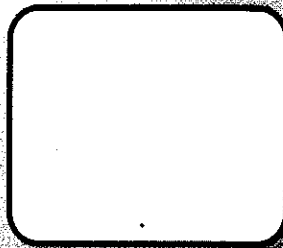


32<sup>nd</sup>

# Annual Report

2012-2013



**SATIA**  
INDUSTRIES

## BOARD OF DIRECTORS

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

CHAIRMAN CUM MANAGING DIRECTOR  
WHOLE TIME DIRECTOR

DIRECTOR (LEGAL)

### Company Secretary

Mr Rakesh Kumar Dhuria

### Statutory Auditors

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

### Cost Auditors

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

### Registered Office & Works

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

### Branch Offices

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

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

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

### BANKERS

Punjab National Bank  
Central Bank of India

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### Registrar and Transfer Agent

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

## **SATIA INDUSTRIES LIMITED**

### **NOTICE**

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

#### **Ordinary Business**

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

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

#### **SPECIAL BUSINESS:**

##### **5 Appointment of Director**

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

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

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

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

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

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

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

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

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

**I. Terms:**

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

## **SATIA INDUSTRIES LIMITED**

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

III. **Other Terms**

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

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

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

**Place : Rupana**  
**Dated : 13.08.2013**

**By Order of the Board**  
**For Satia Industries Ltd.**

**(Rakesh Kumar Dhuria)**  
**Company Secretary**

**NOTES:**

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

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

**Item No 5**

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

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

**Item No 6**

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

**Item No.7**

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

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

**1. General Information****Nature of Industry**

Satia Industries limited is manufacturing writing and printing paper

**Commercial Production**

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

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

**Financial Performance**

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

**11 Information about the appointee**

**Background details**

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

**Job Profile and his suitability**

**Remuneration proposed**

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

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

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

**Pecuniary relationship with the Company or relationship with managerial personnel.**

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

**111 Other Information**

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

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

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

**Place : Rupana**  
**Dated : 13.08.2013**

**By Order of the Board**  
**For Satia Industries Ltd.**

**(Rakesh Kumar Dhuria)**  
**Company Secretary**



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

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

**DIRECTORS' REPORT**

Dear Members,

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

**1. Financial Result:**

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

(Rs In Lacs)

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

**2. OPERATIONS**

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

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

**3. FUTURE PROSPECTS**

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