31st Annual Report

2011-2012

SATIA
INDUSTRIES LTD.

BOARD OF DIRECTORS

DR. AJAY SATIA	CHAIRMAN CUM MANAGING DIRECTOR
SH. R.K.BHANDARI	WHOLE TIME DIRECTOR
SH. AVINASH CHANDER AHUJA	
SH. A.KRISHNA	
SH. S.K. ARORA	
SH. DINESH SHARMA	
SH. J.R. SHARMA	DIRECTOR (LEGAL)

Company Secretary
Mr Rakesh Kumar Dhuria

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

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

Registered Office & Works
Malout - Muktsar Road,
Village Rupana
Distt. Muktsar - 152032
(Punjab)

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

SCO 90-92, Sector 8 C,
Madhya Marg,
Chandigarh - 160018

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

BANKERS
Punjab National Bank, Muktsar

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Registrar and Transfer Agent
M/s Beetal Financial & Computer Services (P) Ltd
Regd & Admn. Office: Beetal House, 3rd Floor, 99
Madangir, Behind Local Shopping Centre, Dada
Harsukhdas Mandir, New Delhi-110062
Phone : 011-29961281-83, Fax:011-29961284
Email: beetal@rediffmail.com

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Members of Satia Industries Ltd. will be held on Saturday, 29th September, 2012 at 10:00 A.M. at the Registered Office of the Company at Malout - Muktsar Road, Village Rupana, District Muktsar (Punjab) - 152 032 to transact the following businesses:-

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and Profit and Loss Account for the year ended on that date along with the Report of the Auditors and Directors thereon.

2. To appoint a Director in place of Sh. A. C. Ahuja, who retires by rotation being eligible offers himself for re-appointment.

3. Sh. D.R. Behl, Director who retires by rotation and does not seek his re-appointment, to retire him from the office of Directorship of the Company.

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

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

Special Business

5 **Re-appointment of Dr Ajay Satia, Chairman cum Managing Director and fixation of his remuneration**

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

"**RESOLVED** that subject to the provisions of Sections 198, 269, 309, 310, 314, 316, 317 and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) of the Companies Act, 1956 and provisions of Article 115, 116, 117 & 118 and other applicable provisions of Articles of Association and subject to the approval of the Central Government and/or any other authority, if required, Dr Ajay Satia, be and is hereby re- appointed as Chairman Cum Managing Director of the Company for period of three years w.e.f 01.10.2012 on the terms and conditions including remuneration as are set out in the agreement entered into by the Company with Dr Ajay Satia and as given below:"

I. Terms:

(a) Salary: Rs. 400000/- per month.

(b) Perquisites/ benefits

i) Reimbursement of medical and hospitalization expenses including dental and optical treatment for self and family and mediclaim insurance premium.

ii) First class air fare or first class air conditioned railway fare and other actual expenses borne for self and family anywhere in India or abroad once a year while on leave including boarding lodging and surface travel expenses. The necessary foreign exchange for the purpose, if required will be provided by the company but subject to any regulation prescribed by Reserve Bank of India and in force for the time being.

iii) Personal Accidental Insurance.

iv) Dr Ajay Satia will be entitled to one months leave in a year and also to the benefit of provident Fund, Gratuity and superannuation Fund as per the applicable rules and the Company's policy.

"**RESOLVED FURTHER** that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay aforesaid remuneration as minimum remuneration to the Chairman and Managing Director."

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

6 **Re-appointment of Sh R.K.Bhnadari as Whole Time Director and fixation of his remuneration**

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

"**RESOLVED** that subject to the provisions of Sections 198, 269, 309, 310, 314, 316, 317 and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) of the Companies Act, 1956 and provisions of Article 115, 116, 117 & 118 and other applicable provisions of Articles of Association and subject to the approval of the shareholders of the Company and Central Government and/or any other authority, if required, Sh R.K.Bhandari, be and is hereby re- appointed as Whole Time Director of the Company for period of three years w.e.f 27.10.2012 on the terms and conditions including remuneration as are set out in the agreement entered into by the Company with Sh R.K.Bhandari and as given below:"

I. Terms:

(a) Salary: Rs. 2,00,000/- per month with annual increment of Rs 20,000/- PM.

(b) Perquisites/ benefits

i) Company owned/ leased accommodation or reasonable house rent allowance while posted in any place other than Muktsar.

ii) Reimbursement of medical and hospitalization expenses including dental and optical treatment for self and family and mediclaim insurance premium.

iii) First class air fare or first class air conditioned railway fare and other actual expenses borne for self and family anywhere in India or abroad once a year while on leave including boarding lodging and surface travel expenses. The necessary foreign exchange for the purpose, if required will be provided by the company but subject to any regulation prescribed by Reserve Bank of India and in force for the time being.

iv) Personal Accidental Insurance.

v) In addition to above Sh R.K. Bhandari shall be entitled to all such perquisites/ benefits which he was enjoying as Whole Time Director of Company the total value of which shall not exceed Rs 150000/- in a year.

vi) Sh R.K. Bhandari will be entitled to one months leave in a year and also to the benefit of provident Fund, Gratuity and superannuation Fund as per the applicable rules and the Company's policy.

"**RESOLVED FURTHER** that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay aforesaid remuneration as minimum remuneration to the Chairman and Managing Director."

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

7 **Increase in Salary of Sh J. R. Sharma, Director (Legal)**

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

"**RESOLVED** that subject to provisions of Sections 198, 269, 309, 310, 314, 317 and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to approval of the Central Govt. if required the salary of Sh J. R. Sharma, Director (Legal) of the Company be and is hereby increased from Rs 38750/- PM to Rs 50000/- PM plus medical reimbursement of Rs 15000/- p. a w. e. f 01.10.2012 with such annual increment as may be approved from time to time as per rules of the Company and within the limit of Schedule X111 of the Companies Act, 1956 ."

"**RESOLVED FURTHER** that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profit or its profits are inadequate, the Company will pay the aforesaid remuneration as minimum remuneration to the Director (Legal)"

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

8 **Sale of Wind Mill of the Company**

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

"**RESOLVED** that pursuant to the provisions of Section 293(1) (a) and Section 192A read with the companies(passing of the resolution by postal Ballot) Rules, 2001, as amended from time to time and other applicable provisions, if any, of the Companies Act,1956 (including any amendment thereto or re-enactment thereof for the time being in force) the Memorandum and Articles of Association of the Company and subject to other applicable statutory provisions, rules, regulation, guidelines and also subject to necessary approvals, consents, permissions and sanction from the concerned authorities and such terms and conditions as may be imposed by them, consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board, which shall be deemed to include any Committee of Directors or Directors (s) or official (s) of the Company for time being authorized by the Board to exercise the power conferred on the Board by this resolution) to transfer, sell, assign, deliver or otherwise dispose of the Wind Mill of Company"

9) **Holding of Office of Profit by Mrs Kiran Bhandari, Deputy Manager (HR)**

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

"**RESOLVED** that pursuant to Section 314(1B) of the Companies Act, 1956 and all other applicable provisions, rules and regulations the consent of the Company be and is hereby accorded for holding of office of profit by Mrs Kiran Bhandari under the Company as Deputy Manager (HR) at a monthly remuneration of Rs 40,000/- pm (Rupees forty thousand only) plus contribution to PF and payment of bonus as per provisions of Bonus Act and inclusive of all other allowances and perquisites on terms and condition and in pursuance of the service rules as applicable to the employees of the Company."

"**RESOLVED FURTHER** that Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution"

Place : Rupana
Dated : 13.08.2012

By Order of the Board
For Satia Industries Ltd.

(Rakesh Kumar Dhuria)
Company Secretary

NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint proxy to attend and vote on poll instead of himself and the proxy need not be a Member of the Company. The proxies should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.

2. Members are requested to bring their copies of Annual Report at the Meeting.

3. Members are requested to notify immediately any change in their address, to the Registered Office of the Company.

4. All documents as referred in the above notice and explanatory statement are open for inspection at the Registered Office of the Company during office hours on all working days between 11:00 A.M. to 1:00 P.M. up to the date of Annual General Meeting.

5. Members seeking any information with regards to Annual Accounts at the time of Meeting, are requested to send their queries to the company so as to reach at least ten days before the date of Meeting, to enable the management to keep the relevant information ready at the time of Meeting.

6. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2012 to 29th September, 2012 both days inclusive.

7 In pursuance to the provisions of Section 192(A) of the Companies Act, 1956 Ordinary Resolution proposed at item no 8 are required to be passed by shareholders by way of postal ballot only and therefore, the proposed resolution is being separately circulated to the Members and the Members are requested to exercise their voting power on the postal ballot.

8 Explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of item No. 5 to 9 of the notice is annexed herewith.

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

Item No 5

Keeping in view the performance of the Company under the leadership of Dr .Ajay Satia in the past and ongoing projects and up gradation of projects of the Company, the remuneration Committee and Board of Directors in their respective meetings held on 13th August, 2012 have approved the re-appointment of Dr .Ajay Satia, as Chairman Cum Managing Director of the Company for a period of three years with effect from 01.10.2012 and payment of remuneration thereof on the terms and conditions as are set out in the resolution. As per the provisions of the Companies Act, 1956, read with the schedule X111, thereof, approval of shareholders is required for the purpose. Hence, the Board recommends the resolution for your approval by way of a special resolution.

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

1. General Information

Nature of Industry

Satia Industries limited is manufacturing writing and printing paper

Commercial Production

As on March. 31st, 2012 the Company is having capacities for manufacture as hereunder:

Sr No	Particular of Manufacturing	Capacity
1	Writing and Printing Paper	40000 tpa
2	Co-generation of power	10 MW

Financial Performance

During the financial year 2011-12, net revenue from operation was Rs 23925.39 lacs and the net profit after tax of the Company is Rs 399.04 lacs

11 Information about the appointee

Background details

Dr Ajay Satia, aged 58 years is a founder of Satia Industries Ltd and has been serving the Company as Managing Director since incorporation. The Company has performed well under the able leadership of Dr Ajay Satia, Chairman Cum Managing Director of the Company. He is person behind the growth of the Company

Job Profile and his suitability

Dr Ajay Satia shall be responsible for the overall affairs of the Company

Remuneration proposed

Keeping in view the responsibilities assigned to Dr Ajay Satia and his role in the development of the Company ,it is proposed to re-appoint Dr .Satia as Chairman Cum Managing Director of the Company on the monthly salary of Rs.400000/-only) plus other allowance and perquisites as specified in resolution.

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

The salary structure of the managerial personnel has undergone a major change in the Industry in the recent past. Keeping in view the type of the Industry, size of the Company, responsibilities and capabilities of Dr Ajay Satia, Chairman Cum Managing Director, the proposed remuneration is competitive with remuneration paid by other Companies to such similar positions.

Pecuniary relationship with the Company or relationship with managerial personnel.

Dr .Ajay Satia is the Promoter Director of the Company.

111 Other information

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

The above may also be treated as an abstract of the terms of Contract/Agreement entered into between the Company and Dr .Ajay Satia, Managing Director pursuant to Section 302 of the Companies Act, 1956

None of he Directors is interested in the above resolution except Dr. Ajay Satia himself.

Item No 6

Keeping in view the performance of the Company under the management and control of Sh R.K.Bhandari, Whole Time Director the remuneration Committee and Board of Directors in their respective meetings held on 13th August, 2012 have approved the re-appointment of Sh R.K.Bhandari, as Whole Time Director of the Company for a period of three years with effect from 01.10. 2012 and payment of remuneration thereof on the terms and conditions as are set out in the resolution. As per the provisions of the Companies Act, 1956, read with the schedule X111, thereof, approval of shareholders is required for the purpose. Hence, the Board recommends the resolution for your approval by way of a special resolution.

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

1. General Information

Nature of Industry

Satia Industries limited is manufacturing writing and printing paper

Commercial Production

Sr No	Particular of Manufacturing	Capacity
1	Writing and Printing Paper	40000 tpa
2	Co-generation of power	10 MW

As on March. 31st, 2012 the Company is having capacities for manufacture as hereunder:

Financial Performance

During the financial year 2011-12, net revenue from operation was Rs 23925.39 lacs and the net profit after tax of the Company is Rs 399.04 lacs

11 Information about the appointee

Background details

Mr. R. K. Bhandari, is a MBA and associated with the Company since 1st December 1986 and is looking after the day to day affairs of the Company and he is completely aware with all aspects of the Company's business.

Job Profile and suitability

Sh R.K Bhandari shall be responsible for the management and control of day to day affairs of the Company. He has been serving the company since 1986. The Company has performed well under the able guidance of Sh R.K.Bhandari, Whole Time Director of the Company

Remuneration proposed

Keeping in view the responsibilities assigned to Sh R.K.Bhandari, Whole Time Director and his role in the day to day management and control of the Company. It is proposed to re-appoint Sh R.K.Bhandari, Whole Time Director of the Company on the monthly salary of Rs 2,00,000/- plus other allowance and perquisites as specified in resolution .

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

The salary structure of the managerial personnel has undergone a major change in the industry in the recent past. Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Sh R.K. Bhandari, the proposed remuneration is competitive with remuneration paid by other companies to such similar positions

Pecuniary relationship with the Company or relationship with managerial personnel.

Sh R.K. Bhandari is not having any pecuniary relation with the Company.

111 Other information

Keeping the overall scenario of the industry, the Company is performing reasonably well and has been expanding its capacities to gain the competitive edge. The Company is strengthening its focus quality control, captive production, strategic market alliances and expansions.

None of he Directors is interested in the above resolution except Sh R.K Bhandari, himself.

The above may also be treated as an abstract of the terms of Contract/Agreement entered into between the Company and Sh R.K Bhandari, Whole Time Director pursuant to Section 302 of the Companies Act, 1956

Item No. 7

Sh J.R.Sharma aged 70 years is bachelor of Law. He has rich and varied experience in administration, personnel, legal and liasioning. The remuneration Committee and Board of Directors in their respective meetings held on 13.08.2012 have approved the increase in remuneration from Rs 38750/PM to Rs 50,000/ PM and other terms as set out in the resolution. As per the provisions of the Companies Act, 1956 read with Schedule XIII thereof, approval of shareholders is required for the