of Signature: Mumbai

Date: May 29, 2019



## **Independent Auditor's Report On The Consolidated Financial Statements Of Sat Industries Limited**

### **Independent Auditor's Report**

#### **Annexure - A to the Independent Auditor's Report**

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Report on the Internal Financial Controls with reference to Financial Statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of **Sat Industries Limited** (hereinafter referred to as "the Parent") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

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

The respective Boards of Directors of the Parent, its subsidiary companies and , its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Parent, its subsidiary companies and its associate company, which are companies incorporated in India, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



## **Independent Auditor's Report On The Consolidated Financial Statements Of Sat Industries Limited**

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to five subsidiary companies and one associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

**For Sampati Lal Bohara & Co.**

Chartered Accountants

FRN: 003324C

**Ajay Sariya**

Partner

M No. 079102

Place of Signature: Mumbai

Date: May 29, 2019



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019**

(Rs in Lakhs)

Particulars	Note	As at	
		March 31, 2019	March 31, 2018
	1	2	
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipment	3	6936.64	2,059.31
(b) Capital work -in- Progress		0.00	3.04
(c) Investment Property			-
(d) Goodwill on Consolidation		799.76	799.76
(e) Other Intangible Assets		7.40	2.25
(f) Intangible assets under development		-	-
(g) Biological Assets other than bearer plants	4	-	-
(h) Investments accounted for using the equity method		139.20	231.25
(i\ Financial Assets			
(i) Investments	5	618.45	1,156.83
(ii) Trade receivables		-	-
(iii) Loans	6	411.15	40.00
(iv) Others	7	198.41	111.10
(J) Deferred tax assets (net)		-	-
(k) Other non-current assets	8	54.01	116.15
Goodwill			
<b>(2) Current assets</b>			
(a) Inventories	9	3145.27	800.26
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	10	5,288.31	1,526.25
(iii) Cash and cash equivalents	11	541.17	314.12
(iv) Bank balances other than (iii) above	12	241.34	525.65
(v) Loans	6	3,220.88	2,918.82
(vi) Others	7	113.64	404.08
(c) Current Tax Assets (Net)	13	7.03	3.59
<b>(d) Other current assets</b>	8	7001.19	4,218.51
<b>Total Assets</b>		<b>28,723.85</b>	<b>15,230.97</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity Share Capital	14	2,160.00	2,160.00
(b) Other Equity	15	13,596.42	8,586.18
Equity attributable to the Owners of the Parent		11,957.74	8,586.18
Non Control ling interest		1,638.68	8,586.18
Total Equity		15,756.42	10,746.18
LIABILITIES			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	4,157.12	140.75
(ii) Trade payables		-	-
<b>(iii) Other financial liabilities</b>		4,157.12	140.75
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)	17	39.11	176.44
(d) Other non-current liabilities	18	-	0.73
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	3,988.49	2,569.87
(ii) Trade payables	20	3,866.53	1,007.77
(iii) Other financial liabilities(other than those specified in item(c))	21	559.98	304.49
(d) Other current liabilities	22	274.40	198.92
(c) Provisions	23	6.17	5.79
(d) Current Tax Liabilities (Net)	24	75.63	80.03
<b>Total Equity and Liabilities</b>		<b>28,723.85</b>	<b>15,230.97</b>

See accompanying notes to financial statements 1 to 53

 for and on behalf of  
 SAMPATI LAL BOHARA & CO.,  
 Chartered Accountants  
 FRN: 003324C

Signatures to the Financial Statements and Notes

 AJAY SARIYA  
 PARTNER  
 M No. 079102

 SHEHNAZ D ALI  
 Wholetime Director  
 DIN :00185452

 HARIKANT TURGALIA  
 Wholetime Director  
 and CFO  
 DIN :00049544

 ALKA PREMKUMAR GUPTA  
 Company Secretary  
 M.No. A35442

Mumbai, May 29, 2019

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2019**

Particulars	Note no.	(Rs in Lakhs)	
		Year ended 31.03.2019	Year ended 31.03.2018
I Revenue from operations	25	22,920.22	10,023.83
II Other income	26	92.64	159.70
<b>III Total Revenue (I+II)</b>		<b>23,012.86</b>	<b>10,183.53</b>
IV Expenses :			
Cost of Materials consumed	27	13,020.38	2,399.33
Excise Duty		-	57.59
Purchases of Stock-in-Trade	28	3,454.63	5,548.23
Changes in inventories of finished goods work-in-progress and Stock -in-Trade	29	-688.34	-128.11
Employee benefits expense	30	1,387.39	258.11
Finance costs	31	1,238.17	187.39
Depreciation and amortization expense	3	528.81	115.26
Other expenses	32	2,477.82	888.72
<b>Total expenses (IV)</b>		<b>21,418.86</b>	<b>9,326.52</b>
V Profit before share of profit /(loss) of an associate and exceptional items(III-IV)		1,594.00	857.01
VI Share of profit/(loss) of an associate		(92.05)	(25.92)
VII Profit before exceptional items and tax (V+VI)		1,501.95	831.09
VIII Exceptional items	43	27.44	-21.24
IX Profit before tax (VII+VIII)		1,529.39	809.85
X Tax expense :			
(1) Current tax		134.25	120.78
(2) Prior Period income tax		0.05	-17.46
(3) Deferred tax		-161.64	5.90
XI Profit for the period from continuing operation (IX-X)		1,556.73	700.63
XII Profit/(Loss) from discontinued operations.		-	-
XIII Tax expense of discontinued operations		-	-
XIV Profit/(loss) from discontinued operation (after tax) (XII-XIII)		-	-
XV Profit for the period (XV+XVI)		1,556.73	700.63
XVI Other Comprehensive Income			
A(i) item that will not be reclassified to profit or loss			-
Equity instrument through other comprehensive income		-29.71	-
(ii) Income tax relating to item that will not be reclassified to profit or loss		-	-
B(i) item that will be reclassified to profit or loss			
Exchange difference in translating the financial instatement of foreign operations		124.55	-
(ii) Income tax relating to item that will be reclassified to profit or loss		-	94.84
<b>XVII Total Comprehensive Income for the period (XVI+XVII)</b>		<b>1,651.57</b>	<b>700.63</b>
Attributable to			
(a) Owners of the parent		1,431.65	698.37
(b) Non-controlling interests		219.92	2.26
<b>Of the Total Comprehensive income</b>			
<b>Profit for the year attributable to:</b>			
Owners of the parent		1,336.81	698.37
Non-controlling interests		219.92	2.26
<b>Of the Total comprehensive income above,</b>			
<b>Other Comprehensive income attributable to :</b>			
Owners of the parent		94.84	-
Non-controlling interests		-	-
XVIII Earnings per equity share:(for continued Operation):			
(1) Basic	34	1.44	0.65
(2) Diluted	34	1.44	0.65
XIX Earnings per equity share:(for discontinued Operation):			
(1) Basic		-	-
(2) Diluted		-	-
XX Earnings per equity share:(for discontinued & continuing operations)			
(1) Basic	34	1.44	0.65
(2) Diluted	34	1.44	0.65

See accompanying notes to financial statements 1 to 53

for and on behalf of  
SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

AJAY SARIYA  
PARTNER  
M No. 079102

SHEHNAZ D ALI  
Wholetime Director  
DIN :00185452

HARIKANT TURGALIA  
Wholetime Director  
and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 29, 2019

**CONSOLIDATED CASH FLOW STATEMENT For the Year ended 31ST MARCH,2019**
**(Rs in Lakhs)**

Sr. Particulars No.	Year ended 31.03.2019	Year ended 31.03.2018
<b>A Cash Flow from Operating Activities</b>		
Net Profit before tax	1529.39	809.85
Adjustments for:		
Depreciation	528.81	115.26
Gratuity and leave encashment	0.38	2.21
Interest Paid	1077.13	183.55
Loss/(Profit) on sale of Property ,plant and equipment	14.51	18.84
Loss of associates	92.05	25.92
(Profit)/Loss on Sale of investments	-41.95	2.40
<b>Operating Profit before working capital changes</b>	<b>3,200.32</b>	<b>1,158.03</b>
Adjustment for :		
Inventories	(2,345.01)	(96.81)
Trade Receivables	-3,762.06	2,964.91
Trade payables	2,858.76	(1,770.49)
Loans	(673.21)	(1,103.38)
Other financial assets	574.75	644.42
Other non-current financial assets	(87.31)	(111.10)
Financial liabilities	255.49	233.00
Current liabilities	75.48	146.99
Increase current tax assets	(3.44)	(3.59)
Increase/(Decrease) non-current assets	62.14	(51.08)
Other Non current liabilities	(0.73)	0.06
Increase in other current assets	(2,782.68)	(4,108.56)
<b>Cash Generated from Operations</b>	<b>(2,627.50)</b>	<b>(2,097.60)</b>
Income Tax Paid	138.70	42.29
<b>Net Cash Inflow /(Out Flow) from Operation (A)</b>	<b>(2,766.20)</b>	<b>(2,139.89)</b>
<b>B Cash Flow from Investing Activities:</b>		
Sale of Property, plant and equipment	9.42	18.60
Purchase of fixed assets	-655.88	(260.54)
Purchase of investments -Non Current	-73.17	(932.33)
WIP	3.04	(3.04)
Goodwill on Consolidation		(65.90)
On transfer/acquisition of subsidiary etc.	-567.29	12.77
Sale of investment	48.48	7.84
<b>Net Cash Inflow/(Outflow) from investing Activities (B)</b>	<b>(1,235.40)</b>	<b>(1,222.60)</b>
<b>C Cash flow from Financing Activities</b>		
Repayment of borrowings		-
Increase in borrowings	4,016.37	1,670.30
Increase in unsecured loan	522.85	-
Increase in capital	0	200.00
Increase in share premium	0	1,150.00
Share warrants	0	(337.50)
Dividend Paid	-108.00	-
Dividend distribution tax	-21.21	-
Interest Paid	(1,077.13)	(183.55)
<b>Net Cash Inflow /(Out Flow) from Financing Activities (C)</b>	<b>3,332.88</b>	<b>2,499.25</b>
<b>Net Increase/Decrease in cash &amp; Cash equivalents (A+B+C)</b>	<b>(668.72)</b>	<b>(863.24)</b>
As at the beginning of the year	314.12	1,173.10
Less : Cash Credit	647.04	642.78
As at the end of the year	541.17	314.12
Less : Cash Credit	1542.81	647.04
<b>Net Increase/(Decrease) in cash &amp; Cash equivalents</b>	<b>(668.72)</b>	<b>(863.24)</b>

As per our Audit Report Attached

Notes:-

1. The above Cash Flow Statement has been prepared under the "indirect Method" as set out in the Indian Accounting standard-7 "Cash Flow Statement".

for and on behalf of  
SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

AJAY SARIYA  
PARTNER  
M No. 079102

SHEHNAZ D ALI  
Wholetime Director  
DIN :00185452

HARIKANT TURGALIA  
Wholetime Director  
and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai, May 29, 2019



(Rs in Lakhs)

**Statement of Changes in equity**

a) Equity Share Capital

	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Year ended on 31/03/2018	1,960.00	200.00	2,160.00
Year ended on 31/03/2019	2,160.00	0	2,160.00

b) Other equity

	Reserves & Surplus					Equity Instruments through other Comprehensive Income	Exchange difference on translating financial difference on foreign operation	Money received against share warrants	Attributable to owners of the parent	Non-controlling interest	Total
	Statutory Reserve	Capital Reserve	Securities premium	General Reserve	Retained earnings						
Balance at the beginning of the reporting period-01/04/17		338.25	5,477.80	127.04	(335.52)	-0.00	964.73	337.50	6,909.80	150.48	7,060.28
Profit for the year		-	-	-	698.37	-	-	-	698.37	2.26	700.63
Issue of Equity Share		-	1,150.00	-	-	-	-	(337.50)	812.50	-	812.50
Total Comprehensive income for the year		-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings		-	-	-	-	-	-	-	-	-	-
Sales of Subsidiary		-	-	-	446.90	-	(456.13)	-	(9.23)	-	(9.23)
Any other									698.37	22.00	720.37
Balance at the end of the reporting period -31.03.2018		338.25	6,627.80	127.04	809.75	-	508.60	-	8,411.44	174.74	8,586.18
Profit for the year					1,336.81				1,336.81	219.92	1,556.73
Other comprehensive income						(29.71)	124.55		94.84	-	94.84
Transfer to/from	1.23				(1.23)						-0.00
Dividends					(108.00)				(108.00)		(108.00)
Dividend distribution tax					(21.21)				(21.21)		(21.21)
On acquisition of subsidiary		2,243.86							2,243.86	1,244.02	3,487.88
Balance at the end of the reporting period -31.03.2019	1.23	2,582.11	6,627.80	127.04	2,016.12	(29.71)	633.15	-0.00	11,957.74	1,638.68	13,596.42

for and on behalf of  
SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

AJAY SARIYA  
PARTNER  
M No. 079102

SHEHNAZ D ALI  
Wholetime Director  
DIN :00185452

HARIKANT TURGALIA  
Wholetime Director  
and CFO  
DIN :00049544

ALKA PREM Kumar GUPTA  
Company Secretary  
M.No. A35442

Mumbai, May 29, 2019

## Notes to the Consolidated Financial Statements

### 1. Company Information

SAT Industries Limited (SIL) - parent - is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. SIL is engaged in the manufacture of flexible packaging, Hose pipes, leasing, investment etc. activities on its own and through subsidiaries and associate companies.

### 2. Significant Accounting Policies

#### Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

#### Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 - Share-based Payment, leasing transactions that are within the scope of Ind AS 17 - Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements,

and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

#### Basis of Consolidation

The Consolidated Financial Statements (CFS) include the financial statements of the Company and its subsidiaries and together with the share of the total comprehensive income of associates.

Subsidiaries are entities controlled by the Group. Associate is an entity over which the Group exercise significant influence but does not control.

Control and significant influence is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Group in its capacity as an investor that provides it the power and consequential ability to direct the investee's activities and significantly affect the Group's returns from its investment. Such assessment requires the exercise of judgement and is disclosed by way of a note to the Financial Statements. The Group is considered not to be in control of entities where it is unclear as to whether it enjoys such power over the investee.

The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests. The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. The excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the CFS. On disposal of the subsidiary, attributable amount on goodwill is included in the determination of the profit or loss and recognised in the Statement of Profit and Loss

Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off

## Notes to the Consolidated Financial Statements (Contd.)

to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or a group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes. An investment in an associate is initially recognized at cost on the date of the investment, and inclusive of any goodwill/capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the Group in the net profits / losses as also in the other comprehensive income is recognised in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount (referred as 'equity method').

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP. Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All up gradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits

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 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 the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Group are as follows:

Buildings	30 Years
Plant and Equipment	7 – 25 Years
Furniture and Fixtures	8 – 10 Years
Vehicles	8 – 10 Years
Office Equipment	5 Years

No write off is made in respect of leasehold land.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

### Goodwill on Consolidation

Goodwill arising on consolidation is stated at cost less impairment losses, where applicable. On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Statement of Profit and Loss. On acquisition of an associate, the goodwill / capital reserve arising from such acquisition is included in the carrying amount of the investment and also disclosed separately.

Impairment loss, if any, to the extent the carrying amount exceed the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.



## Notes to the Consolidated Financial Statements (Contd.)

### Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- a. for assets acquired in a business combination or by way of a government grant, at fair value on the date of acquisition/grant
- b. for separately acquired assets, at cost comprising the purchase price (including import duties and nonrefundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2016 measured as per the previous GAAP.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss.

Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses. The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

### Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

### Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on FIFO method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

### Foreign Currency Transactions

The presentation currency of the Group is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

Exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in foreign currency translation reserve.

### For the preparation of the consolidated financial statements:

- (a) assets and liabilities of foreign operations, together with goodwill and fair value adjustments

## Notes to the Consolidated Financial Statements (Contd.)

assumed on acquisition thereof, are translated to Indian Rupees at exchange rates prevailing at the reporting period end;

- (b) income and expense items are translated at the average exchange rates prevailing during the period; when exchange rates fluctuate significantly the rates prevailing on the transaction date are used instead.

Differences arising on such translation are accumulated in foreign currency translation reserve and attributed to non-controlling interests proportionately

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group is reclassified to the Statement of Profit and Loss. In relation to a partial disposal, that does not result in losing control over the subsidiary, the proportionate exchange differences accumulated in equity is reclassified to the Statement of Profit and Loss

### Investment in Associate

Investment in Associate is accounted for using the 'equity method' less accumulated impairment, if any.

Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

### Financial Assets

#### Recognition:

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Group becomes party to contractual

obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

#### Classification:

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

#### Financial assets are classified as those measured at:

- amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

#### Impairment:

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without

## Notes to the Consolidated Financial Statements (Contd.)

undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

**Reclassification:** When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

**De-recognition:** Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

### Income Recognition:

Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

### Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

### Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods includes excise and other duties which the Group pays as a principal but excludes amounts collected on behalf of third parties, such as sales tax and value added tax.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. Revenue from services is recognised in the periods in which the services are rendered.

### Government Grant

The Group may receive government grants that require compliance with certain conditions related to the Group's operating activities or are provided to the Group by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Group will comply with the conditions attached to the grant. Accordingly, government grants:

- (a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

## Notes to the Consolidated Financial Statements (Contd.)

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

### Employee Benefits

i) Short-term Employee benefits Liabilities for wages and salaries including nonmonetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Post-Employment Benefits Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office and Superannuation Fund are charged as an expense in the Statement of Profit and Loss as they fall due.

### Defined Benefit Plans

#### Gratuity Fund

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

#### Provident Fund

The contributions to the Provident Fund of employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

#### iii) Other Long Term Employee Benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of

expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method

Re-measurements are recognised in profit or loss in the period in which they arise. Actuarial gains and losses in respect of such benefits are charged to Statement of Profit and Loss in the period in which they arise.

### Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### Group as a Lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Group is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

### Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss



## Notes to the Consolidated Financial Statements (Contd.)

is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

### Claims

Claims against the Group not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

### Provisions

Provisions are recognised when, as a result of a past event, the Group has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

### Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who

is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

“Unallocated Corporate Expenses” include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

### Financial and Management Information Systems

The Group’s Accounting System is designed to comply with the relevant provisions of the Companies Act, 2013, to provide financial information appropriate to the businesses and facilitate Internal Control.

### Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### A. Judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see note below), that the Group have made in the process of applying the accounting policies and that have a significant effect on the amounts recognised in the consolidated financial statements:

## Notes to the Consolidated Financial Statements (Contd.)

### 1. Control:

The Group assessed whether or not it has control on its investees based on whether, as an investor, it has the power/rights and consequently the practical ability to direct the relevant activities of its investees unilaterally. In making this judgement, the Group considered the absolute size of its holding, the relative size of and dispersion of other shareholders, and whether any contractual arrangements exist between the Company (and its subsidiaries) and other shareholders of the investees. Based on this, and in accordance with its Accounting Policy, the Group has determined that the entities listed in the notes to the financial statements are the only entities over which Group has control.

### 2. Significant influence:

The Group assessed whether or not it has significant influence on its investees based on its practical ability to participate in the financial and operating policy decisions of the investee, though it is not in control of these policies. Based on such assessment, the Group determined that the entities listed in the notes to the financial statements are the only entities over which the Group has significant influence, and accordingly associates.

### 3. Useful life of Intangible Assets:

The Group is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement.

## B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 1. Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Group reviews the estimated

useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

### 2. Fair value measurements and valuation processes:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

### 3. Actuarial Valuation:

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

### 4. Claims, Provisions and Contingent Liabilities:

In respect of litigations where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.



# Financial Year 2018-2019



**SAT  
INDUSTRIES  
LIMITED**

34th Annual Report 2018-2019

Particulars	Owned Assets										Under Operating Lease				Total
	Land : Leasehold*	Building	Plant and Equipment	Furniture and Fixtures	Vehicle	Office equipment	D.G.Set	Tube well	Computer	Moulds	Plant and Equipment	Moulds	Plant and Equipment		
<b>Year ended March 31, 2019</b>															
<b>GROSS CARRYING AMOUNT</b>															
Opening Gross Carrying Amount	1,657.31	2,822.12	7,207.65	382.16	300.29	134.44	57.28	1.16	149.35	397.50	425.96	13,535.22			
Additions	-	61.34	312.94	25.06	-	7.75	-	-	4.10	242.65	-	653.84			
Disposals/Adjustment	-	-	38.04	-	-	-	-	-	-	-	-	38.04			
<b>Closing Gross Carrying Amount</b>	<b>1,657.31</b>	<b>2,883.46</b>	<b>7,482.55</b>	<b>407.22</b>	<b>300.29</b>	<b>142.19</b>	<b>57.28</b>	<b>1.16</b>	<b>153.45</b>	<b>640.15</b>	<b>425.96</b>	<b>14,151.02</b>			
<b>ACCUMULATED DEPRECIATION</b>															
Opening Accumulated Depreciation	-	1,564.50	4,240.27	323.41	175.44	122.67	19.41	0.35	138.49	91.13	50.00	6,725.67			
Depreciation charge during the year	-	112.88	308.30	24.36	21.01	12.06	2.51	0.04	9.01	17.74	16.79	524.70			
Disposals/Adjustments	-	-	14.14	-	-	13.59	-	-	8.26	-	-	35.99			
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>1,677.38</b>	<b>4,534.43</b>	<b>347.77</b>	<b>196.45</b>	<b>121.14</b>	<b>21.92</b>	<b>0.39</b>	<b>139.24</b>	<b>108.87</b>	<b>66.79</b>	<b>7,214.38</b>			
<b>Net Carrying Amount</b>	<b>1,657.31</b>	<b>1,206.08</b>	<b>2,948.12</b>	<b>59.45</b>	<b>103.84</b>	<b>21.05</b>	<b>35.36</b>	<b>0.77</b>	<b>14.21</b>	<b>531.28</b>	<b>359.17</b>	<b>6,936.64</b>			
<b>Year ended March 31, 2018</b>															
<b>GROSS CARRYING AMOUNT</b>															
Opening Gross Carrying Amount	29.57	378.98	1,397.15	16.36	127.91	14.56	58.93	1.16	11.65	351.11	331.62	2,719.00			
Additions	-	-	29.44	2.65	77.38	3.60	-	-	3.88	46.39	94.34	257.68			
Disposals/Adjustment	-	-	55.25	-	-	-	1.65	-	-	-	-	56.90			
<b>Closing Gross Carrying Amount</b>	<b>29.57</b>	<b>378.98</b>	<b>1,371.34</b>	<b>19.01</b>	<b>205.29</b>	<b>18.16</b>	<b>57.28</b>	<b>1.16</b>	<b>15.53</b>	<b>397.50</b>	<b>425.96</b>	<b>2,919.78</b>			
<b>ACCUMULATED DEPRECIATION</b>															
Opening Accumulated Depreciation	-	95.78	440.69	9.57	68.54	9.97	18.35	0.32	9.01	79.04	34.56	765.83			
Depreciation charge during the year	-	12.73	50.95	1.99	14.74	2.01	2.52	0.03	1.60	12.09	15.44	114.10			
Disposals/Adjustments	-	-	18.00	-	-	-	1.46	-	-	-	-	19.46			
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>108.51</b>	<b>473.64</b>	<b>11.56</b>	<b>83.28</b>	<b>11.98</b>	<b>19.41</b>	<b>0.35</b>	<b>10.61</b>	<b>91.13</b>	<b>50.00</b>	<b>860.47</b>			
<b>Net Carrying Amount</b>	<b>29.57</b>	<b>270.47</b>	<b>897.70</b>	<b>7.45</b>	<b>122.01</b>	<b>6.18</b>	<b>37.87</b>	<b>0.81</b>	<b>4.92</b>	<b>306.37</b>	<b>375.96</b>	<b>2,059.31</b>			

\*No write off has been made in respect of leasehold land.

**Notes to the Consolidated Financial Statements (Contd.)**
**INTANGIBLE ASSETS**

(Rs. in lakhs)

Particulars	Computer Software	Total
<b>Year ended March 31, 2019</b>		
<b>GROSS CARRYING AMOUNT</b>		
Opening Gross Carrying Amount	34.37	34.37
Additions	2.04	2.04
Disposals/Adjustment	-	-
<b>Closing Gross Carrying Amount</b>	<b>36.41</b>	<b>36.41</b>
<b>ACCUMULATED DEPRECIATION</b>		-
Opening Accumulated Depreciation	24.90	24.90
Depreciation charge during the year	4.11	4.11
Disposals/Adjustments	-	-
<b>Closing Accumulated Depreciation</b>	<b>29.01</b>	<b>29.01</b>
<b>Net Carrying Amount</b>	<b>7.40</b>	<b>7.40</b>
<b>Year ended March 31, 2018</b>		
<b>GROSS CARRYING AMOUNT</b>		
Opening Gross Carrying Amount	4.28	4.28
Additions	-	-
<b>Disposals/Adjustment</b>	-	-
<b>Closing Gross Carrying Amount</b>	<b>4.28</b>	<b>4.28</b>
<b>ACCUMULATED DEPRECIATION</b>		-
Opening Accumulated Depreciation	0.87	0.87
Depreciation charge during the year	1.16	1.16
<b>Disposals/Adjustments</b>	-	-
<b>Closing Accumulated Depreciation</b>	<b>2.03</b>	<b>2.03</b>
Net Carrying Amount	2.25	2.25

**WORK-IN-PROGRESS**

(Rs. in lakhs)

Particulars	Owned Assets	Total
	Building Under Construction	
<b>Year ended March 31, 2019</b>		
<b>GROSS CARRYING AMOUNT</b>		
Opening Gross Carrying Amount	3.04	3.04
Additions	30.04	30.04
Disposals/Adjustment	33.08	33.08

**Notes to the Consolidated Financial Statements (Contd.)**
**Note 04**

(Rs. in lakhs)

<b>INVESTMENT ACCOUNTED FOR USING EQUITY METHOD</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>In Associate :</b>		
Genext Students Private Ltd. 936513 (Pr.yr. 936513) Equity Shares of Rs. 10/- each fully paid up	<b>257.17</b>	257.17
Less: Share of loss in Associate	<b>(117.97)</b>	(25.92)
	<b>139.20</b>	231.25

**Note 05**

<b>NON-CURRENT INVESTMENTS</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
<b>Unquoted :</b>		
<b>Investment in Equity Instrument</b>		
<b>In Others ( at fair value through other comprehensive income):</b>		
Aeroflex Industries Ltd. 999500 Equity Shares of Rs. 10/- each fully paid up	0.00	34.65
<b>RNT Wellness Pvt Ltd</b> 79(Pr.yr.79) Equity Shares of Rs. 10/- each fully paid up	3.29	3.29
<b>Ketto Online Ventures Private Limited</b> 10(Pr.yr.10 ) Equity Shares of Rs. 10/- each fully paid up	0.71	0.71
<b>Confirm Ticket Online Solution Pvt Ltd</b> 441(Pr.yr.441) Equity Shares of Rs. 10/- each fully paid up	2.69	2.69
<b>Proximit India Pvt Ltd</b> 84(Pr.yr.84) Equity Shares of Rs. 10/- each fully paid up	0.00	5.00
<b>Vphrase Analytics Solution Pvt Ltd</b> 112(Pr.yr.112) Equity Shares of Rs. 10/- each fully paid up	10.13	10.13
<b>GetUp For Change Services Private Limited</b> 5(Pr.yr.5) Equity Shares of Rs. 10/- each fully paid up	<b>0.56</b>	0.56
<b>Ideope Media Pvt Ltd</b> 01(Pr.yr. 01) Equity Shares of Rs. 10/- each fully paid up	<b>0.10</b>	0.10
<b>My Aashiana Management Services P Ltd</b> 6880(Pr.yr.5460) Equity Shares of Rs. 1/- each	<b>7.05</b>	5.00
<b>Innofin Solution Private Limited</b> 298( Pr.yr.298) Equity Share of Rs.10 each	<b>11.01</b>	11.01
<b>Urbtranz Technologies Pvt Ltd</b> 104( Pr.yr.104 ) Equity Share of Rs.10 each	<b>3.09</b>	3.09
<b>Idea bubbles Consulting Services P Ltd</b> 1425( Pr.yr.1425 ) Equity Share of Rs.1/- each	<b>15.00</b>	15.00
<b>Creditas Solutions Private Limited</b>	<b>55.00</b>	55.00

**Notes to the Consolidated Financial Statements (Contd.)**

2904( Pr.yr.2904) Equity Share of Rs.10/- each <b>Zeva Capsol Private Limited</b>	<b>20.01</b>	20.01
19634( Pr.yr.19634 ) Equity Share of Rs.10/- each <b>Reconext Labs Private Limited</b>	<b>2.11</b>	2.11
16( Pr.yr.16 ) Equity Share of Rs.10/- each <b>Eduvanz Financing Private Limited</b>	<b>60.00</b>	60.00
8219(Pr.yr. 8219 ) Equity Share of Rs.10/- each <b>Flickstree Productions P Ltd</b>	<b>6.19</b>	4.09
50(Pr.yr.33 ) Equity Share of Rs.10/- each <b>Metro politan Exchange Limited</b>	<b>6.10</b>	6.10
500000(Pr.yr.500000 ) Equity Share of Rs.1/- each <b>Nuve Pro Technologies Pvt Ltd</b>	<b>20.00</b>	20.00
76920(Pr.yr. 76920 ) Equity Share of Rs.1/- each <b>Kalpnik Technologies Pvt Ltd</b>	<b>5.12</b>	3.07
21688( Pr.yr. 13013 ) Equity Share of Rs.1 each <b>Bohri Kitchen Pvt Ltd</b>	<b>4.73</b>	2.43
55( Pr.yr.28 ) Share of Rs.10 each fully <b>Karma Health Care Ltd</b>	<b>5.00</b>	5.00
1025( Pr.yr.1025 ) Equity Share of Rs. 1 each fully <b>Truelan Textiles Pvt Ltd</b>	<b>3.15</b>	1.87
32( Pr.yr. 19 ) Equity Share of Rs.10 each fully <b>SynThera Biomedical Private Limited</b>	<b>5.03</b>	5.03
82( Pr.yr.82 ) Equity Share of Rs.10 each fully <b>Switchme Technologies and Services Pvt Ltd</b>	<b>5.00</b>	-
103( Pr.yr.0) Equity Share of Rs.10 each fully paid-up <b>SSMaserTechnology Private Limited</b>	<b>2.60</b>	-
23( Pr.yr.0) Equity Share of Rs.10 each fully paid up <b>Insource Operational Optimizers Pvt Ltd</b>	<b>5.00</b>	-
34165( Pr.yr.0) Equity Share of Rs.1 each fully paid up <b>Mynvax Private Limited</b>	<b>5.00</b>	-
51( Pr.yr.0) Equity Share of Rs.10 each fully paid up <b>Supa Star Foods P Ltd</b>	<b>4.98</b>	-
68( Pr.yr.0) Equity Share of Rs.100 each fully paid up <b>Lenden Club Techserve P Ltd</b>	<b>0.01</b>	-
1011 ( Pr.yr.0) Equity Share of Rs.1 each fully paid up <b>Fibcrop Polyweave Pvt Ltd</b>	<b>28.50</b>	28.50
7600( Pr.yr.7600 ) Equity Share of Rs.10 each fully		
<b>INVESTMENT IN CONVERTIBLE PREFERENCE SHARES:</b>		
<b>In Others ( at fair value through other comprehensive income):</b>		
<b>Ketto Online Ventures Private Limited</b>	<b>4.23</b>	4.23
60(Pr.yr.60) Compulsorily Convertible Non -Cumulative Preference shares of Rs. 10/- each fully paid up <b>Duronto Technologies Private Limited</b>	<b>10.00</b>	10.00

**Notes to the Consolidated Financial Statements (Contd.)**

1122(Pr.yr.1122) Compulsorily Convertible Preference Shares of Rs.45/- each fully paid up		
<b>GetUp For Change Services Private Limited</b>	<b>9.42</b>	9.42
84(Pr.yr.84) Preference shares of Rs. 300/- each fully paid up		
<b>Lithasa Technologies Pvt Ltd</b>	<b>19.03</b>	15.27
83(Pr.yr.70) Pre - Series A1 Cumulative Convertible Preference shares of Rs. 100/- each fully paid up		
<b>Ideope Media Pvt Ltd</b>	<b>4.95</b>	4.95
49(Pr.yr.49 ) CCPS of Rs. 10/- each fully paid up		
<b>Stay Vista Private Limited</b>	<b>10.01</b>	10.01
600(Pr.yr. 600) Cumulative Convertible Preference shares of Rs. 10/- each fully paid up		
<b>Absentia Virtual Reality Private Limited</b>	<b>6.98</b>	6.98
42(Pr.yr 42) Cumulative Convertible Preference shares of Rs. 10/- each fully paid up		
<b>Manali E-Business Pvt Ltd</b>	<b>5.04</b>	5.04
112(Pr.yr. 112) 0.01% Compulsorily Convertible Cumulative Preference shares of Rs. 10/- each fully paid up		
<b>Innofin Solution Private Limited</b>		
338( Pr.yr. 338 ) 0.01% Compulsorily Convertible Cumulative Convertible Preference Share of Rs.10 each fully	<b>27.58</b>	27.58
375( Pr.yr. 375 ) 0.01% Compulsorily Convertible Cumulative Preference Share of Rs.10 each fully	<b>31.81</b>	31.81
<b>Endless Robotics Pvt Ltd</b>	<b>0.00</b>	5.01
50( Pr.yr.50 ) 0.001% Cumulative Convertible Preference Share of Rs.500each fully		
<b>Eduvanz Financing Private Limited</b>	<b>4.99</b>	4.99
370( Pr.yr. 370) 0.01% Compulsorily Convertible Preference Share of Rs.10 each fully paid up		
<b>Silvan Innovation Labs Pvt Ltd</b>	<b>5.05</b>	-
146( Pr.yr.00 ) Compulsory Convertible Series A3 Preference Share face value of Rs.200 each fully paid up		
<b>Aeroflex Industries Limited</b>		540.68
0.00 ( Pr.yr. 636363 ) Series "A" Compulsorily Convertible Preference Share of Rs. 10/- each	<b>0.00</b>	
0.00 ( Pr.yr. 637000 ) Series "A" Compulsorily Convertible Preference Share of Rs. 200/- each		
<b>DEBENTURES:</b>		
<b>In others( at amortised cost)</b>		
<b>My Aashiana Management Services P Ltd</b>	<b>5.00</b>	5.00
3,745 (Pr. Yr. 3745) Cumulative Convertible Preference Shares of Rs. 133.51/- each fully paid up		
<b>Switchme Technologies and Services Pvt Ltd</b>	<b>0.00</b>	5.00
500(Pr yr 500 )Convertible Debenture of Rs.1000 each fully paid up		
<b>Idea Bubbles Consulting Pvt Ltd</b>	<b>5.00</b>	5.00
5000( Pr.yr.5000 ) Cumulative Convertible Debentures Share of Rs.100 each fully		
<b>In others( at amortised cost)</b>		



**Notes to the Consolidated Financial Statements (Contd.)**

<b>OTHERS</b>		
Venture Capital Fund	<b>89.83</b>	81.35
India Quotient Fund II- Venture Capital Fund		
95(pr.yr.85) Class A units of Rs. 1,00,000/- each		
<b>Artha Venture Fund-1</b>	<b>27.00</b>	-
25000(pr.yr.0) Units of Rs. 100/- each		
Rubis Capital Advisors LLP	<b>5.12</b>	5.12
3.13% Share		
<b>Quoted :</b>		
<b>Equity instrument ( at fair value through other comprehensive income):</b>		
Tirupati Sarjan Limited		
375000 (Pr. yr 375000) Equity Shares of Rs.10 each, fully paid up	<b>50.25</b>	74.96
	<b>618.45</b>	1,156.83
(a) Aggregate of unquoted investments.	<b>568.15</b>	1,313.12
(b) Aggregate of quoted investments	<b>50.25</b>	74.96
(c) Market value of quoted investment	<b>50.25</b>	74.96

**NOTE 6: LOANS**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current *	Non -current **	Current *	Non -current **
(Unsecured , considered good)				
(a) Loan considered good- secured				
(b) Loan considered good- unsecured	3220.88	411.15	2,918.82	40.00
©Loans which have significant increase in Credit Risk				
(d) Loans -Credit impaired				
	3220.88	411.15	2918.82	40.00
<b>Less: Allowance for doubtful debts</b>	0	0	0	0.00
<b>Total</b>	<b>3220.88</b>	<b>411.15</b>	<b>2918.82</b>	<b>40.00</b>

\* includes Rs. 2823.80 lakhs ( pr. yr. Rs. 1846.39 lakhs) to related parties. For details refer to note 38.

\*\*includes Rs. 49.13 lakhs ( pr.yr. Rs. NIL lakhs ) to related parties. For details refer to note 38)



**Notes to the Consolidated Financial Statements (Contd.)**
**Note 7: OTHER FINANCIAL ASSETS**
**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
	current	Non-current	current	Non-current
Bank Deposit with more than 12 months maturity *	100.00	93.73	382.37	58.18
<b>Other Financial Assets</b>				
-Deposit	-	104.68	7.18	52.92
-Interest accrued on loan, deposit etc.	8.09	-	14.37	-
-Other Receivables				
- others	5.55	-	0.16	-
<b>Total</b>	<b>113.64</b>	<b>198.41</b>	<b>404.08</b>	<b>111.10</b>

\*Under lien with Uco Bank for guarantee Rs. 29.23 lakhs including accrued interest Rs. 1.71 lakhs ( pr. yr. Rs. 27.52 lakhs including accrued interest Rs. 2.48 lakhs ).

**Note 8: OTHER ASSETS :**
**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
	current	Non-current	current	Non-current
Capital Advances	-	29.29	-	30.45
<b>Advances other than capital advances</b>				
Security Deposit				
-With Statutory Authorities	-	2.17	-	3.70
-Others	0.79	1.67	0.71	0.90
-Advances to related parties	-	-	52.73	-
<b>OTHER ADVANCES :</b>				
-Statutory authorities employees,pre-paid expenses etc.	6355.36	0.21	3,781.76	81.10
Others	18.83	-	-	-
<b>Other receivables :</b>				
<b>Exports incentives, accrued benefits etc.</b>	626.21	4.53	383.31	-
Asset held for sale	-	16.14	-	-
<b>Total</b>	<b>7,001.19</b>	<b>54.01</b>	<b>4,218.51</b>	<b>116.15</b>

**NOTE 9 : INVENTORIES**
**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
(a) Raw materials		1515.83		103.55
(b) Work-in-progress		1533.18		502.77
(c) Finished goods		50.5		133.55
(d) Stores and spares		38.01		49.66
(e) Printing Ink		7.02		9.57
(e) Wastage		0.73		1.16
<b>Total</b>		<b>3,145.27</b>		<b>800.26</b>



**Notes to the Consolidated Financial Statements (Contd.)**

**NOTE 10 :TRADE RECEIVABLES -CURRENT**

**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
	(a) Trade Receivables considered good- secured		0	
(b) Trade Receivables considered good- unsecured		5288.31		1526.25
(c) Trade Receivables which have significant increase in Credit Risk		0		0
(d) Trade Receivables -Credit impaired		0		0
		5288.31		1526.25
Less: Allowance for doubtful debts		0		0
<b>Total</b>		<b>5,288.31</b>		<b>1,526.25</b>

**NOTE 11 :CASH AND CASH EQUIVALENTS**

**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
	a) Balances with banks			
i) in current accounts		462.37		99.31
ii) Cheques onhand		69.00		7.73
ii) deposits with original maturity up to 3 months		0		204.00
		531.37		311.04
b) Cash on hand		9.80		3.08
<b>Total</b>		<b>541.17</b>		<b>314.12</b>

**NOTE 12 : OTHER BANK BALANCES**

**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Bank deposits with original maturity for more than 3 months but not more than 12 months (including accrued interest thereon)			
With Bank		241.34		525.65
<b>Total</b>		<b>241.34</b>		<b>525.65</b>

\*Under lien with Uco Bank for guarantee Rs. 33.34 lakhs including interest Rs. 1.88 lakhs ( pr.yr. NIL ).

**NOTE 13 : CURRENT TAX ASSETS**

**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Income tax Refund		7.03	
<b>Total</b>		<b>7.03</b>		<b>3.59</b>

**Notes to the Consolidated Financial Statements (Contd.)**
**NOTE 14: SHARE CAPITAL**
**Amount in Rs. lakhs**

Particulars	As at 31/03/2019		As at 31/03/2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity Shares of 2/- each	11,00,00,000	2,160.00	11,00,00,000	2,160.00
	11,00,00,000	2,160.00	11,00,00,000	2,160.00
<b>Issued</b>				
Equity Shares of 2/- each fully paid up	10,80,00,000	2,160.00	10,80,00,000	2,160.00
<b>Total</b>	<b>10,80,00,000</b>	<b>2,160.00</b>	<b>10,80,00,000</b>	<b>2,160.00</b>

**Note: 14.1 Reconciliation for No. of shares outstanding during the year**
**Amount in Rs. lakhs**

Particulars	As at 31/03/2019		As at 31/03/2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	10,80,00,000	2,160.00	9,80,00,000	1,960.00
Shares Issued during the year	0	0	1,00,00,000	200.00
Shares bought back during the year	0	0	0	0
<b>Shares outstanding at the end of the year</b>	<b>10,80,00,000</b>	<b>2,160.00</b>	<b>10,80,00,000</b>	<b>2,160.00</b>

**Note :14.02 Details of shareholders holding more than 5%**

Name of Shareholder	As at 31/03/2019		As at 31/03/2018	
1. Sat Invest Private Limited	5,08,35,000	47.07%	5,08,35,000	47.07%
2. Dawood Investment Private Limited	72,09,321	6.68%	72,09,321	6.68%
3. Space Age Polymers Private Limited	66,19,455	6.13%	66,19,455	6.13%
3. A Flex Invest Private Limited	75,00,000	6.94%	75,00,000	6.94%

14.03 The Company has only one class of shares referred to as the equity shares having face value of Rs. 2/- each . Each holder of equity share is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting.

14.04 : There are no calls unpaid on equity shares.

14.05 : No Equity shares have been forfeited.

14.06 : No shares have been reserved for issue under options etc. :

14.07 : The Company has not allotted any shares pursuant to contract without payment being received in cash.

**Notes to the Consolidated Financial Statements (Contd.)**
**Note 15 : OTHER EQUITY**
**Rs. In lakhs**

Particulars	As at 31st March,2019	As at 31st March,2018
<b>1. SECURITIES PREMIUM</b>		
As per the last year accounts	6,627.80	5,477.80
Add: Addition during the year		1,150.00
	<b>6,627.80</b>	<b>6,627.80</b>
<b>2. CAPITAL RESERVE</b>		
As per the last year accounts	338.25	338.25
Add: On consolidation of subsidiary	2243.86	0
Less : Deduction during the year	0	0
	<b>2,582.11</b>	<b>338.25</b>
<b>3. GENERAL RESERVE</b>		
As per the last year accounts	127.04	127.04
	<b>127.04</b>	<b>127.04</b>
<b>4. MONEY RECEIVED AGAINST SHARE WARRANTS</b>		
As per the last year accounts	0	337.50
Add: Addition during the year	0	0
Less : Deduction during the year	0	337.50
	<b>0</b>	<b>0</b>
<b>5. RETAINED EARNINGS</b>		
As per the last year accounts	809.75	(335.52)
Sale of subsidiary	0	446.90
Add: Surplus for the year	1,336.81	698.37
Less : Transfer to Statutory Reserve	(1.23)	
Less: Dividend	(108.00)	0
Less : Dividend Distribution tax	(21.21)	0
	<b>2,016.12</b>	<b>809.75</b>
<b>6. FOREIGN CURRENCY TRANSLATION RESERVE</b>		
As per the last year accounts	0	0
Add : Addition during the year	-29.71	0
	<b>-29.71</b>	<b>0</b>
<b>8. Statutory Reserve</b>		
As per the last year accounts	0	0
Add : Addition during the year	1.23	0
	<b>1.23</b>	<b>0</b>
<b>Equity attributable to the owners of the parent</b>	<b>11,957.74</b>	<b>8,411.44</b>
<b>Non-controlling interest</b>	<b>1638.68</b>	<b>174.74</b>
<b>TOTAL</b>	<b>13,596.42</b>	<b>8,586.18</b>

**Notes to the Consolidated Financial Statements (Contd.)**
**Nature and purpose of reserves**
**1) Securities Premium**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**2) General Reserve**

General Reserve: This Reserve is created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

**3) Capital Reserve**

Capital Reserve represents the amount forfeited on not exercising the option attached to the conversion of warrants into equity shares within a scheduled time and also includes amount arising on consolidation of subsidiary company.

**4) Retained Earnings:**

This Reserve represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**5) Equity Instruments through Other Comprehensive Income:**

This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

**6) Statutory Reserve :**

Statutory Reserve created pursuant to section 45IC of the Reserve Bank of India Act, 1934, being 20% of the profit of the non-banking finance company and can be utilised as provided in the said Act.

**NOTE 16 : BORROWINGS -NON CURRENT**
**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
	current	Non-current	current	Non-current
<b>Secured</b>				
From Bank				
UCO Bank (a)	62.5	0	68.24	132.10
Yes Bank (b)	9.51	35.74	0	0
ICICI Bank Limited (c)	6.35	18.00	0	0
Kotak Mahindra Bank -INR (d)	325.97	3650.97	0	0
Kotak Mahindra Bank -FCTL(e)	50.49	445.69	0	0
Others				
From Kotak Mahinda Prime Ltd (f)	1.93	6.72	0	8.65
	456.75	4,157.12	68.24	140.75
	456.75		68.24	

- (a) i) Term loan - Term Loan -II from UCO Bank is secured against equitable mortgage of land and building of Sah Polymers Limited situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all moveable assets such as plant and machinery, furniture and fixtures etc. It is also secured by way of personal guarantee of Mr. Hakim S Tidiwala and Mr. Asad Daud, Directors of Sah Polymers Limited. Rate of interest as on 31.03.2019 is 13.10 % per annum.

**Notes to the Consolidated Financial Statements (Contd.)**

- (ii) Term loan II is repayable in 32 quarterly installments of Rs. 15.63 Lakhs - each commencing from 30.06.2012 . The last installment is repayable on 31.03.2020 .
- (iii ) There is no continuing default in the repayment of installment of loan and interest thereon.
- (b) Term loan from Yes Bank is secured against hypothecation of Car no. MH01 DB 1251. The loan is repayable in 60 equated monthly instalments of Rs.112822/- each commencing from 09.03.2018 and the last instalment is repayable on 02.03.2023 There is no continuing default in the repayment of instalment and interest thereon. Rate of interest as on 31.03.2019 is 8.10% per annum.
- (c) Term loan from ICICI Bank Limited is secured against hypothecation of Car no. MH-01-CD-0522.The loan is repayable in 84 equal monthly instalments of Rs.70,800.00 each commencing from 10th October,2015 and the last instalment is repayable on 10th August.,2022 There is no continuing default in the repayment of instalment and interest thereon. The rate of interest as on 31.03.2019 is 10.00% p.a. with monthly rests.
- (d) Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets of Aeroflex Industries Limited situated at Taloja , Navi Mumbai. Guaranteed by Mr.Yusuf M Kagzi, Mr.Daud Ali and also corporate guarantee of Sat Industries Limited . Loan is repayable in 84 instalments commencing from 31.08.2018 and the last instalment is payable on 31.08.2025. The rate of interest as on 31/03/2019 is 21% .p.a..There is no continuing default in repayment of principal and interest.
- (e) Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets of Aeroflex Industries Limited situated at Taloja , Navi Mumbai. Guaranteed by Mr. Yusuf M Kagzi, Mr.Daud Ali and also corporate guarantee of Sat Industries Limited . Loan is repayable in 52 instalments commencing from 31.12.2018 and the last instalment is payable on 31.03.2023. The rate of interest as on 31/03/2019 is LIBOR +13.50% .p.a..There is no continuing default in repayment of principal and interest.
- (f) Term loan from Kotak Mahindra Prime Limited is secured against hypothecation of Car no. MH01 CT 6227. The loan is repayable in 60 equal monthly instalments of Rs. 22941/- each commencing from 16.12.2017 and the last instalment is repayable on 01.11.2022 . There is no continuing default in the repayment of instalment and interest thereon. Rate of interest as on 31.03.2019 is 8.35% per annum.

**NOTE 17 : DEFERRED TAX LIABILITIES**
**Rs. In lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	176.44	170.54
(+) Opening Balance of subsidiaries	0	0
(+) Current year deferred tax liabilities	50.81	32.76
(-) Current deferred tax assets for leave encashment	1.13	-26.25
(-) Deferred Tax Asset created on losses now reversed	-187.01	-0.61
Net Profit change to Profit and Loss	0	0
<b>Total</b>	<b>39.11</b>	<b>176.44</b>

**NOTE 18 :OTHER NON- CURRENT LIABILITIES**
**Rs. In lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Payables		0.73
<b>Total</b>	<b>-</b>	<b>0.73</b>



**Notes to the Consolidated Financial Statements (Contd.)**
**NOTE 19 : CURRENT BORROWINGS**
**Rs. In lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
	Current	current
<b>Secured</b>		
<b>From Bank</b>		
Repayable on demand		
UCO Bank Cash Credit (a)	649.92	647.04
Kotak Mahindra Bank Cash Credit (b)	892.89	-
<b>Unsecured</b>		
<b>From Bank</b>		
Yes Bank ©	156.72	-
Dutsche Bank (d)	221.02	-
<b>Others</b>		
TFCL(e)	100.48	-
Others (f)	1,967.46	1,922.83
	<b>3,988.49</b>	<b>2,569.87</b>

- (a) Borrowings from UCO Bank is secured against equitable mortgage of land and building of Sah Polymers Limited situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all current assets such as raw material , finished goods, work -in progress, stores and spares , book debts, and packing materials etc. It is also secured by way of personal guarantees of Mr. Hakim S Tidiwala and Mr.Asad Daud, Directors of Sah Polymers Limited. Rate of interest as on 31.03.2019 is 10.60 % per annum. There is no continuing default in the payment of interest.
- (b) Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets of Aeroflex Industries Limited situated at Taloja , Navi Mumbai. Guaranteed by Mr.Yusuf M Kagzi, Mr.Daud Ali and also corporate guarantee of Sat Industries Limited . The rate of interest as on 31/03/2019 is 21% .p.a..There is no continuing default in repayment of interest.
- (c) Guaranteed by Mr.Asad Daud and Mr.Hakim S Tidiwala. Rate of interest as on 31.03.03.2019 is 9.30% per annum .There is no continuing default in payment of interest .
- (d) Guaranteed by Mr.Asad Daud and Mr.Hakim S Tidiwala. Rate of interest as on 31/03/2019 is LIBOR+350 bps. There is no continuing default in default in payment of interest.
- (e) Guaranteed by Mr.Asad Daud ,Director and Mr.Hakim S Tidiwala , Rate of interest as on 31.03.03.2019 is 11.30% per annum . There is no continuing default in payment of interest.
- (f) These borrowings are interest free and repayable on demand.

**NOTE 20 : TRADE PAYABLE -CURRENT**
**Rs. In lakhs**

Particulars	As at March 31, 2019	As at March 31,2018
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3866.53	1,007.77
<b>Total</b>	<b>3,866.53</b>	<b>1,007.77</b>



**Notes to the Consolidated Financial Statements (Contd.)**

**Note 21 : OTHER FINANCIAL LIABILITIES**

**Rs. In lakhs**

	<b>As at March 31, 2019</b>	As at March 31,2018
Current maturity of long term debt *	456.75	79.67
Payable for property, plant and equipment	103.23	18.11
Overdraft facility	-	206.71
<b>Total</b>	<b>559.98</b>	<b>304.49</b>

\* for security etc. refer to note no. 16

**NOTE 22 : OTHER CURRENT LIABILITIES**

**Rs. In lakhs**

<b>Particulars</b>	<b>As at March 31, 2019</b>	As at March 31,2018
Statutory Liabilities	54.39	35.03
Interest payable	0.88	23.89
Advance recd from customers	211.84	10.92
, - Other payable	7.29	129.08
<b>Total</b>	<b>274.40</b>	<b>198.92</b>

**NOTE 23 : PROVISIONS**

**Rs. In lakhs**

<b>Particulars</b>	<b>As at March 31, 2019</b>	As at March 31,2018
a. Provision for Gratuity	1.61	1.68
b. Leave encashment	4.56	4.11

<b>Total</b>	<b>6.17</b>	<b>5.79</b>
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**NOTE 24 : CURRENT TAX LIABILITIES**

**Rs. In lakhs**

<b>Particulars</b>	<b>As at March 31, 2019</b>	As at March 31,2018
Income Tax (Net of advance tax )	75.63	80.03
<b>Total</b>	<b>75.63</b>	<b>80.03</b>

**NOTE 25 : REVENUE FROM OPERATIONS**

**Rs. In lakhs**

<b>Particulars</b>	<b>Year ended 31 March 2019</b>	Year ended 31 March 2018
Sale of Products	21659.82	9093.18
Services		
1) Income from Equipment Used charges	239.72	191.28
2) Income from Interest	157.94	527.99
3) Commission	269.09	36.32
Other Operating Income	593.65	175.06
<b>Total</b>	<b>22,920.22</b>	<b>10,023.83</b>

**Notes to the Consolidated Financial Statements (Contd.)**
**NOTE 26 : OTHER INCOME**
**Rs. In lakhs**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Income from Interest on financial assets at amortised cost	62.25	149.89
Income from Interest on Fixed Deposits amortise cost	20.95	2.69
Income from Rent	3.76	2.76
Miscellaneous Income	5.68	4.36
<b>Total</b>	<b>92.64</b>	<b>159.70</b>

**NOTE 27 : COST OF MATERIALS CONSUMED**
**Rs. In lakhs**

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening Stock	103.55	133.9
Add: Purchases and adjustments	14432.66	2368.98
	14536.21	2502.88
Less: Closing Stock	1515.83	103.55
	13020.38	2399.33

**NOTE 28 : PURCHASE OF STOCK IN TRADE**
**Rs. In lakhs**

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Purchases -Traded Goods	3454.63	5548.23
	3454.63	5548.23

**NOTE 29 : CHANGE IN INVENTORIES**
**Rs. In lakhs**

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Opening Stock :</b>		
Finished Goods	134.71	105.61
Work-in-progress	502.77	403.76
Adjustments due to acquisition of subsidiary	258.59	-
	896.07	509.37
<b>Less :Closing Stock :</b>		
Finished Goods	51.23	134.71
Work-in-progress	1533.18	502.77
	1,584.41	637.48
(Increase )/decrease in inventories	(688.34)	(128.11)



**Notes to the Consolidated Financial Statements (Contd.)**

**NOTE 30 : EMPLOYEE BENEFITS**

**Rs. In lakhs**

<b>Particulars</b>	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
(i) Salaries, wages and bonus	1,242.10	245.23
(ii) Contribution to provident and other funds	49.52	9.42
(iii) Staff welfare expenses	77.78	1.56
(iv) Gratuity Fund contributions	17.99	1.90
<b>Total</b>	<b>1,387.39</b>	<b>258.11</b>

**NOTE 31 : FINANCE COST**

**Rs. In lakhs**

<b>Particulars</b>	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
(a) Interest expense		
(i) Interest on borrowing	1077.13	183.55
(ii) Interest on delayed payment of taxes	4.01	1.31
(b) Other borrowing costs - Bank/Processing Charges	157.03	2.53
<b>Total</b>	<b>1,238.17</b>	<b>187.39</b>

**NOTE 32 : OTHER EXPENSES**

**Rs. In lakhs**

<b>Particulars</b>	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
<b>Consumption of stores and spare parts</b>	84.11	52.40
Electric & Power	475.96	276.87
Processing Labour Charges	30.66	-
Fuel & Lubricant	33.35	13.07
Fabric Weaving Expenses	86.17	58.87
Bag Stitching Expenses	60.27	73.61
Bag Printing Expenses	11.73	11.51
Printing Ink	30.79	34.06
Repairs & Maintenance ( Plant & Machinery)	39.07	9.98
Packing Materials	14.65	7.74
Carriage Outward	141.01	17.20
Export Freight , Insurance & other Expenses	424.31	133.18
Rebate, Claim & Discounts	2.18	2.72
Commission on sales	57.26	16.37
Insurance Charges	34.00	5.07
Legal & Professional Exp.	13.52	24.64
Payment to Auditors		
(i) as Audit Fee	4.22	0.80
(ii) for taxation matters	0.19	0.10
(iii) Certification Fees	0.02	-
Bank Commission	50.72	12.37
Repairs & Maintenance ( Building )	7.86	4.02
Repairs & Maintenance ( Others )	283.88	2.65
Selling Expenses	-	5.10
Sundry balances written off	13.69	-
Delivery Charges	43.87	-
Consultancy Charges	58.18	-
Conveyance & Travelling Expenses	195.32	24.11
Miscellaneous Expenses	280.83	102.28
<b>TOTAL</b>	<b>2,477.82</b>	<b>888.72</b>

**Notes to the Consolidated Financial Statements (Contd.)**
**Note 33 : Additional Information :**

Rs. In lakhs

	As at 31.03.2019	As at 31.03.2018
Depreciation and amortization expenses		
(i) Depreciation on Property, Plant and Equipment	524.70	114.10
(ii) Amortisation of Intangible Assets	4.11	1.16
	528.81	115.26

**Note 34 : (ii) Earnings per share**

	2018-2019	2017-2018
Earning per share has been computed as under		
(a) Profit for the year	1,556.73	700.63
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	108000000	107260274
(c) Effect of potential Equity shares on conversion of outstanding share warrants	0	0
(d) Weighted average number of equity shares in computing diluted earnings per share	108000000	107260274
[(b) + (c)]		
(e) Earnings per share on profit for the year (Face Value Rs. 2.00 per share) -		
-Basic (a/b)	1.44	0.65
-Diluted (a/d)	1.44	0.65

**Note 35**
**Contingent liabilities and commitments :**
**(a) Contingent liabilities**

Claims against the Group not acknowledged as debts – Rs. 4.84 lakhs (2018 – Rs. 48.74 lakhs) including interest on claims, where applicable, estimated to be. These comprise:

- Income tax Rs. 2.52 lakhs (2018 – Rs. 2.79 lakhs), including interest on income tax, where applicable, estimated to be Rs. 0.00 lakhs (2018 – Rs. 0.27 lakhs),

It is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

- VAT/Excise duty and other indirect taxes claims disputed by the Group relating to issues of applicability and classification aggregating Rs. 2.32 lakhs (2018 – Rs. 45.95 lakhs), including interest on claims, where applicable, estimated to be.

**(b) Commitments**

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. 38.47 lakhs (2018 – Rs. 48.75 lakhs).
- Uncalled liability on investment partly paid is Rs. 85. lakhs (2018 – Rs. 15.00 lakhs).

**Notes to the Consolidated Financial Statements (Contd.)**

<b>GUARANTEES</b>	Rs. In lakhs	
	<b>31st March, 2019</b>	31st March, 2018
c) <b>GUARANTEES GIVEN ON BEHALF OF SUBSIDIARY</b>		
i) Guarantee given by the holding Company to Kotak Mahindra Bank Limited, Mumbai to secure loan provided to Aeroflex Industries Limited	5500.00	0
d) Guarantees issued by banks secured by bank deposits under lien with the bank Rs.55.80 Lakhs	407.65	409.27

**Note 36**

The companies considered in the consolidated financial statement are :

<b>Name</b>	<b>Country of incorporation</b>	<b>% of ownership interest as at 31/03/2019</b>	<b>% of ownership interest as at 31/03/2018</b>
<b>Subsidiaries :</b>			
Sah Polymers Limited	India	91.79	91.79
Italica Furniture Private Limited	India	100.00	100.00
Aeroflex Industries Limited*	India	69.39	NA
Aeroflex Finance Private Limited (formerly Italica Venture Private Limited)	India	100.00	100.00
Aeroflex International Limited	India	100.00	100.00
Italica Global FZC , UAE	UAE	100.00	100.00
*became subsidiary w.e.f. 02/04/2018			
<b>Associate</b>			
<b>Name</b>	<b>Country of incorporation</b>	<b>% of ownership interest as at 31/03/2019</b>	<b>% of ownership interest as at 31/03/2018</b>
Genext Students Private Limited	India	33.18	33.72

The financial statements of all the companies considered in the consolidation of accounts are drawn upto 31st March, 2019.

**37. Financial Instruments and Related Disclosures**
**A. Capital Management**

The Group's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals, borrowings etc. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

**B. Categories of financial Instruments and fair value :**

Carrying amounts and fair value of financial assets and financial liabilities , including their levels in the fair value hierarchy, are presented below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.



**Notes to the Consolidated Financial Statements (Contd.)**

Particulars	Fair value hierarchy	Rs. In lakhs				
		As at 31st March, 2019		As at 31st March, 2018		
		Carrying Value	Fair Value	Carrying Value	Fair Value	
<b>A</b>						
Financial assets						
Measured at amortised cost						
i) Cash and cash equivalent		541.17	541.17	314.12	314.12	
ii) Other Bank balance		241.34	241.34	525.65	525.65	
iii) Loans		3,220.88	3,220.88	2,958.82	2,958.82	
iv) Debenture		10.00	10.00	10.00	10.00	
v) Funds etc.		116.83	116.83	86.48	86.48	
vi) Trade receivables		5,288.31	5,288.31	1,526.25	1,526.25	
vii) Other financial assets		113.64	113.64	515.18	515.18	
Sub Total		9532.17	9532.17	5936.50	5936.50	
Measured at fair value through OCI						
i) Equity Instrument -unquoted	L1	436.25	436.25	985.39	985.39	
ii) Equity Instruments- quoted	L3	50.25	50.25	74.96	74.96	
Sub Total		486.50	486.50	1,060.35	1,060.35	
Total Financial assets		10018.67	10018.67	6996.85	6996.85	
<b>B</b>						
Financial Liabilities						
Measured at amortised cost						
i) Borrowings		8,145.61	8,145.61	2,710.62	2,710.62	
iii) Trade payables		3,866.53	3866.53	1,007.77	1,007.77	
iv) Other financial liabilities		559.98	559.98	304.49	304.49	
Total financial liabilities		12572.12	12572.12	4022.88	4022.88	

Level 1. Quoted price (unadjusted) in active market for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. price s) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Notes to the Consolidated Financial Statements (Contd.)

### C : FINANCIAL RISK MANAGEMENT

The Group has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

The activities of the Group exposes it to a number of financial risks namely market risk, credit risk and liquidity risk and currency risk. The Group seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The Group does regularly monitor, analyze and manage the risks faced by the Group and to set and monitor appropriate risk limits and controls for mitigation of the risks.

#### 1. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings and investments instruments. The Company is exposed to a variety of market risks, including currency and interest rate risks.

##### (i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group does not have any exposure to interest rate risks since its borrowings and investments are all in fixed rate instruments. Investments are largely in subsidiaries and associates and are on long term basis.

##### (ii) Management of price risk:

The Group invests its surplus funds in deposits with banks on short term tenors on fixed interest rate and the same is not exposed to any price risk. This risk is mitigated by the Group by investing the funds in various tenors depending on the liquidity needs of the Group.

##### (iii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade receivables, trade payables and borrowings and is therefore exposed to foreign exchange risk. The Group mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures etc.. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Group may be impacted due to volatility of the rupee against foreign currencies.

Exposure to currency risk (The Company has exposure in USD/EURO/GBP converted to functional currency i.e. INR)

**Notes to the Consolidated Financial Statements (Contd.)**

The currency profile of financial assets and financial liabilities as at March 31, 2019 and March 31, 2018 are as below:

Financial assets	Exposure currency	Rs. in lakhs	
		As at 31.03.2019	As at 31.03.2018
Trade receivables	USD	2198.63	219.72
	EURO	769.89	56.63
	GBP	49.62	-
Total (A)		3018.14	276.35
Financial Liabilities (B)			
Trade payable	USD	366.39	5.24
	EURO	24.17	0
Capital goods	USD	66.49	0
	EURO	274.09	0
Borrowings	EURO	496.17	0
TOTLA (B)		1227.31	5.24
Net Exposure (A-B)		1790.83	271.11

**Sensitivity analysis**

A reasonably possible 5% strengthening (weakening) of the Indian Rupee against USD/EURO/GBP at March 31 would have affected the measurement of financial instruments denominated in USD /EURO/GBP and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	As at	Rs.in lakhs	
		Strengthening	Weakening
Profit/(Loss)	31.03.2019	-89.54	89.54
Profit/(Loss)	31.03.2018	-13.55	13.55

**B. MANAGEMENT OF CREDIT RISK:**

Credit risk refers to the risk of default on its obligations by a counterparty to the Group resulting in a financial loss to the Company. The Group is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in deposits with banks.

Credit risk from trade receivables and loans is managed through the Group's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed.

The Group's customer base is large enough and does not have risk of credit concentration. Further, credit is extended in business interest.

**C. MANAGEMENT OF LIQUIDITY RISK:**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Group's objective is to maintain at all times, optimum levels of liquidity to meet its obligations. The Group closely monitors its liquidity position and has a cash management system. The Group maintains adequate sources of financing including debt and overdraft from domestic and international banks and financial markets at optimized cost.

The Group's Current assets aggregate to Rs. 19558.83 lakhs( 2018 - Rs. 10711.28 lakhs) including Cash and cash equivalents and Other bank balances of Rs. 782.51 lakhs( 2018 - Rs. 839.77 lakhs) against an aggregate Current

**Notes to the Consolidated Financial Statements (Contd.)**

liability of Rs.8771.20 lakhs( 2018 – Rs. 4166.87 lakhs); Non-current liabilities due between one year to three years amounting to Rs. 1870.62 lakhs( 2018 –Rs. 140.75 lakhs) and Non-current liability due after three years amounting to Rs. 2286.50 lakhs (2018 – NIL) on the reporting date. Further, while the Company's total equity stands at Rs. 15756.42 lakhs (2018 – Rs. 10746.18 lakhs), it has borrowings of Rs. 4157.12 lakhs (2018 – Rs. 140.75 lakhs). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

**Note 38 Disclosures in respect of related parties pursuant to Ind AS 21**

(i) Associate Company :

Genext Students Private Limited

(ii) Key Managerial Persons

01) Mrs. Shehnaz D Ali, Wholetime Director

02) Mr. Harikant Turgalia, Wholetime Director and Chief Financial Officer

03) Ms. Alka Premkumar Gupta, Company Secretary

During the year following transactions were carried out with the related parties in the ordinary course of business at arm's length price

**Rs. in lakhs**

Name of related party	Nature of relation	2018-2019	2017-2018	Nature of transaction
Mr. Harikant Turgalia	Wholetime Director	<b>13.36</b>	10.26	Salary
Mrs. Shehnaz D. Ali	Wholetime Director	<b>21.38</b>	17.10	i) Salary
		<b>1.68</b>	1.68	ii) Keyman Insurance Premium paid
Sat Invest Pvt. Ltd.	Promoter Company & Major Shareholder	<b>0.00</b>	66.00	i) Purchase of shares
			0.02	ii) Fees paid on behalf
Pil Italica Life style Limited	Controlled by Director's father	<b>0.00</b>	94.00	Loan Taken
			94.00	Loan Repayment
			2.83	Interest Paid
			70.60	Sales
			30.81	Purchases

**Closing balances**

**Rs. in lakhs**

Name	31.03.2018	31.03.2017
Mrs. Shehnaz D. Ali	<b>0.64</b>	1.54
Mr. Harikant Turgalia	<b>0.94</b>	0.97
Pil Italica Life style Limited	<b>0</b>	3.83 DR

No amount in respect of the related parties have been written off/back are provided for during the year.

**Note 38**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

During the year, the Group has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of

**Notes to the Consolidated Financial Statements (Contd.)**

Rs.14.54 lakhs (March31,2018 Rs. 109.92 lakhs ). The Group is reasonably not certain availing the said MAT Credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same

Tax Credits carried forward	As at March 31,2019	Expiry date	As at March 31,2018	Expiry date
	(Rs. In lakhs)		(Rs. In lakhs)	
2012-13	11.51	31.03.2028	11.51	31.03.2028
2013-14	6.00	31.03.2029	6.00	31.03.2029
2014-15	4.72	31.03.2030	4.72	31.03.2030
2015-16	10.00	31.03.2031	10.00	31.03.2031
2016-17	44.03	31.03.2032	44.03	31.03.2032
2017-18	118.53	31.03.2033	118.53	31.03.2033
2018-19	14.54	31.03.2034		

**Note 40**
**EMPLOYEE BENEFITS**
**a) DEFINED CONTRIBUTION PLAN**
**Provident Fund:**

The contributions to the Provident Fund of employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

**b) DEFINED BENEFIT PLAN**
**Gratuity:**

The Group participates in the Employees' Group Gratuity-Scheme of Life Insurance Corporation Limited, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997, or as per the Group's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

**Provident Fund:**

The Group makes Provident Fund contribution to the Government administered Provident fund. The Company has no part to play in this respect.

**c) Amounts Recognised as Expense:**
**i) Defined Contribution Plan**

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to Rs 10.61 Lakhs (previous year Rs.9.42 Lakhs) has been included under Contribution to Provident and Other Funds.

**ii) Defined Benefit Plan**

Gratuity cost amounting to Rs. 5.37 Lakhs (previous year Rs. 1.90 Lakhs) has been included in Note 28 under Contribution to Provident and Other Funds.

**Notes to the Consolidated Financial Statements (Contd.)**
**Note 41**

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues (principal and/or interest), which are outstanding for more than 45 days as at the balance sheet date. During the year, there have been no payments made to Micro, Small and Medium Enterprises beyond 45 days. There were no amounts on account of interest due that were payable for the period where the principal has been paid but interest under the MSMED Act, 2006 not paid. Further, there were no amounts towards interest accrued that were remaining unpaid at the end of accounting year. Accordingly, there were no amounts due to further interest due and payable in the succeeding years. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

**Rs. in lakhs**

<b>Information relating to the Micro, Small and Medium Enterprises</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	<b>24.04</b> <b>0.00</b>	23.30 0.00
(i) Principal amount		
(ii) Interest		
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	<b>NIL</b>	NIL
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	<b>NIL</b>	NIL
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	<b>NIL</b>	NIL
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	<b>NIL</b>	NIL

**Note 42**

The Board of Directors of the parent recommended a dividend of Rs. 0.10 per share (for the year ended 31st March, 2019 - ordinary dividend Rs. 0.10 per share) to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total equity dividend to be paid is Rs. 108 lakhs (for the year ended 31st March, 2018 - Rs. 108 lakhs). Income tax on proposed dividend being Rs. 21.21 lakhs (for the year ended 31st March, 2018 - Rs. 21.21 lakhs).

**Note 43**

Exception item comprises of Loss on sale of Property, Plant and equipment Rs.. 14.51 lakhs (pr. Yr. Rs. 18.84 lakhs) and profit on sale of investment Rs. 41.95 lakhs (pr. Yr. Loss of Rs. 2.40 lakhs).

**Note 44**

Expenditure incurred on corporate social responsibility activities

Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities - Rs. 5.85 lakhs ( 2018 - Rs. NIL )



**Notes to the Consolidated Financial Statements (Contd.)**

	Rs. in lakh	
	As at 31.03.2019	As at 31.03.2018
(1) Gross amount required to be spent by the Group during the year	5.85	0
(2) Amount spent during the year on:		
(i) Construction/acquisition of any asset	0	0
(ii) On purposes other than (i) above	5.85	0

**Note 45**

**As per Ind AS 108 "Operating Segment", the segments details ( after elimination of intra group transactions) are as under**

Particular	Rs. in lakhs	
	Year ended 31/03/2019	Year ended 31/03/2018
<b>Segment Revenue</b>		
Trading	3983.30	5546.97
Manufacturing		
A) Flexible Packing	4496.79	3707.08
B) Stainless Steel Hose	14042.47	0.00
Finance & Investment	397.66	769.78
<b>Total</b>	<b>22920.22</b>	<b>10023.83</b>
Other Income	92.64	159.70
Total Revenue	23012.86	10183.53
<b>Segment results</b>		
Trading	499.40	205.59
Manufacturing		
A) Flexible Packing	26.53	25.16
B) Stainless Steel Hose	864.04	0.00
Finance & Investment	111.39	440.64
<b>Total Segment Results</b>	<b>1501.36</b>	<b>671.39</b>
Other Income	92.64	159.70
Exceptional Income	27.44	-21.24
Profit before tax	1621.44	809.85
Provision for tax		
Income tax	134.30	103.32
Deferred Tax	-161.64	5.90
Profit after tax	1648.78	700.63
<b>Segment Assets</b>		
Trading	3149.51	824.70
Manufacturing		



**Notes to the Consolidated Financial Statements (Contd.)**

A) Flexible Packing	3678.32	3175.08
B) Stainless Steel Hose	15139.07	0.00
Finance & Investment	6756.95	11231.19
<b>Total</b>	<b>28723.85</b>	<b>15230.97</b>
<b>Segment Liabilities</b>		
Trading	510.78	732.41
Manufacturing		
A) Flexible Packing	1780.99	1314.90
B) Stainless Steel Hose	8912.14	0.00
Finance & Investment	1763.52	2437.48
<b>Total</b>	<b>12967.43</b>	<b>4484.79</b>
<b>Capital Employed</b>		
	<b>15756.42</b>	<b>10746.18</b>
Capital Expenditure		
Trading	0.93	82.31
Manufacturing		
A) Flexible Packing	71.65	62.91
B) Stainless Steel Hose	302.61	0.00
Finance & Investment	242.65	58.42
<b>Total</b>	<b>617.84</b>	<b>203.64</b>
<b>Depreciation and amortization</b>		
Trading	10.70	1.64
Manufacturing		
A) Flexible Packing	71.18	87.73
B) Stainless Steel Hose	401.13	0.00
<b>Finance &amp; Investment</b>	<b>45.80</b>	<b>25.89</b>
<b>Total</b>	<b>528.81</b>	<b>115.26</b>

**Rs. in lakh**

**GEOGRAPHICAL INFORMATION**

		2019	2018
Non Current Assets	- Within India	6277.80	1473.24
	- Outside India	0	0
1. Revenue from external customers	- Within India	18071.2	1771.65
	- Outside India	13509.84	1774.56

**Note 46**

Balances of banks, sundry debtors and trade payables, current liabilities etc. as on 31.03.2019 are subject to confirmation and reconciliation.

**Notes to the Consolidated Financial Statements (Contd.)**
**Note 47**

In the opinion of the Management, there is no impairment of assets in accordance with the Ind AS -36 as on the Balance Sheet date.

**Note 48**

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

**Note 49**

The financial statements were authorised for issue by the Board of Directors on May 29, 2019.

**Note 50**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs and decimal thereof as per the requirements of Schedule III, unless otherwise stated.

**Note 51**

Previous year's figures have been reclassified/regrouped wherever necessary to conform with the current Financial Statements. The figures of the previous year are not comparable with the current year's figures due to acquisition of and change in shareholding of the subsidiary companies.

**Note 52**

The future minimum lease rental receivable under the non-cancellable operating lease is as follows:

**(Rs. in lakhs)**

Particulars	As at 31/03/2019	As at 31/03/2018
Not later than one year	274.08	211.88
Later than one year and not later than five years	379.86	343.44
Later than five years	0.00	0.00

**Note 53**

Additional information, as required under schedule III to the Companies Act, 2013, of enterprises controlled as subsidiary and associate (after elimination)

Name of the enterprises	Net assets (i.e. total assets minus total liabilities)		Share in profit/Loss account		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated profit and loss	Amount (Rs. In lakhs)	As % of consolidated Other comprehensive income	Amount (Rs. In lakhs)	As % of consolidated total Comprehensive income	Amount (Rs. In lakhs)
<b>Parent</b>								
<b>Sat Industries Limited</b>	19.48	3069.72	-2.39	-37.19	(26.05)	(24.71)	-3.75	(61.90)
<b>Subsidiary</b>								
<b>Indian</b>								
<b>Sah Polymers Limited</b>	11.75	1851.79	2.43	37.86	-	-	2.29	37.86



**Notes to the Consolidated Financial Statements (Contd.)**

<b>Italica Furniture Private Limited</b>	<b>11.05</b>	<b>1740.57</b>	<b>6.29</b>	<b>97.85</b>	<b>(5.27)</b>	<b>(5.00)</b>	5.62	92.85
Aeroflex Industries Limited	39.52	6226.95	69.25	1077.97	-	-	65.27	1,077.97
Aeroflex Finance Private Limited (formerly known as Italica venture Private Limited)	1.44	226.14	0.40	6.15	-	-	0.37	6.15
Aeroflex International Limited	0.50	78.69	0.01	0.16	-	-	0.01	0.16
<b>Foreign</b>								
Italica Global FZC	16.26	2562.56	29.93	465.98	131.32	124.55	35.76	590.53
								-
<b>Associates (Investment accounted as per Equity method)</b>								
Genext Students Private Limited	0	0	-5.91	-92.05	-	-	-5.57	(92.05)
<b>TOTAL</b>	<b>100</b>	<b>15756.42</b>	<b>100.00</b>	<b>1556.73</b>	<b>100.00</b>	<b>94.84</b>	<b>100.00</b>	<b>1651.57</b>

The Notes referred to above form an integral part of the Financial Statements.

for and on behalf of  
SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

AJAY SARIYA  
PARTNER  
M No. 079102

Mumbai. May 29, 2019

Signatures to the Financial Statements and Notes

SHEHNAZ D ALI  
Wholetime Director  
DIN :00185452

HARIKANT TURGALIA  
Wholetime Director  
and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

## **Independent Auditor's Report On The Standalone Financial Statements Of Sat Industries Limited**

### **INDEPENDENT AUDITOR'S REPORT**

#### **Report on the Audit of the Standalone Financial Statements**

#### **To the Members of Sat Industries Limited**

#### **Opinion**

We have audited the standalone financial statements of Sat Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 ("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, 2019, 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

On the facts and circumstances of the Company and the audit, we determine that there are no key Audit matters to

communicate.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## **Independent Auditor's Report On The Standalone Financial Statements Of Sat Industries Limited**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of





## **Independent Auditor's Report On The Standalone Financial Statements Of Sat Industries Limited**

the Act.

- (f) 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.

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (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, in our opinion and to the best of our information and according to the explanations given to us:

- i The Company does not have any pending litigations which would impact its financial position.
- ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Sampati Lal Bohara & Co.**

Chartered Accountants

FRN: 003324C

**Ajay Sariya**

Partner

M No. 079102

Place of Signature: Mumbai

Date: May 29, 2019

## Independent Auditor's Report On The Standalone Financial Statements Of Sat Industries Limited

### Annexure - A to the Independent Auditor's Report (Referred to in paragraph 8 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification 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) The Company has no immovable properties.
- (ii) As explained to us, the Company has no inventories at the end of the year under review. Further inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) The Company has granted unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and
- (a) the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) repayments of principal and payment of interests have been regular as per the stipulations.
- (c) No amount is overdue for more than 90 days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with Sections 73 and 76 of the Companies Act, 2013 does not arise. The Company has no unclaimed deposits. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of any of the product /services of the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Goods and service tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service tax and Value Added Tax as on 31st March, 2019.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS financial

## Independent Auditor's Report On The Standalone Financial Statements Of Sat Industries Limited

statements etc. as required by the applicable Indian accounting standards.

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or person connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Sampati Lal Bohara & Co.**

Chartered Accountants

Firm's Registration No.: 003324C

**Ajay Sariya**

Partner

M No. 079102

Place of Signature: Mumbai

Date: May 29th, 2019

### **Annexure – "B" to the Independent Auditor's Report on the Internal Financial Controls with reference to financial statement 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 **SAT INDUSTRIES LIMITED** ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These

responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.



## **Independent Auditor's Report On The Standalone Financial Statements Of Sat Industries Limited**

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to (Referred to in paragraph 7 (g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date) 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, 2019, 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 Sampati Lal Bohara & Co.**  
Chartered Accountants  
FRN: 003324C

**Ajay Sariya**  
Partner  
M No. 079102  
Place of Signature: Mumbai  
Date: May 29, 2019

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019**

(Rs in Lakhs)

Particulars	Note	As at	
		March 31, 2019	March 31, 2018
1	2		
<b>ASSETS</b>			
(1) <b>Non-current assets</b>			
(a) Property, Plant & Equipment	3	577.54	444.63
(b) Capital work -in- Progress			-
(c) Investment Property			
(d) Goodwill			
(e) Other Intangible Assets			
(f) Intangible assets under development			
(g) Biological Assets other than bearer plants			
(h) Financial Assets			
(i) Investments	4	3,849.74	3,874.45
(ii) Trade receivables			-
(iii) Loans	5	362.02	40.00
(iv) Others		4,211.76	-
(i) Deferred tax assets (net)			3,914.45
(j) Other non-current assets	6	18.11	100.30
(2) <b>Current assets</b>			
(a) Inventories			
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	7	578.93	791.08
(iii) Cash and cash equivalents	8	103.25	207.18
(iv) Bank balances other than (iii) above	9	-	306.00
(v) Loans	10	3,161.70	1,034.01
(vi) Others	11	106.85	396.49
(c) Current Tax Assets (Net)	12	2.15	2,734.76
(d) Other current assets	13	1,423.99	-
		3,250.10	
<b>Total Assets</b>		<b>10,184.28</b>	<b>10,444.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	2,160.00	2,160.00
(b) <b>Other Equity</b>	15	7,044.76	9,204.76
		6,865.42	9,025.42
<b>LIABILITIES</b>			
(1) <b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	42.46	53.90
(ii) Trade payables			-
(iii) Other financial liabilities(other than those specified in item(b) to be specified)		42.46	-
Borrowings			53.90
(b) Provisions			
(c) Deferred tax liabilities (Net)	17	61.60	39.42
(d) Other non-current liabilities			
(2) <b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade payables	18	505.12	738.36
(iii) Other financial liabilities(other than those specified in item(c))	19	11.44	516.56
(d) Other current liabilities	20	301.87	218.16
(c) Provisions	21	1.61	290.17
(d) Current Tax Liabilities (Net)	22	55.42	1.69
		77.12	
<b>Total Equity and Liabilities</b>		<b>10,184.28</b>	<b>10,444.24</b>

See accompanying notes to financial statements 1 to 48

 As per our Report Attached  
for and on behalf of  
SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

 AJAY SARIYA  
PARTNER  
M No. 079102

 SHEHNAZ D ALI  
Wholetime Director  
DIN :00185452

 HARIKANT TURGALIA  
Wholetime Director  
and CFO  
DIN :00049544

 ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 29, 2019

**STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2019**

Particulars	Note no.	(Rs in Lakhs)	
		Year ended 31.03.2019	Year ended 31.03.2018
I Revenue from operations	23	3,435.89	5,150.36
II Other income	24	-	39.56
<b>III Total Revenue (I+II)</b>		<b>3,435.89</b>	<b>5,189.92</b>
IV. Expenses :			
Cost of Materials consumed		-	-
Purchases of Stock-in-Trade	25	2,751.42	4,439.43
Changes in inventories of finished goods work-in-progress and Stock -in-Trade		-	-
Employee benefits expense	26	67.65	60.08
Finance costs	27	27.76	22.61
Depreciation and amortization expense	3	28.43	14.01
Other expenses	28	114.00	101.07
<b>Total expenses</b>		<b>2,989.26</b>	<b>4,637.20</b>
V. Profit before exceptional items and tax (III-IV)		446.63	552.72
VI. Exceptional items		-	-
VII Profit/(loss) before tax (V-VI)		446.63	552.72
VIII Tax expense :			
(1) Current tax		91.19	105.12
(2) Provisions for tax of earlier years		-	(17.46)
(2) Deferred tax		22.18	16.03
IX Profit/(loss) for the period from continuing operation (VII-VIII)		113.37	103.69
X Profit/(Loss) from discontinued operations.		333.26	449.03
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from discontinued operation (X-XI)		-	-
XII Profit/(loss) for the period (IX+XII)		333.26	449.03
XIV Other Comprehensive Income			
A(i) Item that will not be reclassified to profit or loss Equity Instrument through other comprehensive		(24.71)	-
(ii) Income tax relating to item that will not be reclassified to profit or loss		-	-
B(i) Item that will be reclassified to profit or loss		-	-
(ii) Income tax relating to item that will be reclassified to profit or loss		-	-
XV Total Comprehensive Income for the period (XIII+XIV) ( Comprising profit (loss) and other Comprehensive Income for the period )		308.55	449.03
XVI Earnings per equity share:(for continued Operation):			
(1) Basic	30	0.31	0.42
(2) Diluted	30	0.31	0.42
XVII Earnings per equity share:(for discontinued Operation):			
(1) Basic		0	0
(2) Diluted		0	0
XVIII Earnings per equity share:(for discontinued & continuing operations)			
(1) Basic	30	0.31	0.42
(2) Diluted	30	0.31	0.42

See accompanying notes to financial statements 1 to 48

As per our Report Attached  
for and on behalf of  
SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

AJAY SARIYA  
PARTNER  
M No. 079102

SHEHNAZ D ALI  
Wholetime Director  
DIN :00185452

HARIKANT TURGALIA  
Wholetime Director  
and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai, May 29, 2019



**CASH FLOW STATEMENT For the Year 31ST MARCH,2019**

(Rupees in Lakhs)

Sr. Particulars No.	Year ended 31.03.2019	Year ended 31.03.2018
<b>A Cash Flow from Operating Activities</b>		
Net Profit before tax	446.63	552.72
Adjustments for:		
Depreciation	28.43	14.01
Interest Paid	24.07	20.33
Provision for gratuity	(0.08)	
(Profit)/Loss on Sale of investments	-	(39.56)
<b>Operating Profit before working capital changes</b>	<b>499.05</b>	<b>547.50</b>
Adjustment for :		
Trade Receivables	212.15	1,314.51
Trade payables	(233.24)	(1,248.40)
Loans	(2,449.71)	935.49
Other financial assets	289.64	576.34
Financial liabilities	(206.72)	27.75
Non-financial liabilities	-	1.62
Current liabilities	11.70	0.81
Increase current tax assets	(2.15)	-
Increase/(Decrease) non-current assets	82.19	(99.78)
Increase/(Decrease) in other current assets	1,826.11	(3,235.25)
<b>Cash Generated from Operations</b>	<b>29.02</b>	<b>(1,179.41)</b>
Income Tax Paid	112.89	18.94
<b>Net Cash Inflow /(Out Flow) from Operation (A)</b>	<b>(83.87)</b>	<b>(1,198.35)</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of fixed assets	(243.58)	(223.03)
Sale of property, plant and equipment	82.24	-
Purchase of investments -Non Current	-	(1,164.18)
Sale of subsidiary /investment	-	1,206.69
Other bank balances	306.00	-
<b>Net Cash Inflow/(Outflow) from investing Activities (B)</b>	<b>144.66</b>	<b>(180.52)</b>
<b>C Cash flow from Financing Activities</b>		
Repayment of borrowings		
Increase in borrowings	(11.44)	295.30
Dividend payment including DDT	(129.21)	-
Increase in capital	-	200.00
Increase in share premium	-	1,150.00
Share warrants	-	(337.50)
Interest Paid	(24.07)	(20.33)
<b>Net Cash Inflow /(Out Flow) from Financing Activities (C)</b>	<b>(164.72)</b>	<b>1,287.47</b>
<b>Net Increase/Decrease in cash &amp; Cash equivalents (A+B+C)</b>	<b>(103.93)</b>	<b>(91.40)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>207.18</b>	<b>298.58</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>103.25</b>	<b>207.18</b>

As per our Audit Report Attached

Notes:-

1.The above Cash Flow Statement has been prepared under the "indirect Method" as set out in the Indian Accounting standard-7 "Cash Flow statement"

 As per our Report Attached  
for and on behalf of  
SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

 AJAY SARIYA  
PARTNER  
M No. 079102

 SHEHNAZ D ALI  
Wholtime Director  
DIN :00185452

 HARIKANT TURGALIA  
Wholtime Director  
and CFO  
DIN :00049544

 ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 29, 2019



**Statement of Changes in equity**

**a) Equity Share Capital**

(Rupees in Lakhs)

	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
YEAR ENDED ON 31/03/2019	2,160.00	-	2,160.00
YEAR ENDED ON 31/03/2018	1,960.00	200.00	2,160.00

**b) Other equity**

	Reserves & Surplus				Equity Instruments through other Comprehensive Income	Total
	Capital Reserve	Securities premium	General Reserve	Retained earnings		
Balance at the beginning of the reporting period -01/04/2017	338.25	4954.93	47.39	-74.18	0	5266.39
Profit for the year				449.03		449.03
Other comprehensive income				-	-	-
Issue of Equity Share		1,150.00				1,150.00
Total Comprehensive income for the year						-
Dividends						-
Balance at the end of the reporting period -31/03/2018	338.25	6,104.93	47.39	374.85	-	6,865.42
Profit for the year				333.26		333.26
Other comprehensive income					(24.71)	(24.71)
Total Comprehensive income for the year						-
Dividend				(108.00)		(108.00)
Dividend Distribution Tax				(21.21)		(21.21)
Balance at the end of the reporting period -31/03/2019	338.25	6,104.93	47.39	578.90	(24.71)	7,044.76

See accompanying notes to financial statements

As per our Report Attached  
for and on behalf of  
SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

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ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 29, 2019

## Notes to the Standalone Financial Statements (Contd.)

### 1. COMPANY INFORMATION

Sat Industries Limited (SIL) was incorporated on 23.11.1984 and having its registered office at Mumbai, Maharashtra. SIL is engaged in the business of international trading, investment and finance, leasing of assets, manufacturing of flexible packaging, hose pipes, education etc. through its own or through subsidiary and associate companies.

### 2. Significant Accounting Policies

#### Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

#### Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

#### Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All up gradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

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 asset. Any gain or loss arising on the disposal or retirement of an item of

## Notes to the Standalone Financial Statements (Contd.)

property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Plant and Equipment	7 – 25 Years
Furniture and Fixtures	8 – 10 Years
Vehicles	8 – 10 Years
Office Equipment	5 Years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

### Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination or by way of a government grant, at fair value on the date of acquisition/grant
- for separately acquired assets, at cost comprising the purchase price (including import duties and nonrefundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2016 measured as per the previous GAAP.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., patents, licenses, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes) or commercial obsolescence (e.g., lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite. Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life

## Notes to the Standalone Financial Statements (Contd.)

assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

### Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

### Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on FIFO Basis . Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

### Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

Exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in Foreign Currency Translation Reserve.

### Investment in Subsidiary and Associate

Investment in subsidiary and associate are carried at cost less accumulated impairment, if any.

### Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

### Financial Assets

#### Recognition:

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

## Notes to the Standalone Financial Statements (Contd.)

### Classification:

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

### Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

### Impairment:

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

**Reclassification:** When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

**De-recognition:** Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

### Income Recognition:

Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

### Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption



## Notes to the Standalone Financial Statements (Contd.)

/ settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

### Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as sales tax and value added tax.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. Revenue from services is recognised in the periods in which the services are rendered.

### Employee Benefits

- i) Short-term Employee benefits Liabilities for wages and salaries including nonmonetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### Defined Benefit Plans

#### Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

### Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### Company as a Lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

## Notes to the Standalone Financial Statements (Contd.)

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

### Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

### Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per the Corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

### Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

### Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

## Notes to the Standalone Financial Statements (Contd.)

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led.

Segment results represent profits before finance charges, unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

### Financial and Management Information Systems

The Company's Accounting System is designed to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

## 2. Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortized over their useful economic life. Refer notes to the financial statements.

### B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 1. Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

#### 2. Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

#### 3. Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of



## **Notes to the Standalone Financial Statements (Contd.)**

Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

### **4. Claims, Provisions and Contingent Liabilities:**

In respect of litigations where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

**Notes to the Standalone Financial Statements (Contd.)**

Particulars	Rs. in lakhs									
	NOTE NO. - 3 PROPERTY, PLANT AND EQUIPMENT					Under Operating Lease				
	Owned Assets		Office equipment			Moulds	Plant and Equipment	Total	Under Operating Lease	
Furniture and Fixtures	Vehicle	Computers	Office equipment	Moulds	Plant and Equipment				Total	
<b>Year ended March 31st, 2019</b>										
<b>GROSS CARRYING AMOUNT</b>										
Opening Gross Carrying Amount	1.77	77.38	5.13	5.59	197.40	188.50	475.77			
Additions	0.00	0.00	0.31	0.62	242.65	0.00	243.58			
Disposals/Adjustment	0.00	0.00	0.00	0.00	0.00	94.16	94.16			
<b>Closing Gross Carrying Amount</b>	<b>1.77</b>	<b>77.38</b>	<b>5.44</b>	<b>6.21</b>	<b>440.05</b>	<b>94.34</b>	<b>625.19</b>			
<b>ACCUMULATED DEPRECIATION</b>										
Opening Accumulated Depreciation	0.06	0.78	4.17	2.25	11.66	12.22	31.14			
Depreciation charged during the year	0.16	9.20	0.56	0.78	12.06	5.67	28.43			
Disposals/Adjustments	0.00	0.00	0.00	0.00	0.00	11.92	11.92			
<b>Closing Accumulated Depreciation</b>	<b>0.22</b>	<b>9.98</b>	<b>4.73</b>	<b>3.03</b>	<b>23.72</b>	<b>5.97</b>	<b>47.65</b>			
<b>Net Carrying Amount</b>	<b>1.55</b>	<b>67.40</b>	<b>0.71</b>	<b>3.18</b>	<b>416.33</b>	<b>88.37</b>	<b>577.54</b>			
<b>Year ended March 31st, 2018</b>										
<b>GROSS CARRYING AMOUNT</b>										
Opening Gross Carrying Amount	0.00	0.00	4.76	2.80	151.01	94.16	252.73			
Additions	1.77	77.38	0.37	2.79	46.39	94.34	223.04			
Disposals/Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
<b>Closing Gross Carrying Amount</b>	<b>1.77</b>	<b>77.38</b>	<b>5.13</b>	<b>5.59</b>	<b>197.40</b>	<b>188.50</b>	<b>475.77</b>			
<b>ACCUMULATED DEPRECIATION</b>										
Opening Accumulated Depreciation	0.00	0.00	3.80	1.82	5.25	6.26	17.13			
Depreciation charged during the year	0.06	0.78	0.37	0.43	6.41	5.96	14.01			
Disposals/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
<b>Closing Accumulated Depreciation</b>	<b>0.06</b>	<b>0.78</b>	<b>4.17</b>	<b>2.25</b>	<b>11.66</b>	<b>12.22</b>	<b>31.14</b>			
<b>Net Carrying Amount</b>	<b>1.71</b>	<b>76.60</b>	<b>0.96</b>	<b>3.34</b>	<b>185.74</b>	<b>176.28</b>	<b>444.63</b>			

**Notes to the Standalone Financial Statements (Contd.)**
**Note : 4 INVESTMENTS - NON CURRENT**

(Rs. in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of units	Amount	No of units	Amount
<b>A) Investments in Equity Instruments</b>				
<b>i) Unquoted</b>				
<b>(a) Investments in Subsidiary (fully paid up)</b>				
<b>(Carried at cost )</b>				
<b>Italica Furniture Private Limited</b>	20,82,118	797.18	20,82,118	797.18
(Shares of Rs. 10/- each)				
<b>Italica Global FZC</b>	100	34.04	100	34.04
(Shares of AED 1850 each)				
<b>Sah Polymers Limited</b>	1,43,16,000	1,854.95	1,43,16,000	1,854.95
(Shares of Rs. 10/- each)				
<b>Aeroflex Finance Private Limited</b>	21,00,000	210.00	21,00,000	210.00
(Italica Ventures Private Limited )				
(Shares of Rs. 10/- each)				
<b>Aeroflex International Limited</b>	10,00,000	100.00	10,00,000	100.00
(Shares of Rs. 10/- each)				
<b>Aeroflex Industries Ltd.</b>	1,43,74,108	575.32	9,99,500	34.64
(Shares of Rs. 10/- each)				
<b>(b) Investments in Associates (fully paid up)</b>				
<b>(Carried at cost )</b>				
<b>Genext Students Private Limited</b>	9,36,513	199.50	9,36,513	199.50
(Shares of Rs. 10/- each)				
<b>(c) Investments in Others (fully paid up)</b>				
<b>(At fair value through other comprehensive income):</b>				
<b>Fibcorp Polyweave Private Limited</b>	7,600	28.50	7,600	28.50
(Shares of Rs.100 each)				
<b>Aeroflex Industries Ltd.</b>				
Series "A" Compulsorily Convertible Preference Shares of Rs.10/- each	0	0	6,36,363	25.73
Series "A" Compulsorily Convertible Preference Shares of Rs.200/- each	0	0	6,37,000	514.93
<b>Equity shares of FV Rs.10/- each</b>	0	0	637	0.02
<b>ii) Quoted</b>				
<b>Tirupati Sarjan Limited</b>	3,75,000	50.25	3,75,000	74.96
<b>(Shares of Rs. 10/- each)</b>				
<b>Total</b>		<b>3,849.74</b>		<b>3,874.45</b>



**Notes to the Standalone Financial Statements (Contd.)**

	<b>Rs. In lakhs</b>	
	<b>Year ended 31 March 2019</b>	Year ended 31 March 2018
Total Investment	3,849.74	3,874.45
Aggregate amount of Quoted Investments	74.96	74.96
Market value of the Quoted Investments	50.25	74.96
Aggregate amount of Unquoted Investments	3,799.49	3,799.49
Aggregate provision for diminution in value of investments	24.71	-

**NOTE 5: FINANCIAL ASSETS: LOANS NON-CURRENT**

	<b>Rs. In lakhs</b>	
<b>Particulars</b>	<b>As at March 31, 2019</b>	As at March 31, 2018
Other Loans:		
(a) Loan considered good- secured	0	0
(b) Loan considered good- unsecured	362.02	40.00
(c) Loans which have significant increase in Credit Risk	0	0
(d) Loans -Credit impaired	0	0
	362.02	40.00
Less: Allowance for doubtful debts	0	0
<b>Total</b>	<b>362.02</b>	<b>40.00</b>

**NOTE 6 :OTHER NON CURRENT ASSETS :**

	<b>Rs. In lakhs</b>	
<b>Particulars</b>	<b>As at March 31, 2019</b>	As at March 31, 2018
	<b>Non-current</b>	Non-current
Capital Advances	17.69	19.00
<b>Advances other than capital advances</b>	<b>0.42</b>	<b>0.41</b>
-Others	-	-
OTHER ADVANCES :	-	-
-With Statutory Authorities	0	80.80
-Employees	0	0.09
<b>Total</b>	<b>18.11</b>	<b>100.30</b>

**NOTE 7 :TRADE RECEIVABLES**

	<b>Rs. In lakhs</b>	
<b>Particulars</b>	<b>As at March 31, 2019</b>	As at March 31, 2018
(a) Trade Receivables considered good- secured	0	0
(b) Trade Receivables considered good- unsecured	578.93	791.08
(c) Trade Receivables which have significant increase in Credit Risk	0	0
(d) Trade Receivables -Credit impaired	0	0
	578.93	791.08
Less: Allowance for doubtful debts	0	0
<b>Total</b>	<b>578.93</b>	<b>791.08</b>



**Notes to the Standalone Financial Statements (Contd.)**

**NOTE 8 : CASH AND CASH EQUIVALENTS**

**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
a) Balances with banks				
i) in current accounts		102.24		2.10
ii) deposits with original maturity up to 3 months		0		204.00
b) Cash on hand		1.01		1.08
<b>Total</b>		<b>103.25</b>		<b>207.18</b>

**NOTE 9 : OTHER BANK BALANCES**

**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
Bank deposits with original maturity for more than 3 months but not more than 12 months (including accrued interest thereon)		0		306.00
<b>Total</b>		<b>0</b>		<b>306.00</b>

**NOTE 10: FINANCIAL ASSETS: LOANS CURRENT**

**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
(a) Loan considered good- secured		0		0
(b) Loan considered good- unsecured *		3,161.70		1,034.01
©Loans which have significant increase in Credit Risk		0		0
(d) Loans -Credit impaired		0		0
		3,161.70		1,034.01
Less: Allowance for doubtful debts		0		0
<b>Total</b>		<b>3,161.70</b>		<b>1,034.01</b>

\*includes loans Rs. 2803.70 lakhs ( pr. yr. Rs.406.75 lakhs) to related parties. Refer to note 35.

**NOTE 11 :OTHER CURRENT FINANCIAL ASSETS :**

**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
Bank Deposit with more than 12 months maturity		100.00		382.37
Other Financial Assets				
-Interest accrued on loan, deposit etc.		6.85		14.12
<b>Total</b>		<b>106.85</b>		<b>396.49</b>

**NOTE 12 : CURRENT TAX ASSETS**

**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
Income tax Refund		2.15		0
<b>Total</b>		<b>2.15</b>		<b>0</b>

**Notes to the Standalone Financial Statements (Contd.)**
**Note 13: OTHER CURRENT ASSETS**
**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>Advances other than capital advances</b>				
Security Deposit				
-Others		0.41		0.36
<b>OTHER ADVANCES :</b>				
-With Statutory Authorities		80.95		0
-Prepaid Expenses		1.13		1.64
-Employees		3.00		1.89
-Other Receivables		1,303.74		3,219.26
GST Credit		34.76		26.95
<b>Total</b>		<b>1,423.99</b>		<b>3,250.10</b>

**NOTE 14: SHARE CAPITAL**
**Amount in Rs. lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity Shares of 2/- each	11,00,00,000	2,200	7,50,00,000	1,500
	11,00,00,000	2,200	7,50,00,000	1,500
<b>Issued</b>				
Equity Shares of 2/- each fully paid up	10,80,00,000	2,160	10,80,00,000	2,160
<b>Total</b>	<b>10,80,00,000</b>	<b>2,160</b>	<b>10,80,00,000</b>	<b>2,160</b>

**Note: 14.1 Reconciliation for No. of shares outstanding during the year**
**Amount in Rs. lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	10,80,00,000	2,160.00	9,80,00,000	1,960.00
Shares Issued during the year	-	-	1,00,00,000	200.00
Shares bought back during the year			-	-
<b>Shares outstanding at the end of the year</b>	<b>10,80,00,000</b>	<b>2,160.00</b>	<b>10,80,00,000</b>	<b>2,160.00</b>

**Note :14.02 Details of shareholders holding more than 5%**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
1. Sat Invest Private Limited	50835000	47.07%	50835000	47.07%
2. Dawood Investment Private Limited	7209321	6.68%	7209321	6.68%
3. Space Age Polymers LLP	6619455	6.13%	6619455	6.13%
4. A Flex Invest Private Limited	7500000	6.94%	7500000	6.94%

**Notes to the Standalone Financial Statements (Contd.)**

- 14.03 : The Company has only one class of shares referred to as the equity shares having face value of Rs. 2/- each . Each holder of equity share is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting.
- 14.04 : There are no calls unpaid on equity shares.
- 14.05 : No Equity shares have been forfeited.
- 14.06 : No shares have been reserved for issue under options.
- 14.07 : The Company has not allotted any shares pursuant to contract without payment being received in cash.

**Note 15 : OTHER EQUITY**
**Rs. In lakhs**

Particulars	As at 31st March,2019	As at 31st March,2018
<b>1. SECURITIES PREMIUM</b>		
As per the last year accounts	6,104.93	4,954.93
Add: Addition during the year	0	1,150.00
	<b>6,104.93</b>	<b>6,104.93</b>
<b>2. CAPITAL RESERVE</b>		
As per the last year accounts	338.25	338.25
<b>3. GENERAL RESERVE</b>		
As per the last year accounts	47.39	47.39
<b>4. RETAINED EARNINGS</b>		
As per the last year accounts	374.85	(74.18)
Add: Surplus for the year	333.26	449.03
	<b>708.11</b>	374.85
Less : Dividend on equity shares	108.00	-
Less : Tax on distribution of dividend	21.21	-
	<b>578.90</b>	374.85
<b>5) Equity Instruments through Other Comprehensive Income:</b>		
As per the last year accounts	0	0
Add: Addition during the year	(24.71)	0
	<b>(24.71)</b>	<b>0</b>
<b>TOTAL</b>	<b>7,044.76</b>	<b>6,865.42</b>

**Nature and purpose of reserves**
**1) Securities Premium**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act,2013.

**2) General Reserve**

General Reserve: This Reserve is created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

**Notes to the Standalone Financial Statements (Contd.)**
**3) Capital Reserve**

Capital Reserve represents the amount forfeited on not exercising the option attached to the conversion of warrants into equity shares within a scheduled time.

**4) Retained Earnings:**

This Reserve represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**5) Equity Instruments through Other Comprehensive Income:**

This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

**NOTE 16 : BORROWINGS- NON CURRENT**
**Rs. In lakhs**

Particulars	As at March 31, 2019		As at March 31, 2018	
	current	Non-current	current	Non-current
<b>Secured</b>				
<b>Term Loan</b>				
From Bank				
Yes Bank (a)	9.51	35.74	9.51	45.25
Others				
Kotak Mahindra Prime Limited (b)	1.93	6.72	1.93	8.65
	11.44	42.46	11.44	53.90

- (a) Term loan from Yes Bank is secured against hypothecation of Car no. MH01 DB 1251. The loan is repayable in 60 equated monthly instalments of Rs. 112822/- each commencing from 09.03.2018 and the last instalment is repayable on 02.03.2023 There is no continuing default in the repayment of instalment and interest thereon. Rate of interest as on 31.03.2019 is 8.10% per annum.
- (b) Term loan from Kotak Mahindra Prime Limited is secured against hypothecation of Car no. MH01 CT 6227. The loan is repayable in 60 equal monthly instalments of Rs. 22941/- each commencing from 16.12.2017 and the last instalment is repayable on 01.11.2022 . There is no continuing default in the repayment of instalment and interest thereon. Rate of interest as on 31.03.2019 is 8.35% per annum.

**NOTE 17 : DEFERRED TAX LIABILITIES**
**Rs. In lakhs**

Particulars	As at March,2019		As at March,2018	
Opening Balance		39.42		23.39
<b>Deferred tax liability</b>				
Depreciation		22.72		16.55
<b>Deferred tax assets</b>				
Depreciation				
Gratuity		0.54		0.52
Net amount charged to Profit & Loss		22.18		16.03
<b>Total</b>		61.60		39.42



**Notes to the Standalone Financial Statements (Contd.)**

**NOTE 18: TRADE PAYABLE**

**Rs. In lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	0	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	505.12	738.36
	<b>505.12</b>	<b>738.36</b>

**NOTE 19 :OTHER FINANCIAL LIABILITIES -CURRENT**

**Rs. In lakhs**

	As at March 31, 2019	As at March 31, 2018
Current maturity of long term debt *	11.44	11.44
Overdraft facility	-	206.72
	<b>11.44</b>	<b>218.16</b>

\*for security and other terms refer Note 16

**NOTE 20 :OTHER CURRENT LIABILITIES**

**Rs. In lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Liabilities		
Professional Tax	-	0.02
TDS Payable	2.59	0.97
Other Liabilities		
Others	299.28	289.18
<b>Total</b>	<b>301.87</b>	<b>290.17</b>

**NOTE 21 : PROVISIONS**

**Rs. In lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity	1.61	1.69
<b>Total</b>	<b>1.61</b>	<b>1.69</b>

**NOTE 22 : CURRENT TAX LIABILITIES**

**Rs. In lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Income Tax (Net of advance tax )	55.42	77.12
<b>Total</b>	<b>55.42</b>	<b>77.12</b>

**NOTE 21 : REVENUE FROM OPERATIONS**

**Rs. In lakhs**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i) Trading	2,784.84	4,532.78
ii) Services		
a) Income from Equipment Uses charges	122.24	84.60
b) Income from Interest	488.31	532.98
c) Income from Professional Fees	40.50	-
<b>Total</b>	<b>3,435.89</b>	<b>5,150.36</b>



**Notes to the Standalone Financial Statements (Contd.)**
**NOTE 24 : OTHER INCOME**
**Rs. In lakhs**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit from Sale of Shares	-	39.56
<b>Total</b>	<b>-</b>	<b>39.56</b>

**NOTE 25: PURCHASE OF STOCK-IN-TRADE**
**Rs. In lakhs**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Purchase Traded Goods	2,751.42	4,439.43
<b>Total</b>	<b>2,751.42</b>	<b>4,439.43</b>

**NOTE 26 : EMPLOYEE BENEFITS**
**Rs. In lakhs**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salary & Bonus	65.56	58.06
Gratuity fund contributions	1.94	1.69
Staff welfare	0.15	0.33
<b>Total</b>	<b>67.65</b>	<b>60.08</b>

**NOTE 27 : FINANCE COST**
**Rs. In lakhs**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on borrowing	24.07	20.52
Interest on delayed payment of tax	3.69	2.09
<b>Total</b>	<b>27.76</b>	<b>22.61</b>

**NOTE 28 : OTHER EXPENSES**
**Rs. In lakhs**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>Payment to Auditor as:</b>		
a. Statutory Audit fees	0.40	0.40
b. Taxation Fees	0.10	0.10
c. Certification Fees	0.02	-
Advertisement and Publicity	0.50	0.44
Bad Debts Written Off	-	36.23
Business Promotion Exp.	1.24	2.52
Bank Charges and Commission	0.42	0.22
Conveyance Expenses	3.82	1.13
Depository Charges	3.75	4.20
CSR Activities	5.85	2.95
Loan Processing Fees	40.00	-



**Notes to the Standalone Financial Statements (Contd.)**

Electricity Expenses	1.30	1.13
Freight	0.94	-
ROC Filing Fees	0.15	0.21
Hospitality Expenses	1.95	2.54
Insurance Expenses	0.92	0.18
Keyman Insurance	1.68	1.68
Membership and subscriptions	0.05	0.28
Office Expenses	8.68	9.02
Printing/Stationery Expenses	1.91	1.98
Professional Charges	6.65	6.67
Rent	6.90	0.64
Telephone & Communication Expenses	4.58	3.99
Travelling Expenses	17.63	22.80
Vehicle Insurance	1.56	0.47
Vehicle Running and Maintenance	3.00	1.29
<b>Total</b>	<b>114.00</b>	<b>101.07</b>

**NOTE 29: Additional Information :**

Rs. In lakhs

(i) Depreciation and amortization expenses	Year ended 31 March 2019		Year ended 31 March 2018	
(i) Depreciation		28.43		14.01
(ii) Amortisation Expenses		-		-
		28.43		14.01

**Note 30: (ii) Earnings per share**

Rs. In lakhs

Particulars	2018-2019	2017-18
Earning per share has been computed as under		
(a) Profit for the year	333.26	449.03
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	108000000	107260000
(c) Effect of potential Equity shares on conversion of outstanding share warrants	0	0
(d) Weighted average number of equity shares in computing diluted earnings per share [(b)+(c )]	108000000	107260000
(e) Earnings per share on profit for the year (Face Value Rs. 2.00 per share) -		
-Basic (a/b)	0.31	0.42
-Diluted (a/d)	0.31	0.42

**Notes to the Standalone Financial Statements (Contd.)**
**Note 31**
**Contingent liabilities and commitments :**

## (a) Contingent liabilities

Rs. in lakhs

Claims against excise duty and other matters	31st March, 2019	31st March, 2018
(i) Excise Duty, Service Tax Matters etc.	-	-

GUARANTEES	31st March, 2019	31st March, 2018
<b>b) GUARANTEES GIVEN ON BEHALF OF SUBSIDIARY</b>		
i) Guarantee given by the Company to Kotak Mahindra Bank Limited, Mumbai against loan provided to Aeroflex Industries Limited	5500	0
<b>(c) Commitments</b>		
• Estimated amount of contracts remaining to be executed on capital accounts and not provided for	38.47	45.75

**Note 32: Details of subsidiary**

Name	Country of incorporation	% of ownership interest as at 31/03/2019	% of ownership interest as at 31/03/2018
Sah Polymers Limited	India	91.79	91.79
Italica Furniture Private Limited	India	100.00	100.00
Aeroflex Finance Private Limited (formerly known Italica Venture Private Limited)	India	100.00	100.00
Aeroflex International Limited	India	100.00	100.00
Aeroflex Industries Limited	India	69.70	NIL
Italica Global FZC , UAE	UAE	100.00	100.00

<b>Details of Associate</b>			
Name	Country of incorporation	% of ownership interest as at 31/03/2019	% of ownership interest as at 31/03/2018
Genext Students Private Limited	India	33.72	33.72

**Note 33: Financial Instruments and Related Disclosures**
**1. Capital Management**

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals, borrowings etc. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

**Notes to the Standalone Financial Statements (Contd.)**
**2. Categories of financial Instruments and fair value :**

Carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	Fair value hierarchy	Rs. In lakhs			
		As at 31st March, 2019		As at 31st March, 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>					
Measured at amortised cost					
i) Cash and cash equivalent		103.25	103.25	207.18	207.18
ii) Other Bank balance		-	-	306.00	306.00
iii) Loans		3,523.72	3,523.72	1,074.01	1,074.01
iv) Trade receivables		578.93	578.93	791.08	791.08
v) Other financial assets		106.85	106.85	396.49	396.49
Sub Total		4312.75	4312.75	2774.76	2774.76
Measured at fair value through OCI					
i) Equity Instrument		78.75	78.75	678.78	678.78
Sub Total	L3	78.75	78.75	678.78	678.78
Total Financial assets		4391.50	4391.50	3453.54	3453.54
<b>Financial Liabilities</b>					
Measured at amortised cost					
i) Borrowings		42.46	42.46	53.90	53.90
iii) Trade payables		505.12	505.12	738.36	738.36
iv) Other financial liabilities		11.44	11.44	218.16	218.16
Total financial liabilities		559.02	559.02	1010.42	1010.42

Level 1: Quoted price (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. price s) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Notes to the Standalone Financial Statements (Contd.)

### C : FINANCIAL RISK MANAGEMENT

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The Company does regularly monitor, analyze and manage the risks faced by the Company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

#### A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings and investments instruments. The Company is exposed to a variety of market risks, including currency and interest rate risks.

##### (i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings and investments are all in fixed rate instruments. Investments are largely in subsidiaries and associates and are on long term basis.

##### (ii) Management of price risk:

The Company invests its surplus funds in deposits with banks on short term tenors on fixed interest rate and the same is not exposed to any price risk. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company.

##### (iii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no foreign currency transactions and is, therefore, not exposed to foreign exchange risk.

The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2019 is Rs. 78.75 lakhs( 2018 – Rs. 678.78 lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

As the Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. The investment is guided by tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

#### B. MANAGEMENT OF CREDIT RISK:

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and from its

## Notes to the Standalone Financial Statements (Contd.)

financing activities including investments in deposits with banks.

Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed.

The Company's customer base is large enough and does not have risk of credit concentration. Further, credit is extended in business interest.

### C. MANAGEMENT OF LIQUIDITY RISK:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations. The Company closely monitors its liquidity position and has a robust cash management system. The Company maintains adequate sources of financing including debt and overdraft from domestic and international banks and financial markets at optimized cost.

The Company's Current assets aggregate to Rs. 5376.87 lakhs( 2018 – Rs. 5984.86 lakhs) including Cash and cash equivalents and Other bank balances of Rs. 103.25 lakhs( 2018 – Rs. 513.18 lakhs) against an aggregate Current liability of Rs. 875.46 lakhs (2018 – Rs. 1325.50 Lakhs); Non-current liabilities due between one year to three years amounting to Rs. 42.46 lakhs (2018 Rs. 53.90 lakhs ) and Non-current liability due after three years amounting to Rs. NIL ( 2018 NIL) on the reporting date. Further, while the Company's total equity stands at Rs. .9204.76 Lakhs( 2018 – Rs. 9025.42 Lakhs ), it has current borrowings of Rs. NIL (2018 – Rs. NIL). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

### Note 34 Disclosures in respect of related parties pursuant to Ind AS 21

#### (i) Subsidiary :

- 01) Sah Polymers Limited
- 02) Italica Furniture Private Limited
- 03) Aeroflex Finance Private Limited (formerly Italica Ventures Private Limited)
- 04) Aeroflex International Limited
- 05) Aeroflex Industries Limited, (w.e.f. 02/04/2018)
- 06) Italica Global. FZC, UAE

#### (ii) Stepdown Subsidiary :

Sat E-Com Limited

#### (iii) Associate Company :

Genext Students Private Limited

#### (iv) Key Managerial Persons

- 01) Mrs. Shehnaz D Ali, Wholetime Director
- 02) Mr.Harikant Turgalia, Wholetime Director and Chief Financial Officer
- 03) Ms. Alka Premkumar Gupta, Company Secretary



**Notes to the Standalone Financial Statements (Contd.)**

During the year following transactions were carried out with the related parties in the ordinary course of business at arm's length price

**Rs. In lakhs**

Name of related party	Nature of relation	2017-2018	2016-2017	Nature of transaction
Mr. Harikant Turgalia	Wholetime Director	13.36	10.26	Remuneration
Mrs. Shehnaz D. Ali	Wholetime Director	21.38 1.68	17.10 1.68	i) Remuneration ii) Keyman Insurance Premium paid
Sat Invest Pvt. Ltd.	Promoter Company & Major Shareholder	-	66.00	i) Purchase of shares
Aeroflex Finance Pvt. Ltd. (Formerly Itatica Ventures Pvt Ltd.)	Subsidiary	1.80 3.61	2.92 2.95	i) Unsecured Loan Given ii) Loan repayment received
Sah Polymers Ltd.	Subsidiary	278.05 278.05	179.50 179.50	i) Unsecured Loan Given ii) Unsecured Loan Repaid
		- 2.89 0.25 0.24 -	420.00 17.48 - 0.27 599.50	iii) Equity contribution iv) Interest received v) Interest Paid vi) Rent paid vii) Loan repayment received
Itatica Furniture Pvt. Ltd.	Subsidiary	292.95 155.70 82.24	1,204.75 1,117.50 -	i) Unsecured Loan Given ii) Loan repayment received iii) Sale of Assets
Aeroflex Industries Ltd.	Subsidiary	5,156.91 6,087.82 328.98 40.50	2,216.42 340.25 151.54 -	i) Unsecured Loan Given ii) Loan repayment received iii) Interest received

**Closing balances**
**Rs. in lakhs**

Name	31.03.2019	31.03.2018
Mrs. Shehnaz D. Ali	0.64	1.54
Mr. Harikant Turgalia	0.94	0.97
Aeroflex Finance Pvt. Ltd. (Formerly Itatica Ventures Pvt. Ltd.)	-	-
Sah Polymers Ltd.	-	-
Sat Invest Pvt. Ltd.	-	-
Aeroflex International Ltd.	-	-
Aeroflex Industries Ltd.	1,454.37	2,012.56
Itatica Furniture Pvt. Ltd.	641.05	406.75

Closing balances in the case of other parties is NIL

**Notes to the Standalone Financial Statements (Contd.)**

No amount in respect of the related parties have been written off/back are provided for during the year.

**Note 35**

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

During the year, the Company has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of Rs NIL (March 31,2018 Rs. 105.12 lakhs ). The Company is reasonably not certain availing the said MAT Credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same.

Tax Credits carried forward	Rs. In lakhs			
	As at March 31,2019	Expiry date	As at March 31,2018	Expiry date
2009-2010	0	NA	0.79	31.03.2025
2010-2011	0	NA	1.18	31.03.2026
2011-2012	0	NA	0.41	31.03.2027
2015-2016	4.15	31.03.2031	7.62	31.03.2031
2016-2017	44.03	31.03.2032	44.03	31.03.2032
2017-2018	113.12	31.03.2033	113.12	31.03.2033

**Note 36: TAX RECONCILIATIONS**

Particulars	Rs. In lakhs	
	Year ended March 31,2019	Year ended March 31,2018
Tax expenses recognised in the Statement of Profit and Loss		
Current Tax :		
Current tax on profits for the year	91.19	105.12
Deferred tax (Net)	22.18	16.03
Total income tax expenses	113.37	121.15

Reconciliation of tax expenses and the accounting profit

The reconciliation between estimated income tax at statutory income tax rate into income tax expenses reported in Statement of Profit and Loss is given below :

	Year ended March 31,2019	Year ended March 31,2018
Profit before income tax	446.63	552.72
Indian statutory income tax rate	27.82%	27.55%
Expected income tax expenses	124.25	152.27

**Notes to the Standalone Financial Statements (Contd.)**

<b>Tax effect of adjustment to reconcile expected income tax</b>		
Tax effects of amounts which are not deductible for taxable income	3.21	1.85
Additional tax paid on book profits	-	105.12
Effect of past year loss and unabsorbed depreciation	10.34	127.91
MAT Credit Adjust	5.85	-
Others	13.66	22.51
	33.06	257.39
<b>Total income tax expenses.</b>	<b>91.19</b>	<b>-105.12</b>

**Deferred Tax (Liabilities)**

	<b>Year ended March 31,2019</b>	Year ended March 31,2018
<b>Property Plant and Equipment</b>	22.72	16.55
Total deferred tax liabilities	22.72	16.55

**Deferred Tax Assets**

	<b>Year ended March 31,2019</b>	Year ended March 31,2018
Others	0.54	0.52
Total deferred tax Assets	0.54	0.52
<b>Net Deferred tax (Liabilities)/Assets</b>	<b>22.18</b>	<b>16.03</b>

**Movement in Deferred tax Liabilities /Assets**

Particular	Property, plant and equipment	Other Deferred Tax Assets	Deferred Tax Liabilities/ Asset (Net)
As at 31st March, 2017	75.02	51.63	23.39
(Charged)/Credited to Profit and Loss	16.55	0.52	16.03
As at 31st March, 2018	91.57	52.15	39.42
(Charged)/Credited to Profit and Loss	22.72	0.54	22.18
As at 31st March,2019	114.29	52.69	61.60

**Notes to the Standalone Financial Statements (Contd.)**
**Note 37 EMPLOYEE BENEFITS**
**a) DEFINED BENEFIT PLAN**
**Gratuity:**

The Company participates in the Employees' Group Gratuity-Scheme of Life Insurance Corporation Limited, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees.

**b) Amounts Recognised as Expense:**
**i) Defined Benefit Plan**

Gratuity cost amounting to Rs. 1.94 Lakhs (previous year Rs. 1.69 lakhs) has been included in Note 26 under Contribution to Provident and Other Funds.

**Note 38**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (principal and/or interest), which are outstanding for more than 45 days as at the balance sheet date. During the year, there have been no payments made to Micro, Small and Medium Enterprises beyond 45 days. There were no amounts on account of interest due that were payable for the period where the principal has been paid but interest under the MSMED Act, 2006 not paid. Further, there were no amounts towards interest accrued that were remaining unpaid at the end of accounting year. Accordingly, there were no amounts due to further interest due and payable in the succeeding years. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

<b>Information relating to the Micro, Small and Medium Enterprises</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	NIL	NIL
(i) Principal amount		
(ii) Interest		
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

**Notes to the Standalone Financial Statements (Contd.)**
**Note 39**

As per Ind AS 108 " Operating Segment", the segments details are as under

**Rs. In lakhs**

Particular	Year ended	Year ended
	31/03/2019	31/03/2018
<b>Segment Revenue</b>		
Trading	2784.84	4532.78
Finance & Investment	651.05	617.58
<b>Total</b>	<b>3435.89</b>	<b>5150.36</b>
Other Income	0.00	39.56
Total Revenue	3435.89	5189.92
<b>Segment results</b>		
Trading	33.03	89.31
Finance & Investment	413.60	423.85
<b>Total Segment Results</b>	<b>446.63</b>	<b>513.16</b>
Other Income	0.00	39.56
Profit before tax	446.63	552.72
Provision for tax	113.37	103.69
Profit after tax	333.26	449.03
<b>Segment Assets</b>		
Trading	578.93	791.08
Finance & Investment	9605.35	9653.16
<b>Total</b>	<b>10184.28</b>	<b>10444.24</b>
<b>Segment Liabilities</b>		
Trading	505.12	738.36
Finance & Investment	474.40	680.46
<b>Total</b>	<b>979.52</b>	<b>1418.82</b>
<b>Capital Expenditure</b>		
Trading	0.93	82.31
Finance & Investment	242.65	140.73
<b>Total</b>	<b>243.58</b>	<b>223.04</b>
<b>Depreciation and amortization</b>		
Trading	10.70	1.64
Finance & Investment	17.73	12.37
<b>Total</b>	<b>28.43</b>	<b>14.01</b>

**Notes to the Standalone Financial Statements (Contd.)**

		<b>Rs. In lakhs</b>	
		2019	2018
<b>GEOGRAPHICAL INFORMATION</b>			
Non Current Assets	- Within India	4807.41	4459.38
	- Outside India	0	0
1. Revenue from external customers	- Within India	3435.89	5150.36
	- Outside India	NIL	NIL

**Note 40**

The Board of Directors of the Company recommended a dividend of Rs. 0.10 per share (for the year ended 31st March, 2019 - ordinary dividend Rs. 0.10 per share) to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total equity dividend to be paid is Rs. 108 .lakhs (for the year ended 31st March, 2018 - Rs. 108 lakhs ). Income tax on proposed dividend being Rs. 21.21 lakhs ( for the year ended 31st March, 2018 - Rs. 21.21 lakhs ).

**Note 41**

Expenditure incurred on corporate social responsibility activities

Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities - Rs. 5.85 lakhs ( 2018 - Rs. NIL )

**Rs. in lakhs**

	<b>As at 31.03.2019</b>	As at 31.03.2018
(1) Gross amount required to be spent by the company during the year	5.85	0
(2) Amount spent during the year on:		
(i) Construction/acquisition of any asset	0	0
(ii) On purposes other than (i) above	5.85	0

**Note 42**

Balances of banks, sundry debtors and trade payables , current liabilities etc. as on 31.03.2019 are subject to confirmation and reconciliation.

**Note 43**

In the opinion of the Management ,there is no impairment of assets in accordance with the Ind AS -36 as on the Balance Sheet date.

**Note 44**

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

**Note 45**

The financial statements were authorised for issue by the Board of Directors on May 29th, 2019.

**Note 46**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs and decimal thereof as per the requirements of Schedule III to the Companies Act,2013, unless otherwise stated.

**Note 47**

Previous year's figures have been reclassified/regrouped wherever necessary to conform with the current Financial Statements.





**Notes to the Standalone Financial Statements (Contd.)**

**Note 48**

The future minimum lease rental receivable under the non-cancellable operating lease is as follows:

**Rs. in lakhs**

<b>Particulars</b>	<b>As at 31/03/2019</b>	<b>As at 31/03/2018</b>
Not later than one year	145.80	105.20
Later than one year and not later than five years	145.80	36.00
Later than five years	0.00	0.00

The Notes referred to above form an integral part of the Financial Statements.

As per our Report Attached

Signatures to the Financial Statements and Notes

for and on behalf of  
SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

AJAY SARIYA  
PARTNER  
M No. 079102

SHEHNAZ D ALI  
Wholetime Director  
DIN :00185452

HARIKANT TURGALIA  
Wholetime Director  
and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 29, 2019

If undelivered please return to :

**SAT INDUSTRIES LIMITED**

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Nariman Point,

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