

37th Annual Report 2017-18



Satia Industries Limited



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Chief Financial Officer

Sh. Ashok Kumar Khurana

Company Secretary

Sh. Rakesh Kumar Dhuria

Statutory Auditors

*M/s. Deepak Grover
Chartered Accountant
45, Opp. Thana Sadar
Red Cross Complex
The Mall,
Ferozepur City-152002 (Pb)*

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
Andhra Bank
Indian Overseas Bank*



BOARD OF DIRECTORS

DR. AJAY SATIA
CHAIRMAN CUM MANAGING DIRECTOR

SH. R.K.BHANDARI
JOINT MANAGING DIRECTOR

SH. CHIRAG SATIA
EXECUTIVE DIRECTOR

SH. HARDEV SINGH
DIRECTOR (TECHNICAL)

SH. AVINASH CHANDER AHUJA
INDEPENDENT DIRECTOR

SH. DINESH CHAND SHARMA
INDEPENDENT DIRECTOR

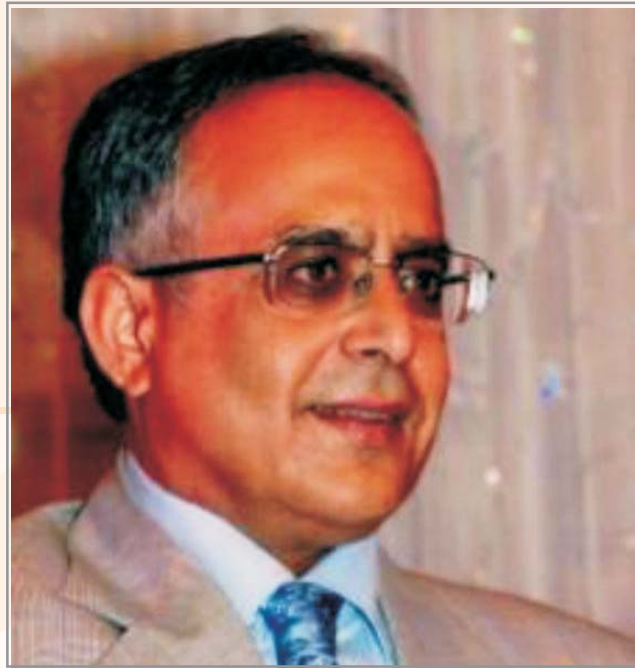
SH. S.K. ARORA
INDEPENDENT DIRECTOR

SH. I.D. SINGH
INDEPENDENT DIRECTOR

DR. MRS. PRITI LAL SHIVHARE
ADDITIONAL DIRECTOR (INDEPENDENT)

SH. ASHOK KUMAR GUPTA
ADDITIONAL DIRECTOR (INDEPENDENT)

SH. ARUN KUMAR GUPTA
ADDITIONAL DIRECTOR (INDEPENDENT)



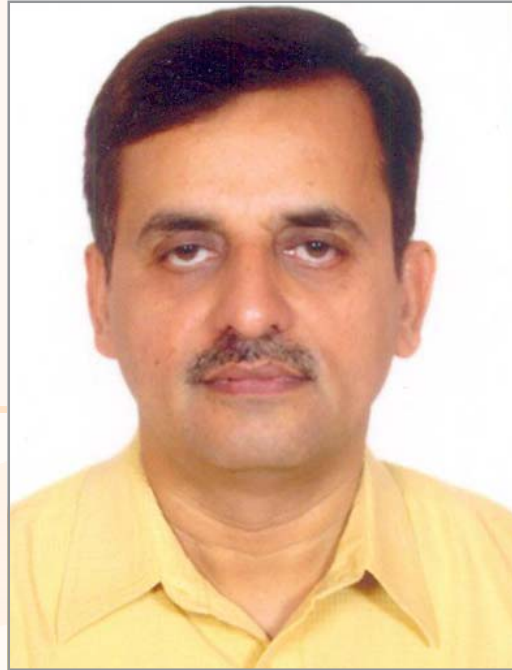
Dear Shareholders,

Today with humble pride I avail this occasion to state that your Company holds a place of its own amongst mills making writing and printing paper in integrated pulp and paper mills using agricultural residues, wood chips, veneer waste and other pulp substitutes achieving and entering the club of mills making over one lac ton paper per year.

This has happened with your consistent support and planning and hard work of our managerial team leaving no stone unturned to implement latest technologies of oxygen delignification and ECF bleaching to make quality pulp. Paper machines were upgraded to produce more as well as to make quality paper especially surface sized paper. This was reciprocated by the highly encouraging response of our customers, distributors and the market in general. Needless to mention that financial results of the year, profitability and the dividend bears testimony to our commitment to share the fruits with all the stake holders.

Your company has always fulfilled its obligations towards corporate social responsibility and has always been environmentally conscious of its duties and can boast of taking most advanced measures to achieve results over and above the prescribed environmental standards.

In future, we have plans to expand and modernise our paper machines further to increase their speed for better production and hope to achieve a growth of minimum 15-20% in all parameters of production, revenue and profitability especially with enhanced chemical recovery and power production.



Dear Shareholders,

Paper and paper board is one of the oldest organised manufacturing industry in India and the first paper making unit was started in 1812 in West Bengal. It accounts for just 4% of world's paper production and its growth is almost directly linked to our GDP growth. Consequently, our share in global demand of paper is growing while demand in Western countries is contracting.

Still per captia consumption of paper at 13 kg in India is much lower than world average of 57 kg and 200 kg in North America.

Demand of writing and printing paper has witnessed growth mainly because of Govt. thrust in education sector coupled with rising income and expenditure level in the country. Your company made most of it and sales grew at over 13.5%; Profit after tax jumped up by over 50% and dividend was increased to 25% as compared to 20% in the last year. This has become possible with the continuous capital infusion in modernisation & technology upgradation, cogeneration and energy efficiency. As a result, your company achieved higher targets in energy saving than given by Bureau of Energy Efficiency and earned 3300 Ecerts. Company also resorted to burning nonconventional fuel to make steam and power to save tremendously on emission of Green gases and in turn got 52953 REC valuing over Rs 5.30 crores during the year.

With a dedicated and experienced team, robust production base, trustworthy dealer/customer network and a bullish market scenario; your Company is confident to maintain the growth in the coming years and has a bright future.

Notice is hereby given that the 37th Annual General Meeting of the Members of Satia Industries Ltd. will be held on Saturday, 29th September, 2018 At 10:00 A.M. at the Registered Office of the Company at VPO Rupana, Malout Muktsar Road, Distt: Muktsar to transact the following businesses:-

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2018 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 R.K. Bhandari, Joint Managing Director who retires by rotation, being eligible and offer himself for re-appointment.
3. To declare dividend on Equity Shares for the year ended 31st March, 2018.
4. To ratify and confirm the interim dividend of Rs. 10/- per equity share already paid during the financial year 2017-18.
5. **To Consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:-**

Ratification of appointment of Auditors

“**RESOLVED** that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time, and pursuant to the resolution passed by the members at the AGM held on 29th September, 2017, the appointment of M/s Deepak Grover & Associates, Chartered Accountants (Firm registration number: 505923) as the Auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified”

Special Business

6. **To appoint Dr Mrs Priti Lal Shivhare (Din No 08031894) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED** that Dr Mrs Priti Lal Shivhare (Din: 08031894) who was appointed as an Additional Director with effect from 14.11.2017 on the Board of the Company in terms of Section 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up

to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the company, to hold office as such for a period of 5 (five) consecutive years, with effect from the date of appointment of additional Director and that she shall not be liable to retire by rotation”.

7. **To appoint Sh. Ashok Kumar Gupta (Din: 08068465) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED** that Sh Ashok Kumar Gupta (Din: 08068465) who was appointed as an Additional Director (Independent) with effect from 08.02.2018 on the Board of the Company in terms of Section 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the company, to hold office as such for a period of 5 (five) consecutive years, with effect from the date of appointment of additional Director and that he shall not be liable to retire by rotation”.

8. **To appoint Sh Arun Kumar Gupta (Din No 00371289) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED** that Sh Arun Kumar Gupta (Din: 00371289) who was appointed as an Additional Director (Independent) with effect from 08.02.2018 on the Board of the Company in terms of Section 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the company, to hold office as such for a period of 5 (five) consecutive years, with effect from



the date of appointment of additional Director and that he shall not be liable to retire by rotation”

9. Increase in Salary of Dr Ajay Satia, (Din: 00850792) Chairman Cum Managing Director of the Company

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

“**RESOLVED** that Pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and in term of recommendation of Nomination and Remuneration Committee and as approved by the Board of Director approval of Members be and is hereby accorded for revision in the remuneration of Dr Ajay Satia, (Din: 00850792) Chairman Cum Managing Director of the Company, as mentioned here below:

1. Salary: Rs.3400000/- Per Month w.e.f. April 01, 2017.
2. Commission: Not exceeding 1.00 (one) percent of net profit in an accounting year of the Company subject to availability of profit w.e.f. financial year 2017-18.
3. Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
4. Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
5. Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.

“**RESOLVED FURTHER** that in the event of absence or inadequacy of profits in any financial year, the remuneration shall be governed by Section II of Part II of Schedule V of the Act or any statutory modification thereof and the same shall be treated as the minimum remuneration payable to the CMD.”

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

10. Increase in Salary of Sh Chirag Satia, (Din: 03426414) Executive Director, of the Company

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

“**RESOLVED** that pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and in term of the recommendation of Nomination and Remuneration Committee and as approved by the Board of Director, approval of Members be and is hereby accorded for revision in the remuneration of Sh Chirag Satia (DIN: 03426414) Executive Director of the Company as mentioned here below:

1. Salary: Rs.3000000/- per month w.e.f. April 01, 2017. Including payment of Insurance premium for life Insurance for such amount as may be consider appropriate by the Board.
2. Reimbursement of medical expenses incurred in India or abroad including, hospitalization nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
3. Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
4. Personal accidents and mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.

“**RESOLVED FURTHER** that in the event of absence or inadequacy of profits in any financial year, the remuneration shall be governed by Section II of Part II of Schedule V of the Act or any statutory modification thereof and the same shall be treated as the minimum remuneration payable to the Executive Director.”

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

11. 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 modification, the following resolution as a Special Resolution:

“**RESOLVED** that in accordance with the provisions of

Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and / or any other guidelines issued by the Central Government from time to time (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the re-appointment of Dr. Ajay Satia (DIN : 00850792) as the Chairman cum Managing Director of the Company and to his receiving remuneration, benefits and amenities as the Chairman Cum Managing Director for a period from 01st October, 2018 to 30th September, 2021, upon the terms, conditions and stipulations contained in the Agreement entered into between the Company and Dr. Ajay Satia, Chairman Cum Managing Director and as stated here below:-

Terms:

1. Salary: Rs.3400000/- Per Month.
2. Commission: Not exceeding 1.00 (one) percent of net profit in an accounting year of the Company subject to availability of profit.
3. Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
4. Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
5. Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.

“RESOLVED FURTHER that where in any financial year during the tenure of office of Dr. Ajay Satia, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Dr. Ajay Satia as specified in the draft Agreement referred to above, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Dr. Ajay Satia by way of salary, dearness allowance, perquisites and any other allowances within the ceiling limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time.

“RESOLVED FURTHER that the Board of Directors

be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

12. Re-appointment of Sh R.K.Bhndari, Joint Managing Director and fixation of his remuneration

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

“RESOLVED that in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and / or any other guidelines issued by the Central Government from time to time (including any statutory modification (s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the re-appointment of Sh R.K.Bhandari, (DIN : 00732588) as Joint Managing Director of the Company and to his receiving remuneration, benefits and amenities for a period from 01st October, 2018 to 30th September, 2021, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Sh R.K.Bhandari, a draft whereof is placed before the meeting and initialed by the Chairman for the purpose of identification and as given below”

I. Terms:

- 1) Salary: Rs.310000/- PM with an annual increment of Rs 25000/- PM as per agreement.
- b) Perquisites/ benefits
 - i) Company owned/ leased accommodation or reasonable house rent allowance while posted in any place other than Muktsar.
 - ii) Reimbursement of medical and hospitalization expenses including dental and optical treatment for self and family and mediclaim insurance premium.
 - iii) First class air fare or first class air conditioned railway fare and other actual expenses borne for self and family anywhere in India or abroad once a year while on leave including boarding lodging and surface travel expenses. 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 for the time being in force .



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

“RESOLVED FURTHER that where in any financial year during the tenure of office of Sh R.K.Bhandari, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Sh R.K.Bhandari as specified in the draft Agreement referred to above, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Sh R.K.Bhandari by way of salary, dearness allowance, perquisites and any other allowances within the ceiling limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time.

“RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

13. Re-appointment of Sh Chirag Satia, Executive Director and fixation of his remuneration.

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

“RESOLVED that in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and / or any other guidelines issued by the Central Government from time to time (including any statutory modification (s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the re-appointment of Sh Chirag Satia (DIN : 03426414) as Executive Director of the Company and to his receiving remuneration, benefits and amenities for a period from 01st October, 2018 to 30th September, 2021, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Sh. Chirag Satia, a draft whereof is placed before

the meeting and initialed by the Chairman for the purpose of identification and as given stated here below”

I. Terms:

- i) Salary: Rs.3000000/- per month including payment of Insurance premium for life insurance policy for such amount as may be consider appropriate by the Board.
- ii) Reimbursement of medical expenses incurred in India or abroad including, hospitalization nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
- iii) Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
- iv) Personal accidents and mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.
- v) “Contribution to provident fund, superannuation fund or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
- vi) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and Encashment of leave;

“RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

Item No. 14:

Approval for Continuation of current term of Sh. A.C. Ahuja Independent Director.

To consider and if thought fit, to pass with or without modification, the following resolution as special resolution:-

“RESOLVED that pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, sanction be and is hereby accorded to Sh A.C. Ahuja, (DIN: 00327032) Director of the Company to continue to hold office of Independent Director under the current tenure of appointment which ends on 30th September, 2019 notwithstanding that he has attained the age of 75 years on 20th January, 2018.”

Place : New Delhi

Dated : 13.08.2018

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

**(Rakesh Kumar Dhuria)
Company Secretary**