

**SAT  
INDUSTRIES  
LIMITED**

41, B-Wing, 4th Floor,  
Mittal Tower, Nariman Point,  
Mumbai - 400 021. (INDIA)  
Phone : 91 22 6610 7025  
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Website : www.satgroup.in  
CIN : L25199MH11984PLC034632

Global Business



SIL/BSE/2016-2017

Date: 19-09-2016

The General Manager,  
Department of Corporate Services,  
BSE Limited,  
P. J. Towers, Dalal Street,  
Mumbai - 400 001.

Company Code No.: 511076

Dear Sir,

**Sub: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Approved and adopted Annual Report for the year ended 31<sup>st</sup> March, 2016 at 31<sup>st</sup> Annual General Meeting.**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual report for the year ended 31<sup>st</sup> March, 2016 and the same has also been uploaded on Company's Website.

Kindly take the same on record and oblige.

Thanking You,

Yours Faithfully  
For SAT INDUSTRIES LIMITED

Alka Gupta  
Company Secretary  
Membership No. A35442





**Manufacturing | Education | Financial Services | Global Business**

**31<sup>ST</sup> Annual Report  
2015-2016**





## 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

**Mr. Nikhil Raut** Independent Director

**Ms. Alka Gupta** Company Secretary

## 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
- Mr. Nikhil Raut

## 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.

Nanik Motwani Marg, Fort, Mumbai 400 023.

### Kotak Mahindra Bank Ltd.

Mittal Court, Nariman Point, Mumbai 400 021

## Auditors

M/s. R. Kabra & CO.

Chartered Accountants,

515, Tulsiani Chambers, Nariman Point,  
Mumbai-400 021

## Registrar and Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound, LBS Marg,  
Bhandup (W), Mumbai 400 078. INDIA

Phone : 91-22-25963838

Fax : 91-22-25946969

## Registered Office

41, B- Wing, Mittal Tower,

Nariman Point, Mumbai- 400 021. (INDIA)

Phone : 91-22-6610 7025

Fax : 91-22-66107027

E-mail : sil@mtnl.net.in

Website www.satgroup.in

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## Importance 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.

## DIRECTORS' REPORT

### To The Members of SAT INDUSTRIES LIMITED

#### Directors' Report

The Directors of your Company have pleasure in presenting their Thirty-first (31st) Annual Report and the Audited Accounts of the Company for the year ended March 31, 2016.

#### 1. FINANCIAL RESULTS

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

Stand Alone	(Rs. in lakhs)	
Particulars	2015-2016	2014-2015
Turnover	4792.62	901.44
Other Income	45.68	31.87
Profit/Loss(-) before Tax, Interest, Depreciation and Exceptional Items	44.51	(220.77)
Depreciation	3.94	0.56
Exceptional Items	0	(1155.18)
Profit/(Loss) before Tax	40.57	(1376.51)
Less: Tax Expense	70.35	(0.06)
Profit/(Loss) after Tax	(29.78)	(1376.45)
Profit available for appropriation	(29.78)	(1376.45)
Surplus carried from Previous year	(1410.52)	(34.07)
Balance carried to Balance Sheet	(1440.30)	(1410.52)
Consolidated	(₹ in lakhs)	
Particulars	2015-2016	2014-2015
Turnover	9648.12	893.28
Other Income	128.46	52.46
Profit before Tax	(154.90)	(1785.88)
Less: Tax Expense	(20.27)	(0.06)
Profit/(Loss) after Tax	(175.17)	(1785.82)
Net Profit/(Loss) for the year after tax	(175.17)	(1785.82)
Balance carried from last year	(2398.60)	(612.78)
Balance carried to Balance Sheet	(2398.39)	(2398.60)

#### 02. STATE OF COMPANY'S AFFAIRS:

The company is engaged in the business of general trading mainly fabric and leasing of machinery & moulds. During the year the Company clocked a turnover of Rs. 4792.62 lakhs as against Rs. 901.44 lakhs in corresponding previous year registering an increase by 431.66 %. During the year the Company incurred a loss after tax of Rs. 29.78 lakhs as against Rs. 1376.45 lakhs in the corresponding previous year registering a decrease by 97.84 %.

#### 03. MATERIAL CHANGES AND COMMITMENTS :

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to

which this financial statements relate and the date of report.

#### 04. DIVIDEND :

In view of the loss, the Directors are unable to recommend any dividend for the year 2015-2016.

#### 05. CHANGE IN NATURE OF BUSINESS:

During the year the company has entered into new line of business i.e leasing of machinery & moulds to other entities.

#### 06. LISTING OF SHARES :

The Equity Shares of your Company are listed on the BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and the listing fees for the year 2016-2017, has been paid.

#### 07. SHARE CAPITAL :

During the year under report the issued, subscribed and paid up capital of the Company increased from Rs. 9,20,00,000/- to Rs. 11,18,00,000/- with the allotment of 40,00,000 Equity Shares of Rs. 2/- each at a premium of Rs. 0.10/- per share and 59,00,000 Equity Shares of Rs. 2/- each at a premium of Rs. 5/- per share consequent upon conversion of 99,00,000 warrants in to equal number of equity shares. The equity shares have since been listed on BSE Limited.

#### 08. 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"**

#### 09. 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.

#### 10. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

##### (a) DIRECTORS :

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Harikant Turgalia, Whole-time Director (DIN: 00049544), is due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The details of Director being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015



## **DIRECTORS' REPORT**

are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

Appropriate Resolution seeking your approval to the re appointment of Director is also included in the Notice.

### **(b) KEY MANAGERIAL PERSONNEL :**

During the year Mr. Nirav Patel resigned from the post of Company Secretary and Compliance officer w.e.f. 30th June, 2015. Ms. Alka Premkumar Gupta having one year post qualification experience, an Associate Member of The Institute of Company Secretaries of India was appointed as Company Secretary and Compliance officer w.e.f. 1st July, 2015 in accordance with the provisions of the section 203(1)(ii) of the Companies Act, 2013.

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

It is stated pursuant to provisions 134(3)(d) of the Companies Act, 2013 that the declarations given by Mr. Ramesh Chandra Soni, Mr. Sunil Jain and Mr. Nikhil Raut, who are independent directors meet the criteria of independence as mentioned in Schedule IV of the Companies Act, 2013 and under Clause 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Pursuant to rule 8(3) of the Companies (Accounts) Rules, 2014, it is stated that the Company has no particulars to be furnished under the head Energy Conservation and Technology Absorption because it has carried on no manufacturing activity during the year under review. The operations of the Company are not power intensive. The Company is, however, taking every possible steps to conserve the energy wherever possible. It has imported no technology.

The Company is making continuous efforts to explore new foreign markets and to enlarge its market of exports.

The earning in foreign exchange was Nil (previous year, Rs. 8,93,28,089/-). Outgo in foreign exchange was NIL (previous year, it was Rs. 10,84,39,085/-).

### **13. DIRECTORS' RESPONSIBILITY STATEMENT :**

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

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

- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) 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;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) 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
- (f) 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.

### **14. AUDITORS :**

The Board of Directors of the Company have on the recommendation of the Audit Committee proposed that M/s R. Kabra & Co (ICAI FRN : 104502W)., Chartered Accountants, Mumbai be re-appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company. M/s R.Kabra & Co., Chartered Accountants, Mumbai have forwarded their letter to the Company stating that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

Your Directors request you to appoint the auditors and fix their remuneration.

### **15. QUALIFICATION IN THE AUDITORS' REPORT - BOARD'S COMMENTS OR EXPLANATION**

There is no qualification reported by Auditor's in their audit report for the year ended on 31st March, 2016.

### **16. 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")**.

### **17. CORPORATE GOVERNANCE**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance is annexed herewith **(Annexure-"C")**

## **DIRECTORS' REPORT**

### **18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis report is annexed herewith (**Annexure- "D"**)

### **19. CEO/CFO CERTIFICATE:**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, CEO/CFO Certificate is annexed herewith (**Annexure- "E"**)

### **20. NUMBER OF MEETINGS OF THE BOARD :**

Number of meetings of the Board during the year were 13 (i.e. thirteen) on 2nd May, 2015, 29th May, 2015, 30th June, 2015, 7th August, 2015, 20th August, 2015, 3rd October, 2015, 9th November, 2015, 28th November, 2015, 9th December, 2015, 13th February, 2016, 25th February, 2016, 3rd March, 2016, and 22nd March, 2016.

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

During the financial year ended 31st March, 2016, no Loan and Guarantee given and Securities provided, u/s 186 of the Companies Act, 2013 by the Company. The particulars of investments made by the Company, under Section 186 is furnished in **Annexure –"F"** and forms part of this Report.

### **22. Particulars of Contracts or Arrangements with Related Parties:**

The Company has not entered in to any Contract or arrangements with any Person including persons covered under Sub-Section (I) 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).

### **23. Nomination and Remuneration Policy of Directors, key Managerial Personnel and other Employees:**

The Company's Policy relating to appointment of Directors, and Key Managerial Personnel, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Annexure –"G" & Annexure –"H" forms part of this Report.

### **24. INDEPENDENT DIRECTORS:**

The Non-Executive Independent Directors fulfil the conditions of Independence specified in section 149(6) of Companies Act, 2013 and Rules made thereunder and meet with requirements of Clause 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment to Independent Director has

been issued and disclosed on the website of the Company at the link: [www.satgroup.in](http://www.satgroup.in)

The Company has put in place a system to familiarize the Independent Directors about the Company, its business and the on-going events relating to the Company.

### **25. EVALUATION OF THE PERFORMANCE OF THE BOARD MEMBERS.**

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 exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, 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 their separate meeting.

### **26. SECRETARIAL AUDIT REPORT :**

The Board has appointed M/S S.K. Jain & Co., Company Secretaries whole time in practice to carry out secretarial audit under the provisions of section 204 (1) of the Companies Act, 2013. The Secretarial Audit is attached to this report vide **Annexure –"I"**

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

ITALICA FURNITURE PRIVATE LIMITED and AEROFLEX INTERNATIONAL LIMITED, became Wholly-owned subsidiaries and SAH POLYMERS LIMITED, became a subsidiary of the company during the year. Whereas, GENEXT STUDENTS PRIVATE LIMITED became an Associate Company during the year. A report on performance and financial position of each of the subsidiaries and associate companies included in the consolidated financial statement is presented in a separate section in this Annual Report. Please refer (AOC-1) annexed to the financial statements in the Annual Report.

### **28. CONSOLIDATION OF ACCOUNTS :**

Pursuant to section 129(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Accounts) Rules, 2014 and also required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, audited consolidated financial statements form part of the Annual Report.



## **DIRECTORS' REPORT**

### **29. 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:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) None of the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

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

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **30. RISK MANAGEMENT:**

The Company has laid down the procedures to inform to the Board about the Risk assessment and minimization procedures. The common risks inter alia are: Regulations, Credit Risk, Foreign Exchange and Interest Risk, Competition, Business Risk, Technology Obsolescence, Investments, Retention of Talent and Expansion of Facilities etc. Business

risk, inter-alia further includes financial risk, political risk, legal risk etc. The Board reviews the risk trend, exposure and potential impact analysis and prepares risk mitigation plans, if necessary.

### **31. INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

### **32. ACKNOWLEDGEMENT :**

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

Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives, Staff and Workers of the Company for its success.

for and on behalf of the Board of Directors

**SAT INDUSTRIES LIMITED**

Place : Mumbai

**H.K. Turgalia      Shehnaz D. Ali**

Dated : 30.05.2016      Wholetime Director      Wholetime Director

DIN : 00049544

DIN:00185452



## DIRECTORS' REPORT

### 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 2015-16	S.No.	Name of Director		Ratio of the remuneration of each director to the median remuneration of the employees	
		1	Mrs. Shehnaz D Ali		5.70 : 1	
		2	Mr. Harikant Turgalia		3.48 : 1	
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year 2015-16:-	S.No.	Name	Designation	Increase in remuneration in the financial year 2015-16	
		01	Mrs. Shehnaz D Ali	Wholetime Director	14.29 %	
		02	Mr. Harikant Turgalia	Wholetime Director and Chief Financial Officer	10.01 %	
		03	Ms. Alka Gupta	Company Secreatary	Not applicable since she was appointed with effect from 1st July, 2015.	
3	The percentage increase in the median remuneration of employees in the financial year	52.42 %				
4	The number of permanent employees on the rolls of Company	7				
5	The explanation on the relationship between average increase in remuneration and Company performance	This financial year, the turnover increased by 431.66 % as compared to the previous financial year. The improvement could be due to average increase in remuneration of employees.				
6	Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company	An overall 16.68% raise in the remuneration of Key Managerial Personnel as compared to previous financial year is quite reasonable considering that the turnover increased by 431.66 %				
7	Variation in the market capitalisation of the Company, price earnings ratio as at the closing, date of the current financial year and previous financial year and percentage increase or decrease in the market quotation of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	Particulars	As on 31.03. 2016		As on 31.03. 2015	
		Market Capitalisation	50,31,00,000		12,65,00,000	
		Price earnings ratio	(169.81)		(0.92)	
		The last public issue of the Company was made at par on 19-04-1985 for Rs. 24,49,300/- divided into 2,44,930 no. of equity Shares of Rs. 10/- each. The face value of one equity share of Rs. 10/- each was subsequently divided into 5 nos. of equity shares divided into Rs. 2/- each on 03-02-2003. The market quote as on 31.03.2016 is Rs. 9 which is 350 % higher of the shares offered at the time of public issue.				



## DIRECTORS' REPORT

8	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 the salaries of the employees other than the managerial personnel in the last financial year is 14.93 % whereas the increase in the remuneration of the managerial personnel is 12.15 %.</p> <p><b>Justification:</b> The percentile increase in the managerial remuneration in the financial year 2015-16 is lower 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>			
9	Comparison of each remuneration of the key managerial personnel against the performance of the Company	Name of key managerial personnel	Mrs. Shehnaz D. Ali - Whole-time Director	Mr. Harikant Turgalia- Whole-time Director and Chief Financial Officer	Ms. Alka Gupta - Company Secretary *(Joined w.e.f 1st July, 2015)
		Remuneration paid during the FY 2015-16 (P.A.)	Rs.14,40,000/-	Rs. 8,79,000/-	Rs. 2,51,720 (for 9 months)
		As a percentage of the turnover (i.e. 4792.62 lakhs) of the Company	0.30 %	0.18 %	0.05 %
		As a percentage of the profit after tax(i.e. (-) Rs. 40.57 lakhs ) of the Company	Not calculated since there is loss	Not calculated since there is loss	Not calculated since there is loss
10	The key parameters for any variable components of remuneration availed by the directors	NIL			
11	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	None			
12	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.			

\* During the financial year 2015-16, Mr. Nirav Patel was Company Secretary & Compliance office till 30th June, 2015 and Rs. 38,418/- was paid to him as a remuneration.

## DIRECTORS' REPORT

Annexure –“B”  
FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

#### I. REGISTRATION & OTHER DETAILS :

1.	CIN	L25199MH1984PLC034632
2.	Registration Date	23-11-1984
3.	Name of the Company	SAT INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Category : Company limited by shares Sub- category : Non-government Indian Company
5.	Address of the Registered office & contact details	41, 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
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W) Mumbai -400 078, India. E-Mail : mumbai@linkintime.co.in Phone : 022-25963838 Fax : 022-25946969

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Non-specialized wholesale trade	46909	99.33%

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

SN	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares hel	Applicable Section
1	AEROFLEX INTERNATIONAL LIMITED 41, B-Wing, Mittal Tower, Nariman Point, MUMBAI-400021	U74999MH2002PLC136032	Subsidiary	100	Section 2(87)(ii)
2	ITALICA FURNITURE PRIVATE LIMITED E-260-261, Mewar Industrial Area, Madri Udaipur Rj 313003	U25209RJ2004PTC020052	Subsidiary	100	Section 2(87)(ii)
3	SAH POLYMERS LIMITED E-260-261, Mewar Industrial Area, Madri, UDAIPUR-313003	U24201RJ1992PLC006657	Subsidiary	79.47	Section 2(87)(ii)
4	GENEXT STUDENTS LIMITED 48-B, Mittal Tower, Plot No. 210, Nariman Point, Mumbai-400021	U80302MH2011PLC251294	Associate	39.23	Section 2(6)



## DIRECTORS' REPORT

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (a) Category-wise Share Holding

Category of Shareholders	Shareholding at the beginning of the year - 2015				Shareholding at the end of the year - 2016				% 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	0	0	0	0	0
b) Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0
c) Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0
d) Any Other (Specify)									0
Bodies Corporate	19,335,000	0	19,335,000	42.0326	26,235,000	0	26,235,000	46.9320	4.8994
Sub Total (A)(1)	19,335,000	0	19,335,000	42.0326	26,235,000	0	26,235,000	46.9320	4.8994
[2] Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0
(b) Government	0	0	0	0.0000	0	0	0	0.0000	0
(c) Institutions	0	0	0	0.0000	0	0	0	0.0000	0
(d) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0
(e) Any Other (Specify)									
Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	19,335,000	0	19,335,000	42.0326	26,235,000	0	26,235,000	46.9320	4.8994
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0
(b) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0
(c) Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0



## DIRECTORS' REPORT

(d) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0
(e) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0
(f) Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0
(g) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0
(h) Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0
(i) Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0
Sub Total (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0
[2] Central Government/ State Government(s)/ President of India	0	0	0	0.0000	0	0	0	0.0000	0
Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	3,995,255	30	3,995,285	8.6854	3,475,842	30	3,475,872	6.2180	-2.4674
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4,880,227	0	4,880,227	10.6092	7,333,072	0	7,333,072	13.1182	0
(b) NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0
(c) Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0
(d) Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0
(e) Any Other (Specify)									
Hindu Undivided Family	0	0	0	0.0000	890711	0	890711	1.5934	1.5934
Non Resident Indians (Non Repat)	500	0	500	0.0011	500	0	500	0.0009	-0.0002
Non Resident Indians (Repat)	14,425	0	14,425	0.0314	15,588	0	15,588	0.0279	-0.0035
Clearing Member	386,191	0	386,191	0.8395	672,460	0	672,460	1.2030	0.3635
Bodies Corporate	17,388,372	0	17,388,372	37.8008	17,276,797	0	17,276,797	30.9066	-6.8942
Sub Total (B)(3)	26,664,970	30	26,665,000	57.9674	29,664,970	30	29,665,000	53.0680	-4.8994





## DIRECTORS' REPORT

Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	26,664,970	30	26,665,000	57.9674	29,664,970	30	29,665,000	53.0680	-4.8994
Total (A)+(B)	45,999,970	30	46,000,000	100.0000	55,899,970	30	55,900,000	100.0000	0
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0
Total (A)+(B)+(C)	45,999,970	30	46,000,000	100.0000	55,899,970	30	55,900,000	100.0000	0

### (b) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sat Invest Pvt. Ltd.	1,93,35,000	42.03	0.00	2,62,35,000	46.93	0.00	4.90

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Increase/Decrease during 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	No. of shares	% of total shares of the company
	SAT INVEST PRIVATE LTD	1,93,35,000	42.03				
	02.05.2015 Conversion of warrants			40,00,000	8.00	2,33,35,000	46.67
	25.02.2016 Conversion of warrants			29,00,000	5.19	2,62,35,000	46.93

## DIRECTORS' REPORT

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DAWOOD INVESTMENTS PVT. LTD.				
	At the beginning of the year	7,209,350	12.8969	7,209,350	12.8969
	Bought during the year	No Change	No Change	No Change	No Change
	Sold during the year	No Change	No Change	No Change	No Change
	At the end of the year	7,209,350	12.8969	7,209,350	12.8969
2	SPACE AGE POLYMERS PRIVATE LIMITED				
	At the beginning of the year	6,169,455	11.0366	6,169,455	11.0366
	Bought during the year	No Change	No Change	No Change	No Change
	Sold during the year	No Change	No Change	No Change	No Change
	At the end of the year	6,169,455	11.0366	6,169,455	11.0366
3	PARK CONTINENTAL LTD				
	At the beginning of the year	1,579,808	2.8261	1,579,808	2.8261
	Bought during the year	1,024,442	1.8326	2,604,250	4.6587
	Sold during the year	33,380	0.0597	2,570,870	4.5991
	At the end of the year	2,570,870	4.5991	2,570,870	4.5991
4	MANJU GUPTA				
	At the beginning of the year	1200000	2.1467	1200000	2.1467
	Bought during the year	625000	1.1180	1825000	3.2647
	Sold during the year	0	0	0	0
	At the end of the year	1,825,000	3.2647	1,825,000	3.2647
5	NARENDRAPAL GUPTA				
	At the beginning of the year	625,000	1.1181	625,000	1.1181
	Bought during the year	No Change	No Change	No Change	No Change
	Sold during the year	No Change	No Change	No Change	No Change
	At the end of the year	625,000	1.1181	625,000	1.1181
6	JM FINANCIAL SERVICES LIMITED				
	At the beginning of the year	456,000	0.8157	456,000	0.8157
	Bought during the year	1,536	0.0027	457,536	0.8184
	Sold during the year	457,536	0.8184	0	0
	At the end of the year	0	0	0	0
	At the end of the year	260,206	0.4654	260,206	0.4654
7	BONANZA PORTFOLIO LTD				
	At the beginning of the year	419,752	0.7509	419,752	0.7509
	Bought during the year	0	0	419,752	0.7509
	Sold during the year	302,371	0.5409	117,381	0.2100
	At the end of the year	117,381	0.2100	117,381	0.2100
8	MOTILAL OSWAL FINANCIAL SERVICES LIMITED				
	At the beginning of the year	370,420	0.6626	370,420	0.6626
	Bought during the year	0	0	370,420	0.6626
	Sold during the year	370,420	0.6626	0	0
	At the end of the year	0	0	0	0



## DIRECTORS' REPORT

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	AYUSH MEHTA				
	At the beginning of the year	350,000	0.6261	350,000	0.6261
	Bought during the year	0	0	350,000	0.6261
	Sold during the year	350,000	0.6261	0	0
	At the end of the year	0	0	0	0
10	MUKESH CHOURADIA				
	At the beginning of the year	300,000	0.5367	300,000	0.5367
	Bought during the year	No Change	No Change	No Change	No Change
	Sold during the year	No Change	No Change	No Change	No Change
	At the end of the year	300,000	0.5367	300,000	0.5367

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 2.00) at the end of the year is 5, 59, 00,000 Shares.  
2. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

### (e) Shareholding of Directors and Key Managerial Personnel:

SN	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.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	30,636,957	0	30,636,957
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	30,636,957	0	30,636,957
Change in Indebtedness during the financial year				
* Addition	0	1,20,855,768		1,20,855,768
* Reduction	0	0		0
Net Change	0	1,20,855,768		1,20,855,768
Indebtedness at the end of the financial year				
i) Principal Amount	0	1,51,492,725		1,51,492,725
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	0	0		0
Total (i+ii+iii)	0	1,51,492,725		1,51,492,725



## DIRECTORS' REPORT

### 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
		Shehnaz D. Ali	Harikant Turgalia	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,60,000	5,28,000	1,488,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,80,000	2,64,000	7,44,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	43,000	43,000
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	1,440,000	8,35,000	2,275,000
	Ceiling as per the Act*	*		

\*Rs. 42 lakhs per annum pursuant to Section II of the Part II of the Schedule V to the Companies Act, 2013

#### 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				



## DIRECTORS' REPORT

### 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	-	Rs.2,90,138/- (includes Rs. 38,418/- of salary paid to ex CS Nirav Patel who worked for part of the year)	-	Rs.2,90,138/-
	(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		Rs.2,90,138	-	Rs.2,90,138

### 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					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



## Annexure - "C"

### Corporate Governance

#### INTRODUCTION

Your company has complied in all material respects with the features of Corporate Governance Code as per Clause 49 of the Listing Agreements with stock exchange for the period from April 01, 2015 to November 30, 2015 and Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the new Listing Agreement with stock exchange for the period from December 01, 2015 to March 31, 2016.

A report on the implementation of the Corporate Governance code of the Listing Agreement by the Company is furnished below.

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

your Company lays much emphasis on the transparent working and providing much of the information etc. to the stake holders such as shareholders, investors, bankers, institutions etc. so that the reader/user of the information is in a position to take considered decision.

#### 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 of the new Listing Agreement. The Company has no Chairman either executive or non-executive.

As at 31st March, 2016, 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
2.	Mr. Asad Daud	Promoter	Non-Executive
3.	Mr. Harikant Turgalia	Non-Promoter	Executive
4.	Mr. Ramesh Chandra Soni	Non-Promoter	Non-Executive Independent
5.	Mr. Sunil Mithalal Jain	Non-Promoter	Non-Executive Independent
6.	Mr. Nikhil Raut	Non-Promoter	Non-Executive Independent

- 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	13	12	No
2.	Mr. Harikant Turgalia	13	13	Yes
3.	Mr. Asad Daud	13	12	Yes
4.	Mr. Ramesh Chandra Soni	13	8	No
5.	Mr. Sunil Mithalal Jain	13	12	No
6.	Mr. Nikhil Raut	13	13	No

- c. Number of other Board of Directors or 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
1.	Mrs. Shehnaz D Ali	5	-	-
2.	Mr. Harikant Turgalia	2	-	-
3.	Mr. Asad Daud	8	-	-
4.	Mr. Ramesh Chandra Soni	2	-	-
5.	Mr. Sunil Mithalal Jain	-	-	-
6.	Mr. Nikhil Raut	-	-	-

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

The Board of Directors met thirteen times during the financial year, on 2nd, May, 2015, 29th May, 2015, 30th June, 2015, 7th August, 2015, 20th August, 2015, 3rd October, 2015, 9th November, 2015, 28th November, 2015, 9th December, 2015, 13th February, 2016, 25th February, 2016, 3rd March, 2016, and 22nd March, 2016. 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:

Mr. Asad Daud, Non-Executive Director on the Board of Directors is the son of Mrs. Shehnaz D Ali, Executive Director.

- 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.

Details of familiarization programme to company's independent directors can be accessed by visiting the below link:

[http://www.satgroup.in/familiarisation\\_Program.html](http://www.satgroup.in/familiarisation_Program.html)

### 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 22, 2016, whereat 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:

- Review of performance of Non-Independent Directors and the Board as a whole
- Review of performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors
- 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

The Company has 3 (Three) Subsidiary Companies, all of which are incorporated in India namely,

- AEROFLEX INTERNATIONAL LIMITED (Wholly-Owned Subsidiary)
- ITALICA FURNITURE PRIVATE LIMITED (Wholly-Owned Subsidiary)
- SAH POLYMERS LIMITED

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 under 'Corporate Governance' in the 'Investor Relation' section.

### 3. AUDIT COMMITTEE

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

The Audit Committee Inter alia performs 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 auditors, review of Business Management plan, review of internal audit reports significant related party transactions. The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of section 177 of the Companies Act, 2013 and Regulation 18 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 31st March, 2016, 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 Six times during the financial year, on 29th May, 2015, 7th August, 2015, 9th November, 2015, 13th February, 2016, 25th February, 2016, and 22nd March, 2016. The

maximum time gap between any two meetings was less than 120 days.

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

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	6	6
Mr. Harikant Turgalia	6	6
Mr. Nikhil Raut	6	6

#### 4. NOMINATION AND REMUNERATION COMMITTEE

- a. The Board has framed the Nomination and Remuneration Committee Charter which ensures effective Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has clearly defined terms of reference for the Nomination and Remuneration Committee, which are as follows:

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 (the restrictions contained in the Companies Act, 2013 is to be considered);
- To create an evaluation framework for Independent Directors and the Board;
- To provide necessary reports to the chairman after the evaluation process is completed by the Directors;
- To assist in developing a succession plan for the Board;
- To assist the Board in fulfilling responsibilities entrusted from time to time;
- Delegation of any of its powers to any Member of the Committee of the Compliance Officer.

- b. Composition, Name of Members and Chairperson:

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

- c. Meetings and attendance during the year:

The Nomination and Remuneration Committee met three times during the financial year, on 2nd May, 2015, 29th May, 2015, and 30th June, 2015.

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

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	3	3
Mr. Sunil Jain	3	3
Mr. Nikhil Raut	3	3

- d. Performance evaluation criteria for Independent Directors:

As such there is no Performance evaluation criteria for Independent Directors.

#### 5. REMUNERATION OF DIRECTORS

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

There wasn't any pecuniary relationship or transactions of the non-executive director vis-à-vis the company.

- b. Criteria of making payments to non-executive directors are mentioned in the Nomination and Remuneration Policy which has been posted on company's website and reference drawn thereto in the annual report;

The Company has adopted a Nomination and Remuneration Policy for Directors and Key Managerial Personnel 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 'Corporate Governance' under 'Investor Relation' section.



c. Disclosures with respect to Remuneration for FY 2015-2016:

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.14,40,000/- p.a.	Nil	Rs. 14,40,000/-	***
Mr. Harikant Turgalia	CFO & Whole-time Director	Rs.8,79,000/- p.a. (includes perquisite of Rs. 87,000/- p.a.)	Nil	Rs. 8,79,000/-	***

\*\*\*

Service Contract: 3 years with effect from the date of appointment i.e. 01-01-2016

Notice Period : Three months either side

Severance Fees: No severance fees

**6. STAKEHOLDER RELATIONSHIP/GRIEVANCES COMMITTEE**

The terms of reference and the ambit of powers of Stakeholders Relationship / Grievance Redressal 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 status of member correspondences, queries, grievances etc. are endeavored to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal 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:

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

b. Name and designation of Compliance Officer:  
Ms. Alka Premkumar Gupta is the Compliance Officer. Her designation is Company Secretary

c. Number of shareholders' complaints received so far:  
No shareholder compliant was received during the current financial year.

d. Number not solved to the satisfaction of shareholders: NA

e. Number of pending complaints: NA

f. Meetings and attendance during the year:

The committee met four times on 29.05.2015, 07.08.2015, 09.11.2015 and 13.02.2016. 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. GENERAL BODY MEETINGS**

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

Annual General Meeting	Date	Time	Location
28th	30th August, 2013	9:00 a.m.	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai - 400 020
29th	19th July, 2014	9:00 a.m.	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai - 400 020
30th	26th September, 2015	9:15 a.m.	Umang 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
30th August, 2013	None
19th July, 2014	3
26th September, 2015	8

c. Special Resolution passed last year through postal ballot – details of voting pattern and the procedure thereof:



During the year, 1 (One) Special Resolutions were passed on 5th January, 2016, through Postal Ballot. The details of voting pattern of Special Resolution is mentioned below:

Insertion of Object in the Object Clause of the Memorandum of Association:

Voting Pattern	Number of Members who cast their votes	Total Number of Shares held by them.	Total (%)	Favour		Against		Invalid
E-voting	8	37397000	74.79	Number of Members who cast their votes	Total Number of Shares held by them	Number of Members who cast their votes	Total Number of Shares held by them	
				8	37397000	0	0	0
Postal Ballot	10	626	0.01	9	611	1	15	0
<b>Total</b>	<b>18</b>	<b>37397626</b>	<b>74.80</b>	<b>17</b>	<b>37397611</b>	<b>1</b>	<b>15</b>	<b>0</b>

**d. Person who conducted the postal ballot exercise:**

Mr. Dinesh M Jain, Practicing Chartered Accountant.

**e. Special Resolution proposed to be conducted through postal ballot:**

No Special Resolution proposed to be conducted through postal ballot.

**f. Procedure for Postal Ballot:**

As per Section 110 of the Companies Act 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014.

**8. MEANS OF COMMUNICATION**

**a. Quarterly results:**

The Company publishes limited reviewed un-audited standalone 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.

**b. Newspapers wherein results normally published:**

The quarterly/ half-yearly/ annual financial results are published in both English (The Free Press Journal, Mumbai edition) and Marathi Daily (Navshakti, Mumbai edition).

**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.

**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 there were no Presentations made to institutional investors or to the analysts

**9. GENERAL SHAREHOLDER INFORMATION**

**a. Annual General Meeting - date, time and venue:**

**DAY: Saturday**

**Date: 17-09-2016**

**Time: 9.15 a.m.**

**Venue:** Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai -400020

**b. Financial Year:** The Financial Year of the Company starts from 1st April of the year and ends on 31st March of the following year.

**c. Dividend**

No dividend was paid/recommended during the year.





**d. 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 2016-2017 to BSE have been paid by the Company within stipulated time.

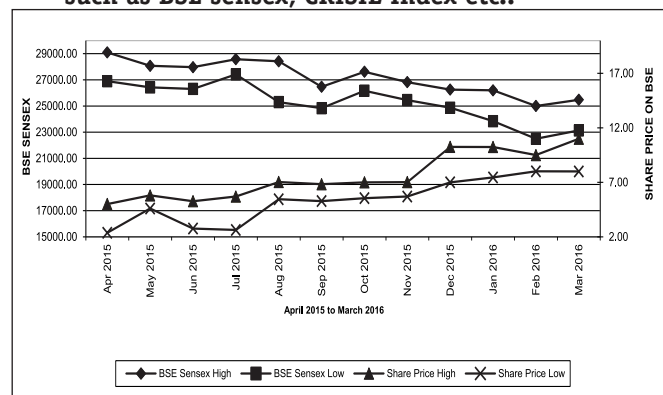
**e. Stock Code**

Security ID	Security Code	ISIN
SATINDLTD	511076	INE065D01027

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

Month	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
High	5.01	5.80	5.27	5.70	7.03	6.83	7.00	7.02	10.25	10.24	9.50	11.00
Low	2.37	4.60	2.76	2.63	5.45	5.28	5.55	5.70	7.00	7.45	8.01	8.00

**g. performance in comparison to broad-based indices such as BSE sensx, CRISIL Index etc.:**



**h. In case the securities are suspended from trading, the Directors Report shall explain the reason thereof:**

Not applicable.

- i. Registrar to an issue and Share Transfer Agents  
M/s. Link Intime India Private Limited  
(Unit: Sat Industries Limited)  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (W)  
Phone: +91-22-25963838  
Fax: +91-22-25946969  
E-mail: mumbai@linkintime.co.in  
Website: www.linkintime.co.in

**j. 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.

**k. Distribution of Shareholding as on 31.03.2016**

Sr. No.	Shareholding of Nominal Shares	Shareholder	Percentage of Total	Total Value of Shares	Percentage of Total
1	1 to 1000	1051	57.0266	397352	0.3554
2	1001 to 2000	257	13.9447	437130	0.3910
3	2001 to 4000	143	7.7591	452480	0.4047
4	4001 to 6000	80	4.3407	419252	0.3750
5	6001 to 8000	48	2.6044	343858	0.3076
6	8001 to 10000	32	1.7363	300332	0.2686
7	10001 to 20000	86	4.6663	1387198	1.2408
8	20001 & Above	146	7.9219	108062398	96.6569
<b>Total</b>		<b>1843</b>	<b>100.00</b>	<b>111800000</b>	<b>100.00</b>

**l. 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 5,58,99,970 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 the RTA for necessary advise and the procedure.

**m. Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible**

**instruments, conversion date and likely impact on equity:**

During the year Company has converted 40,00,000 warrants which were outstanding at the beginning of the year. On 09.12.2015 the Company issued 1,80,00,000 warrants @ Rs. 7/- per warrant convertible into one equity share of Rs. 2/- each against one warrant within 18 months from the date of allotment. Out of this 1,21,00,000 warrants were outstanding at the balance sheet date i.e. 31.03.2016. On their conversion the paid share capital of the Company will increase accordingly.

**n. Commodity price risk or foreign exchange risk and hedging activities**

For mitigating commodity price risk, the company exercises best inventory management practices. The company doesn't have a significant forex risk as of now and the company follows a very conservative policy with regard to derivatives.

**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  
(Unit:Sat Industries Limited)  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (W),  
Mumbai - 400 078, India  
Phone: +91-22-25963838  
Fax: +91-22-25946969  
E-mail: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)
- (2) Investor Relation Department of the Company:  
Miss. Alka Gupta  
Company Secretary and Compliance Officer  
SAT INDUSTRIES LIMITED  
41, B-Wing, Mittal Tower, Nariman Point,  
Mumbai - 400 021, India  
Phone: +91-22-66107025  
Fax: +91-22-66107027  
E-mail: [investor.relations@satgroup.in](mailto:investor.relations@satgroup.in)

**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. Members may refer to disclosures made in Note No 23 to Financial Statements in compliance of Regulation 23 of SEBI (LODR) Regulations 2015 and Accounting Standard 18. 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 not been penalized, nor have the Stock Exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

**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 no 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://www.satgroup.in/policy\\_determining\\_material\\_subsidiaries.html](http://www.satgroup.in/policy_determining_material_subsidiaries.html)

**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 [http://www.satgroup.in/related\\_party\\_Transaction\\_policy.html](http://www.satgroup.in/related_party_Transaction_policy.html)

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

For mitigating commodity price risk, the company exercises best inventory management practices. The company doesn't have a significant forex risk as of now and the company follows a very conservative policy with regard to derivatives.

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

- a) The Board: the Company has no Chairman either executive or non-executive.
- b) Shareholder Rights: Quarterly financial statements are published in leading newspapers and uploaded on Company's website [www.satgroup.in](http://www.satgroup.in)
- c) Modified opinion(s) in audit report: The Auditors have raised no qualification on the financial statements.
- d) Separate posts of Chairperson and CEO: Presently, there is no chairman in the Company.
- e) Reporting of Internal Auditor: The Company has appointed D. M. Jain & Co. chartered Accountants as the Internal Auditors for conducting the internal audit, representatives whereof report to the Head and Governance Department who reports to the Director (Finance) and Group CFO and has direct access to the Audit Committee.

**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.

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 [http://www.satgroup.in/code\\_conduct\\_bdsm.html](http://www.satgroup.in/code_conduct_bdsm.html)

**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 31st March, 2016.

**Harikant Turgalia**  
Mumbai, May 30, 2016 CFO and Whole-time Director

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

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance is annexed with this Report and forms an integral part of the Annual Report.

**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.

## **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 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**

**Harikant Turgalia**  
Mumbai, May 30, 2016 CFO and Whole-time Director



## **AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

To,  
The Board of Directors  
**SAT INDUSTRIES LIMITED,**  
41, B - Wing, Mittal Tower ,  
Nariman Point, Mumbai-400021.

We have examined the compliance of conditions of corporate governance by SAT INDUSTRIES LIMITED ('the Company'), for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchange for the period from April 01, 2015 to November 30, 2015 and Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange for the period from December 01, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance Note on Certificate of Corporate Governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Clause 49 of the Listing Agreements of the said Company with stock exchange for the period from April 01, 2015 to November 30, 2015 and Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange for the period from December 01, 2015 to March 31, 2016.

We further 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.

**For R. Kabra & Co.**

Chartered Accountants (FRN 104502W)

**Deepa Rathi**

Partner

Membership No. 104808

Place: Mumbai

Date: May 30, 2016



## **DIRECTORS' REPORT**

### **Annexure-"D": Management Discussion and Analysis Report**

#### **Disclaimer:**

Statements made in the Management Discussion and Analysis and relating to Company's objectives, projections, outlook, expectations, estimates, etc., may constitute forward-looking statements within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions, which cannot be guaranteed by the Company. Several factors, over which the Company may not have any direct control, could make a significant difference to the Company's operations. As such, actual results may differ materially from such projections, whether expressed or implied, since it would be beyond Company's ability to successfully implement its growth strategy. The Company undertakes no obligation or responsibility to update forward-looking statements and to publicly amend, modify or revise to reflect events or circumstances, after the date thereof, on the basis of any subsequent development, information or events.

#### **1. Industrial Structure and Development**

Your Company is engaged into wholesale trading of general merchandise. During the year Company has also entered into new line of business i.e leasing of machinery & moulds.

#### **2. 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.

#### **3. Segment-wise or product-wise performance**

Rs. 47.60 crore was earned from the textile segment and Rs. 6.5 lakhs was earned from the leasing segment. Income from the leasing segment is expected to grow year by year.

#### **4. Outlook**

India is the 14th largest place in world with respect to leasing. Roughly annual leasing volume in India is estimated at about USD 3.67 billion. Thus, the outlook for the leasing industry is very bright. The future of the Indian textile industry also looks promising, buoyed by both strong domestic consumption as well as export

demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade.

#### **5. Risk and Concerns**

With regard to wholesale trading and leasing of machines & moulds, there is no 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.

#### **6. 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.

#### **7. Discussion on financial performance with respect to operational performance**

The turnover during the year under report was Rs. 4792.62 lakhs and the profit earned after providing for depreciation of Rs. 3.94 lakhs but before tax was Rs. 40.56 lakhs. To improve the performance the Company is taking all possible steps of cost control and cost reduction. These efforts will results in improved bottom line.

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

The Company regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and processes to attract and retain its substantial pool of technical and managerial resources through a work environment that encourages initiatives, provides challenges and opportunities and recognizes the performance and potential of its people. In keeping with the time, the staff is imparted from time to time training in their respective fields to keep them updated with the changes in their respective fields. Number of employees during the financial year was seven.



## **DIRECTORS' REPORT**

### **Annexure-“E”: 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,**

41, B - Wing, Mittal Tower,

Nariman Point, Mumbai-400021.

A. We, Harikant Turgalia, Whole-time Director and 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, 2016 and that to the best of our knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) 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.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that 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.

D. We have indicated to the Auditors and the Audit Committee

- (1) Significant changes in internal control over financial reporting during the year;
- (2) Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
- (3) 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**

Place: Mumbai

Dated: May 30, 2016

**Harikant Turgalia**

Whole-time Director & CFO

DIN: 00049544

**Shehnaz D. Ali**

Whole-time Director

DIN: 00185452

## DIRECTORS' REPORT

### Annexure "F"

#### Details of Investments as on 31st March, 2016

Name of Company	Amount (INR)
AEROFLEX INTERNATIONAL LIMITED	1,00,00,000
ITALICA FURNITURE PRIVATE LIMITED	7,97,17,484
SAH POLYMERS LIMITED	12,13,42,880
GENEXT STUDENTS LIMITED	66,49,790
AEROFLEX INDUSTRIES LIMITED	34,63,756
<b>TOTAL</b>	<b>22,11,73,910</b>

### Annexure "G"

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" 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 endeavour 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

## DIRECTORS' REPORT

- 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;
  - 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 "H"**

#### **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:**

4.1 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.
- 4.2 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 and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
- 4.3 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.



## DIRECTORS' REPORT

### Annexure-"I"

#### Secretarial Audit Report

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

#### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016.

To  
The Members,  
**SAT INDUSTRIES LIMITED.**  
**41, 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 **M/s. 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 **M/s. SAT INDUSTRIES LIMITED'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, 2016** 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. SAT INDUSTRIES LIMITED** as given in 'Annexure I' for the Financial Year ended on 31st March, 2016 according to the provisions of:
  - i. The Companies Act, 2013 and the Rules made thereunder for specified Sections notified and came into effect from 12th September, 2013 and Sections and Rules notified and came into effect from 1st April, 2014;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the

extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the period under Audit).**

- v. The following Regulations and Guidelines prescribed under the SEBI 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 (Prohibition of Insider Trading) Regulations, 1992 till 14th May, 2015 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 from 15th May, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Now known as SEBI (Share Based Employees Benefits) Regulation, 2014; **(Not Applicable as the Company has not introduced any such scheme during the Financial Year under review)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
**(Not Applicable since the Company has not issued any Debt Securities during the Financial Year under review)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) 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)**
- h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(Not applicable as the Company has not brought back / propose to buy-back any of its securities during the financial year under review)** and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure





## DIRECTORS' REPORT

Requirements) Regulations, 2015 from 1st December, 2015;

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;(w.e.f 1st July, 2015)
- ii. The Listing Agreement entered into by the Company with Stock Exchange.

The Company has entered into new Listing Agreement with BSE Limited under Regulation 109 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 on 13th February, 2016.

During the period under review the Company has complied with the provisions 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.

Adequate notice is given to all Directors to schedule the Board Meetings, Committee 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.

**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 insure 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. The list of General Acts and Regulations as applicable to the Company is given in '**Annexure II**'. However no specific laws are applicable to the Company.

In case of Direct and Indirect Tax Laws like

Income Tax Act, Service Tax Act, Excise & Custom Acts 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. referred to above.

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

1. During the year under Report the Company has obtained consent of the Members of the Company through Postal Ballot for passing the following Special Resolution:
  - i. Insertion of Object in the Object Clause of the Memorandum of Association.
2. Mr. Nirav Patel (Company Secretary) tendered his resignation as a Company Secretary w.e.f 01st July, 2015 in the Board Meeting held on 30th June, 2015 and Ms. Alka Gupta was appointed as a Company Secretary of the Company w.e.f 01st July, 2015.

**Place: Mumbai**

**Date: 30/05/2016**

**Dr. S. K. Jain**

**Practicing Company Secretary**

**FCS No.:1473**

**C P No.: 3076**

This report should be read with my letter of even date which is annexed as **Annexure A** 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, 2016.
3. Minutes of the Meetings of the Board of Directors, Audit Committee and Nomination & Remuneration Committee along with Attendance Register held during the Financial Year under report.
4. Minutes of General Body 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.



## DIRECTORS' REPORT

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.

**Place: Mumbai**

**Date: 30/05/2016**

**Dr. S. K. Jain**

**Practicing Company Secretary**

**FCS No.:1473**

**C P No.: 3076**

## ANNEXURE - II

### List of applicable laws to the Company

1. Bombay Stamp Act, 1958
2. Negotiable Instruments Act, 1881
3. Income Tax Act, 1961
4. The Bombay Shops and Establishment Act, 1948
5. Professional Tax Act, 1975
6. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder;

**Place: Mumbai**

**Date: 30/05/2016**

**Dr. S. K. Jain**

**Practicing Company Secretary**

**FCS No.:1473**

**C P No.: 3076**

## Annexure-A

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 S. K. Jain & Co.**

**Place: Mumbai**

**Date: 30/05/2016**

**Dr. S. K. Jain**

**Practicing Company Secretary**

**FCS No.:1473**

**C P No.: 3076**

**Form AOC-I**

(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 Rs )

Sl. No.	Particulars	Details		
1.	Name of the subsidiary	SAH POLYMERS LIMITED (Subsidiary)	ITALICA FURNITURE PRIVATE LIMITED (Wholly-Owned Subsidiary)	AEROFLEX INTERNATIONAL LIMITED (Wholly-Owned Subsidiary)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2015-2016	2015-2016	2015-2016
3.	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.
4.	Share capital	14,19,60,000	2,08,21,180	1,00,00,000
5.	Reserves & surplus	(11,35,726)	5,89,02,381	(15,36,293)
6.	Total assets	26,41,67,702	9,91,32,977	85,93,079
7.	Total Liabilities	26,41,67,702	9,91,32,977	85,93,079
8.	Investments	1,00,00,000	97,65,643	0
9.	Turnover	47,52,32,180	1,03,17,000	7,14,927
10.	Profit before taxation	(2,10,32,284)	33,16,176	(5,57,922)
11.	Provision for taxation	(68,14,263)	18,04,776	-
12.	Profit after taxation	(1,42,18,021)	15,11,400	(5,57,922]
13.	Proposed Dividend	Nil	-	-
14.	% of shareholding	79.47%	100%	100%

**Part "B": Associates and Joint Ventures**
**Statement pursuant to Section 129 (3) of the Companies Act, 2013  
related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	GENEXT STUDENTS LIMITED
1. Latest audited Balance Sheet Date	2015-2016 31/03/2016
2. Shares of Associate held by the company on the year end	39.23% in paid up capital of company
Amount of Investment in Associate	66,49,790
Extend of Holding%	39.23%
3. Description of how there is significant influence	SAT INDUSTRIES LIMITED holds more than 20% of share capital of company.
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	1,11,85,453
6. Profit/Loss for the year	(33,14,980)
i. Considered in Consolidation	(22,61,737)
ii. Not Considered in Consolidation	(10,53,243)

**For and on behalf of Board of Directors  
of SAT INDUSTRIES LIMITED**  
**Alka Premkumar Gupta**  
Company Secretary  
A-35442

Place: Mumbai  
Date: 30 May, 2016

**Shehnaz D. Ali**  
Wholtime Director  
DIN NO: 00185452

**H.K Turgalia**  
Wholtime Director  
DIN NO: 00049544

## **AUDITOR'S REPORT**

### **Independent Auditor's Report on Consolidated Financial Statements**

**To the Members of  
M/s SAT Industries Limited**

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

We have audited the accompanying financial statements of SAT INDUSTRIES LIMITED (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2016 and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statements for the year then ended 31st March, 2016, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the

accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Other Matters**

- (i) We did not audit the financial statements of Subsidiary i.e. Aeroflex International Ltd whose financial statements reflect total assets of Rs. 85,93,079 /- as at 31st March 2016 and total revenues of Rs. 7,14,927/- respectively for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.
- (ii) We did not audit the financial statements of Subsidiary i.e. Italica Furniture Private Limited whose financial statements reflect total assets of Rs. 99,132,977 /- as at 31st March 2016 and total revenues of Rs. 12,532,954/- respectively for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.
- (iii) We did not audit the financial statements of Subsidiary i.e. Sah Polymers Limited whose financial statements reflect total assets of Rs. 264,167,702 /- as at 31st March 2016 and total revenues of Rs. 430,838,896/- respectively for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.
- (iv) We did not audit the financial statements of Associate i.e. Genext Students Limited whose financial statements reflect total assets of Rs. 3,10,07,471 /- as at 31st March 2016 and total revenues of Rs. 123,640/- respectively for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the associates, is based solely on the report of the other auditors.
- (v) We report that the consolidated financial statements have been prepared by the company in accordance

with the requirements of Accounting Standard (AS-21), Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of SAT Industries Limited, its subsidiaries and associates included in the consolidated financial statements and on the basis of assumption as narrated in the notes to consolidated accounts.

- (vi) On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of SAT Industries Limited and its aforesaid subsidiaries are subject to assumptions and the basis of consolidation as disclosed in notes to accounts.

#### **Report on Other Legal and Regulatory Requirements**

As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of other auditors on the separate financial statements of subsidiaries, as noted in the Other Matters paragraph above, 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) the aforesaid Consolidated 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 of the Holding Company as on March 31, 2016 and taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company, is disqualified as on March 31, 2016, from being appointed as a Director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A". We have relied upon other auditors on the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls in respect of the subsidiaries since all the subsidiaries are audited by other auditors.
- g) 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 and based on the consideration of the report of the other auditors on the separate financial statements of subsidiaries, as noted in the Other Matters paragraph above:
- i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate. Refer note 29 of the Consolidated Balance sheet.
- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company

**For R. Kabra & Co.  
Chartered Accountants  
(Registration No.104502W)**

**(Deepa Rathi)**

**Partner**

**M. Ship No.104808**

**Place:Mumbai  
Dated: May 30, 2016**



## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF SAT INDUSTRIES LIMITED**

"Annexure A" referred to in Point f of the para of **"Report on Other Legal and Regulatory Requirements"**, the Consolidated Auditor's Report of even date to the members of **Sat Industries Limited for the year ended 31st March 2016**.

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

We have audited the internal financial controls over financial reporting of Sat Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended March 31st, 2016. We have audited the internal financial controls over financial reporting of Sat Industries Limited (hereinafter referred to as "the Holding Company"), which the company is incorporated in India, as of that date. However, we are unable to comment about the Internal Financial Controls of the Subsidiaries or jointly controlled companies or associate companies of Sat Industries Limited on Independent basis as the audit is done by other Auditors.

### **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 Act.

### **Auditors' 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 ICAI

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. 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 unauthorized 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 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 holding 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, 2016, based on "the internal control over financial reporting criteria established by the Holding 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 R. Kabra & Co.  
Chartered Accountants  
(Registration No.104502W)**

**Place:Mumbai  
Dated: May 30, 2016**

**(Deepa Rathi)  
Partner  
M. Ship No.104808**



**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016**

PARTICULARS	NOTE NO	(Figure in ₹)	
		AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds :-</b>			
(a) Share Capital	1	111,800,000	92,000,000
(b) Reserves and Surplus	2	37,420,116	(42,479,392)
(c) Amount Received Against Share Warrant	3	21,175,000	2,100,000
<b>Minority Interest</b>		29,138,550	-
(2) Share application money pending allotment		-	-
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	4	35,633,428	-
(b) Deferred tax liabilities (Net)	5	19,344,026	-
(c) Other Long term liabilities		-	-
(d) Long term provisions	7	-	-
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	6	196,810,166	30,636,957
(b) Trade payables	7	381,904,302	-
(c) Other current liabilities	8	26,956,659	1,261,836
(d) Short term provisions	9	1,068,881	92,115
<b>TOTAL</b>		<b>861,251,128</b>	<b>83,611,516</b>
<b>II. Assets</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets	10.1	201,406,022	60,230
(ii) Intangible assets	10.2	-	-
(iii) Capital work-in-progress	10.2	-	-
(b) Non-current investments	11	32,679,189	5,000,000
(c) Deferred tax assets (net)	12	-	1,307,306
(d) Long term loans and advances	13	50,625,127	8,012,857
(e) Other non-current assets	14	126,709	-
Goodwill on Consolidation		64,080,901	-
<b>2 Current assets</b>			
(a) Current investments		-	-
(b) Inventories	15	43,461,952	-
(c) Trade receivables	16	378,678,993	3,644,174
(d) Cash and cash equivalents	17	76,094,495	35,163,163
(e) Short-term loans and advances	18	13,883,808	30,423,786
(f) Other current assets	19	213,932	-
<b>Total</b>		<b>861,251,128</b>	<b>83,611,516</b>
Notes to the Financial Statements and accounting policies		1 to 42	
The Notes referred to above and Notes to Accounts form an integral part of the Financial Statement.			

**As per our Audit Report of even date attached**

**For R. Kabra & Co.**

**For and on behalf of the Board**

**Chartered Accountants**

**FRN: 104502W**

**Deepa Rathi**

**Partner**

**M No.: 104808**

**Place : Mumbai**

**Date : 30 May 2016**

**Shehnaz D. Ali**

**Wholetime Director**

**DIN - 00185452**

**H.K Turgalia**

**Wholetime Director**

**DIN -00049544**

**Alka P. Gupta**

**Company Secretary**

**Mem.No. A35442**



**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

PARTICULARS	NOTE NO	(Figure in ₹)	
		AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
I. Revenue from operations	20	964,811,631	89,328,089
Less : Excise duty		49,739,624	-
Net Revenue from operations		915,072,007	89,328,089
II. Other Income	21	12,845,526	5,245,895
<b>III. Total Revenue (I+II)</b>		<b>927,917,533</b>	<b>94,573,984</b>
<b>IV. Expenses:</b>			
Cost of Materials consumed	22	320,386,872	-
Purchases of Stock-in-Trade	23	472,396,873	84,549,057
Changes in inventories of finished goods work-in-progress and Stock -in-Trade	24	4,586,165	-
Employee benefits expense	25	18,412,595	5,181,326
Finance costs	26	14,524,830	6,601
Depreciation and amortization expense	27	10,286,510	55,688
Other expenses	28	102,075,297	184,563,096
<b>Total Expenses</b>		<b>942,669,142</b>	<b>274,355,768</b>
<b>V. Profit before exceptional and extra-ordinary items(III-IV)</b>		<b>(14,751,610)</b>	<b>(179,781,784)</b>
<b>VI. Exceptional Items</b>			
Les:Loss on Sale of Investments		(738,310)	-
Foreign Currency Exchange Flctuation		-	1,193,418
<b>VII. Profit before extra-ordinary items and tax (V-VI)</b>		<b>(15,489,920)</b>	<b>(178,588,366)</b>
VIII. Extraordinary items		-	-
<b>IX Profit before tax(VII-VIII)</b>		<b>(15,489,920)</b>	<b>-</b>
X. Tax expense			
(1) Current tax		1,433,799	-
(2) Prior Period Income tax		556	-
(3) Deferred tax		592,485	5,848
<b>XI. Profit for the Year after tax (IX- X)</b>		<b>2,026,840</b>	<b>5,848</b>
<b>before share in profit /(loss) of associates</b>		<b>(17,516,760)</b>	<b>(178,582,518)</b>
Add: Share in profit/(loss) (net) of associate companies		(2,261,737)	-
<b>XII. Net Profit for the Year after tax and share in profit/(Loss) of associates</b>		<b>(19,778,497)</b>	<b>(178,582,518)</b>
XIII. Earnings per equity share (of Rs. 10/- each)			
(1) Basic		(0.35)	(3.88)
(2) Diluted		(0.35)	(3.88)
<b>Notes to the Financial Statements and accounting policies</b>	1 to 42		
The Notes referred to above and Notes to Accounts form an integral part of the Financial Statement.			

As per our Audit Report of even date attached

For R. Kabra & Co.

For and on behalf of the Board

Chartered Accountants

FRN: 104502W

Deepa Rathi

Partner

M No.: 104808

Place : Mumbai

Date : 30 May 2016

Shehnaz D. Ali

Wholetime Director

DIN - 00185452

H.K Turgalia

Wholetime Director

DIN -00049544

Alka P. Gupta

Company Secretary

Mem.No. A35442



**CASH FLOW STATEMENT For the Year Ended 31ST MARCH 2016**

	Year ended 31-03-2016	(Amunt in ₹) Year ended 31-03-2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(15,489,920)	(178,588,366)
Adjustments for :		
Depreciation	10,286,510	55,688
Depreciation adjusted in reserves on applcation of Sch II	(10,356)	-
Profit on sale of Fixed Assets	(105,991)	(1,250,429)
Interest exp	14,524,830	6,601
Interest income	(7,201,383)	(1,461,203)
Foreign Currency Exchange Fluctuation	(13,709)	(1,193,418)
Income from dividend	-	(56,906)
Income from mutual fund investments	-	(19,728)
Profit on Sale of Investments	(1,788,383)	-
Loss on sale of investments	738,310	-
Creditors dues not payable	-	-
<b>Operating Profit before working capital changes</b>	<b>939,908</b>	<b>(182,507,761)</b>
Adjustments for :		
Inventories	(43,461,952)	-
Trade Receivables	(375,034,819)	173,232,763
Other Current Assets	966,665	13,797,103
Trade Payables	381,904,302	232,527
Othe Current Liabilities	45,038,849	-
Short Term Provisions	976,766	(40,917)
<b>Cash Generated from Operations</b>	<b>11,329,718</b>	<b>4,713,715</b>
<b>Direct Taxes Paid</b>	<b>(2,026,840)</b>	<b>5,848</b>
<b>Net Cash Flow from Operating Activities</b>	<b>9,302,878</b>	<b>4,719,563</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Fixed Assets on (inclduing acuisition of subsidiaries (net))	(212,145,898)	(34,579)
Sale of fixed Assets	619,588	1,250,429
Goodwill on Consolidation	(64,080,901)	-
Share Premium on consolidation	42,013,290	-
Capital subsidy on Consolidation	7,975,200	-
Opening Surplus of subsidairies on Consolidation	19,799,871	-
Minority Interest on Consolidation	29,138,550	-



**CASH FLOW STATEMENT For the Year Ended 31ST MARCH 2016 Contd.**

	Year ended 31-03-2016	(Amunt in ₹) Year ended 31-03-2015
Share of loss in Associate Co. on Consolidation	(2,261,737)	-
Purchase of Investments (net)	(41,027,039)	(5,000,000)
Sale of Investments	14,397,923	-
Dividend received	-	56,906
Income from mutual fund investment	-	19,728
Interest income	7,201,383	1,461,203
<b>Net inflow/(outflow) in Investing Activities</b>	<b>(198,369,770)</b>	<b>(2,246,313)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Shares	49,700,000	14,542,500
Issue of Share Warrants	19,075,000	2,100,000
Proceeds from Long-term borrowings	35,633,428	(7,981,301)
Proceeds from Short-term borrowings	166,173,209	(76,444,101)
Proceeds from Short-term Advances	16,539,978	(5,539,429)
Proceeds from Long Term Advances	(42,612,270)	113,688,898
Interest expense	(14,524,830)	(6,601)
Net inflow/(outflow) in Financing Activities	229,984,515	40,359,966
<b>D FOREIGN EXCHANGE TRANSLATION RESERVE ADJUSTMENT</b>	<b>13,709</b>	<b>(10,062,240)</b>
<b>Net Increase/Decrease in cash &amp; Cash equivalents (A+B+C+D)</b>	<b>40,931,332</b>	<b>32,770,976</b>
<b>Cash and Cash equivalents at the beginning</b>	<b>35,163,163</b>	<b>2,392,187</b>
<b>Cash and Cash equivalents at the close</b>	<b>76,094,495</b>	<b>35,163,163</b>

Note: 1) Previous years figures have been regrouped, rearranged to make them comparable.  
2) Cash Flow Statement has been prepared on 'Indirect Method'

As per our Audit Report of even date attached

For R. Kabra & Co.

For and on behalf of the Board

Chartered Accountants

FRN: 104502W

Deepa Rathi

Partner

M No.: 104808

Place : Mumbai

Date : 30 May 2016

Shehnaz D. Ali

Wholetime Director

DIN - 00185452

H.K Turgalia

Wholetime Director

DIN -00049544

Alka P. Gupta

Company Secretary

Mem.No. A35442





**NOTES TO ACCOUNTS** Contd.

**NOTE 1: SHARE CAPITAL**

(Amount inRs.)

Particulars	As at 31 March 2016		As at 31 March 2015
	Amount		Amount
<b>Authorised</b> 750,00,000 (Previous Year 500 00 000) Equity Shares of 2/- each	<b>15,00,00,000</b>		10,00,00,000
	<b>15,00,00,000</b>		10,00,00,000
<b>Issued, subscribed and paid up</b> 559,00,000 (Previous Year 460,00,000) Equity Shares of 2/- each fully paid up	<b>11,18,00,000</b>		9,20,00,000

**Note 1.1**

**Reconciliation for No. of shares outstanding during the year**

PARTICULARS	No. Of Shares	No. Of Shares
No. of Shares outstanding at the beginning of the year	<b>46,000,000</b>	39,075,000
Shares Issued during the year	<b>9,900,000</b>	6,925,000
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>55,900,000</b>	46,000,000

**Note 1.2**

**Name of the shareholders holding more than 5% shares in the company**

Name of Shareholder	Class	As at 31st March, 2016	As at 31st March, 2015
1. Sat Invest Private Limited			
No. of Shares held	Equity	<b>26,235,000</b>	19,335,000
% of Shares held		<b>46.93</b>	42.03
2. Dawood Investment Private Limited			
No. of Shares held	Equity	<b>7,209,350</b>	7,209,350
% of Shares held		<b>12.90</b>	15.67
3. Space Age Polymers Private Limited			
No. of Shares held	Equity	<b>6,169,455</b>	6,169,455
% of Shares held		<b>11.04</b>	13.41



**NOTES TO ACCOUNTS** Contd.

**Note 2 : RESERVES AND SURPLUS**

Particulars	As at 31st March 2016	As at 31st March 2015
<b>a. General Reserves</b>		
Opening Balance	4,739,577	4,800,254
(+) Current Year Transfer	-	-
(-) Depreciation Impact due to change in the method to useful life	10,356	60,677
<b>Closing Balance</b>	<b>4,729,221</b>	<b>4,739,577</b>
<b>b. Securities Premium Account</b>		
Opening Balance	60,092,500	59,400,000
On Consolidation of Subsidiaries	42,013,290	-
Add : Securities premium credited on Share issue	29,900,000	692,500
<b>Closing Balance</b>	<b>132,005,790</b>	<b>60,092,500</b>
<b>c. Foreign Currency Translation Reserve</b>		
Opening Balance	98,723,747	1,099,979,405
(-) Written Back in Current Year	-	(1,099,979,405)
(+) Current Year Transfer	-	98,723,747
<b>Closing Balance</b>	<b>98,723,747</b>	<b>98,723,747</b>
<b>d. Capital Reserve (Reserve created on forfeiture of share warrants)</b>		
Opening balance	33,825,000	33,825,000
(+) Current Year Transfer	-	-
<b>Closing Balance</b>	<b>33,825,000</b>	<b>33,825,000</b>
<b>e. Capital Subsidy</b>		
Opening Balance		-
Add: Addition during the year on consolidation	7,975,200	-
	7,975,200	-
Less: Deduction during the year	7,975,200	-
		-
<b>e. Surplus</b>		
Opening balance	(239,860,216)	(61,276,395)
Opening balance of subsidiaries added during the year	19,799,871	
(+) Net Profit/(Net Loss) For the current year	(19,778,497)	(178,582,518)
(+) Short/Excess Provision for Income Tax	-	(1,303)
<b>Closing Balance</b>	<b>(239,838,842)</b>	<b>(239,860,216)</b>
<b>Total</b>	<b>37,420,116</b>	<b>(42,479,392)</b>

**Note 2.1**

The Foreign Currency Translation Reserve was pertaining to foreign branch which was considered as Non-integral operations and since the company has closed the operations of foreign branch during the previous year therefore Foreign Currency Translation Reserve pertaining to the same has been appropriated to Profit & Loss A/c during the previous year.



**NOTES TO ACCOUNTS** Contd.

**NOTE 3 : AMOUNT RECEIVED AGAINST SHARE WARRANTS AND CONVERSION INTO SHARES**

Particulars		As at 31st March 2016	As at 31st March 2015
A) Share warrants (1,80,00,000 warrants issued as on 9th Dec 2015)			-
Opening Balance		Nil	-
Add: 25% advance received for 1,80,00,000 warrants		31,500,000	-
Add: 75% balance for 59,00,000 warrants out of 1,80,00,000 warrants		30,975,000	-
Less: 59,00,000 Warrants Converted during the year		41,300,000	-
	A	21,175,000	-
B) Share Warrants ( 40,00,000 warrants issued as on 21st July 2014)			
Opening balance		2,100,000	-
Add: 75% balance received		6,300,000	2,100,000
Less: 40,00,000 Converted during the year		8,400,000	-
	B	-	2,100,000
<b>Total</b>	<b>A+B</b>	<b>21,175,000</b>	<b>2,100,000</b>

**Note 3.1:**

The company has issued 1,80,00,000 convertible warrants on 9th December 2015 as per below chart which are convertible into equity shares of Rs.2/- each at a premium of Rs.5/- per share within 18 months from the date of allotment

Name of the allottee	Category	Face value	Issue Price	Number of warrants	25% advance amount received
1) M/s Sat invest pvt. Ltd	Promoter	2	7	15,00,000	26,250,000
2) Mr. Lalit Kabra	Non-Promoter	2	7	1,500,000	2,625,000
3) Ms. Preeti Kabra	Non-Promoter	2	7	1,500,000	2,625,000
<b>Total</b>					<b>3,15,00,000</b>

**Note 3.2:**

On 25th Feb 2016 59,00,000 warrants are converted into shares out of 1,80,00,000 warrants issued as under

Name of allottee	Category	No. of warrants converted into equity	Balance 75% amount received
1) M/s Sat invest pvt. Ltd	Promoter	29,00,000	1,52,25,000
2) Mr. Lalit Kabra	Non-Promoter	15,00,000	78,75,000
3) Ms. Preeti Kabra	Non-Promoter	15,00,000	78,75,000
<b>Total</b>			<b>3,09,75,000</b>

**Note 3.3:**

The balance 1,21,00,000 warrants are pending out of 1,80,00,000 convertible warrants and 25% advanced is received on the same and the balance is receivable before 8th June 2017 to be converted into equity shares within 18 months from the date of issue of share warrants.

**Note 3.4:**

On 2nd May 2015 40,00,000 Warrants were converted in to shares These warrants were issued on 21st July 2014 at Rs. 2.10/- face value of Rs.2/- and premium of Rs. 0.10/- each



**NOTES TO ACCOUNTS** Contd.

**NOTE 4 : LONG TERM BORROWINGS**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>(a) SECURED :</b>		
Term Loans:		
from banks :		
(1) UCO Bank		
Term Loan -II (Refer note 4.1)	24,991,185	-
(-)Current	6,241,815	-
Non Current	18,749,370	-
(2) ICICI Bank Limited (Refer note 4.2)	4,000,389	-
(-) Current maturities	470,662	-
Noncurrent	3,529,726	-
from others :		
(1) Kotak Mahindra Prime Limited (Refer note 4.3)	843,465	-
(-)Current maturities	464,133	-
Noncurrent	379,332	-
<b>Total (a)</b>	<b>22,658,428</b>	<b>-</b>
<b>NOTE 4.1:</b>		
(a) Term loan - Term Loan -II from UCO Bank is secured against equitable mortgage of land and building of the Company 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 the Company.		
(b) Term loan II is repayable in 32 quarterly instalments of Rs. 1562500/- each commencing from 30.06.2012 . The last instalment is repayable on 31.03.2020 . The rate of interest as on 31.03.2016 is 13.20% per annum with quarterly rests.		
(c ) There is no continuing default in the repayment of instalment of loan and interest thereon.		
<b>Note 4.2</b>		
(a) Term Loans from ICICI Bank Limited is secured against the hypothecation of Car no. MH-01-CD-0522. The loan is repayable in 84 equal monthly installments of Rs 70,800 each commencing from 10th October, 2015 and the last installment is payable on 10th August 2022. There is no continuing default in the repayment of installment and interest thereon. The rate of interest as on 31.03.2016 is 10% p.a. with monthly rests.		
<b>Note 4.3</b>		
Term Loans from Kotak Mahindra Prime Limited is secured against the hypothecation of Car no. MH-01-BG-1556. The loan is repayable in 59 equal monthly installments of Rs 43,900 each commencing from 30th January 2013 and the last installment is payable on 10th December 2017. There is no continuing default in the repayment of installment and interest thereon. The rate of interest as on 31.03.2016 is 9.876% p.a. with monthly rests.		
<b>(b) Unsecured Loans</b>		
Corporate Borrowing *#	-	-
From Others	12,975,000	-
<b>TOTAL (b)</b>	<b>12,975,000</b>	<b>-</b>
<b>Total (a) + (b)</b>	<b>35,633,428</b>	<b>-</b>



**NOTES TO ACCOUNTS** Contd.

**Note 4.4:**

\*The above loans are taken interest free and repayable on demand basis and subject to confirmation.

# For Related party details, refer note. No. 31

**Maturity Profile of Secured Loans (excluding current maturities)**

Particulars	F.Y 2017-18	F.Y 2018-19	01-04-2019 onwards
UCO Bank	6,250,000	6,250,000	6,241,185
ICICI Bank	519,958	574,417	2,435,352
Kotak Bank	379,332	-	-

<b>NOTE 5 : DEFERRED TAX LIABILITIES (Net)</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Deferred Tax Asset at the beginning of the year	-	-
Add: Opening balance of Deferred Tax Asset of Subsidiaries added during the year	18,751,541	
Add: Current year Deferred Tax Asset	1,351,925	
Less: Current year Deferred Tax Liability	(2,066,746)	
Less: Deferred Tax Asset created on losses now reversed (Refer Note 12)	1,307,306	
<b>Net Amount Charged to Profit and Loss Account</b>	<b>592,485</b>	
<b>TOTAL</b>	<b>19,344,026</b>	-

**Note 5.1**

Deferred Tax Asset is recognised only when there is a virtual certainty of earning profits in the future period.

**Note 5.2**

Deferred Tax Asset created on losses is reversed because as per the management the company is expected to have profits in the near future and the losses on which deferred tax asset has been created was mainly on account of foreign branch whose operations are closed as on 31st March, 2015.



**NOTES TO ACCOUNTS** Contd.

**NOTE 6 : SHORT TERM BORROWINGS**

Particulars	As at 31st March 2016	As at 31st March 2015
<b>(a) SECURED :</b>		
Loans Repayable on demand	-	-
<b>From banks:</b>		
UCO Bank	43,817,441	-
<b>Total</b>	<b>43,817,441</b>	<b>-</b>

Borrowings from UCO Bank is secured against equitable mortgage of land and building of the Company 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.Asas Daud, Directors of the Company

<b>(b) UNSECURED :</b>		
InterCorporate Deposits		
From Related Parties #	151,492,725	30,636,957
(b) Others	1,500,000	-
<b>TOTAL (b)</b>	<b>152,992,725</b>	<b>30,636,957</b>
<b>TOTAL (a+b)</b>	<b>196,810,166</b>	<b>30,636,957</b>

# For Related party details, refer note. No. 31

The above loans from related parties are taken interest free and repayable on demand basis and subject to confirmation.

**NOTE 7 :TRADE PAYABLES**

	As at 31st March 2016	As at 31st March 2015
a. Small & Micro Enterprise (Refer 7.1)	-	-
b. Others	381,904,302	-
<b>TOTAL</b>	<b>381,904,302</b>	<b>-</b>

**Note 7.1:**

**Micro and medium scale business entities.**

As per the opinion of the Management, the creditors outstanding in the balance sheet to whom the Company owes dues on account of principal amount together with interest do not fall in the category of Micro, Small & Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, and accordingly no additional disclosures have been made by the management. In the absence of confirmation from the creditors and based on the management explanation as above the facts are relied upon by us.





**NOTES TO ACCOUNTS** Contd.

**NOTE 8 : OTHER CURRENT LIABILITIES**

	As at 31st March 2016	As at 31st March 2015
(a) Current maturities of long-term debt *	7,176,610	-
(b) Advance from Customers	2,758,173	-
(c) Payable on purchases of fixed Assets	1,090,740	-
(d) Statutory Remittance	4,212,610	-
(e) Other Liabilities		
i) Salary Payable	332,664	302,365
ii) Provision for outstanding Expenses	153,149	46,743
iii) Provision for audit fees	226,860	112,360
iv) TDS Payable	12,006	10,469
(v) Over drwan of banks	10,506,193	-
(vi) Others	487,653	789,899
<b>TOTAL</b>	<b>26,956,659</b>	<b>1,261,836</b>

\*Included in the above is a Sum of Rs. 724909/-, due to RIICO Ltd

RIICO Limited granted a lease in respect of plot no. E-474, Bhamashah Industrial Area, Kaladwas, Udaipur for a period of 99 years commencing from 01.07.2011. Development charges in respect of the said lease are payable in 19 quarterly installments of Rs. 181229/- each commencing from 30.09.2011 and the last instalment is payable on 31.03.2016. The rate of interest as on 31.03.2016 is 12 % p.a. with quarterly rests. The outstanding installments are secured against the said plot.

**NOTE 9 : SHORT TERM PROVISIONS**

	As at 31st March 2016	As at 31st March 2015
a. Provision for Gratuity	6,641	92,115
b. Provisions for employee benefits (Leave Encashment)	262,240	-
c. Provision for income tax	800,000	-
<b>TOTAL</b>	<b>1,068,881</b>	<b>92,115</b>

**NOTES TO ACCOUNTS Contd.**
**NOTE : 10 FIXED ASSETS**

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block			
	Balance as at 1st April 2015	Pursuant to acquisition of subsidiaries	Additions	Disposals	Balance as at 31st Mar 2016	Balance as at 1st April 2015	Pursuant to acquisition of subsidiaries	Depreciation charge for the year	Deduction	Balance as at 31st Mar 2016	Balance as at 1st Apr 2015
A. Tangible Assets											
Land	-	5,904,136	1,164,078	-	7,068,214	-	-	-	-	-	7,068,214
Land - Leasehold	-	2,956,545	-	-	2,956,545	-	-	-	-	-	2,956,546
Building	-	37,356,463	542,170	-	37,898,633	-	7,032,573	1,272,872	-	8,305,445	29,593,188
Plant and Equipment	-	132,070,793	5,836,634	-	137,907,427	-	34,179,982	4,956,726	-	39,136,708	98,770,719
Machinery : Under Operating Lease	-	23,746,087	9,416,234	-	33,162,321	-	932,927	1,198,123	-	2,131,050	31,031,271
Mould : Under Operating Lease	-	18,055,938	7,502,697	-	25,558,635	-	6,299,904	609,414	-	6,909,318	18,649,317
Furniture And Fixtures	-	1,515,087	32,838	-	1,547,925	-	596,255	178,085	-	774,340	773,585
Vehicles	-	8,648,885	4,996,800	855,000	12,790,685	-	4,028,748	1,509,257	341,404	5,196,601	7,594,084
Scooty	-	42,862	-	42,862	-	-	37,807	5,054	42,861	0	(0)
Office equipment	156,449	863,001	230,460	-	1,249,910	143,271	479,280	176,116	-	798,667	451,243
D.G. Set	-	5,893,181	-	-	5,893,181	-	1,326,599	254,362	-	1,580,961	4,312,220
Tube Well	-	115,672	-	-	115,672	-	24,911	3,684	-	28,595	87,077
Computers	357,835	495,299	55,999	-	909,133	310,783	373,374	116,776	-	800,933	108,200
EPABX System	-	24,150	-	-	24,150	-	7,751	6,040	-	13,791	10,359
TOTAL	514,284	237,688,099	29,777,910	897,862	267,082,431	454,054	55,320,111	10,286,510	384,265	65,676,410	201,406,022
Previous Year	540,382	-	34,579	60,677	514,284	398,366	-	55,688	-	454,054	60,230
B. Intangible Assets											
Computer Software	-	67,000	-	-	67,000	67,000	-	-	-	67,000	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-
C. Capital Work in Progress	-	321,145	221,025	542,170	-	-	-	-	-	-	-
Previous Year	-	-	321,145	-	321,145	-	-	-	-	-	321,045
TOTAL	514,284	238,076,244	29,998,935	1,440,032	267,149,431	521,054	55,320,111	10,286,510	384,265	65,743,410	201,406,022
Previous Year	540,382	-	34,579	60,677	514,284	398,366	-	55,688	-	454,054	60,230

1. In the opinion of management, there is no impairment of fixed assets as prescribed in the accounting standard (AS-28) on impairment of assets.
2. No write off has been made in respect of leasehold land
3. The Company's depreciation method has changed to Useful Life Method as per the Companies Act 2013 for all the assets.
4. Pursuant to the enactment of Companies Act, 2013, during the previous year Company has applied the estimated useful lives as specified in Schedule II as disclosed in Accounting Policy on depreciation. Accordingly during the year, an amount of Rs. 10,356/- (Previous Year 60,677/-) is adjusted in the opening balance of General Reserve for those assets whose live are expired as at 1st April 2014.



**NOTES TO ACCOUNTS** Contd.

**Note 11 : NON CURRENT INVESTMENTS**

**(A) Unquoted (at cost)**

**1 Investments in Equity Instruments**

**Non -Trade**

	Particulars	As on 31.03.2016		As on 31.03.2015	
		No of units	At cost	No of units	At cost
<b>(a) Investment in Associates:</b>					
	Genext Students Ltd. (Shares of Rs. 10/- each)	664,979	6649790	-	-
		<b>664,979</b>	<b>6649790</b>	-	-
<b>(b) In Others:</b>					
	Sat E-Com Limited (Shares of Rs. 20/- each)	500,000	10,000,000	-	-
	RNT Wellness Pvt Ltd (Shares of Rs. 10/- each)	79	328,898	-	-
	Ketto Online Ventures Private Limited (Shares of Rs. 10/- each)	10	70,500	-	-
	NM Fix Maintenance Services Private Limited (Shares of Rs. 10/- each)	333	909,973	-	-
	Confirm Ticket Online Solution Pvt Ltd (Shares of Rs. 10/- each)	221	132,813	-	-
	SIFTR Labs Private Limited (Shares of Rs. 10/- each)	79	510,000	-	-
	Proximit India Pvt Ltd (Shares of Rs. 10/- each)	84	500,000	-	-
	Vphrase Analytics Solution Pvt Ltd (Shares of Rs. 10/- each)	56	500,640	-	-
	GetUp For Change Services Private Limited (Shares of Rs. 10/- each)	5	56,054	-	-
	Ideope Media Pvt Ltd (Shares of Rs. 10/- each)	1	10,102	-	-
			13,018,980		-
	<b>TOTAL</b>		<b>19,668,770</b>		-
<b>2 Investments in Preference Shares</b>					
	In others				
	Duronto Technologies Private Limited Convertible Preference Shares of Rs.45/- each fully paid up	1,122	1,000,128	-	-
	GetUp For Change Services Private Limited Convertible Preference shares of Rs. 300/- each fully paid up	84	941,704	-	-
	Ideope Media Pvt Ltd Convertible Preference shares of Rs. 10/- each fully paid up	49	495,017	-	-
	Lithasa Technologies Pvt Ltd Cumulative Convertible Preference shares of Rs. 100/- each fully paid up	18	386,814	-	-
	Ketto Online Ventures Private Limited				



**NOTES TO ACCOUNTS** Contd.

	Non-Cummulative Convertible Preference shares of Rs. 10/- each fully paid up	60	423,000	-	-
	<b>TOTAL</b>		<b>3,246,663</b>		-
<b>3</b>	<b>Investments in Debentures</b>				
	Switchme Technologies and Services Pvt Ltd Convertible Debenture of Rs.1000 each fully paid up	500	500,000	-	-
	<b>TOTAL</b>		<b>500,000</b>		-
<b>4</b>	<b>OTHERS</b>				
	<b>Venture Capital Fund</b>				
	India Quotient Fund II- Venture Capital Fund 30(pr.yr.0) Class A units of Rs. 1,00,000/- each	30	3,000,000	-	-
	<b>Mutual Fund</b>				
	HDFC GILT Long term	-	-	219,304	2,500,000
	Kotak GILT Fund	-	-	198,416	2,500,000
	<b>Avigo Trustee Co. Pvt Ltd.</b>		3,463,756	-	-
	Payment to Avigo Trustee Co. Pvt. Ltd is towards advance for purchase of 9,99,500 Equity Shares of Aeroflex Industries Ltd.				
	<b>TOTAL</b>		<b>6,463,756</b>	<b>417,720</b>	<b>5,000,000</b>
<b>5</b>	<b>Investments - Share Application</b>		2,800,000	-	-
	<b>Total Non Current Investments</b>		<b>32,679,189</b>		<b>5,000,000</b>
	(a) Aggregate of unquoted investments.		<b>32,679,189</b>		<b>5,000,000</b>
	(b) Aggregate of quoted investments		-	-	
	(c ) Market value of quoted investment		-	-	

Aggregate provision for diminution in value of investments

- -

Note: The business operations of subsidiary company i.e. SAT Middle East Limited, UAE has been closed down due to huge losses as per the management and therefore, the Company has wholly provided for diminution in value of Investments of Rs. 11,67,12,723/-



**NOTES TO ACCOUNTS** Contd.

**NOTE 12 : DEFERRED TAX ASSETS**

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred Tax Asset at the beginning of the year	1,307,306	15,104,409
Add: Current year Deferred Tax Asset	-	5,848
Less: Current year Deferred Tax Liability	-	13,802,951
Deferred tax assets reversed	1,307,306	-
<b>Total</b>	-	1,307,306

**NOTE 13 :LONG TERM LOANS & ADVANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured considered good unless otherwise stated	1,62,857	4,44,802
(a) Capital advances	-	10,63,06,953
(b) Security Deposits		
(c) Loans and advances to related parties * (Refer note 13.1 below)	20,00,000	87,00,000
(d) Loans and advances others * (Refer note 13.2 below)	30,00,000	30,00,000
	8,50,000	12,50,000
1. Noble Project India Pvt. Ltd.	-	2,000,000
2. Salma F. Attari	3,000,000	3,000,000
3. Ali Asgar Kagzi	850,000	850,000
4. Huzaifa Suterwala	1,000,000	1,000,000
5. Samina H. Suterwala	1,000,000	1,000,000
6. Taizhou Bona Mould Co. Ltd.	748,503	-
7. Bombay Dies	40,000	-
8. PIL Italica Lifestyle Limited	22,200,000	-
9. Hussain Kagzi	3,750,000	-
10. RNT Wellness Pvt. Ltd	250,000	-
11. Himanshu Prasad	25,000	-
12. Advance to Staff	56,000	-
13. Excise Duty	125,900	-
<b>Total</b>	<b>50,625,127</b>	<b>8,012,857</b>

\* For Related Party Disclosure (Refer Note No.31)

**Note 13.1**

Advance given to related parties consists of advance given by Italica Furniture Pvt Ltd to Sah Polymers Ltd which is against advance for purchase of Machinery and the interest rate is 12%

**Note 13.2**

The company has given long term loans and advances which are interest free and subject to confirmation.



**NOTES TO ACCOUNTS** Contd.

**NOTE 14 :OTHER NON CURRENT ASSET**

	As at 31st March 2016	As at 31st March 2015
<b>Miscellaneous Expenditure:-</b>		-
Office Renovation Expenses to be amortise for more than a Year	126,709	-
<b>TOTAL</b>	126,709	-

**NOTE 15 : INVENTORIES**

	As at 31st March 2016	As at 31st March 2015
(a) Raw materials	8,970,489	-
(b) Work-in-progress	23,893,220	-
(c) Finished goods	6,407,553	-
(d) Stores and spares	3,197,262	-
(e) Printing Ink	945,568	-
(e) Wastage	47,860	-
<b>TOTAL</b>	43,461,952	-

**NOTE 16 :TRADE RECEIVABLES**

Particulars	As at 31 March 2016	As at 31 March 2015
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the due date they become payable	348,075,105	3,644,174
Others	30,603,888	-
<b>Total</b>	378,678,993	3,644,174

**Note 16.1**

The total outstanding of sundry debtors as on year end is Rs. 378,678,993/- (P.Y. Rs. 36,44,174). During the previous year foreign branch debtors have been completely written off due to non recoverability as per the management and have been relied upon by as per the verification of the local foreign auditor. Further as per the management there is no provision for doubtful debts done, because as per the management the amounts are recoverable. All the sundry debtors are subject to confirmation.

**NOTE 17 : CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March 2016	As at 31 March 2015
a. Balances with banks		
On Current Account	44,167,274	18,543,277
On FDR Accounts	31,480,000	16,600,000
b. Cheques, drafts on hand	-	-
c. Cash on hand (As Certified by Management)	183,058	19,886
d. FDR kept as Margin money under lien	264,163	-
Fixed Deposit including accrued interest Rs 4163 (Previous year Nil with more than 12 months maturities not available for immediate use)		
<b>Total</b>	76,094,495	35,163,163





**NOTES TO ACCOUNTS** Contd.

**NOTE 17.1**

Out of the above balances, there is NIL balance in the Foreign branch as on current year end (P.Y Rs.35,344/- )(P.Y.AED 2,173) is pertaining to the foreign branch and has been relied upon by us as per the verification of the local foreign auditor.

**NOTE 18 :SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured considered good unless otherwise stated		
(a) To Related Parties *	8,369,400	28,265,645
(b) Others	-	-
i) Advance to suppliers	252,204	1,312,464
ii) Prepaid Expenses	355,813	362,554
iii) Income tax (Refund)	999,342	-
iv) Loans to employees	418,649	199,000
v) Advance Against Expenses	137,975	-
vi) Interest Accrued but not due	901,907	284,123
vii) Balances with Revenue Authorities	2,448,518	-
<b>Total</b>	<b>13,883,808</b>	<b>30,423,786</b>

\* For Related Party Disclosure, Refer Note No.31

**Note 18.1:**

During the previous year the Company has advanced / adjusted a sum of Rs. 1.84 crore to Lion Houseware Private Limited towards advance money for purchase of shares of Sah Polymers Limited which was as per the Special Resolution dated 01/10/2014 pursuant to section 110 of the Companies Act 2013 for Postal Ballot and the necessary formalities including transfer of shares were pending subject to final payment during the previous year which is done during the current year as on 31st March 2016.

**Note 18.2**

The advance to another related party i.e.Italica Furniture Private Limited of Rs.69.65 lacs ( p.y. is given against supply of machine & moulds Rs. 98.65 lacs & 15% interest rate is charged on the advance given). In the opinion of management, the same is good of recovery and given out of business prudence on arms length principles.

**NOTE 19 :OTHER CURRENT ASSETS**

Particulars	As at 31st March 2016	As at 31st March 2015
Dues from others	213,932	-
<b>Total</b>	<b>213,932</b>	<b>-</b>



**NOTES TO ACCOUNTS** Contd.

**NOTE 20 :REVENUE FROM OPERATIONS(NET)**

	<b>For the year ended 31 March,2016</b>	For the year ended 31 March,2015
Sale of Products & Services	<b>964,811,631</b>	89,328,089
Less: Excise Duty	<b>49,739,624</b>	-
<b>Net revenue from Operations</b>	<b>915,072,007</b>	89,328,089

(a) Broad classification of Products sold:

<b>Particulars</b>	<b>Amt. in Rs. 2016</b>	Amt. in Rs. 2015
a. Fabrics	<b>476,048,951</b>	
b. Overseas Branch Sales (PY AED - 5375705)	-	89,328,089
c. HDPE/PP Woven Sacks	<b>408,390,733</b>	-
d. HDPE/PP Fabrics	<b>25,541,984</b>	-
e. PP Woven Sacks	<b>4,769,132</b>	-
f. PP Woven Fabrics	<b>29,080,180</b>	-
g. Others	<b>7,450,151</b>	-
<b>Total (a)</b>	<b>951,281,131</b>	

(b) Broad classification of Services rendered:

<b>Particulars</b>	<b>Amt. in Rs. 2016</b>	Amt. in Rs. 2015
a. Income from clearing & Forwarding Charges	<b>2,563,500</b>	-
b. Income from Equipment Uses charges	<b>650,000</b>	-
c. Income from Equipment hiring charges	<b>10,317,000</b>	-
<b>Total (b)</b>	<b>13,530,500</b>	
<b>Grand total (a+b)</b>	<b>964,811,631</b>	89,328,089



**NOTES TO ACCOUNTS** Contd.

**NOTE 21 : OTHER INCOME**

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Income from Interest	7,196,580	1,461,203
Income from Interest on Fixed Deposits	4,163	
Income from Interest on I T Refund	640	
Income from Rent	32,000	
Income from Content Development	714,287	816,328
Income from Dividend	-	56,906
Income from Mutual Fund Investments	-	19,728
Income from Subsidy	2,943,001	
Creditors Dues not payable	-	1,641,301
Profit/(Loss) on sale of Investments	1,788,383	-
Income from Clearing & Forwarding Charges	-	-
Income from Equipment Uses Charges	-	-
Profit on sale of Assets	105,991	1,250,429
Foreign Exchnage Flctuation	13,709	
Miscellenous Income (export Incentives)	46,772	
<b>TOTAL</b>	<b>12,845,526</b>	<b>5,245,895</b>

**NOTE 22 : COST OF MATERIALS CONSUMED**

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Opening Stock - On Consolidation	13,983,780	-
Add: Purchases and adjustments	-	-
Indigenous	315,373,582	-
Imported	-	-
	329,357,362	-
Less: Closing Stock	8,970,489	-
<b>Cost of Material Consumed (Refer note 22.1)</b>	<b>320,386,872</b>	<b>-</b>

**Note 22.1**

Broad name of materials consumed

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
1. HDPE/ PP Granules	282,229,174	297,174,769
2. Fillers	34,537,328	32,004,276
3. others	3,620,370	-
<b>Total</b>	<b>320,386,872</b>	<b>329,179,046</b>

**NOTE 23 : PURCHASE OF STOCK IN TRADE**

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Purchases - Fabrics	472,396,873	84,549,057



**NOTES TO ACCOUNTS** Contd.

**NOTE 24 : CHANGE IN INVENTORIES**

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>Opening Stock :</b>		
Finished Goods	-	-
Stock-in-trade	5,816,025	-
Work-in-progress	29,118,773	-
	<b>34,934,798</b>	-
<b>Less :Closing Stock :</b>		
Finished Goods	6,455,413	-
Stock-in-trade	23,893,220	-
Work-in-progress	30,348,633	-
(Increase )/decrease in Excise Duty on Stocks	<b>4,586,165</b>	-

**NOTE 25 : EMPLOYEE BENEFITS**

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
(i) Salaries, wages and bonus	17,423,066	5,089,211
(ii) Contribution to provident and other funds	795,442	-
(iii) Staff welfare expenses	194,087	-
(iv) Gratuity Fund contributions	-	92,115
<b>TOTAL</b>	<b>18,412,595</b>	<b>5,181,326</b>

**NOTE 26 : FINANCE COST**

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>(a) Interest expense</b>		
(i) Interest on borrowing	12,853,322	-
(ii) Interest on delayed payment of taxes	36,520	-
(iii) Interest on others	937,881	-
<b>(b) Other borrowing costs - Bank/Processing Charges</b>	<b>697,107</b>	<b>6,601</b>
<b>TOTAL</b>	<b>14,524,830</b>	<b>6,601</b>

**NOTE 27 : DEPRECIATION AND AMORTISATION EXPENSES**

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Depreciation for the Year	<b>10,286,510</b>	55,688



**NOTES TO ACCOUNTS** Contd.

**NOTE 28 : OTHER EXPENSES**

	For the year ended 31 March,2016	For the year ended 31 March,2015
Consumption of stores and spare parts	8,257,641	-
Electric & Power	30,439,429	210,500
Fuel & Lubricant	1,716,327	-
Fabric Weaving Expenses	6,813,064	-
Bag Stitching Expenses	13,906,042	-
Bag Printing Expenses	5,866,946	-
Inspection Charges of bags	139,235	-
Printing Ink	7,294,083	-
Lamination Expenses (export)	188,675	-
Repairs & Maintenance ( Plant & Machinery)	1,152,233	-
Packing Materials	180,784	-
Books & Periodicals	38,544	-
Carriage Outward	4,119,239	-
Export Freight , Insurance & other Expenses	2,410,601	-
Rebate,Claim & Discounts	2,382,958	-
Software Consultancy	12,000	-
Content Development Charges	47,500	134,000
Commission on sales	2,330,204	-
Selling and Distribution Expenses	-	2,336,932
Bank Commission	2,734	-
Rent & Service Charges	1,845,821	32,000
Entry Tax	-	-
Professional Tax	7,500	-
Insurance Charges	1,268,518	-
Keyman Insurance	167,673	167,673
Advertisement & Publicity	89,981	54,118
Loss on sale of assets	-	-
Legal & Professional Exp.	1,961,655	351,821
ISI Registration Expenses	31,770	-
Domain Name Registration	82,328	-
Payment to Auditors:	-	-
(i) as Audit Fee	127,725	167,355
(ii) Branch Auditors	-	83,085
(iii) for taxation matters	31,125	28,090
(iv) for Issue of certificates	39,811	22,472
(v) for reimbursement of expenses	5,040	-
Light & Water	518,884	-
Miscellaneous Expenses	838,413	14,320
Staff welfare	95,229	19,375
Postage & Telegrams	178,934	-
Sales Promotion Exp.	93,682	303,541
Sales Tax Demand -2012-13	22,468	-



**NOTES TO ACCOUNTS** Contd.

**NOTE 28 : OTHER EXPENSES**

	For the year ended 31 March,2016	For the year ended 31 March,2015
Diwali Expenses	315,066	-
Hospitality Expenses	302,583	257,203
Charity and Donations	56,000	-
Fees & Taxes	18,175	-
Filing Fees	494,800	20,500
Depository Charges	276,246	146,068
Repairs & Maintenance ( Building )	230,849	-
Repairs & Maintenance ( Others )	143,893	-
Stationery & Printing	287,225	243,042
Subscription	82,290	11,105
Conveyance & Travelling Expenses	843,025	469,645
Foreign Travel	-	316,152
Trunk & Telephone	619,932	636,267
Vehicle Running & Maintenance Expenses.	513,017	-
Excise Duty Provided on stock	241,989	-
Bad debts	1,567,079	177,296,261
Swachh Bharat Cess	2,473	-
Rating Charges	45,800	-
Training Fee	84,978	-
Office Expense	-	1,241,571
Other expenses	1,245,081	-
<b>TOTAL</b>	<b>102,075,297</b>	<b>184,563,096</b>

**NOTE 29 : ADDITIONAL INFORMATION**

	For the year ended 31 March,2016	For the year ended 31 March,2015
Contingent liabilities (refer note 29.1)	20,872,500	-
Capital commitments (refer note 29.2)	-	-

**Note 29.1: Contingent Liabilities**

Particulars Broad names of material consumed	Amt. in Rs. 2016	Amt. in Rs. 2015
1. Performance Guarantee issued by the banker in favour of FCI ARAVALI Gypsum Limited and outstanding	937,500	-
2. General Bond in favour of Assistant Commissioner of Central Excise Division, Udaipur	240,000	-
3. Bond in favour of Assistant/ Deputy Commissioner of Custom, Mundra Port	17,021,000	-
4. Bond in favour of Assistant/ Deputy Commissioner of Custom, Mundra Port	2,674,000	-
<b>Total</b>	<b>20,872,500</b>	<b>-</b>

**Note 29.2: Capital Commitments**

There are no Capital Commitments





**NOTES TO ACCOUNTS** Contd.

**NOTE 30: EARNING PER SHARE (EPS)**

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
(a) Net profit after taxation for the year	(19,778,497)	(178,582,518)
(b) Number of Equity shares for Basic /Diluted EPS	55,900,000	46,000,000
(c) Nominal Value of Equity Shares (in Rupee)	2	2
(d) Basic /Diluted earnings per Equity Share ( in Rupee) (a/b)	(0.35)	(3.88)

**NOTE 31: RELATED PARTY DISCLOSURES**

Disclosure of the relationship and transactions in accordance with Accounting Standard 18- Related Party Disclosures issued by the Institute of Chartered Accountants of India :

A. Name of the Related Parties	Relationship	Transaction Types
Mr. H.K. Turgalia Mrs. Shehnaz D. Ali	Wholetime Director Wholetime Director	Salary i) Salary ii) Keyman Insurance Premium Paid iii) Travel advance given
Mr. Daud Ali Mr. Asad Daud Sat Invest Pvt. Ltd.	Father of Director of Subsidiary Director of Subsidiary Promoter Company & Major Shareholder	i) Fees paid on behalf ii) Unsecured Loan taken iii) Purchases of shares iv) Unsecured Loan repaid
Park Continental Pvt. Ltd.	Shareholder of the Company	i) Unsecured Loan taken ii) Fees paid on behalf iii) Purchases of shares iv) Unsecured Loan repaid
Aeroflex International Limited	Subsidiary	i) Unsecured Loan given ii) Fees paid on behalf iii) Unsecured Loan repaid
Space Age Polymers Pvt. Ltd.	Shareholder of the Company	i) Unsecured Loan taken ii) Unsecured Loan repaid
Genext Students Ltd.	Associate	Share Application Money paid
Lion Houseware Pvt. Ltd.	Group Company	i) Purchase of shares ii) Amount repaid
Dawood Investments Pvt. Ltd.	Shareholder of the Company	i) Purchase of shares ii) Amount repaid
Sah Polymers Ltd.	Subsidiary	i) Fees paid on behalf ii) Unsecured Loan given iii) Purchase of shares iv) Unsecured Loan repaid v) Interest receivable
Safe Polymers Pvt Ltd	Group Company	i) Purchase of shares ii) Amount repaid
Italica Furniture Pvt. Ltd.	Subsidiary	i) Unsecured Loan given



**NOTES TO ACCOUNTS Contd.**

		ii) Purchase of shares iii) Unsecured Loan repaid iv) Interest receivable
PIL Italica Lifestyle Limited	Controlled by father of Director of Subsidiary	i) Loan taken ii) Loan repayment iii) Interest paid

**B. Volume of Transactions**

NATURE	31st March, 2016	31st March, 2015
Remuneration	5,990,295	2,059,000
Keyman Insurance Premium	167,673	167,673
Unsecured Loan Taken	174,560,000	8,750,000
Unsecured Loan Repaid	179,557,596	3,300,000
Purchase of Shares	205,062,850	-
Loan Repayment received	95,256,493	38,052,500
Advance given	107,733,844	20,675,000
Share Application Money Paid	2,800,000	-
Interest Receivable	3,697,761	-
Fees/TDS/ S.A Tax/ Service tax paid	139,925	99,243
Interest paid	955,567	-
Sale of Investment	11,062,640	-
Consultancy Charges	960,000	-
Lease Rent recd.	12,360,803	-

**C. Outstanding Balances at year end**

PARTY	31st March, 2016	31st March, 2015
Park Continental Pvt. Ltd.	(145,226,125)	(25,250,000)
Sat E-Com Ltd.	-	Nil
Dawood Investments Pvt. Ltd.	-	Nil
Shehnaz D. Ali	(110,000)	Nil
Aeroflex International Ltd.	-	Nil
Lion Houseware Pvt. Ltd.	-	18,400,000
Genext Students Ltd.	2,800,000	Nil
Sah Polymers Ltd.	12,975,000	Nil
Space Age Polymers Pvt. Ltd.	-	Nil
Sat Invest Pvt. Ltd.	-	(5,386,957)
Safe Polymers Pvt Ltd	-	Nil
Italica Furniture Pvt. Ltd.	-	9,865,645
Mr Daud Ali	(72,000)	Nil
PIL Italica Polysters Private Ltd	22,391,829	Nil



**NOTES TO ACCOUNTS Contd.**

C. Maximum Balances during the year	31st March, 2016	31st March, 2015
<b>PARTY</b>		
Park Continental Pvt. Ltd.	(160,536,125)	(25,250,000)
Sat E-Com Ltd.	(50,000)	Nil
Dawood Investments Pvt. Ltd.	(5,773,308)	2,400,000
Shehnaz D. Ali	(110,000)	(80,000)
Mr Daud Ali	(72,000)	
Aeroflex International Ltd.	111,000	302,000
Lion Houseware Pvt. Ltd.	19,065,000	18,400,000
Genext Students Ltd.	6,400,000	(500,000)
Sah Polymers Ltd.	22,130,332	Nil
Space Age Polymers Pvt. Ltd.	8,301,566	Nil
Sat Invest Pvt. Ltd.	(70,088,537)	(8,750,000)
Safe Polymers Pvt Ltd.	-	600
Italica Furniture Pvt. Ltd.	25,591,353	10,095,879
PIL Itlica Lifestyle Ltd.	2,425,923	

**NOTE 32: SEGMENT INFORMATION**

As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided as under:

Primary Segments/Secondary Segment

- (a) The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segments constitute the primary segments for disclosure of segment information.
- (b) In respect of secondary segments information, the Company has identified its geographical segments as In India and Outside India. The secondary segment information has been disclosed accordingly.

**Segment Information**

**(i) Business Segment**

PARTICULARS	Amt. in Rs									
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Trading		Manufacturing		Others		Unallocated		Total	Total
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
<b>Segment Revenue</b>										
External Revenue	483,830,756	94,573,984	430,838,896	-	13,247,251	-	-	-	927,916,903	94,573,984
Inter-segment Revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	483,830,756	94,573,984	430,838,896	-	13,247,251	-	-	-	927,916,903	94,573,984
<b>Segment Result</b>	4,057,330	(174,600,458)	(8,732,879)		4,448,769	-	-	-	(226,780)	(174,600,458)
Unallocated Income/ (Expenses) (Net)										
Finance Cost	(372)	(5,181,326)	(12,299,405)	-	(2,225,053)	-	-	-	(14,524,830)	(5,181,326)
Exceptional Items(NET)	-	1,193,418	-	-	(738,310)	-	-	-	(738,310)	1,193,418
Provision for taxes	(7,035,215)	5,848	6,814,263	-	(1,805,888)	-	-	-	(2,026,840)	5,848
Share of Profits in associate companies	-	-	-	-	-	-	-	-	(2,261,737)	-
<b>NET PROFIT</b>	(2,978,257)	(178,582,518)	(14,218,021)	-	(320,482)	-	-	-	(19,778,497)	(178,582,518)
<b>Other Information:</b>										
<b>Segment Assets</b>	424,387,770	82,304,210	264,095,489	-	107,687,626	-	-	-	796,170,885	82,304,210



## NOTES TO ACCOUNTS Contd.

### Segment Information

#### (i) Business Segment

Amt. in Rs

PARTICULARS	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Trading		Manufacturing		Others		Unallocated		Total	Total
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Unallocated Assets	64,969,600	1,307,306	72,212	-	38,431	-	-	-	65,080,243	1,307,306
Total Assets	489,357,370	83,611,516	264,167,701	-	107,726,057	-	-	-	861,251,128	83,611,516
<b>Segment Liabilities</b>	520,072,336	31,990,908	113,048,517	-	8,452,581	-	-	-	641,573,434	31,990,908
Minority Interest	-	-	29,138,550	-	-	-	-	-	29,138,550	-
Unallocated Liabilities	5,727,910	-	10,294,910	-	4,121,207	-	-	-	20,144,027	-
<b>Total Liabilities</b>	525,800,246	31,990,908	152,481,977	-	12,573,788	-	-	-	690,856,011	31,990,908
									170,395,117	51,620,608
<b>Capital Expenditure</b>										
Segment Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Unallocated capital Expenditure	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	-	-	-	-	-	-	-	-
<b>Depreciation and Amortisation</b>										
Segment Depreciation and amortisation	393,682	55,688	7,084,877	-	2,807,951	-	-	-	10,286,510	55,688
Unallocated depreciation and amortisation	-	-	-	-	-	-	-	-	-	-
Total Depreciation and amortisation	393,682	55,688	7,084,877	-	2,807,951	-	-	-	10,286,510	55,688
<b>Significant Non cash Expenditure:</b>										
Segment significant Non cash Expenditure	-	-	-	-	-	-	-	-	-	-
Unallocated non cash Expenditure	-	-	-	-	-	-	-	-	-	-
Total Significant Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-

#### (ii) Geographical Segment

Particulars	India		Outside India		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Segment Revenue	894,068,219	5,245,895	33,849,314	89,328,089	927,917,533	94,573,984
Carrying Cost of segment Assets	796,170,885	82,304,210	-	-	796,170,885	82,304,210
Additions to Fixed Assets and Intangible Assets (net)	212,145,898	34,579	-	-	212,145,898	34,579

#### Other Disclosures:

- Segments have been identified in line with the Accounting Standard on Segment Reporting (AS - 17) taking into account the organisational structure as well as the differential risks and returns of the segments.
- The Company has disclosed business segment as primary segment
- Business Segment and types of products and services
  - Trading
  - Manufacturing
  - Others - residuary
- Inter segment revenue, if any, is recognised at sale price
- The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment allocated on a reasonable basis

Fabrics  
PP Woven Bags and Sacks  
Services including hiring of equipments

**NOTES TO ACCOUNTS Contd.**
**NOTE 33: OTHER DISCLOSURES**

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
(a) Value of imports calculated on CIF basis		
Capital goods	2,706,771	-
Raw Material	-	-
(b) Expenditure in Foreign Currency :		
UAE Branch	-	108,439,085
UAE Subsidiary	-	158,891,987
Commission on Sale	590,367	-
Foreign Travelling	41,158	-
(c) Earning in Foreign Exchange		
UAE Branch	-	89,328,089
UAE Subsidiary	-	1,242,952
FOB Value of Export	32,950,779	-
(d) Value of raw materials and spare parts consumed		
Raw materials		-
Imported - 0%	-	-
Indigenous - 100%	320,386,872	-
Spare Parts		
Imported - 0%	-	-
Indigenous - 100%	8,257,641	-

**NOTE 34:**

During the year, the holding company has acquired the following subsidiaries and Associated Companies . Accordingly, the Consolidated Accounts are prepared including these companies in accordance with the AS - 21 - Consolidated Financial Statements read with the provisions of the Companies Act 2013	% Holding	TYPE
SAT Industries Ltd	-	Holding Company
Sah Polymers Ltd	79.47%	Subsidiary Company
Itlaica Furniture Pvt Ltd	100%	Wholly owned Subsidiary
Aeroflex Internatinal Ltd	100%	Wholly owned Subsidiary
Genext Students Ltd	39.23%	Associate Company

8521430 Equity Shares of Sah Polymers Ltd representing 60.03% were acquired on 01/07/2015 and the said company became the subsidiary of the company w.e.f. 01/07/2015. Subsequently 2760715 Equity Shares were further acquired representing 19.44% on 23/03/2016 holding in the said subsidiary aggregating to 79.47%

1421785 Equity Shares of Itlaica Furniture Pvt Ltd representing 68.29% were acquired on 01/07/2015 and the said company became the subsidiary of the company w.e.f. 01/07/2015. Subsequently 63333 Equity Shares representing 3.04% and 597000 Equity Shares representing 28.67% capital of the company were acquired on 30/11/2015 and 23/03/2016 respectively. Itlaica Furniture Pvt Ltd is thus a wholly owned subsidiary w.e.f. 23/03/2016

1000000 Equity Shares of Aeroflex International Ltd representing 100% Shareholding were acquired on 30/11/2015 and accordingly the said company became a subsidiary of the holding company w.e.f. 30/11/2015

600000 Equity Shares of Genext Students Ltd representing 35.40% were acquired on 29/05/2015 and subsequently 64797 3.83% Equity Shares representing 3.83% were acquired on 30/11/2015. The company is an associated company of the holding company w.e.f. 29/05/2015



**NOTES TO ACCOUNTS Contd.**

**NOTE 35:**

The consolidated figures for the current year are not comparable with the previous year as the above companis (refer note. 34) became the subsidiary/associate company for the first time during the current year as compared to previous year. The Business Operations of subsidiary company i.e. SAT Middle East Limited, UAE have been discontinued and therefore, the consolidated financial statements does not include such company.

**NOTE 36:**

The outstanding balances of Debtors, Creditors, Loans and advances either debit or credit are subject to confirmation by the parties.

**NOTE 37**

In the opinion of the management and to the best of their knowledge and belief the value on realisation of loans, advances and other current assets in the ordinary course of the business shall not be less than the amount at which they are stated in Balance Sheet. Further provisions have been made for all known and accrued liabilities.

**NOTE 38**

The balance sheet of the Company has been prepared as per Schedule III of the Companies Act, 2013. The figures of previous year have been regrouped/ rearranged and / or recast wherever found necessary.

**NOTE 39**

Disclosure relating to amount outstanding at year end and Maximum outstanding during the year of Loans and Advances, in nature of loan, required as per Clause 32 of the Listing Agreement, are given below:

	<b>For the year ended 31 March, 2016</b>	<b>For the year ended 31 March, 2015</b>
Subsidiary:		
Sah polymers Ltd	12,975,000	-
Maximum Balance	22,130,332	-
Italica Furniture Pvt. Ltd.	-	-
Maximum Balance	25,591,353	-
Aeroflex International Ltd.	-	Nil
Maximum Balance	111,000	302,000
Shareholder of the Company:		
Park Continental Pvt. Ltd.	(145,226,125)	25,250,000
Maximum Balance	(160,536,125)	25,250,000
Dawood Investments Pvt. Ltd.	-	Nil
Maximum Balance	(5,773,308)	2,400,000
Group Company:		
Lion Houseware Pvt. Ltd.	-	18,400,000
Maximum Balance	19,065,000	18,400,000

**NOTE 40**

The Company's subsidiaries are audited by other auditors for the financial year ended on 31st March, 2016.

**NOTE 41**

During the previous year the Company has closed its operation of foreign branch and there will be no further activities carried out in the future as per the management.





**NOTES TO ACCOUNTS** Contd.

**NOTE 42:**

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates

Name of Enterprises	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit/(Loss)	
	As a % of Consolidated Net Assets	Amount (Rs)	As a % of Consolidated Profit / (Loss)	Amount (Rs)
<b>Parent</b>				
Sat Industries Ltd.	64.55	96,326,587	15.06	(2,978,257)
<b>Subsidiaries</b>				
<b>Indian</b>				
Italica Furniture Private Limited	53.43	79,723,561	-7.64	1,511,400
Aeroflex International Limited	5.67	8,463,707	9.26	(1,831,882)
Sah Polymers Limited	94.37	140,824,274	71.89	(14,218,021)
<b>Associates</b>				
Genext Student Limited	7.50	11,185,453	0.00	-
Subtotal		336,523,582		(17,516,760)
Inter-Company Elimination & Consolidation Adjust.	(145.049)	(216,442,016)	-	-
Grand Total		120,081,566		(17,516,760)
Minority Interest in Subsidiaries	19.527	29,138,550	-	-
Share of Profit/ (Loss) in Associate	-	-	-	(2,261,737)
<b>TOTAL</b>	100.00	149,220,116	100.00	(19,778,497)

As per our Audit Report of even date attached

For R. Kabra & Co.

For and on behalf of the Board

Chartered Accountants

FRN: 104502W

Deepa Rathi

Partner

M No.: 104808

Place : Mumbai

Date : 30 May 2016

Shehnaz D. Ali

Wholetime Director

DIN - 00185452

H.K Turgalia

Wholetime Director

DIN -00049544

Alka P. Gupta

Company Secretary

Mem.No. A35442

## AUDITOR'S REPORT

### Independent Auditor's Report To the Members of SAT Industries Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of SAT INDUSTRIES LIMITED, which comprise the Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss and Cash Flow Statements for the year then ended 31st March, 2016, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- in the case of the Statement of Profit and Loss, of the profit (before taxes) for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### 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 Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- As required by section 143(3) of the Act, we report that:
  - 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.
  - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - 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"; and
  - With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - The Company does not have any pending litigations which would impact its financial position.
    - The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For and on behalf of R. Kabra & Co.  
Chartered Accountants  
Registration No.104502W

(Deepa Rathi)  
Partner

Place: Mumbai  
Date: 30th May 2016

M. Ship No.104808

**ANNEXURE TO AUDITOR'S REPORT  
(Referred to in our report of even date)**

"Annexure A" referred to in Point 1 of the Auditor's Report of even date to the members of **Sat Industries Limited for the year ended 31st March 2016.**

On the basis of such check as we considered appropriate and in terms of the information and explanations given to us during the course of the audit, we state as under:

- i) (a) The company is in the process of maintaining proper records showing full particulars, including quantitative details and situation of fixed assets and is under updation.  
(b) According to the information and explanation given to us, these fixed assets have been physically verified by the management at reasonable intervals in terms of the phased program of verification adopted by the company but we cannot comment on the material discrepancies noticed since the fixed assets register is under updation.
- c) Clause i c is not applicable since there are no immovable property held by the company.
- ii) (a) As per the information and explanations given to us, the inventories (excluding which are in transit & stock lying with third parties) have been physically verified during the year by the management and no material discrepancies were noticed during such verification. In our opinion and having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- iii) (a) In our opinion and according to the information and explanations given to us the company has not granted any secured or unsecured loans except for business purposes to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act and therefore clause iii b and iii c of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and security, the provisions of sections 185 and 186 of the Act have been complied with.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits except inter corporate deposits. Therefore, the compliance with respect to directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the company being inter corporate deposit are exempt under Rule 3 Chapter V of the Companies Act 2013.
- vi) Clause vi is not applicable for the maintenance of cost records since the company is currently into trading.
- vii) (a) According to information and explanation given to us and the records examined by us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory

dues to the appropriate authorities. There were no undisputed dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there were no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute
- viii) Clause viii is not applicable since the company has not taken any loan or borrowing from the financial institutions, Banks & Government.
- ix) Clause ix is not applicable since the company has not raised any term loan during the year & neither any public deposit.
- x) During the course of our examination of the books and records of the company carried in accordance with the generally accepted auditing practices in India ad according to the information and explanations given to us, no fraud by the company or 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 managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) Since the company is not a nidhi company, clause xii of para 3 of the Order is not applicable to the Company.
- xiii) In our opinion, and based on such checks as we considered appropriate, all the transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, etc as required by the applicable Accounting Standards.
- xiv) The company has made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) In our opinion, and based on such checks as we considered appropriate, and according to the information and explanations given to us, the company has not entered in to any non-cash transactions with directors or persons connected with them.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934.

**For R.KABRA & CO.**  
**Chartered Accountants**  
**(Firm Registration No.104502W)**

**(DEEPA RATHI)**  
**Partner**

**Place : Mumbai**  
**Dated: May 30, 2016**

**Membership No. 104808**

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT  
OF SAT INDUSTRIES LIMITED**

Annexure referred to in Point 2(f) of the Auditor's Report of even date to the members of **SAT INDUSTRIES LIMITED** for the year ended 31st March 2016.

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

We have audited the internal financial controls over financial reporting of SAT INDUSTRIES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 Act.

**Auditors' 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 ICAI 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. 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 unauthorized 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 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, 2016, 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 and on behalf of  
R. Kabra & Co.  
Chartered Accountants  
Registration No.104502W**

**(DEEPA RATHI)  
Partner**

**Place : Mumbai  
Dated: May 30, 2016**

**Membership No. 104808**





**BALANCE SHEET AS AT 31st MARCH, 2016**

Particulars	Note No	As at 31st March 2016	As at 31st March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
a. Share Capital	1	111,800,000	92,000,000
b. Reserves and Surplus	2	(15,473,413)	(42,395,155)
c. Amount Received Against Share Warrant	3	21,175,000	2,100,000
<b>(2) Non-Current Liabilities</b>			
a. Long Term Borrowings		-	-
b. Deferred tax Liability	10	4,927,910	-
<b>(3) Current Liabilities</b>			
a. Short-term borrowings	4	151,492,725	30,636,957
b. Trade Payable	5	356,951,687	-
b. Other current liabilities	6	11,621,283	1,016,807
c. Short-term provisions	7	806,641	92,115
<b>Total</b>		<b>643,301,833</b>	<b>83,450,724</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
a. Fixed assets			
(i) Tangible assets	8	15,928,759	60,230
b. Non-current investments	9	223,973,910	5,001,000
c. Deferred tax assets (net)/ Liability	10	-	1,307,306
d. Long term loans and advances	11	6,679,253	7,890,300
<b>(2) Current assets</b>			
a. Trade receivables	12	351,665,571	3,611,918
b. Cash and cash equivalents	13	34,461,528	35,156,184
c. Short-term loans and advances	14	10,592,812	30423786
Significant Accounting Policies & Notes to Accounts	1 to 29		
<b>Total</b>		<b>643,301,833</b>	<b>83,450,724</b>

As per our report of even date

For R. Kabra & Co.

Chartered Accountants

FRN: 104502W

For and on behalf of the Board

Deepa Rathi

Partner

M No.: 104808

Place : Mumbai

Date : 30-05-2016

Shehnaz D. Ali

Wholetime Director

DIN NO :00185452

H.K Turgalia

Wholetime Director

DIN NO :00049544

Alka P. Gupta

Company Secretary

MEM NO. A35442



**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	Note No	As at 31st March 2016	As at 31st March 2015
Revenue from operations	15	479,262,451	90,144,417
Other Income	16	4,568,305	3,186,615
<b>I. Total Revenue</b>		<b>483,830,756</b>	<b>93,331,032</b>
Expenses:			
Purchase of Stock-in-Trade		471,657,622	84,549,057
Employee benefit expense	17	3,885,890	4,226,612
Financial costs	18	372	6,601
Depreciation and amortization expense	8	393,682	55,688
Other expenses	19	3,836,232	26,625,823
<b>II. Total Expenses</b>		<b>479,773,798</b>	<b>115,463,781</b>
III. Profit before exceptional and extraordinary items and tax	(I-II)	4,056,958	(22,132,749)
IV. Exceptional Items			
Diminution in Value of Investments		-	(116,711,723)
Foreign Currency Exchange Fluctuation		-	1,193,418
V. Profit before extraordinary items and tax	(III-IV)	4,056,958	(137,651,054)
VI. Tax expense:			
(1) Current tax		800,000	-
(2) Deferred tax Liability / (Asset)		6,235,215	(5,848)
VII. Profit/(Loss) for the period	(V-VI)	(2,978,257)	(137,645,206)
VIII. Earning per equity share:			
(1) Basic		(0.053)	(2.992)
(2) Diluted		-	-
Significant Accounting Policies & Notes to Accounts	1 to 29		

As per our report of even date

For R. Kabra & Co.

Chartered Accountants

FRN: 104502W

For and on behalf of the Board

Deepa Rath

Partner

M No.: 104808

Place : Mumbai

Date : 30-05-2016

Shehnaz D. Ali

Wholetime Director

DIN NO :00185452

H.K Turgalia

Wholetime Director

DIN NO :00049544

Alka P. Gupta

Company Secretary

MEM NO. A35442





**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2016**

Particulars	(Amount in ₹)	
	Year ended 31-03-2016	Year ended 31-03-2015
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	4,056,958	(137,651,054)
Adjustments for :		
Depreciation	393,682	55,688
Profit on sale of Fixed Assets	-	(7,477)
Provision for dimution on investment	-	116,711,723
Foreign Currency Exchange Fluctuation	-	(1,193,419)
interest exp	372	6,601
interest income	(4,568,305)	(1,461,203)
Income from dividend	-	(56,906)
Income from mutual fund investments	-	(19,728)
Creditors dues not payable	-	(1,641,301)
Loss on sale of Investments	95,229	-
Operating Profit before working capital changes	(22,064)	(25,257,076)
Adjustments for :		
Trade Receivables	(348,053,653)	18,618,075
Trade Payables	356,951,687	(125,502)
Short Term Provisions	714,526	92,115
Short term loans and advances	19,830,974	
Short term borrowing	120,855,768	
Other Current Liabilities	-	
Cash Generated from Operations	150,277,238	(6,559,387)
Direct Taxes Paid	-	-
Net Cash Flow from Operating Activities	150,277,238	(6,559,387)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(16,262,211)	(34,579)
Sale of Fixed Assets	-	7,477
Purchase of Investments	(223,973,910)	(4,980,272)
Dividend received	-	56,906
interest income	4,568,305	1,461,203
Sale of Investments	4,904,771	-
<b>Net inflow/(outflow) in Investing Activities</b>	<b>(230,763,045)</b>	<b>(3,489,265)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount received against share warrant	19,075,000	2,100,000
Issue of Shares	49,700,000	14,542,500
		(5,539,429)
		30,636,957
Proceeds from Long Term Advances	1,211,047	7,224,742
interest expense	(372)	(6,601)
Repayment of Long-term borrowings	-	(7,981,301)
<b>Net inflow/(outflow) in Financing Activities</b>	<b>69,985,675</b>	<b>40,976,868</b>
<b>Foreign Exchange Translation Reserve Adjustment</b>	<b>-</b>	<b>(1,914,130)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C+D)</b>	<b>(694,656)</b>	<b>32,842,346</b>
Cash and Cash equivalents at the beginning	35,156,184	2,313,838
Cash and Cash equivalents at the close	34,461,528	35,156,184

Note: 1) Previous years figures have been regrouped, rearranged to make them comparable.  
2) Cash Flow Statement has been prepared on 'Indirect Method'

As per our report of even date

For R. Kabra & Co.

Chartered Accountants

FRN: 104502W

For and on behalf of the Board

Deepa Rath

Partner

M No.: 104808

Place : Mumbai

Date : 30-05-2016

Shehnaz D. Ali

Wholetime Director

DIN NO :00185452

H.K Turgalia

Wholetime Director

DIN NO :00049544

Alka P. Gupta

Company Secretary

MEM NO. A35442



## Notes To Accounts

### NOTE 1: SHARE CAPITAL

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity Shares of 2/- each	75,000,000	150,000,000	50,000,000	100,000,000
	75,000,000	150,000,000	50,000,000	100,000,000
<b>Issued</b>				
Equity Shares of 2/- each fully paid up	55,900,000	111,800,000	46,000,000	92,000,000
<b>Total</b>	55,900,000	111,800,000	46,000,000	92,000,000

#### Note 1.1

##### Reconciliation for No. of shares outstanding during the year

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Amt	No. of Shares	Amt
Shares outstanding at the beginning of the year	46,000,000	92,000,000	39,075,000	78,150,000
Shares Issued during the year	9,900,000	19,800,000	6,925,000	13,850,000
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>55,900,000</b>	<b>111,800,000</b>	<b>46,000,000</b>	<b>92,000,000</b>

#### Note 1.2

##### Details of shareholders holding more than 5%

Name of Shareholder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Sat Invest Private Limited	26,235,000	46.93%	19,335,000	42.03%
2. Dawood Investment Private Limited	7,209,350	12.90%	7,209,350	15.67%
3. Space Age Polymers Private Limited	6,169,455	11.04%	6,169,455	13.41%

### Note 2 : RESERVES AND SURPLUS

Particulars	As at 31 March 2016	As at 31 March 2015
<b>a. General Reserves</b>		
Opening Balance	4,739,577	4,800,254
(+) Current Year Transfer	Nil	Nil
(-) Depreciation Impact due to change in the method to useful life	Nil	60,677
<b>Closing Balance</b>	<b>4,739,577</b>	<b>4,739,577</b>
<b>b. Securities Premium Account</b>		
Opening Balance	60,092,500	59,400,000
Add : Securities premium credited on Share issue	29,900,000	692,500
<b>Closing Balance</b>	<b>89,992,500</b>	<b>60,092,500</b>
<b>c. Foreign Currency Translation Reserve</b>		
Opening Balance	-	14,590,508



## Notes To Accounts (Contd.)

### Note 2 : RESERVES AND SURPLUS

Particulars	As at 31 March 2016	As at 31 March 2015
(-) Written Back in Current Year	-	(14,590,508)
(+) Current Year Transfer	-	-
<b>Closing Balance</b>	-	-
<b>d. Capital Reserve (Reserve created on forfeiture of share warrants)</b>		
Opening balance	33,825,000	33,825,000
(+) Current Year Transfer	-	-
<b>Closing Balance</b>	33,825,000	33,825,000
<b>e. Surplus</b>		
Opening balance	(141,052,232)	(3,405,723)
(+) Net Profit/(Net Loss) For the current year	(2,978,257)	(137,645,206)
(+) Short/Excess Provision for Income Tax	-	(1,303)
<b>Closing Balance</b>	(144,030,490)	(141,052,232)
<b>Total</b>	(15,473,413)	(42,395,155)

The Foreign Currency Translation Reserve was pertaining to foreign branch which was considered as Non-integral operations and since the company has closed the operations of foreign branch during the previous year therefore Foreign Currency Translation Reserve pertaining to the same has been appropriated to Profit & Loss A/c during the previous year.

### NOTE 3 : AMOUNT RECEIVED AGAINST SHARE WARRANTS AND CONVERSION INTO SHARES

Particulars	As at 31 March 2016	As at 31 March 2015
<b>A) Share warrants</b>		-
(1,80,00,000 warrants issued as on 9th Dec 2015)		
Opening Balance	Nil	-
Add: 25% advance received for 1,80,00,000 warrants	31,500,000	-
Add: 75% balance for 59,00,000 warrants out of 1,80,00,000 warrants	30,975,000	-
Less: 59,00,000 Warrants Converted during the year	41,300,000	-
<b>A</b>	21,175,000	-
<b>B) Share Warrants ( 40,00,000 warrants issued as on 21st July 2014)</b>		
Opening balance	2,100,000	-
Add: 75% balance received	6,300,000	2,100,000
Less: 40,00,000 Converted during the year	8,400,000	-
<b>B</b>	-	-
<b>Total</b>	<b>A+B</b> 21,175,000	2,100,000



## Notes To Accounts (Contd.)

### Note 3.1:

The company has issued 1,80,00,000 convertible warrants on 9th December 2015 as per below chart which are convertible into equity shares of Rs.2/- each at a premium of Rs.5/- per share within 18 months from the date of allotment

Name of the allottee	Category	Face value	Issue Price	Number of warrants	25% advance amount received
1) M/s Sat invest pvt. Ltd	Promoter	2	7	15000000	26250000
2) Mr. Lalit Kabra	Non-Promoter	2	7	1500000	2625000
3) Ms. Preeti Kabra	Non-Promoter	2	7	1500000	2625000
				Total	3,15,00,000

### Note 3.2:

On 25th Feb 2016 59,00,000 warrants are converted into shares out of 1,80,00,000 warrants issued as under

Name of allottee	Category	No. of warrants converted into equity	Balance 75% amount received
1) M/s Sat invest pvt. Ltd	Promoter	29,00,000	1,52,25,000
2) Mr. Lalit Kabra	Non-Promoter	15,00,000	78,75,000
3) Ms. Preeti Kabra	Non-Promoter	15,00,000	78,75,000
		Total	3,09,75,000

### Note 3.3:

The balance 1,21,00,000 warrants are pending out of 1,80,00,000 convertible warrants and 25% advanced is received on the same and the balance is receivable before 8th June 2017 to be converted into equity shares within 18 months from the date of issue of share warrants.

### Note 3.4:

On 2nd May 2015 40,00,000 Warrants were converted in to shares These warrants were issued on 21st July 2014 at Rs. 2.10/- face value of Rs.2/- and premium of Rs. 0.10/- each

## NOTE 4 : SHORT TERM BORROWINGS

Particulars	As at 31 March 2016	As at 31 March 2015
<b>InterCorporate Deposits</b>		
a. Loans from related parties		
1. Sat Invest Private Limited	-	5,386,957
2. Park Continental Private Limited	151,492,725	25,250,000
<b>Total</b>	<b>151,492,725</b>	<b>30,636,957</b>

### Note 4.1:

The above loans taken are interest free and repayable on demand basis and subject to confirmation.



## Notes To Accounts (Contd.)

### NOTE 5 : TRADE PAYABLE

Particulars	As at 31 March 2016	As at 31 March 2015
sundry creditors		
Due to SME	-	
Due to others	356,951,687	-
<b>Total</b>	<b>356,951,687</b>	<b>-</b>

#### Note 5.1:

The above loans taken are interest free and repayable on demand basis and subject to confirmation.

#### Note 5.2:

##### Micro and medium scale business entities.

The company is in process of compiling relevant information from it's suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since the relevant information is not readily available, no disclosure have been made in the accounts. However, in view of the management, the impact of interest, if any, that must be payable in accordance with the provisions of this Act is not expected to be material.

### NOTE 6 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2016	As at 31 March 2015
a. Salary Payable	332,664	302,365
b. Other Liabilities		
i) Provision for outstanding Expenses	55,907	46,743
ii) Provision for audit fees	226,860	112,360
iii) TDS Payable	12,006	10,469
iv) Kahan Advertising	-	25,342
v) R. Kabra & Co.	422,573	427,341
vi) Adv. Rishabh Shah	27,000	27,000
vii) Link Intime India Pvt. Ltd.	38,080	65,187
c. overdrawn balance of bank Kotak Mahindra Bank	10,506,193	-
<b>Total</b>	<b>11,621,283</b>	<b>1,016,807</b>

### NOTE 7 : SHORT TERM PROVISIONS

Particulars	As at 31 March 2016	As at 31 March 2015
a. Provision for Gratuity	6,641	92,115
b. Provision for income tax	800,000	
<b>Total</b>	<b>806,641</b>	<b>92,115</b>

**Notes To Accounts (Contd.)**

<b>NOTE : 8 FIXED ASSETS</b>									
<b>Fixed Assets</b>	<b>Gross Block</b>			<b>Accumulated Depreciation</b>			<b>Net Block</b>		
	Balance as at 1st April 2015	Additions	Balance as at 31st Mar 2016	Balance as at 1st April 2015	Depreciation charge for the year	Deduction	Balance as at 1st April 2015	Balance as at 31st Mar 2016	Balance as at 31st Mar 2016
Tangible Assets									
Computers	357,835	15,000	372,835	310,783	39,310	-	47,052	350,093	22,742
Furniture and Fixtures	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-
Office equipment	156,449	44,200	200,649	143,271	17,444	-	13,178	160,715	39,934
Machinery - Under operating lease	-	9,416,234	9,416,234	-	249,724	-	-	249,724	9,166,510
Mould - Under operating lease	-	6,786,777	6,786,777	-	87,204	-	-	87,204	6,699,573
<b>Current Year Total</b>	<b>514,284</b>	<b>16,262,211</b>	<b>16,776,495</b>	<b>454,054</b>	<b>393,682</b>	<b>-</b>	<b>60,230</b>	<b>847,736</b>	<b>15,928,759</b>
<b>Previous Year Total</b>	<b>540,382</b>	<b>34,579</b>	<b>514,284</b>	<b>398,366</b>	<b>55,688</b>	<b>-</b>	<b>142,016</b>	<b>454,054</b>	<b>60,230</b>

1. In the opinion of management, there is no impairment of fixed assets as prescribed in the accounting standard (AS-28) on impairment of assets.
2. The Company's depreciation method has changed to Useful Life Method as per the Companies Act 2013 for all the assets.
3. Pursuant to the enactment of Companies Act, 2013, during the previous year Company has applied the estimated useful lives as specified in Schedule II as disclosed in Accounting Policy on depreciation. Accordingly during the previous year amount of Rs. 60,677/- is adjusted in the opening balance of General Reserve for those assets whose lives are expired as at 1st April 2014.



## Notes To Accounts (Contd.)

### Note 9: NON CURRENT INVESTMENTS

#### (A) Quoted (at cost)

##### 1 Investments in units of Mutual Funds

Particulars	As on 31, March 2016		As on 31, March 2015	
	No of units	At cost	No of units	At cost
HDFC GILT Long Term	-	-	Nil	2,500,000
Kotak GILT Investment Regular	-	-	Nil	2,500,000
<b>Total (A)</b>	-	-	Nil	5,000,000

#### (B) Unquoted (at cost)

##### 1 Investments in Equity Instruments

Particulars	As on 31, March 2016		As on 31, March 2015	
	No of units	At cost	No of units	At cost
Middle East Limited (Shares of AED 94520 each)	100	116,712,723	100	116,712,723
Less: Provision for diminution in value of Investment written off during the previous year	-	(116,711,723)	-	(116,711,723)
Less: balance amount W/off to P&L		(1,000)		
Areoflex Industries Ltd (Shares of Rs. 10/- each)	999,500	3,463,756	-	-
Aeroflex International Ltd. (Shares of Rs. 10/- each)	1,000,000	10,000,000	-	-
Genext Students Ltd. (Shares of Rs. 10/- each)	664,979	6,649,790	-	-
Italica Furniture Pvt. Ltd. (Shares of Rs. 10/- each)	2,082,118	79,717,484	-	-
Sah Polymers Ltd. (Shares of Rs. 10/- each)	11,282,145	121,342,880		
<b>Total (B)</b>	<b>16,028,842</b>	<b>221,173,910</b>	<b>100</b>	<b>1,000</b>

#### (C) Investment in Share Application Money

Particulars	As at 31 March 2016	As at 31 March 2015
Genext Students Ltd.	2,800,000	-
<b>Total</b>	<b>2,800,000</b>	<b>-</b>

<b>TOTAL INVESTMENTS (A+B+C)</b>	223,973,910	5,001,000
<b>Aggregate amount of Quoted Investments</b>	-	Nil
<b>Market value of the Quoted Investments</b>	-	Nil
<b>Aggregate amount of Unquoted Investments</b>	221,173,910	1,000
<b>Aggregate provision for diminution in value of investments</b>	116,712,723	Nil
<b>Aggregate of Investment in Share Application Money</b>	2,800,000	Nil

Note: The business operations of subsidiary company i.e. SAT Middle East Limited, UAE have been discontinued during the previous year due to huge losses as per the management and therefore, the Company has provided for diminution in value of Investments to the extent of Rs. 11,67,11,723/- during the previous year and remaining Rs. 1000/- provided for diminution in value of Investments in the current year.



## Notes To Accounts (Contd.)

### NOTE 10 : DEFERRED TAX ASSETS

Particulars	As at 31 March 2016	As at 31 March 2015
Opening Balance	1,307,306	1,307,306
<b>Deferred tax liability</b>		
Depreciation	(4,927,909)	-
<b>Deferred tax assets</b>		5,848
Depreciation		
Less: Deferred Tax Asset created on losses now reversed	(1,307,306)	5,848
Net amount charged to Profit & Loss	(6,235,215)	
<b>Total</b>	<b>(4,927,909)</b>	<b>1,307,306</b>

#### Note 10.1

Deferred tax asset is recognised only when there is a virtual certainty of earning profits in the future periods.

### NOTE 11 :LONG TERM LOANS & ADVANCES

Particulars	As at 31 March 2016	As at 31 March 2015
a. Security Deposits	40,750	40,300
b. <u>Loans and Advances</u>		
Unsecured considered good		
1. Ali Asgar Kagzi	850,000	850,000
2. Noble Project India Pvt. Ltd.	-	2,000,000
3. Salma F. Attari	3,000,000	3,000,000
4. Huzaifa Suterwala	1,000,000	1,000,000
5. Samina H. Suterwala	1,000,000	1,000,000
6. Taizhou Bona Mould Co. Ltd.	748,503	-
7. Bombay Dyes	40,000	-
<b>Total</b>	<b>6,679,253</b>	<b>7,890,300</b>

#### Note 11.1

The company has given long term loans and advances which are interest free and subject to confirmation.



## Notes To Accounts (Contd.)

### NOTE 12 :TRADE RECEIVABLES

Particulars	As at 31 March 2016	As at 31 March 2015
Trade receivables outstanding for a period less than six months Unsecured, considered good (Refer Note 12.1)	348,053,653	-
	348,053,653	-
Trade receivables outstanding for a period exceeding six months Unsecured, considered good	3,611,918	3,611,918
	3,611,918	3,611,918
<b>Total</b>	<b>351,665,571</b>	<b>3,611,918</b>

#### NOTE 12.1

The total outstanding of sundry debtors as on year end is Rs. 35,16,65,571/- (P.Y. Rs. 36,11,918). During the previous year foreign branch debtors have been completely written off due to non recoverability as per the management and have been relied upon by as per the verification of the local foreign auditor. Further as per the management there is no provision for doubtful debts done, because as per the management the amounts are recoverable. All the sundry debtors are subject to confirmation.

### NOTE 13 :CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2016	As at 31 March 2015
a. Balances with banks		
With Schedule banks	2,904,108	18,543,277
FDR with Ratnakar Bank	9,000,000	6,600,000
FDR with HDFC Bank	9,990,000	-
FDR with Kotak Mahindra Bank	12,490,000	10,000,000
b. Cash on hand (As been Certified by Managment)	77,420	12,907
<b>Total</b>	<b>34,461,528</b>	<b>35,156,184</b>



## Notes To Accounts (Contd.)

### NOTE 14 :SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2016	As at 31 March 2015
a. Advances to Employees	240,000	199,000
b. FBT receivable		
A.Y. 2005-06	3,000	3,000
A.Y. 2007-08	15,989	15,989
c. TDS Advance payment - A.Y. 2010-11	152,250	152,250
TDS Advance payment - A.Y. 2013-14	12,245	12,245
TDS Advance payment - A.Y. 2014-15	16,328	16,328
TDS Advance payment - A.Y. 2015-16	162,742	162,742
TDS Advance payment - A.Y. 2016-17	459,171	
TDS Advance payment - Udaipur Branch	66,974	-
d. Excise Duty - Udaipur Branch	584,631	-
Excise Duty Advance - Udaipur Branch	1,001,417	-
e. PUG Securities Pvt. Ltd.	11,158	11,158
f. Bona Mould co. ltd (Advance paid against supply of moulds)	-	1,301,306
g. Interest Accrued But Not Due	901,907	284,123
h. Related Party		
Lion Houseware Pvt. Ltd. (Note 14.1)	-	18,400,000
Italica Furniture Pvt. Ltd.(Note 14.2)	6,965,000	9,865,645
<b>Total</b>	<b>10,592,812</b>	<b>30,423,786</b>

#### Note 14.1:

During the previous year the Company has advanced / adjusted a sum of Rs. 1.84 crore to Lion Houseware Private Limited towards advance money for purchase of shares of Sah Polymers Limited which was as per the Special Resolution dated 01/10/2014 pursuant to section 110 of the Companies Act 2013 for Postal Ballot and the necessary formalities including transfer of shares were pending subject to final payment during the previous year which is done during the current year as on 31st March 2016.

#### Note 14.2

The advance to another related party i.e.Italica Furniture Private Limited of Rs.69.65 lacs ( p.y. is given against supply of machine & moulds Rs. 98.65 lacs & 15% interest rate is charged on the advance given). In the opinion of management, the same is good of recovery and given out of business prudence on arms length principles.

### NOTE 15 :REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Local Sales		
i) Product (Fabric)	476048951	-
ii) Services		
a) Income from content development	-	816,328
b) Income from clearing & forwarding charges	2563500	-
c) Income from Equipment uses charges	650000	-
Overseas Branch Sales [( C.Y. Nil) (P.Y. AED 53,75,705)]	-	89,328,089
<b>Total</b>	<b>479,262,451</b>	<b>90,144,417</b>



**Notes To Accounts (Contd.)**

**NOTE 16 : OTHER INCOME**

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Income from Interest	4,568,305	1,461,203
Income from Dividend	-	56,906
Income from Mutual Fund Investments	-	19,728
Creditors Dues not payable	-	1,641,301
Profit on sale of Assets (UAE Branch)	-	7,477
<b>Total</b>	<b>4,568,305</b>	<b>3,186,615</b>

**NOTE 17 : EMPLOYEE BENEFITS**

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Salary & Bonus	3,859,445	4,115,122
Gratuity fund contributions	6,641	92,115
Staff Welfare	19,804	19,375
<b>Total</b>	<b>3,885,890</b>	<b>4,226,612</b>

**NOTE 18 : FINANCE COST**

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest expense	-	-
Bank Charges and Commission	372	6,601
<b>Total</b>	<b>372</b>	<b>6,601</b>



## Notes To Accounts (Contd.)

### NOTE 19 : OTHER EXPENSES

Particulars	As at 31 March 2016	As at 31 March 2015
Payment to Auditor as:		
a. Statutory auditor	85,875	84,270
b. Branch auditors	-	83,085
c. for taxation matter	28,625	28,090
d. for Filing Fees	-	-
e. Certification	39,811	22,472
Advertisement and Publicity	65,317	54,118
Bad Debts	-	19,878,302
Business Promotion Exp.	79,921	303,541
Content Development Charges	-	134,000
Conveyance Expenses	111,582	145,214
Depository Charges	276,246	146,068
Electricity Expenses	250,110	210,500
Filing Fees	494,800	20,500
Foreign Travel	-	316,152
Hospitality Expenses	302,583	257,203
Insurance Expenses	37,372	-
Keyman Insurance	167,673	167,673
Loss on sale of investment	95,229	-
Membership and subscriptions	9,052	11,105
Office Expenses	457,959	824,717
Printing/Stationery Expenses	122,383	243,042
Professional Charges	568,604	351,821
Rent	24,000	32,000
Selling & Distribution expenses	-	2,336,932
Telephone & Communication Expenses	341,027	636,267
Travelling Expenses	277,063	324,431
dimunition in balance of investment w/off	1,000	
Miscellaneous Expense	-	14,320
<b>Total</b>	<b>3,836,232</b>	<b>26,625,823</b>

### NOTE 20

The outstanding balances of Debtors, Creditors, Loans and advances either debit or credit are subject to confirmation by the parties.

### NOTE 21

As per the opinion of the Management, the creditors outstanding in the balance sheet to whom the Company owes dues on account of principal amount together with interest do not fall in the category of Micro, Small & Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, and accordingly no additional disclosures have been made by the management. In the absence of confirmation from the creditors and based on the management explanation as above the facts are relied upon by us.



## Notes To Accounts (Contd.)

### NOTE 22

In the opinion of the management and to the best of their knowledge and belief the value on realisation of loans, advances and other current assets in the ordinary course of the business shall not be less than the amount at which they are stated in Balance Sheet. Further provisions have been made for all known and accrued liabilities.

### NOTE 23 : Related Party Transactions

Disclosure of the relationship and transactions in accordance with Accounting Standard 18- Related Party Disclosures issued by the Institute of Chartered Accountants of India :

Name of the Related Parties	Relationship	Transaction Types
Mr. H.K. Turgalia	Wholetime Director	Salary
Mrs. Shehnaz D. Ali	Wholetime Director	i) Salary ii) Keyman Insurance Premium paid
Sat Invest Pvt. Ltd.	Promoter Company & Major Shareholder	i) Fees paid on behalf ii) Unsecured Loan Taken iii) Purchases of shares iv) Unsecured Loan Repaid
Park Continental Pvt. Ltd.	Shareholder of the Company	i) Unsecured Loan Taken ii) Fees paid on behalf iii) Purchases of shares iv) Unsecured Loan Repaid
Aeroflex International Limited	Subsidiary	i) Unsecured Loan Given ii) Fees paid on behalf iii) Unsecured Loan Repaid
Space Age Polymers Pvt. Ltd.	Shareholder of the Company	i) Unsecured Loan Taken ii) Unsecured Loan Repaid
Genext Students Ltd.	Associate	Share Application Money Paid
Lion Houseware Pvt. Ltd.	Group Company	i) Purchases of shares ii) Amount repaid
Dawood Investments Pvt. Ltd.	Shareholder of the Company	i) Purchases of shares ii) Amount repaid
Sah Polymers Ltd.	Subsidiary	i) Fees paid on behalf ii) Unsecured Loan Given iii) Purchases of shares iv) Unsecured Loan Repaid v) Interest receivable
Safe Polymers Pvt Ltd	Group Company	i) Purchases of shares ii) Amount repaid
Italica Furniture Pvt. Ltd.	Subsidiary	i) Unsecured Loan Given ii) Purchases of shares iii) Unsecured Loan Repaid iv) Interest receivable



## Notes To Accounts (Contd.)

### Volume of Transaction

NATURE	31st March, 2016	31st March, 2015
Remuneration	2,232,000	2,059,000
Keyman Insurance Premium	167,673	167,673
Unsecured Loan Taken	106,165,000	8,750,000
Unsecured Loan Repaid	132,230,329	3,300,000
Purchase of Shares	205,062,850	-
Loan Repayment received	31,806,947	38,052,500
Advance given	67,229,444	20,675,000
Share Application Money Paid	2,800,000	-
Interest Receivable	1,475,268	-
Fees/TDS/ S.A Tax/ Service tax paid	139,925	99,243

### Outstanding Balances at year end

PARTY	31st March, 2016		31st March, 2015	
	Max. Balance	Closing Balance	Max. Balance	Closing Balance
Park Continental Pvt. Ltd.	151352725 Cr.	151492725 Cr.	25250000 Cr.	25250000 Cr.
Sat E-Com Ltd.	50000 Cr.	0	Nil	Nil
Dawood Investments Pvt. Ltd.	19253308 Cr.	0	2400000 Dr.	Nil
Shehnaz D. Ali	110000 Cr.	110000 Cr.	80000 Cr.	Nil
Aeroflex International Ltd.	111000 Dr.	0	302000 Dr.	Nil
Lion Houseware Pvt. Ltd.	18400000 Dr.	0	18400000 Dr.	18400000 Dr.
Genext Students Ltd.	2800000 Dr.	2800000 Dr.	500000 Cr.	Nil
Sah Polymers Ltd.	6655332 Dr.	0	Nil	Nil
Space Age Polymers Pvt. Ltd.	879434 Cr.	0	Nil	Nil
Sat Invest Pvt. Ltd.	70904537 Cr.	0	8750000Cr.	5386957 Cr.
Safe Polymers Pvt Ltd	0	0	600 Dr.	Nil
Italica Furniture Pvt. Ltd.	20581906 Dr.	6965000 Dr.	10095879 Dr.	9865645 Dr.

### NOTE 24 : SEGMENT INFORMATION

The Company is principally engaged in the business of trading in India There is only one segment in which the Company is currently operating and therefore disclosure as per AS 17 segment reporting is not applicable to the Company. The territorial disclosure required for segment reporting are also not applicable since there are no export sales during the year.

### NOTE 25

During the previous year the Company has closed its operation of foreign branch and there will be no further activities carried out in the future as per the management.

### NOTE 26

The balance sheet of the Company has been prepared as per Schedule III of the Companies Act, 2013. The figures of previous period have been regrouped/ rearranged and / or recast wherever found necessary.

### NOTE 27 : Earning Per Share

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Earning Attributable to Equity Shareholders for basic EPS	(2,978,257)	(137,645,206)
Adjusted for the purpose of diluted EPS	NA	NA
Earning Attributable to Equity Shareholders for Diluted EPS		
Weighted Average Equity Shareholders for Basic EPS	55,900,000	46,000,000
Add: Weighted Average Potential Equity Shares on Conversion of Share Warrant	Nil	Nil
Weighted Average Equity Shareholders for Diluted EPS	55,900,000	46,000,000
Basic Earning Per Share (a) /(d)	(0.053)	(2.992)
Diluted Earning Per Share (c) /(f)	-	-



## Notes To Accounts (Contd.)

### NOTE 28:

Information pursuant to Para 5(viii) of the General Information to the Statement of Profit & Loss :

a) Value of imports of C.I.F. basis :-

NIL

b) Expenditure on foreign currency :-

C.Y. (in Rs.)	P.Y. (in Rs.)
-	108,439,085
-	<b>108,439,085</b>

c) Earnings in foreign currency

C.Y. (in Rs.)	P.Y. (in Rs.)
-	89,328,089
-	<b>89,328,089</b>

d) FOB Value of exports

NIL

### NOTE 29:

Disclosure relating to amount outstanding at year end and Maximum outstanding during the year of Loans and Advances, in nature of loan, required as per Clause 32 of the Listing Agreement, are given below:

Particulars	31st March, 2016		31st March, 2015	
	Max. Balance	Closing Balance	Max. Balance	Closing Balance
Subsidiary:				
Sah polymers Ltd	6,655,332	Nil	Nil	Nil
Shareholder of the Company:				
Park Continental Pvt. Ltd.	151,352,725	151,492,725	25,250,000	25,250,000
Dawood Investments Pvt. Ltd.	19,253,308	Nil	2,400,000	Nil
Group Company:				
Lion Houseware Pvt. Ltd.	18,400,000	Nil	18,400,000	18,400,000
Aeroflex International Ltd.	111,000	Nil	302,000	Nil

As per our report of even date

For R. Kabra & Co.

Chartered Accountants

FRN: 104502W

For and on behalf of the Board

Deepa Rathi

Partner

M No.: 104808

Place : Mumbai

Date : 30-05-2016

Shehnaz D. Ali

Wholetime Director

DIN NO :00185452

H.K Turgalia

Wholetime Director

DIN NO :00049544

Alka P. Gupta

Company Secretary

MEM NO. A35442

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