

**SAT  
INDUSTRIES  
LIMITED**

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

Global Business



SIL/BSE/2018-19  
Date: 01-10-2018

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

Company Code No.: 511076

Dear Sir,

**Sub:** Approved and adopted Annual Report for the year ended 31<sup>st</sup> March, 2018  
at 33rd Annual General Meeting.

**Ref:** Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure  
Requirements) Regulations, 2015, we are submitting herewith Annual report of the  
Company for the financial year ended 31<sup>st</sup> March, 2018.

Kindly take the same on your record.

Thanking You,

Yours Faithfully  
For SAT INDUSTRIES LIMITED



Alka Premkumar Gupta  
Company Secretary

Encl.: As above



# SAT INDUSTRIES LIMITED

**33<sup>RD</sup>**  
**ANNUAL**  
**REPORT**  
2017-2018



GLOBAL  
BUSINESS



MANUFACTURING



EDUCATION



FINANCIAL  
SERVICES



## CORPORATE INFORMATION

### Board of Directors

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

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

**Mr. Asad Daud** Director

**Mr. Ramesh Chandra Soni** Independent Director

**Mr. Sunil Mithalal Jain** Independent Director

**Mr. Nikhil Raut** Independent Director

### COMPANY SECRETARY

Ms. Alka Premkumar Gupta

### 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. Sampatilal Bohara & Co.,

Chartered Accountants,

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

### Registrar and Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.

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

Mumbai – 400 083

Phone: +91-22-49186000

Fax: +91-22-49186060

### Registered Office

121, B-Wing, Mittal Tower,

Nariman Point, Mumbai- 400 021. (INDIA)

Phone: 91-22-6610 7025

Fax: 91-22-66107027

E-mail: investor.relations@satgroup.in

Website www.satgroup.in

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### Important Communication to Members

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



## Directors' Report

To The Members of SAT INDUSTRIES LIMITED

### Directors' Report

The Directors of your Company have pleasure in presenting the Thirty third (33rd) Annual Report together with the Audited accounts of the Company for the year ended March 31, 2018.

### 01. FINANCIAL RESULTS

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

#### Stand Alone

	(Rs. in lakhs)	
Particulars	2017-2018	2016-2017
Total Revenue	5,191.95	4,795.82
Profit/Loss(-) before Tax, Interest, Depreciation and Exceptional Items	589.15	226.54
Interest	22.42	2.15
Depreciation	14.01	8.66
Profit/(Loss) before Tax and exceptional Items	552.72	215.73
Less: Tax Expense	103.69	16.73
Profit/(Loss) after Tax	449.03	199.00
Exceptional Items	0	1,167.13
Net Profit/(Loss) for the year	449.03	1,366.13

#### Consolidated

	(Rs. in lakhs)	
Particulars	2017-2018	2016-2017
Total Revenue	10,183.53	9,711.25
Profit before Tax and after exceptional items	809.85	2,155.75
Less: Tax Expense	109.22	72.10
Profit/(Loss) after Tax	700.63	2,083.65
Net Profit/(Loss) for the year after Shares of Profit/(Loss) of Associates and Minority Interest	698.37	2,084.13

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

relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 39 (First-time Adoption) to the Notes to Financial Statement.

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

The Company is engaged in the business of general trading of merchandise, leasing of assets and financing. During the year the Company recorded a total revenue of Rs. 5,191.95 lakhs against Rs. 4,795.82 lakhs in corresponding previous year and earned a net profit of Rs. 449.03 Lakh (pr.yr. 1,366.13 Lakh) after providing for depreciation and tax.

### 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 the financial statements relate and the date of the report.

### 04. DIVIDEND:

Based on the Company's better performance, the Directors are pleased to recommend a maiden dividend of Re. 0.10 (5%) per equity share of Rs. 2/- each for the Financial Year 2017-18 subject to declaration of the same by the Members at the ensuing Annual General Meeting.

### 05. CHANGE IN NATURE OF BUSINESS:

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

### 06. LISTING OF SHARES:

The Equity Shares of the Company are listed on the

## Directors' Report

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and the listing fee for the year 2018-2019, has been paid.

### 07. SHARE CAPITAL:

During the year under report, the issued, subscribed and paid up capital of the Company increased from Rs.19,60,00,000/- divided into 9,80,00,000 Equity Shares of Rs. 2/- each to Rs. 21,60,00,000/- divided into 10,80,00,000 of Rs. 2/- each with the allotment of 1,00,00,000 equity shares upon conversion of the warrants.

The above shares have been listed by the BSE Limited.

### 08. SUBSIDIARIES AND ASSOCIATES:

The Company has five subsidiaries (four Indian and one foreign subsidiary) as on March 31, 2018 namely:

1. Sah Polymers Limited (Material Subsidiary);
2. Italica Furniture Private Limited;
3. Italica Ventures Private Limited;
4. Aeroflex International Limited;
5. Italica Global FZC, UAE;  
and an associate viz. Genext Students Private Limited

During the year the Company made further investment of Rs. 486 Lakhs in Sah Polymers Limited, to increase its stake from 89.43 % to 91.79%.

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

### 09. 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"**

### 10. PUBLIC DEPOSITS:

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

### 11. 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), retires by rotation at the 33rd Annual General Meeting, and being eligible, offers himself for re-appointment.

During the year, Mr. Sunil Mithalal Jain (DIN: 03398788) and Mr. Nikhil Khanderao Raut (DIN: 06653335) were re-appointed as independent directors of the Company for a second term of 5 (five) consecutive years from 1st October, 2017 to 30th September, 2022.

#### b) KEY MANAGERIAL PERSONNEL :

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

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

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

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

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

- a) The information required under Rule 8 of the



## Directors' Report

Companies (Accounts) Rules, 2014 read with Section 134(3) of the Companies Act, 2013 relating to conservation of energy and technology absorption is not being given since your Company is not engaged in manufacturing activity.

b) Earning and outgo in foreign exchange :

	2017-18	2016-17
(i) Earnings	Nil	Nil
(ii) Outgo	Rs. 34,04,000/-	23,52,147/-

**14. DIRECTORS' RESPONSIBILITY STATEMENT :** Pursuant to clause (c) of sub-section 3 of section 134 of the Companies Act, 2013 It is stated that :

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**15. AUDITORS:**

Through ordinary resolution no. 3 passed at the 32nd Annual General meeting held on 29th September, 2017, the existing auditors M/S. Sampatilal Bohara & Co., Chartered Accountants, (FRN: ICAI FRN: 003324C) were appointed as statutory Auditors of the Company for

a term of five years commencing from the conclusion of Thirty Second Annual General meeting up to the conclusion of Thirty Seventh Annual General Meeting subject to ratification of the same at every annual general meeting.

In view of the omission of the first proviso to sub-section (1) of the section 139 of the Companies Act, 2013, vide notification no. S.O. 1833(E), dated May 7, 2018, the appointment of the Auditors is not required to be ratified by the members of the Company at every Annual General Meeting.

To bring the appointment of the Auditors in consonance with the amended provision, for the remaining period i.e. from the conclusion of the 33rd Annual General Meeting up to the conclusion of the 37th Annual General Meeting, the said resolution requires partial modification -by deletion of the words requiring ratification at every Annual General Meeting, to conduct audit for the financial year 2018-19, 2019-2020, 2020-2021 and 2021-2022.

The Board recommend the same for consideration at the ensuing annual general meeting.

**16. FRAUDS AGAINST THE COMPANY:**

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

**17. QUALIFICATION IN THE AUDITORS' REPORT - BOARD'S COMMENTS OR EXPLANATION:**

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

**18. 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").

**19. CORPORATE GOVERNANCE:**

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

**20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e)

## Directors' Report

of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is presented in a separate section forming part of this Report as **Annexure- "C"**

### 21. CEO/CFO CERTIFICATE:

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

### 22. NUMBER OF MEETINGS OF THE BOARD:

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

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

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

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

The Company has not entered into any contract or arrangement with any person including persons covered under sub - section(1) of section 188 of the Companies Act, 2013. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the Company's Website: [www.satgroup.in](http://www.satgroup.in)

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

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their Remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director, which has been placed on the Company's website. The policy on the above is attached as

### Annexure – "E" & Annexure – "F".

### 26. INDEPENDENT DIRECTORS TRAINING/ MEETING:

During the year under review a separate meeting of the Independent Directors of the Company was held on March 13, 2018, without the presence of other Directors and members of Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of Chairperson of the Company and assessed the quality, quantity and timelines of flow of information between the Company management and the Board.

### 27. EVALUATION OF THE PERFORMANCE OF THE BOARD MEMBERS:

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

### 28. SECRETARIAL AUDIT:

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



## **Directors' Report**

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

Sat Middleeast Limited ceased to be a subsidiary of the Company with effect from 30.03.2018 and Italica Global, FZC, UAE, became subsidiary with effect from 01.06.2017.

### **30. CONSOLIDATION OF ACCOUNTS:**

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

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

### **31. GENERAL:**

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

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

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

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.

### **32. RISK MANAGEMENT:**

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

framework helps in identifying risks trend, exposure and potential impact analysis on a Company's business.

### **33. INTERNAL FINANCIAL CONTROLS:**

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

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

### **34. CORPORATE SOCIAL RESPONSIBILITY:**

The provisions with respect to Corporate Social Responsibility are not applicable to the Company as the Company does not fall within the purview of the Section 135 of the Act.

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

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

### **36. ACKNOWLEDGEMENT:**

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

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

**For and on behalf of Board of Directors of  
Sat Industries Limited**

Date: 25-05-2018	H.K. Turgalia	Shehnaz D. Ali
Place: Mumbai	Whole-time Director	Whole-time 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 2017-18	S.No.	Name of Director	Ratio of the remuneration of each director to the median remuneration of the employees	
		1	Mrs. Shehnaz D Ali	6.34:1	
		2	Mr. Harikant Turgalia	3.87:1	
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year 2017-18:-	S.No.	Name	Designation	Increase in remuneration in the financial year 2017-18 (in %)
		01	Mrs. Shehnaz D Ali	Whole-time Director	14.46
		02	Mr. Harikant Turgalia	Whole-time Director and Chief Financial Officer	16.25
		03	Ms. Alka Gupta	Company Secretary	16.41
3	The percentage (%) increase in the median remuneration of employees in the financial year	6.37			
4	The number of permanent employees on the rolls of Company	12			
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof	<p>The average percentile increase in the salaries of the employees other than the managerial personnel in the last financial year 2017-18 was 12.97% whereas the increase in the remuneration of the managerial personnel was 15.71%</p> <p><b>Justification:</b> The percentile increase in the managerial remuneration in the financial year 2017-18 is higher as compared with the average percentile increase of the employees. The increase in the KMP salary is decided on the individual performance, inflation prevailing industry trends and benchmarks and therefore comparison of one against the other is not feasible.</p>			
6	Affirmation that the remuneration is as per the remuneration policy of the Company:	The company affirms remuneration is as per the remuneration policy of the Company to all the directors, Key Managerial Personnel and other Employees.			



## Directors' Report

### Annexure –“B”

#### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

#### 1. 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	121, B- Wing, Mittal Tower, Nariman point, Mumbai- 400 021. Tel. +91 22 66107025 Fax : 91 22 66107027 website: www.satgroup.in e-mail: investor.relations@satgroup.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W), Mumbai – 400 083 Phone: +91-22-49186000 Fax: +91-22-49186060

#### 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	88.01%
2	Financial service activities, except insurance	64990	10.35%

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

SN	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Aeroflex International Limited 121, B-Wing, Mittal Tower, Nariman Point, MUMBAI-400021	U74999MH2002PLC136032	Subsidiary	100	Section 2(87)(ii)

## Directors' Report

2	Italica Furniture Private Limited E-260-261, Mewar Industrial Area, Madri Udaipur Raj. 313003	U25209RJ2004PTC020052	Subsidiary	100	Section 2(87)(ii)
3	Italica Ventures Private Limited 121, B-Wing, Mittal Tower, Nariman Point, Mumbai-400021	U65929MH2016PTC282853	Subsidiary	100	Section 2(87)(ii)
4	Italica Global. FZC Ajman free Zone, Ajman, UAE	N.A.	Subsidiary	100	Section 2(87)(ii)
5	Sah Polymers Limited E-260-261, Mewar Industrial Area, Madri, Udaipur-313003	U24201RJ1992PLC006657	Subsidiary	91.79	Section 2(87)(ii)
5	Genext Students Private Limited 48-B, Mittal Tower, Plot No. 210, Nariman Point, Mumbai-400021	U80302MH2011PTC251294	Associate	33.72	Section 2(6)

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

### (a) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 01.04.2016				Shareholding at the end of the year – 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									0.00
	Bodies Corporate	4,83,35,000	0	4,83,35,000	49.32	5,83,35,000	0	5,83,35,000	54.01	4.69
	Sub Total (A)(1)	4,83,35,000	0	4,83,35,000	49.32	5,83,35,000	0	5,83,35,000	54.01	4.69
[2]	Foreign	0	0	0	0.00	0	0	0	0.00	0.00
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)			0	0.00					0.00
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	4,83,35,000	0	4,83,35,000	49.32	5,83,35,000	0	5,83,35,000	54.01	4.69
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00



## Directors' Report

(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Financial Institutions / Banks	0	0	0	0.00	500	0	0	0.00	0.00
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)			0	0.00				0.00	0.00
	Sub Total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Central Government/ State Government(s)/ President of India	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals								0.00	0.00
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	36,49,101	30	36,49,131	3.72	31,15,258	30	31,15,288	2.88	-0.84
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,19,26,549	0	2,19,26,549	22.37	2,19,05,154	0	2,19,05,154	20.28	-2.09
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0						
	0.00	0	0	0	0.00	0.00				
(e)	Any Other (Specify)			0	0.00				0.00	0.00
	Hindu Undivided Family	35,27,637	0	35,27,637	3.60	36,59,611	0	36,59,611	3.39	-0.21
	Non Resident Indians (Non Repat)	100	0	100	0.00	104	0	104	0.00	0.00
	Non Resident Indians (Repat)	11,058	0	11,058	0.01	11,058	0	11,058	0.01	0.00
	Clearing Member	13,98,325	0	13,98,325	1.43	17,69,022	0	17,69,022	1.64	0.21
	Bodies Corporate	1,91,52,200	0	1,91,52,200	19.54	1,92,04,263	0	1,92,04,263	17.78	-1.76
	Sub Total (B)(3)	4,96,64,970	30	4,96,65,000	50.68	4,96,64,970	30	4,96,65,000	45.99	-4.69
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	4,96,64,970	30	4,96,65,000	50.68	4,96,64,970	30	4,96,65,000	45.99	-4.69
	Total (A)+(B)	9,79,99,970	30	9,80,00,000	100.00	10,79,99,970	30	10,80,00,000	100.00	0.00
(C)	Non Promoter - Non Public								0.00	0.00
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	9,79,99,970	30	9,80,00,000	100.00	10,79,99,970	30	10,80,00,000	100.00	0.00

## (b) Shareholding of Promoter-

Sr No	Shareholder's Name	Shareholding at the beginning of the year – 01.04.2017			Shareholding at the end of the year – 31.03.2018			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	SAT INVEST PVT LTD.	4,48,35,000	45.75	0	5,08,35,000	47.07	0	1.32



## Directors' Report

2	A FLEX INVEST PRIVATE LIMITED	35,00,000	3.57	0	75,00,000	6.94	0	3.37
	Total	4,83,35,000	49.32	0	5,83,35,000	54.01	0	4.69

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

Sr No.	Shareholding at the beginning of the year – 01.04.2017			Transactions during the year		Cumulative Shareholding at the end of the year – 31.03.2018	
	Name & Type of Transaction	No. Of Shares Held	% Of Total Shares Of The Company	Date Of Transaction	No. Of Shares	No Of Shares Held	% Of Total Shares Of The Company
1	Sat Invest Pvt Ltd.	4,48,35,000	45.75				
	Allotment of shares on conversion of warrants			28-04-2017	60,00,000	5,08,35,000	47.07
	At the end of the Year					5,08,35,000	47.07
2	A Flex Invest Private Limited	35,00,000	3.57				
	Allotment of shares on conversion of warrants			28-04-2017	40,00,000	75,00,000	6.94
	At the end of the Year					75,00,000	6.94

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 01.04.2017		Cumulative Shareholding at the end of the year – 31.03.2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	Space Age Polymers Private Limited	66,19,455	6.75	66,19,455	6.13
2	Dawood Investments Pvt. Ltd.	72,09,350	12.90	72,09,350	12.90
3	Satendrapal Singh Chhabra	33,75,500	3.44	33,75,500	3.13
4	Park Continental Private Ltd	27,44,448	2.80	27,99,798	2.59
5	Amarjeet Kaur Chhabra	18,00,000	1.84	18,00,000	1.67
6	Lalit Kabra	15,00,000	1.53	15,00,000	1.39
7	Renu Goyal	15,00,000	1.53	15,00,000	1.39
8	Preeti Krishna Kabra	15,00,000	1.53	15,00,000	1.39
9	Shailja Mangal	15,00,000	1.53	15,00,000	1.39
10	Pankaj Kumar Jain	15,00,000	1.53	15,00,000	1.39



## Directors' Report

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

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

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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	47,79,000	0	47,79,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>47,79,000</b>	<b>0</b>	<b>47,79,000</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	53,90,000	2,41,40,000	0	2,95,30,000
* Reduction	0		0	0
<b>Net Change</b>	<b>0</b>	<b>2,41,40,000</b>	<b>0</b>	<b>2,95,30,000</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	53,90,000	2,89,19,000	0	3,43,09,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>53,90,000</b>	<b>2,89,19,000</b>	<b>0</b>	<b>3,43,09,000</b>

## 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/WT/ Manager		Total Amount (Rs.)
		Shehnaz D. Ali	Harikant Turgalia	
1	Gross salary (Rs.)			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,40,000	6,84,000	18,24,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,65,000	3,99,000	10,64,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	<b>Total (A) (Rs.)</b>	18,05,000	10,83,000	<b>28,88,000</b>
	Ceiling as per the Act*			84 Lakhs

#### 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/WTB

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.)	-	4,03,836	-	4,03,836
	(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.)		4,03,836	-	4,03,836

### 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					
Compounding					



## Directors' Report

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

#### Disclaimer:

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

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

#### 1. Industrial Structure and Development

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

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

- **Manufacturing of PP/HDPE Woven Bags and Fabric**

Sah Polymers Limited (a subsidiary of Sat Industries Limited) is in the business of manufacturing Polypropylene (PP) / High Density Poly Ethylene (HDPE)

woven fabric and bags and FIBCs. The manufacturing unit is located in Udaipur, Rajasthan. The products are used as packing materials in various industries such as cement, fertilisers, textiles, food grain, chemical, salt, mineral, tyres etc. It is exporting its products to Europe, Africa, Central America, Middle East and Far East. The Plastic packaging industry is growing at a phenomenal pace, with plastic being widely preferred as the ideal packaging product.

- **Ed-Tech (Education Technology)**

Genext Students Private Limited is India's first hybrid tutoring platform combining private home tutoring and technology enabled learning. The Company caters to school students from classes 1-12 of various national education boards such as CBSE & ICSE and state education boards of Maharashtra, Rajasthan and Uttar Pradesh. It has 1.4 Million+ students consuming its online content, 6000+ tutors registered on the platform and has conducted 40,000+ hours of tutoring. Currently, the platform's operations are spread across Mumbai, Pune, Bangalore, Lucknow, and Hyderabad and will expand to 3 new cities by end of FY 2017-18 and Pan-India by 2020.

- **Leasing & Startup Investments**

Sat is engaged in the business of leasing of machines and moulds which are used in the plastic processing industry. The company carries out the leasing business on its own and through its wholly owned subsidiary, Italica Furniture Private Limited.

Sat actively invests (through Italica Furniture Private Limited) in startups which have disruptive and innovative business models. Through our investments, we aim to foster the spirit of entrepreneurship and provide fuel for the growth of young innovative companies. We have also invested in more than 35+ start-up companies and are continuously expanding our portfolio by investing in start-ups in the areas of Artificial Intelligence (AI), Machine Learning, Big Data, Robotics and Bio-Technology. Some of the clutter-breaking investees are- Eduvanz, Credits, Peesafe, 1Crowd, Vista Rooms, Riky, Ketto, Inc 42, ZipGrid, Vahanalytics, DSYH, LenDen Club, Online RTI, Travel Khana, Confirmtkt and many more.



## **Directors' Report**

### **Financial Services**

Sat is also engaged in the business of financing activities. The financing activities include providing loans and advances to individuals, firms, companies, co-operative societies, educational institutions etc., acquiring shares / stocks / bonds / debentures / securities issued by Government or local authorities or other marketable securities. Its subsidiary (Italica Ventures Private Limited) has applied for an NFBC Type II-ND License and the same is pending for approval with the RBI.

### **Opportunities, Threats, Risks and concerns**

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

**Segment-wise or product-wise performance** During the year the Company clocked a turnover of Rs. 4617.38 lakhs from the trading segment and Rs. 657.14 lakhs from investment and finance segment.

### **Outlook**

The growth in the economy, the reforms initiated by the Government and the increase outlay on infrastructure spend will lead to greater prosperity and rise in income levels. This will drive growth in disciplinary spends. This bodes well for the branded apparels business. AIFL with its investment in key segments, strong brands and distribution network is well equipped to grow strongly in years ahead. In anticipation of growing demand, the Company has substantially expanded its installed capacity.

### **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. 5,150.36 lakhs and the profit earned after providing for depreciation of Rs. 14.01 lakhs but before tax was Rs. 552.72 lakhs. The Company is taking all possible steps like cost control and cost reduction to improve the financial performance of the Company. These efforts will result in improved bottom line.

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

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

## **Directors' Report**

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

#### **CEO/CFO CERTIFICATION**

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

To,

The Board of Directors

**SAT INDUSTRIES LIMITED,**

121, B - Wing, Mittal Tower,

Nariman Point, Mumbai-400021.

- A. We, Harikant Turgalia, Whole-time Director & CFO and Shehnaz D. Ali, Whole-time Director of SAT INDUSTRIES LIMITED, have reviewed the financial statements and the cash flow statement for the year ended March 31, 2018 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**

Harikant Turgalia

Whole-time Director & CFO

DIN: 00049544

Shehnaz D. Ali

Whole-time Director

DIN: 00185452

Place: Mumbai

Dated: 25-05-2018

## **Directors' Report**

### **Annexure "E"**

Policy for Selection of Directors and determining Directors' Independence

#### **1. Introduction**

- 1.1 Sat Industries Limited (SIL) believes that an appropriate composition of Board with persons having diversified expertise and experience helps in providing long term vision and ensuring good corporate governance. It also helps the Board in discharging its responsibilities and duties effectively.
- 1.2 SIL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. SIL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

#### **2. Scope and Exclusion:**

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

#### **3. Terms and References:**

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

- 3.1 "Director" means a director appointed to the Board of a company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by SIL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **4. Policy:**

##### **4.1 Qualifications and criteria**

- The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.
- In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:
  - General understanding of the Company's business dynamics, global business and social perspective;
  - Educational and professional background standing in the profession; Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- The proposed appointee shall also fulfill the following requirements:
  - Shall possess a Director Identification Number;
  - Shall not be disqualified under the Companies Act, 2013;
  - Shall give his written consent to act as a Director;
  - Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
  - Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
  - Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures



## Directors' Report

already made; such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

- The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

### 4.2 Criteria of Independence

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

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

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

- 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;
- 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 —
  - a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
  - 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;
- holds together with his relatives two per cent or more of the total voting power of the listed entity; or
- 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



## **Directors' Report**

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.

## **Annexure "F"**

Remuneration Policy for Directors, Key Managerial Personnel and other employees

### **1. Introduction**

1.1 SAT INDUSTRIES LIMITED (SIL) recognizes the importance of aligning the business objectives with specific and measureable 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

## Directors' Report

- 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 – G

#### Secretarial Audit Report

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

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

To,  
The Members,  
Sat Industries Limited  
121, B-Wing, Mittal Tower, Nariman Point,  
Mumbai- 400021

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good Corporate Governance practice 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 our opinion thereon.

Based on my verification of the M/S SAT INDUSTRIES LIMITED's books, papers, minutes 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 has, during the audit period 1st April, 2017 to 31st March, 2018 ("the reporting period") 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 ("the Company") as given in Annexure I, for the period 1st April, 2017 to 31st March, 2018 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - (iii) The Depositories Act, 1996 and Regulations & the Bye-laws, 1996 thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the

extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment; (Not applicable during the Financial Year 2017-18)

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iv. 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;
  - v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - vi. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable as the Company has not issued any share based employee benefits during the Financial Year under review)
  - vii. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
  - i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued/ listed/propose to list its Debt Securities to any Stock Exchange during the Financial Year under review)
  - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the Company has not listed/ propose to delist its Equity Shares from any Stock Exchange during the Financial Year under review)



## Directors' Report

- iii. The Securities and Exchange Board of India (Buyback 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)
3. 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 compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibly of the management. My examination was limited to the verification of procedure on test basis. The list of major head/groups of Acts, Laws and Regulations as generally applicable to the Company is given in Annexure II.
4. 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 have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Acts, 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 Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year.

Adequate Notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that Chairman of Audit Committee and Statutory Auditor of the Company were not present at The Annual General Meeting held on September 29th, 2017. However, Notice of Annual General Meeting was sent to them.

I further report that during the year/audit period under report, the Company has undertaken the following events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards, etc.

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

- 1) Sat Industries Limited has allotted 40,00,000 (Forty Lakh) Equity Shares of Rs.2/- (Rupees Two) each at Rs. 13.50/- (Rupees Thirteen and Fifty Paise) per Share {including premium of Rs. 11.50/- (Rupees eleven and fifty paise) each per Share} upon exercise of conversion option by A – Flex Invest Pvt Ltd.
- 2) Sat Industries Limited has allotted 60,00,000 (Sixty Lakh) Equity Shares of Rs.2/- (Rupees Two) each at Rs. 13.50/- (Rupees Thirteen and Fifty Paise) per Share {including premium of Rs. 11.50/- (Rupees eleven and fifty paise) each per Share} upon exercise of conversion option by SAT Invest Pvt Ltd.
- 3) The Registered Office of the Company has been shifted within local limits from 41, B-Wing, 4th Floor, Mittal Tower, Nariman Point, Mumbai- 400 021 to 121, B-Wing, Mittal Tower, Nariman Point, Mumbai- 400 021.
- 4) The Company has acquired 0.01% Compulsory Convertible Preference Shares and Equity Shares in Aeroflex Industries Limited as detailed below:
  - a. 6,36,363, 0.01% Compulsory Convertible Preference Shares of face value of Rs. 10/- each.
  - b. 6,37,000, 0.01% Compulsory Convertible



## Directors' Report

- Preference Shares of face value of Rs. 200/- each and
- c. 637 Equity Shares of face value of Rs. 10/- each.

Place: Mumbai

Date: 25/05/2018

**Mrs. Nancy Jain**

Practicing Company Secretary

ACS: 44135

COP: 16179

### ANNEXURE - I

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made thereunder the Memorandum & Articles of Association of the Company with regard to :-

- Minutes of the Meetings of the Board of Directors, Committee meetings held during the Financial Year under Report;
- Minutes of General Meetings held during the Financial Year under report;
- Maintenance of various Statutory Registers and Documents and making necessary entries therein;
- Notice and Agenda papers submitted to all the Directors for the Board Meetings;
- 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;
- Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Obligations and Disclosure Requirements during the financial year under Report;
- Disclosure of Interest and Concerns in contracts and arrangement, shareholdings and Directorships in other Companies and interest in other entities by Directors;
- 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;

- Appointment and remuneration of Internal and Statutory Auditor;
- Closure of Register of Members/record date for dividends;

### ANNEXURE - II

Registered & Corporate Office:

121, B-Wing, Mittal Tower,

Nariman Point, Mumbai- 400 021.

List of applicable laws to the Company

- Bombay Stamp Act, 1958;
- Negotiable Instruments Act, 1881;
- Labour Laws as applicable to the Company;
- The Bombay Shops and Establishments Act, 1948;
- The Maternity Benefit Act, 1961;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Professional Tax Act, 1975

Place: Mumbai

Date: 25/05/2018

**Mrs. Nancy Jain**

Practicing Company Secretary

ACS: 44135

COP: 16179

## Directors' Report

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129  
read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement  
of subsidiaries/associate companies/joint ventures**

#### Part "A": Subsidiaries

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

Sl. No.	Particulars	Details				
1.	Name of the subsidiary	Aeroflex International Limited	Italica Furniture Private Limited	Italica Ventures Private Limited	Sah Polymers Limited	Italica Global FZC, UAE
2.	Date of becoming subsidiary of the Company or the date of its acquisition	30th November, 2015	1st July, 2015	24th June, 2016	1st July, 2015	1st June, 2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	AED Exch. Rate 1 AED = Rs. 17.7454
5.	Share Capital (in Rs.)	1,00,00,000	2,08,21,180	2,10,00,000	15,59,60,000	AED 185000 Equivalent to Rs. 32,82,899/-
6.	Reserves & Surplus (in Rs.)	(21,47,224)	7,98,69,599	9,99,007	3,00,86,486	AED 4127914 Equivalent to Rs. 7,32,51,485/-
7.	Total Assets (in Rs.)	79,41,056	27,57,36,521	2,20,36,205	31,75,29,637	AED 11142914. Equivalent to Rs. 19,77,35,466/-
8.	Total Liabilities (in Rs.)	79,41,056	27,57,36,521	2,20,36,205	31,75,29,637	AED 11142914. Equivalent to Rs. 19,77,35,466./-/-
9.	Investments (in Rs.)	0	4,78,04,187	0	1,00,00,000	0
10.	Turnover (in Rs.)	0	5,16,76,703	0	35,72,97,715	AED 3427535 Equivalent to Rs. 6,08,22,980/-



## Directors' Report

11.	Profit before taxation (in Rs.)	26,324	39,27,366	11,98,507	25,21,377	AED 11,14,293 Equivalent to Rs. 1,97,73,575/-
12.	Provision for taxation (in Rs.)	(1,27,101)	3,52,727	3,12,131	(2,38,155)	0
13.	Profit after taxation (in Rs.)	(1,00,777)	35,74,639	8,86,376	27,59,533	AED 11,14,293 Equivalent to Rs. 1,97,73,575
14.	Proposed Dividend	0	0	0	0	0
15.	% of shareholding	100%	100%	100%	91.79%	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 PRIVATE LIMITED
1. Latest audited Balance Sheet Date	31st March, 2018
2. Date on which the Associate was associated or acquired	29th May, 2015
3. Shares of Associate held by the company on the year end	33.72% in paid up capital of company
Amount of Investment in Associate (in Rs.)	1,99,49,790/-
Extend of Holding%	33.72%
4. Description of how there is significant influence	SAT INDUSTRIES LIMITED holds more than 20% of share capital of company.
5. Reason why the associate/joint venture is not consolidated	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet (in Rs.)	5,70,20,367/-
7. Profit/Loss for the year (in Rs.)	[76,85,400]
i. Considered in Consolidation (in Rs.)	(25,91,517)
ii. Not Considered in Consolidation (in Rs.)	(50,93,883)

**For and on behalf of Board of Directors of Sat Industries Limited**

Place: Mumbai

Date: 25-05-2018

**Shehnaz D. Ali**

Whole-time Director

DIN NO: 00185452

**H.K Turgalia**

Whole-time Director

DIN NO: 00049544

## Corporate Governance Report

### INTRODUCTION

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2018 is presented below:

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

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

#### 2. BOARD OF DIRECTORS

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

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

As at 31st March, 2018, 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	7	7	No
2.	Mr. Harikant Turgalia	7	7	Yes
3.	Mr. Asad Daud	7	7	Yes
4.	Mr. Ramesh Chandra Soni	7	6	No
5.	Mr. Sunil Mithalal Jain	7	6	No
6.	Mr. Nikhil Raut	7	7	No

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

Sr. No.	Name of the Director	Directorships in Other Board of Directors	Memberships of Committees of Other Boards	Chairmanships of Committees of Other Boards
1.	Mrs. Shehnaz D Ali	4	-	-
2.	Mr. Harikant Turgalia	2	-	-
3.	Mr. Asad Daud	6	-	-
4.	Mr. Ramesh Chandra Soni	3	2	2
5.	Mr. Sunil Mithalal Jain	-	-	-
6.	Mr. Nikhil Raut	2	2	-

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

The Board of Directors met Seven times during the financial year, on 28th April, 2017, 23rd May, 2017, 2nd September, 2017, 30th November, 2017, 30th January, 2018, 8th February, 2018 and 29th March, 2018. The maximum time gap between any two meetings was less than 120 days. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

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

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

##### 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

## Corporate Governance (Contd.)

Company, etc. from time to time.

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

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

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

## SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on 13th March, 2018, 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:

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

## COMPANY'S POLICY ON PROHIBITION OF INSIDER TRADING

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

## SUBSIDIARY COMPANIES

The Company has five subsidiaries (four Indian and one foreign unlisted subsidiary) as on March 31, 2018 namely:

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

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

The Board has approved a Policy Statement for determining 'Material' Subsidiaries of the Company viz. SAT INDUSTRIES LIMITED and the same is available on the website of the Company under 'Corporate Governance' in the 'Investor Relation' section.

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

## 3. AUDIT COMMITTEE

### a. Brief description of terms of reference

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

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

The Audit Committee comprises one Executive Director and two Non-Executive Directors as members. All members are financially literate and



## Corporate Governance (Contd.)

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, 2018, 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 five times during the financial year, on 23rd May, 2017, 2nd September, 2017, 30th November, 2018, 8th February, 2018 and 29th March, 2018. The maximum time gap between any two meetings are not more than 120 days.

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

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	5	5
Mr. Harikant Turgalia	5	5
Mr. Nikhil Raut	5	5

## 4. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

the Board;

- To assist the Board in fulfilling responsibilities entrusted from time to time;

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

Sr. No.	Name	Category	Designation
1.	Mr. Ramesh Chandra Soni	Non-Executive Independent	Chairman
2.	Mr. 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 one time during the financial year, on 28th April, 2017.

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

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	1	1
Mr. Sunil Jain	1	1
Mr. Nikhil Raut	1	1

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

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

## 5. REMUNERATION OF DIRECTORS

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

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

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

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

## Corporate Governance (Contd.)

### c. Disclosures with respect to Remuneration for FY 2017-2018

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.18,05,000/- p.a.	Nil	Rs.18,05,000/- p.a.	***
Mr. Harikant Turgalia	CFO & Whole-time Director	Rs.10,83,000/- p.a.	Nil	Rs.10,83,000/- p.a.	***

\*\*\*

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

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

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

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

consists of the following persons:

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

#### Name and designation of Compliance Officer:

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

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

No shareholder complaint was received in the financial year.

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

#### d. Number of pending complaints: NA

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

The committee met four times on 23rd May, 2017, 2nd September, 2017, 30th November, 2017 and 8th February, 2018. 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

## Corporate Governance (Contd.)

### 7. GENERAL BODY MEETINGS

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

Annual General Meeting	Date	Time	Location
30th	26th September, 2015	9:15 a.m.	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020
31st	17th September, 2016	9:15 a.m.	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020
32nd	29th September, 2017	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
26th September, 2015	8
17th September, 2016	1
29th September, 2017	2

#### c. Postal Ballot:

During the financial year ended 31st March, 2018, no resolution was passed by Postal Ballot. At present there is no proposal to pass any resolution by Postal Ballot.

### MEANS OF COMMUNICATION

#### a. Quarterly results:

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

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

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

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

#### c. Website, where displayed:

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

#### d. Official news releases:

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

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

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



## Corporate Governance (Contd.)

### 8. GENERAL SHAREHOLDER INFORMATION

#### a. Annual General Meeting - Date, Time and Venue:

**Day:** Friday

**Date:** September, 28, 2018

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

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

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

#### c. Dates of Book Closure: From Saturday, September, 28, 2018 to Friday, September, 28, 2018 (both days inclusive)

#### d. Dividend Payment Date: The maiden Dividend, if declared by the Shareholders at the Annual General meeting shall be paid/credited on or before 05-10-2018.

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

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

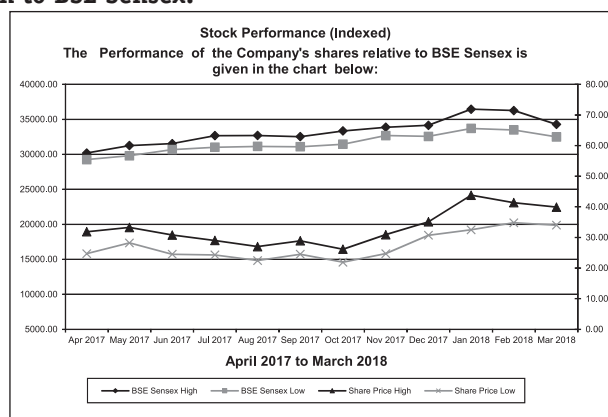
#### e. Stock Code

Security ID	Security Code	ISIN
SATINDLTD	511076	INE065D01027

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

Month	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
High	31.85	33.25	30.80	29.00	27.00	28.90	26.15	30.90	35.10	43.80	41.35	39.90
Low	24.70	28.20	24.50	24.30	22.45	24.50	21.90	24.70	30.70	32.50	34.80	34.00

#### h. Performance in comparison to BSE Sensex:



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

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

M/s. Link Intime India Private Limited

(Unit: Sat Industries Limited)

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

Mumbai - 400 083

Phone: +91-22-49186000

Fax: +91-22-49186060

E-mail: mumbai@linkintime.co.in

Website: www.linkintime.co.in

## Corporate Governance (Contd.)

### k. Share transfer system

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

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

Physical shares received for dematerialisation are processed and completed within 15 days from the date of their receipt, provided they are in order. Bad deliveries are immediately returned to the depository participants under advice to the shareholders. **Distribution of Shareholding as on 31.03.2018**

Sr. No.	Shares Range			No. of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1	1	to	500	1,044	61.96	1,82,406	0.17
2	501	to	1,000	181	10.74	1,53,394	0.14
3	1,001	to	2,000	107	6.35	1,66,117	0.15
4	2,001	to	3,000	56	3.32	1,44,445	0.13
5	3,001	to	4,000	34	2.02	1,19,778	0.11
6	4,001	to	5,000	28	1.67	1,31,072	0.12
7	5,001	to	10,000	73	4.33	5,66,244	0.53
8	10,001	to	Above	162	9.61	10,65,36,544	98.65
<b>Total</b>				<b>1,685</b>	<b>100.00</b>	<b>10,80,00,000</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 10,79,99,970 equity shares forming 99.9999 % of the share capital of the Company, stand dematerialised. The Company's share is actively traded on BSE. Any shareholder desiring to transfer his shares either in physical form or to get the physical shares converted into electronic form may contact the RTA for necessary advise and the procedure.

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

There are no GDRs/ADRs/Warrants outstanding as on 31st March, 2018.

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



## Corporate Governance (Contd.)

Mumbai – 400 083  
Phone: +91-22-49186000  
Fax: +91-22-49186060  
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 Premkumar Gupta  
Company Secretary and Compliance Officer  
SAT INDUSTRIES LIMITED  
121, B-Wing, Mittal Tower, Nariman Point,  
Mumbai - 400 021, India  
Phone: +91-22-66107025  
Fax: +91-22-66107027  
E-mail: [investor.relations@satgroup.in](mailto:investor.relations@satgroup.in)

## 9. OTHER DISCLOSURES

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

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

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

The Company has complied with the requirements of Stock Exchanges, SEBI and all other statutory authorities on all matters related to the capital markets during the last three years. There were no penalty imposed nor did any strictures pass on the Company by Stock Exchanges, SEBI and all other statutory authorities relating to above. The Company has not received any material Demand, Show Cause, Prosecution, Penalty Notice.

### c. **Establishment of vigil mechanism:** In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and

have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company.

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

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

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

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

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

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

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

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

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

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.

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

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

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

### c) **Audit Qualifications:** The Auditors have raised no qualification on the financial statements for the



## Corporate Governance (Contd.)

year ended 31st March, 2018.

- d) Separate posts of Chairperson and CEO:** Presently, there is no chairman in the Company.
- e) Reporting of Internal Auditor:** The Internal Auditor of the Company reports directly to the Audit Committee of the Company.

### **11. 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.

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

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

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

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

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

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

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

### **14. 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.

### **15. 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;



## Corporate Governance (Contd.)

- 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

Date: 25-05-2018	H.K. Turgalia	Shehnaz D. Ali
Place: Mumbai	Whole-time Director	Whole-time Director
	DIN: 00049544	DIN: 00185452



## **Corporate Governance (Contd.)**

### **CERTIFICATE OF CORPORATE GOVERNANCE REPORT**

To The Members of  
Sat Industries Limited  
121, B-Wing, Mittal Tower, Nariman Point,  
Mumbai- 400021.

We have examined the compliance of conditions of Corporate Governance by Sat Industries Limited for the year ended on 31st March, 2018.

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

### **Managements Responsibility**

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

### **Opinion**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

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

### **Restriction on Use**

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

Place: Mumbai  
Date: 25-05-2018

**Mrs. Nancy Jain**  
Practicing Company  
Secretary  
ACS: 44135  
COP: 16179

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

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

#### **To the Members of SAT INDUSTRIES LIMITED**

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

1. We have audited the accompanying consolidated Ind AS financial statements of SAT INDUSTRIES LIMITED (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

2. The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 thereunder.
4. 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 consolidated Ind AS financial statements are free from material Misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 8(a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### **Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associate referred to in the Other Matters paragraph,

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

the aforesaid consolidated Ind AS 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, of the consolidated state of affairs of the Group and its associate as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### **Other Matters**

8. (a) we did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs. 8164.02 lakhs as at 31st March, 2018, total revenues of Rs. 4998.12 lakhs and net cash outflows amounting to Rs. 1704.52 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 25.92 lakhs for the year ended 31st March, 2018, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to

the balances and affairs of such subsidiaries is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) The comparative financial information for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 in respect of five subsidiaries and one associate included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

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

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

9. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries and associate company incorporated in India, referred 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 Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.



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

- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2018 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 with reference to financial statement over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's Reports of the Parent, subsidiary companies and associate company, which are companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's, subsidiary companies and associate company's internal financial controls over financial reporting.
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) There is no litigation pending having impact on the consolidated financial position of the Group and its associate in accordance with the generally accepted accounting practice
- ii) The Group and its associate 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 Parent and its subsidiary companies and associate company incorporated in India.

**For Sampati Lal Bohara & Co.**

Chartered Accountants

FRN: 003324C

**Ajay Saria**

Partner

M No. 079102

Place of Signature: Mumbai

Date: May 25, 2018



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

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

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls in respect of financial statement of Sat Industries Limited (hereinafter referred to as "the Parent") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

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

The respective Boards of Directors of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established

by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

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

**For Sampati Lal Bohara & Co.**

Chartered Accountants

FRN: 003324C

**Ajay Sariya**

Partner

M No. 079102

Place of Signature: Mumbai

Date: May 25, 2018

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018**
**(Rs in Lakhs)**

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1	2			
<b>ASSETS</b>				
(1) <b>Non-current assets</b>				
(a) Property, Plant & Equipment	3	2,059.31	1,953.17	2,014.05
(b) Capital work -in- Progress		3.04	-	-
(c) Investment Property		-	-	-
(d) Goodwill on Consolidation		799.86	733.86	640.81
(e) Other Intangible Assets		2.25	0.55	-
(f) Intangible assets under development		-	-	-
(g) Biological Assets other than bearer plants		-	-	-
(h) Investments accounted for using the equity method		-	-	-
(i) Financial Assets				
(i) Investments	4	1,388.08	491.91	264.15
(ii) Trade receivables		-	-	-
(iii) Loans	5	40.00	212.10	330.45
(iv) Others	6	111.10	704.01	62.64
(J) Deferred tax assets (net)		-	-	-
(k) <b>Other non-current assets</b>	7	116.15	65.07	53.35
(2) <b>Current assets</b>				
(a) Inventories	8	800.26	703.45	434.62
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	9	1,526.25	4,491.16	3,786.79
(iii) Cash and cash equivalents	10	314.12	1,173.10	443.50
(iv) Bank balances other than (iii) above	11	525.65	1,482.45	317.44
(v) Loans	5	2,918.82	1,643.34	214.13
(vi) Others	6	404.08	91.70	8,881.75
(c) Current Tax Assets (Net)	12	3.59	-	1.81
(d) <b>Other current assets</b>	7	2,541.21	109.95	28.23
<b>Total Assets</b>		<b>13,553.77</b>	<b>13,151.81</b>	<b>8,604.51</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	13	2,160.00	1,960.00	1,118.00
(b) <b>Other Equity</b>	14			
<b>Equity attributable to the Owners of the Parent</b>		<b>6,734.23</b>	<b>6,909.80</b>	<b>585.95</b>
Non Control ling interest		<b>174.74</b>	<b>150.48</b>	<b>291.39</b>
<b>Total Equity</b>		<b>9,068.97</b>	<b>9,020.28</b>	<b>1,995.34</b>
<b>LIABILITIES</b>				
(1) <b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	15	140.75	155.10	226.58
(ii) Trade payables		-	-	-
(iii) <b>Other financial liabilities</b>		<b>140.75</b>	<b>155.10</b>	<b>226.58</b>
(b) Provisions		-	-	-
(c) Deferred tax liabilities (Net)	16	176.45	170.54	193.44
(d) Other non-current liabilities	17	0.73	0.67	-
(2) <b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	18	2,569.87	880.96	2,097.85
(ii) Trade payables	19	1,007.77	2,778.26	3,831.05
(iii) Other financial liabilities(other than those specified in item(c))	20	304.49	71.49	82.67
(d) Other current liabilities	21	198.92	51.93	174.89
(c) Provisions	22	5.79	3.58	2.69
(d) Current Tax Liabilities (Net)	23	80.03	19.00	-
<b>Total Equity and Liabilities</b>		<b>13,553.77</b>	<b>13,151.81</b>	<b>8,604.51</b>

See accompanying notes to financial statements 1 to 50

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

Signatures to the Financial Statements and Notes

**AJAY SARIYA**  
 PARTNER  
 M No. 079102

**SHEHNAZ D ALI**  
 Wholetime Director  
 DIN :00185452

**HARIKANT TURGALIA**  
 Wholetime Director  
 and CFO  
 DIN :00049544

**ALKA PREMKUMAR GUPTA**  
 Company Secretary  
 M.No. A35442

Mumbai. May 25, 2018



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018**

		<b>(Rs in Lakhs)</b>	
Particulars	Note no.	Year ended 31.03.2018	Year ended 31.03.2017
I Revenue from operations	24	9,889.72	9,513.99
II Other income	25	293.81	197.26
III Total Revenue (I+II)		10,183.53	9,711.25
IV Expenses :			
Cost of Materials consumed	26	2,399.33	2,740.62
Excise Duty		57.59	376.31
Purchases of Stock-in-Trade	27	5,548.23	5,053.21
Changes in inventories of finished goods	28	-128.11	-205.89
work-in-progress and Stock -in-Trade		-	-
Employee benefits expense	29	258.11	207.09
Finance costs	30	187.39	123.95
Depreciation and amortization expense	3	115.26	111.46
Other expenses	31	888.72	949.69
Total expenses (IV)		9,326.52	9,356.44
V Profit/(loss) before share of profit /(loss) of an associate and exceptional items(III-IV)		857.01	354.81
VI Share of profit/(loss) of an associate		(25.92)	(23.80)
VII Profit/(loss) before exceptional items and tax (V+VI)		831.09	331.01
VIII Exceptional items			
Profit on sale of Property, Plant and Equipment		(18.84)	106.42
Loss on sale of Investment		(2.40)	-8.54
Diminution in Value of Investments written back		0	-21.24
IX Profit/(loss) before tax (VII+VIII)		809.85	1,726.86
X Tax expense :			
(1) Current tax		120.78	94.55
(2) Prior Period excess income tax		-17.46	-0.38
(3) Deferred tax		5.90	-22.07
XI Profit/(loss) for the period from continuing operation (IX-X)		700.63	2,083.65
XII Profit/(Loss) from discontinued operations.		-	-
XIII Tax expense of discontinued operations		-	-
XIV Profit/(loss) from discontinued operation (after tax) (XII-XIII)		-	-
XV Profit/(loss) for the period (XV+XVI)		700.63	2,083.65
XVI Other Comprehensive Income			
A(i) item that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to item that will not be reclassified to profit or loss		-	-
B(i) item that will be reclassified to profit or loss		-	-
(ii) Income tax relating to item that will be reclassified to profit or loss		-	-
XVII Total Comprehensive Income for the period (XVI+XVII)		700.63	2,083.65
Profit attributable to a) Owners of the parent		698.37	2,084.13
(b) Non-controlling interests		2.26	(0.48)
Other comprehensive income attributable to :			
Owners of the parent		-	-
Non-controlling interests		-	-
Of the total comprehensive income above,			
Owners of the parent		698.37	2,084.13
Non-controlling interests		2.26	(0.48)
XVIII Earnings per equity share:(for continued Operation):			
(1) Basic	33	0.653	2.971
(2) Diluted	33	0.653	2.600
XIX Earnings per equity share:(for discontinued Operation):			
(1) Basic		-	-
(2) Diluted		-	-
XX Earnings per equity share:(for discontinued & continuing operations)			
(1) Basic	33	0.653	2.971
(2) Diluted	33	0.653	2.600

See accompanying notes to financial statements 1 to 50

for and on behalf of  
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Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

AJAY SARIYA  
PARTNER  
M No. 079102

SHEHNAZ D ALI  
Wholetime Director  
DIN :00185452

HARIKANT TURGALIA  
Wholetime Director  
and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 25, 2018



**CONSOLIDATED CASH FLOW STATEMENT For the Year ended 31ST MARCH,2018**

(Rs in Lakhs)

Sr. No.	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit before tax	700.63	2,083.65
	Adjustments for:		
	Depreciation	115.26	111.46
	Interest Paid	183.55	120.83
	Profit on sale of Pproperty ,plant and equipment	18.84	(106.42)
	<b>(Profit)/Loss on Sale of investments</b>	2.40	8.54
	Operating Profit before working capital changes	1,020.68	2,218.06
	Adjustment for :		
	Inventories	(96.81)	(268.83)
	Trade Receivables	2,964.91	(704.37)
	Trade payables	(1,770.49)	(1,052.79)
	Loans	(1,103.38)	(1,310.86)
	Other financial assets	644.42	(1,244.17)
	Other non-current financial assets	(111.10)	62.64
	Financial liabilities	233.00	(11.18)
	Current liabilities	148.23	(121.10)
	Increase current tax assets	(3.59)	1.81
	Increase/(Decrease) non-current assets	(51.08)	(11.72)
	<b>Increase in other current assets</b>	(2,431.26)	(81.72)
	Cash Generated from Operations	(556.47)	(2,524.23)
	<b>Income Tax Paid</b>	42.29	72.97
	Net Cash Inflow /(Out Flow) from Operation (A)	(598.76)	(2,597.20)
<b>B</b>	<b>Cash Flow from Investing Activities:</b>		
	Sale of Property,plant and equipment	18.60	204.15
	<b>Purchase of fixed assets</b>	(260.54)	(148.86)
	<b>Purchase of investments -Non Current</b>	(932.33)	(279.18)
	WIP	(3.04)	-
	Opening surplus on consolidation	-	(21.26)
	Goodwill on Consolidation	(66.00)	(93.05)
	On transfer of subsidiary etc.	(1,455.75)	(51.86)
	Sale of investment	7.84	0.56
	<b>Net Cash Inflow/(Outflow) from investing Activities (B)</b>	(2,691.22)	(389.50)
<b>C</b>	<b>Cash flow from Financing Activities</b>		
	<b>Repayment of borrowings</b>	-	(1,492.98)
	<b>Increase in borrowings</b>	1,597.79	-
	<b>Increase in capital</b>	200.00	842.00
	<b>Increase in share premium</b>	1,150.00	4,157.75
	<b>Share warrants</b>	(337.50)	125.75
	<b>Interest Paid</b>	(183.55)	(120.83)
	<b>Net Cash Inflow /(Out Flow) from Financing Activities (C)</b>	2,426.74	3,511.69
	<b>Net Increase/Decrease in cash &amp; Cash equivalents (A+B+C)</b>	(863.24)	524.99
	<b>As at the beginning of the year (Refer Note 10)</b>	1,173.10	443.50
	<b>Less : Cash Credit</b>	642.78	438.17
	<b>As at the end of the year (Refer Note 10)</b>	314.12	1,173.10
	<b>Less : Cash Credit</b>	647.04	642.78
	<b>Net Increase/(Decrease) in cash &amp; Cash equivalents</b>	(863.24)	524.99

As per our Audit Report Attached

Notes:-

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

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

Signatures to the Financial Statements and Notes

AJAY SARIYA  
PARTNER  
M No. 079102

SHEHNAZ D ALI  
Wholetime Director  
DIN :00185452

HARIKANT TURGALIA  
Wholetime Director  
and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 25, 2018



(Rs in Lakhs)

**Statement of Changes in equity**

**a) Equity Share Capital**

	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Year ended on 31/03/2017	1,118.00	842.00	1,960.00
Year ended on 31/03/2018	1,960.00	200.00	2,160.00

**b) Other equity**

	Reserves & Surplus				Exchange difference on translating financial difference on foreign operation	Money received against share warrants	Owners of the Parent	Non Controlling Interest	Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings					
Balance at the beginning of the reporting period -01/04/2016	338.25	1,320.06	127.04	(2,398.38)	987.23	211.75	585.95	291.39	877.34
Profit for the year				2,084.13	-.00		2,084.13	(0.48)	2,083.65
On Consolation of Subsidiary		102.74		(21.27)	(22.50)		58.97	(140.43)	(81.46)
Amount received against share warrants						5,022.75	5,022.75		5,022.75
Issue of Equity Share		4,055.00				(4,897)	(842.00)		(842.00)
Balance at the end of the reporting period -31/03/2017	338.25	5,477.80	127.04	(335.52)	964.73	337.50	6,909.80	150.48	7,060.28

	Reserves & Surplus				Exchange difference on translating financial difference on foreign operation	Money received against share warrants	Attributable to owners of the parent	non-controlling interest	Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings					
Balance at the beginning of the reporting period-01/04/17	338.25	5,477.80	127.04	(335.52)	964.73	337.50	6,909.80	150.48	7,060.28
Profit for the year	-	-.00	-	698.37	-	-.00	698.37	2.26	700.63
On Consolation of Subsidiary	-	-	-	-	-	-	-	22.00	22.00
Issue of Equity Share	-	1,150	-	-	-	(337.50)	812.50	-	812.50
Sales of Subsidiary	-	-	-	(558.83)	(1,127.61)	-	(1,686.44)	-	(1,686.44)
Balance at the end of the reporting period -31.03.2018	338.25	6,627.80	127.04	(195.98)	(162.88)	-	6,734.23	174.74	6,908.97

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

**Signatures to the Financial Statements and Notes**

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and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 25, 2018



## Notes to the Consolidated Financial Statements

### 1. Company Information

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

### 2. Significant Accounting Policies

#### Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Group prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Group and principal adjustments along with related reconciliations are detailed in Note 39 (First-time Adoption).

#### Basis of Preparation

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

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind

AS 102 - Share-based Payment, leasing transactions that are within the scope of Ind AS 17 - Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

#### Basis of Consolidation

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

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

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

The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as

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

owners and to the non-controlling interests. The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. The excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the CFS. On disposal of the subsidiary, attributable amount on goodwill is included in the determination of the profit or loss and recognised in the Statement of Profit and Loss.

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

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

### Operating Cycle

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

### Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised

as at 1st April, 2016 measured as per the previous GAAP. Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

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

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

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

No write off is made in respect of leasehold land.

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

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

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

### Goodwill on Consolidation

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

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

### Intangible Assets

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

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

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

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

Intangible assets that have finite lives are amortized over their estimated useful lives by the

straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

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

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

### Impairment of Assets

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

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

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

### Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on FIFO method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition

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

and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

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

### Foreign Currency Transactions

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

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

For the preparation of the consolidated financial statements:

- (a) assets and liabilities of foreign operations, together with goodwill and fair value adjustments assumed on acquisition thereof, are translated to Indian Rupees at exchange rates prevailing at the reporting period end;
- (b) income and expense items are translated at the average exchange rates prevailing during the period; when exchange rates fluctuate significantly the rates prevailing on the transaction date are used instead.

Differences arising on such translation are accumulated in foreign currency translation reserve and attributed to non-controlling interests proportionately. On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group is reclassified to the Statement of Profit and Loss. In relation to a partial disposal, that does not result in losing control over the subsidiary, the proportionate exchange differences accumulated in equity

is reclassified to the Statement of Profit and Loss

### Investment in Associate

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

### Financial instruments, Financial assets, Financial liabilities and Equity instruments

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

### Financial Assets

#### Recognition:

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

#### Classification:

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

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

Financial assets are classified as those measured at:

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

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

### **Impairment:**

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and

financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

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

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

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

### **Income Recognition:**

Interest income is recognised in



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

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

### Financial Liabilities

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

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

### Offsetting Financial Instruments

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

### Equity Instruments

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

### Revenue

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

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

### Government Grant

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

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

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

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



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

### i) Employee Benefits

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

### ii) Post-Employment Benefits Defined Contribution Plans

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

#### Defined Benefit Plans

##### Gratuity Fund

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

##### Provident Fund

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

### iii) Other Long Term Employee Benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method

Re-measurements are recognised in profit or loss in the

period in which they arise. Actuarial gains and losses in respect of such benefits are charged to Statement of Profit and Loss in the period in which they arise.

#### Leases

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

#### Group as a Lessee

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

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

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

#### Group as a Lessor

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

#### Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the

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

tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

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

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

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

### Claims

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

### Provisions

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

### Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee

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

Segment revenue arising from third party customers is

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

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

### Financial and Management Information Systems

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

### Use of estimates and judgements

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

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

### A. Judgements in applying accounting policies

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

#### 1. Control:

The Group assessed whether or not it has control on its investees based on whether, as an investor, it has the power/rights and consequently the practical ability to direct the relevant activities of its investees unilaterally. In making this judgement, the Group considered the absolute size of its holding, the relative size of and dispersion of

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

other shareholders, and whether any contractual arrangements exist between the Company (and its subsidiaries) and other shareholders of the investees. Based on this, and in accordance with its Accounting Policy, the Group has determined that the entities listed in the notes to the financial statements are the only entities over which Group has control.

### 2. Significant influence:

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

### 3. Useful life of Intangible Assets:

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

#### B. Key sources of estimation uncertainty

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

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

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

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

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to

perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

### 3. Actuarial Valuation:

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

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

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

NOTE : 3 PROPERTY, PLANT AND EQUIPMENTS									
Property, Plant and Equipment	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1st April 2017	Additions	Disposals	Balance as at 31st March, 2018	Balance as at 1st April 2017	Depreciation charge for the year	Deduction	Balance as at 31st March, 2018	Balance as at 31st Mar 2017
TANGIBLE ASSETS									
Land : Leasehold	29.57	-	-	29.57	-	-	-	29.57	29.57
Building	378.98	-	-	378.98	95.78	12.73	-	108.51	283.20
Plant and Equipment	1,397.15	29.44	55.25	1,371.34	440.69	50.95	18.00	473.64	956.46
Mould : Under operating Lease	351.11	46.39	-	397.50	79.04	12.09	-	91.13	272.07
Machinery : Under operating lease	331.62	94.34	-	425.96	34.56	15.44	-	50.00	297.06
Vehicle	127.91	77.38	-	205.29	68.54	14.74	-	83.28	59.37
Furniture	16.36	2.65	-	19.01	9.57	1.99	-	11.56	6.79
EPABX System	0.24	-	-	0.24	0.20	0.04	-	0.24	0.04
Office Equipment	14.32	3.60	-	17.92	9.77	1.97	-	11.74	4.55
D G Set	58.93	-	1.65	57.28	18.35	2.52	1.46	19.41	40.58
Tube Well	1.16	-	-	1.16	0.32	0.03	-	0.35	0.84
Computer	11.65	3.88	-	15.53	9.01	1.60	-	10.61	2.64
Total (A)	2,719.00	257.68	56.90	2,919.78	765.83	114.10	19.46	860.47	1,953.17

**INTANGIBLE ASSETS**

Computer Software (B)	1.42	2.86	-	4.28	0.87	-	2.03	0.55
Total - Current year	1.42	2.86	-	4.28	0.87	-	2.03	0.55

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

**Notes to the Consolidated Financial Statements (Contd.)**
**Financial Year 2016-2017**

Property, Plant and Equipment	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April 2016	Additions	Disposals	Balance as at 31st March, 2017	Depreciation charge for the year	Deduction	Balance as at 31st March, 2017	Balance as at 31st Mar 2016
<b>TANGIBLE ASSETS</b>								
Land	70.68	0.37	71.05	-	-	-	-	70.68
Land : Leasehold	29.57	-	-	29.57	-	-	29.57	29.57
Building	378.98	26.42	26.42	378.98	12.76	0.03	283.20	295.93
Plant and Equipment	1,379.07	20.53	2.45	1,397.15	51.49	2.16	956.45	987.70
Mould : Under operating Lease	255.59	95.53	-	351.12	9.94	-	272.09	186.50
Machinery : Under operating lease	331.62	-	-	331.62	13.25	-	297.06	310.31
Vehicle	127.91	-	-	127.91	16.57	-	59.37	75.94
Furniture	15.48	0.88	-	16.36	1.84	-	6.78	7.74
EPABX System	0.24	-	-	0.24	0.06	-	0.04	0.10
Office Equipment	12.50	1.82	-	14.32	1.78	-	4.55	4.51
D G Set	58.93	-	-	58.93	2.54	-	40.58	43.12
Tube Well	1.16	-	-	1.16	0.04	-	0.83	0.87
Computer	9.09	2.56	-	11.65	0.99	-	2.65	1.08
<b>Total (A)</b>	<b>2,670.82</b>	<b>148.11</b>	<b>99.92</b>	<b>2,719.01</b>	<b>111.26</b>	<b>2.19</b>	<b>1,953.17</b>	<b>2,014.05</b>
<b>INTANGIBLE ASSETS</b>								
Computer Software (B)	0.67	0.75	-	1.42	0.20	-	0.87	-
<b>Total - Current year</b>	<b>0.67</b>	<b>0.75</b>	<b>-</b>	<b>1.42</b>	<b>0.20</b>	<b>-</b>	<b>0.87</b>	<b>-</b>

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



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

**Note 04**

(Rs. in lakhs)

<b>NON-CURRENT INVESTMENTS</b>	<b>As at 31.03.2018</b>		<b>As at 31.03.2017</b>		<b>As at 01.04.2016</b>	
<b>In Others :</b>						
<b>Unquoted :</b>						
<b>01. Equity Instrument</b> (at fair value through other comprehensive income):		<b>985.39</b>		183.17		162.65
<b>02. Debentures :</b> (at amortised cost)		<b>10.00</b>		5.00		5.00
<b>03. Funds etc.</b> (at amortised cost)		<b>81.36</b>		46.56		30.00
<b>04. Investment in equity instrument of Associate</b> Carries at cost , <b>Genext Students Private Limited</b> <b>936513 (2017 936513,2016-664979</b> <b>Equity Shares of Rs. 10/- each fully paidup</b>		<b>231.25</b>		257.18		66.50
<b>05. Others</b> (at amortised cost)		<b>5.12</b>				
<b>Quoted</b>						
<b>01. Equity Instrument</b> (at fair value through other comprehensive income):		<b>74.96</b>				
		<b>1,388.08</b>		491.91		264.15
*Pledged with commercial taxes department						
(a) Aggregate of unquoted investments.		<b>1,313.12</b>		491.91		264.15
(b) Aggregate of quoted investments		<b>74.96</b>		-		-
(c) Market value of quoted investment		<b>74.96</b>		-		-





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

**NOTE 5: LOANS**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
(Unsecured , considered good)						
<b>Loans to related Parties</b>						
-Unsecured -considered good	2,291.56	-	-	162.10	207.42	-
- Doubtful	-	-	-	-	-	-
Less : Allowance for doubtful	-	-	-	-	-	-
	2,291.56	-	-	162.10	207.42	-
<b>Other Loans:</b>						
Others :	627.26	40.00	1,640.00	50.00	-	330.45
Employees	-	-	3.34	-	4.19	-
Suppliers	-	-	-.00	-	2.52	-
<b>Total</b>	<b>2,918.82</b>	<b>40.00</b>	<b>1,643.34</b>	<b>212.10</b>	<b>214.13</b>	<b>330.45</b>

**Note 6: OTHER FINANCIAL ASSETS**

**Rs. In lakhs**

Particulars	As at March 31, 2018 (Rupees in Lakhs)		As at March 31, 2017 (Rupees in Lakhs)		As at April 1, 2016	
	current	Non-current	current	Non-current	current	Non-current
Bank Deposit with more than 12 months maturity	382.37	-	-	99.00	-	-
<b>Other Financial Assets</b>						
-Share application money	-	-	-	-	-	28.00
-Deposit						
-Share application money						
-Interest accrued on loan, deposit etc.						
-Other Receivables						
-Interest						
- others	14.12	-	35.83	-	9.02	-
<b>Total</b>	<b>404.08</b>	<b>111.10</b>	<b>91.70</b>	<b>-</b>	<b>12.54</b>	<b>62.64</b>

\*Under lien with Uco Bank Guarantee and include interest accrued Rs. 2.47 Lakhs (2017 Rs. 0.30 Lakhs, 2016. Rs. 0.01 Lakhs)



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

**Note 7: OTHER ASSETS :**

**Rs. In lakhs**

Particulars	As at March 31, 2018 (Rupees in Lakhs)		As at March 31, 2017 (Rupees in Lakhs)		As at April 1, 2016	
	current	Non-current	current	Non-current	current	Non-current
Capital Advances	-	30.45	-	-	-	1.00
<b>Advances other than capital advances</b>						
Security Deposit	-	3.70	-	64.13	-	51.08
-Others	0.71	0.90	-	-	-	-
-Advances to related parties	52.73	-	-	-	-	-
<b>OTHER ADVANCES :</b>						
- advance against expenses	4.34	-	-	-	-	-
-With Statutory Authorities	39.23	80.80	17.84	-	24.48	-
-Prepaid Expenses	15.38	-	9.88	-	3.56	-
-Employees	6.00	0.09	-	-	-	-
-Other Receivables	2,012.56	-	82.23	0.94	0.19	1.27
Income Tax refund	-	0.21	-	-	-	-
GST Credit	26.95	-	-	-	-	-
Other receivables :						
-export incentives	33.88	-	-	-	-	-
accrued EPI of IOCL	1.54	-	-	-	-	-
accrued Interest	2.89	-	-	-	-	-
-receivables against DCA and CS of IOCL	301.10	-	-	-	-	-
Other Incentive	43.90	-	-	-	-	-
<b>Total</b>	<b>2,541.21</b>	<b>116.15</b>	<b>109.95</b>	<b>65.07</b>	<b>28.23</b>	<b>53.35</b>

**NOTE 8 : INVENTORIES**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
(a) Raw materials		103.55		133.90		89.70
(b) Work-in-progress		502.77		403.76		238.93
(c) Finished goods		133.55		104.87		64.08
(d) Stores and spares		49.66		49.12		31.97
(e) Printing Ink		9.57		11.06		9.46
(e) Wastage		1.16		0.74		0.48
<b>Total</b>		<b>800.26</b>		<b>703.45</b>		<b>434.62</b>

**Notes to the Consolidated Financial Statements (Contd.)**
**NOTE 9 :TRADE RECEIVABLES**
**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Unsecured:						
Considered good		1,526.25		4,491.16		3,786.79
Considered doubtful		-		-		-
		1,526.25		4,491.16		3,786.79
Less: Allowance for doubtful debts		-		-		-
<b>Total</b>		<b>1,526.25</b>		<b>4,491.16</b>		<b>3,786.79</b>

**NOTE 10 :CASH AND CASH EQUIVALENTS**
**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
a) Balances with banks						
i) in current accounts		99.31		265.83		441.67
ii) Cheques onhand		7.73		723.52		-
ii) deposits with original maturity up to 3 months		204.00		-		-
FDR with Ratnakar Bank		-		180.00		-
b) Cash on hand		311.04		1,169.35		441.67
		3.08		3.75		1.83
<b>Total</b>		<b>314.12</b>		<b>1,173.10</b>		<b>443.50</b>

**NOTE 11 : OTHER BANK BALANCES**
**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Bank deposits with original maturity for more than 3 months but not more than 12 months (including accrued interest thereon)						
With Bank		525.65		1,243.00		314.80
Earmarked		-		239.45		2.64
Margin money		-		-		-
<b>Total</b>		<b>525.65</b>		<b>1,482.45</b>		<b>317.44</b>

Deposit with more than 3 months and remaining maturity period less than 12 months from the date of the balance sheet .

**NOTE 12 : CURRENT TAX ASSETS**
**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Income tax Refund		3.59		-		1.81
<b>Total</b>		<b>3.59</b>		<b>-</b>		<b>1.81</b>



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

### NOTE 13: SHARE CAPITAL

Amount in Rs. lakhs

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>						
Equity Shares of 2/- each	11,00,00,000	2,200.00	11,00,00,000	2,200.00	7,50,00,000	1,500.00
	11,00,00,000	2,200.00	11,00,00,000	2,200.00	7,50,00,000	1,500.00
<b>Issued</b>						
Equity Shares of 2/- each fully paid up	10,80,00,000	2,160.00	9,80,00,000	1,960.00	5,59,00,000	1,118.00
<b>Total</b>	<b>10,80,00,000</b>	<b>2,160.00</b>	<b>9,80,00,000</b>	<b>1,960.00</b>	<b>5,59,00,000</b>	<b>1,118.00</b>

### Note: 13.1 Reconciliation for No. of shares outstanding during the year

Amount in Rs. lakhs

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	9,80,00,000	1,960.00	5,59,00,000	1,118.00	4,60,00,000	920.00
Shares Issued during the year	1,00,00,000	200.00	4,21,00,000	842.00	99,00,000	198.00
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	10,80,00,000	2,160.00	9,80,00,000	1,960.00	5,59,00,000	1,118.00

### Note :13.02 Details of shareholders holding more than 5%

Name of Shareholder	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
1. Sat Invest Private Limited	5,08,35,000	47.07%	4,48,35,000	45.75%	2,62,35,000	46.93%
2. Dawood Investment Private Limited	72,09,321	6.68%	72,09,350	7.36%	72,09,350	12.90%
3. Space Age Polymers Private Limited	66,19,455	6.13%	61,69,455	6.30%	61,69,455	11.04%
3. A Flex Invest Private Limited	75,00,000	6.94%	-	-	-	-

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

13.04 : There are no calls unpaid on equity shares.

13.05 : No Equity shares have been forfeited.

13.06 : Shares Reserved for issue under options :

The Company has reserved NIL ( 2017- 1,00,00,000, 2016- 1,21,00,000 ) equity shares of Rs. 2/- each to be allotted to the holders of the share warrants on the exercise of the option attached to share warrants within 18 months from the date of allotment of share warrants.

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



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

**Note 14 : OTHER EQUITY**

**Rs. In lakhs**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April March, 2016
<b>1. SECURITIES PREMIUM ACCOUNT</b>			
As per the last year accounts	5,477.80	1,320.06	600.93
Add: Consolidation of subsidiaries			420.13
Add: Share of associates on consolidation		102.74	-
Add: Addition during the year	1,150.00	4,055.00	299.00
	<b>6,627.80</b>	<b>5,477.80</b>	<b>1,320.06</b>
<b>2. CAPITAL RESERVE</b>			
As per the last year accounts	338.25	338.25	338.25
<b>3. GENERAL RESERVE</b>			
As per the last year accounts	127.04	127.04	127.14
Less: Depreciation impact due to change in method to use life	-	0	0.10
	<b>127.04</b>	<b>127.04</b>	<b>127.04</b>
<b>4. MONEY RECEIVED AGAINST SHARE WARRANTS</b>			
As per the last year accounts	337.50	211.75	21.00
Add: Addition during the year	-	5,022.75	687.75
Less : Deduction during the year	337.50	4,897.00	497.00
	-	337.50	211.75
<b>5. RETAINED EARNINGS</b>			
As per the last year accounts	(335.52)	(2,398.38)	(2,398.60)
Opening Balance of subsidiaries added during the year			198.00
Share in opening surplus of associates etc.		(21.27)	(197.78)
Add: Surplus for the year	139.54	2,084.13	
	<b>(195.98)</b>	<b>(335.52)</b>	<b>(2,398.38)</b>
<b>6. FOREIGN CURRENCY TRANSLATION RESERVE</b>			
As per the last year accounts	964.73	987.23	987.23
Add : Addition during the year	(1,127.61)	(22.50)	-
	<b>(162.88)</b>	<b>964.73</b>	<b>987.23</b>
<b>Equity attributable to the owners of the parent</b>	<b>6,734.23</b>	<b>6,909.80</b>	<b>585.95</b>
Non-controlling interest	<b>174.74</b>	<b>150.48</b>	<b>291.39</b>
<b>TOTAL</b>	<b>6,908.97</b>	<b>7,060.28</b>	<b>877.34</b>

**NOTE 15 : BORROWINGS**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	current	Non-current	current	Non-current	Current	Non-current
<b>Secured</b>						
Other Loan	-	-	-	-	-	3.79
From Bank	68.24	132.10		155.10	-	222.79
From Kotak Mahinda Prime Ltd	-	8.65			-	
	<b>68.24</b>	<b>140.75</b>	<b>-</b>	<b>155.10</b>	<b>-</b>	<b>226.58</b>



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

- (a) Term loan from Kotak Mahindra Prime Limited is secured against hypothecation of Car no. MH-01-BG-1556. The loan is repayable in 59 equal monthly instalments of Rs.43,900.00 each commencing from 30th January, 2013 and the last instalment is repayable on 10th December, 2017. There is no continuing default in the repayment of instalment and interest thereon. Rate of interest as on 31.03.2018 is 9.876 % per annum.
- (b) Term loan from ICICI Bank Limited is secured against hypothecation of Car no. MH-01-CD-0522. The loan is repayable in 84 equal monthly instalments of Rs.70,800.00 each commencing from 10th October, 2015 and the last instalment is repayable on 10th August, 2022. There is no continuing default in the repayment of instalment and interest thereon. The rate of interest as on 31.03.2018 is 10.00% p.a. with monthly rests.
- (c) Term loan - Term Loan -II from UCO Bank is secured against equitable mortgage of land and building of Sah Polymers Limited situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all moveable assets such as plant and machinery, furniture and fixtures etc. It is also secured by way of personal guarantee of Mr. Hakim S Tidiwala and Mr. Asad Daud, Directors of Sah Polymers Limited. Rate of interest as on 31.03.2018 is 13.10% per annum.
- (d) Term loan II is repayable in 32 quarterly installments of Rs. 15.63 Lakhs - each commencing from 30.06.2012. The last installment is repayable on 31.03.2020.
- (e) There is no continuing default in the repayment of installment of loan and interest thereon.
- (f) In respect of unsecured loans, there is no schedule of repayment.
- (g) Term loan from Yes Bank is secured against hypothecation of Car no. MH01 DB 1251. The loan is repayable in 60 equated monthly instalments of Rs.1,12,822/- each commencing from 09.03.2018 and the last instalment is repayable on 02.03.2023. There is no continuing default in the repayment of instalment and interest thereon. Rate of interest as on 31.03.2018 is 8.10% per annum.
- (h) Term loan from Kotak Mahindra Prime Limited is secured against hypothecation of Car no. MH01 CT 6227. The loan is repayable in 60 equal monthly instalments of Rs. 22,941/- each commencing from 16.12.2017 and the last instalment is repayable on 01.11.2022. There is no continuing default in the repayment of instalment and interest thereon. Rate of interest as on 31.03.2018 is 8.35% per annum.

### NOTE 16 : DEFERRED TAX LIABILITIES

Rs. In lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening Balance	177.77	193.44	0
(+) Opening Balance of subsidiaries	0	0	187.51
(+) Current year deferred tax liabilities	31.49	34.23	13.52
(-) Current deferred tax assets for leave encashment	-8.83	5.50	20.66
(-) Deferred Tax Asset created on losses now reversed	23.98	51.63	(13.07)
Net Profit change to Profit and Loss	0		
<b>Total</b>	<b>176.45</b>	<b>170.54</b>	<b>193.44</b>

### NOTE 17 : OTHER NON- CURRENT LIABILITIES

Rs. In lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payables	0.73	0.67	-
<b>Total</b>	<b>0.73</b>	<b>0.67</b>	<b>-</b>





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

### NOTE 18 : CURRENT BORROWINGS

Rs. In lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Current	current	Current
<b>Secured</b>			
Other Loan			
From Bank	-	190.39	-
UCO CC	647.04	642.78	438.17
<b>Unsecured</b>			
Others	1,922.83	47.79	1,659.68
<b>Total</b>	<b>2,569.87</b>	<b>880.96</b>	<b>2,097.85</b>

(a) Borrowings from UCO Bank is secured against equitable mortgage of land and building of Sah Polymers Limited situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all current assets such as raw material, finished goods, work-in progress, stores and spares, book debts, and packing materials etc. It is also secured by way of personal guarantees of Mr. Hakim S Tidiwala and Mr. Asad Daud, Directors of Sah Polymers Limited. Rate of interest as on 31.03.2018 is 10.60 % per annum.

(b) There is no continuing default in the payment of interest.

### NOTE 19: TRADE PAYABLE

Rs. In lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Due to Small and Medium Enterprises	-	-	-
Other than small and Medium Enterprises	1,007.77	2,778.26	3,831.05
<b>Total</b>	<b>1,007.77</b>	<b>2,778.26</b>	<b>3,831.05</b>

### Note 20 : OTHER FINANCIAL LIABILITIES

Rs. In lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturity of long term debt *	79.67	71.49	82.67
Payable for property, plant and equipment	18.11	-	-
Overdraft facility	206.71	-	-
<b>Total</b>	<b>304.49</b>	<b>71.49</b>	<b>82.67</b>

\*for security and other terms refer no. 15

### NOTE 21 : OTHER CURRENT LIABILITIES

Rs. In lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Liabilities	35.03	37.04	42.25
Interest payable	23.89	-	-
Advance recd from customers	10.92	14.89	132.64
- Other payable	129.08	-	0
<b>Total</b>	<b>198.92</b>	<b>51.93</b>	<b>174.89</b>



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

**NOTE 22 : PROVISIONS**

**Rs. In lakhs**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a. Provision for Gratuity	1.68	0.07	0.07
b. for leave encashment	4.11	3.51	2.62
<b>Total</b>	<b>5.79</b>	<b>3.58</b>	<b>2.69</b>

**NOTE 23 : CURRENT TAX LIABILITIES**

**Rs. In lakhs**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income Tax (Net of advance tax )	80.03	19.00	-
<b>Total</b>	<b>80.03</b>	<b>19.00</b>	<b>-</b>

**NOTE 24 : REVENUE FROM OPERATIONS**

**Rs. In lakhs**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of Products	9,093.18	9,144.71
Services		
1) Income from Equipment Used charges	191.28	159.92
2) Income from Interest	527.99	208.83
Other Operating Income	77.27	0.53
<b>Total</b>	<b>9,889.72</b>	<b>9,513.99</b>

**NOTE 25 : OTHER INCOME**

**Rs. In lakhs**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Income from Interest	149.89	78.50
Income from Interest on Fixed Deposits amortise cost	2.69	8.75
Income from Rent	2.76	-
Income from Subsidy	15.63	34.69
Dues not payable	2.03	-
Foreign Exchange Fluctuation	20.07	1.69
Bad Debts recovered	-	15.67
Export Incentives	51.87	41.54
Other Income- Commission	36.32	-
Miscellaneous Income	2.33	-
Other Incentive (RM)	10.22	-
Scrap Sale	-	16.42
<b>Total</b>	<b>293.81</b>	<b>197.26</b>

**Notes to the Consolidated Financial Statements (Contd.)**
**NOTE 26 : COST OF MATERIALS CONSUMED**
**Rs. In lakhs**

	<b>For the year ended 31st March, 2018</b>	<b>For the year ended 31st March, 2017</b>
Opening Stock	133.9	89.70
Add: Purchases and adjustments	2,368.98	2,784.82
	2,502.88	2,874.52
Less: Closing Stock	103.55	133.90
<b>Cost of Material Consumed</b>	<b>2,399.33</b>	<b>2,740.62</b>

**NOTE 27 : PURCHASE OF STOCK IN TRADE**
**Rs. In lakhs**

	<b>For the year ended 31st March, 2018</b>	<b>For the year ended 31st March, 2017</b>
Purchases -Traded Goods	5,548.23	5,053.21
	5,548.23	5,053.21

**NOTE 28 : CHANGE IN INVENTORIES**
**Rs. In lakhs**

	<b>For the year ended 31st March, 2018</b>	<b>For the year ended 31st March, 2017</b>
<b>Opening Stock :</b>		
Finished Goods	105.61	64.55
Work-in-progress	403.76	238.93
	509.37	303.48
<b>Less :Closing Stock :</b>		
Finished Goods	134.71	105.61
Work-in-progress	502.77	403.76
	637.48	509.37
(Increase )/decrease in inventories	(128.11)	(205.89)

**NOTE 29 : EMPLOYEE BENEFITS**
**Rs. In lakhs**

<b>Particulars</b>	<b>Year ended 31 March 2018</b>	<b>Year ended 31 March 2017</b>
(i) Salaries, wages and bonus	245.23	196.39
(ii) Contribution to provident and other funds	9.42	8.78
(iii) Staff welfare expenses	1.56	1.85
(iv) Gratuity Fund contributions	1.90	0.07
<b>Total</b>	<b>258.11</b>	<b>207.09</b>

**NOTE 30 : FINANCE COST**
**Rs. In lakhs**

<b>Particulars</b>	<b>Year ended 31 March 2018</b>	<b>Year ended 31 March 2017</b>
(a) Interest expense		
(i) Interest on borrowing	183.55	120.83
(ii) Interest on delayed payment of taxes	1.31	0.01
(b) Other borrowing costs - Bank/Processing Charges	2.53	3.11
<b>Total</b>	<b>187.39</b>	<b>123.95</b>



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

**NOTE 31 : OTHER EXPENSES**

Particulars	Rs. In lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
<b>Consumption of stores and spare parts</b>	52.40	35.06
Electric & Power	276.87	277.03
Fuel & Lubricant	13.07	22.61
Fabric Weaving Expenses	58.87	62.76
Bag Stitching Expenses	73.61	114.90
Bag Printing Expenses	11.51	50.64
Printing Ink	34.06	58.23
Repairs & Maintenance ( Plant & Machinery)	9.98	10.89
Packing Materials	7.74	4.77
Carriage Outward	17.20	26.96
Export Freight , Insurance & other Expenses	133.18	91.28
Rebate, Claim & Discounts	2.72	18.96
Commission on sales	16.37	26.23
Bank Commission	12.37	9.51
Rent & Service Charges	11.44	11.15
Insurance Charges	5.07	5.42
Legal & Professional Exp.	24.64	12.43
Payment to Auditors:		
(i) as Audit Fee	0.80	4.66
(iii) for taxation matters	0.10	0.82
(iv) for Issue of certificates	-	0.82
(v) for reimbursement of expenses	-	0.05
Light & Water	1.60	2.46
Fees & Taxes	-	7.97
Filing Fees	0.21	7.12
Depository Charges	4.20	3.66
Repairs & Maintenance ( Building )	4.02	7.69
Repairs & Maintenance ( Others )	2.65	2.02
Stationery & Printing	2.73	2.01
Conveyance & Travelling Expenses	24.10	11.71
Trunk & Telephone	5.05	7.04
Vehicle Running & Maintenance Expenses.	5.62	5.77
Excise Duty Provided on stock	-	5.38
Bad debts	36.23	-
Office Expense	9.29	8.13
Miscellaneous Expenses	31.02	33.55
<b>TOTAL</b>	<b>888.72</b>	<b>949.69</b>

**Note 32 : Additional Information :**

	Rs. In lakhs	
	As at 31.03.2018	As at 31.03.2017
(i) Depreciation and amortization expenses	115.26	111.46
	115.26	111.46

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

### Note 33 : (ii) Earnings per share

	2017-2018	2016-2017
Earning per share has been computed as under		
(a) Profit for the year	700.63	2,083.65
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	10,72,60,274	7,01,30,685
(c) Effect of potential Equity shares on conversion of outstanding share warrants	0	1,00,00,000
(d) Weighted average number of equity shares in computing diluted earnings per share	10,72,60,274	8,01,30,685
[(b) + (c)]		
(e) Earnings per share on profit for the year (Face Value Rs. 2.00 per share) –		
-Basic (a/b)	0.653	2.971
-Diluted (a/d)	0.653	2.600

### Note 34

#### Contingent liabilities and commitments :

##### (a) Contingent liabilities

Claims against the Company not acknowledged as debts – Rs. 48.74 lakhs (2017 – Rs. 8.8.94 lakhs, 2016- Rs. 0.27 lakhs) including interest on claims, where applicable, estimated to be. These comprise:

- Income tax Rs. 2.79 lakhs (2017 – Rs. 0.27 lakhs, 2016- Rs. 0.27 lakhs ), including interest on income tax, where applicable, estimated to be Rs. 0.27 lakhs (2017 – Rs. 0.27 lakhs, 2016- Rs. 0.27 lakhs),

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

- VAT/Excise duty and other indirect taxes claims disputed by the Company relating to issues of applicability and classification aggregating Rs. 45.95 lakhs (2017 – Rs. 8.67 lakhs, 2016- Rs. NIL), including interest on claims, where applicable, estimated to be.

##### (b) Commitments

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. 71.31 lakhs (2017 – Rs. 16.71 lakhs, 2016- Rs. NIL.),
- Uncalled liability on shares partly paid is Rs. 15.00 lakhs (2017 – Rs.50.00 lakhs, 2016- Rs. 70.00 lakhs )

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

### Note 35

The companies considered in the consolidated financial statement are :

Name	Country of incorporation	% of ownership interest as at 31/03/2018	% of ownership interest as at 31/03/2017	% of ownership interest as at 01/04/2016
<b>Subsidiaries :</b>				
Sah Polymers Limited	India	91.79	89.43	79.47
Italica Furniture Private Limited	India	100	100	100
Italica Ventures Private Limited	India	100	100	NA
Aeoflex International Limited	India	100	100	100
Sat Middleeast Limited	UAE	*	100	100
Italica Global FZC, UAE	UAE	100	NA	NA
* ceased to be subsidiary w.e.f. 30/03/2018				
<b>Associate</b>				
Name	Country of incorporation	% of ownership interest as at 31/03/2018	% of ownership interest as at 31/03/2017	% of ownership interest as at 01/04/2016
Genext Students Private Limited	India	33.72	39.70	39.23

### Note 36. Financial Instruments and Related Disclosures

#### A. Capital Management

The Group's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals, borrowings etc. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern. During the year, Sat Industries Limited - the Parent issued 1,00,00,000 equity shares of Rs. 2.00 each amounting to Rs. 200.00 Lakhs (2017 - Rs. 842.00 lakhs) on conversion of share warrants. The securities premium stood at Rs. 6,627.80 lakhs as at 31st March, 2018 (2017 - Rs. 5,477.80 lakhs, 2016 - Rs. 1,320.06 lakhs)

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

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



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

Particulars	Fair value hierarchy	As at 31st March, 2018		As at 31st March, 2017		As at April 1, 2016	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A</b>							
<b>a)</b>							
Financial assets							
Measured at amortised cost							
i) Cash and cash equivalent		314.12	314.12	1,173.10	1,173.10	443.50	443.50
ii) Other Bank balance		525.65	525.65	1,482.45	1,482.45	317.44	317.44
iii) Loans		2,958.82	2,958.82	1,855.44	1,855.44	544.58	544.58
iv) Debenture		10.00	10.00	5.00	5.00	5.00	5.00
v) Funds etc.		86.48	86.48	46.56	46.56	30.00	30.00
vi) Trade receivables		1,526.25	1,526.25	4,491.16	4,491.16	3,786.79	3,786.79
vii) Other financial assets		515.18	515.18	91.70	91.70	75.18	75.18
Sub Total		5936.50	5936.50	9145.41	9145.41	5202.49	5202.49
<b>b)</b>							
Measured at fair value through OCI							
i) Equity Instrument -unquoted	L1	985.39	985.39	183.17	34.64	162.65	34.64
ii) Equity Instruments- quoted	L3	74.96	74.96	-	-	-	-
Sub Total		1,060.35	1,060.35	183.17	34.64	162.65	34.64
Total Financial assets		6996.85	6996.85	9328.58	9180.05	5365.14	5237.13
<b>B</b>							
<b>a)</b>							
Financial Liabilities							
Measured at amortised cost							
i) Borrowings		2,710.62	2,710.62	1,036.06	1,036.06	2,324.43	2,324.43
iii) Trade payables		1,007.77	1007.77	2,778.26	2,778.26	3,831.05	3,831.05
iv) Other financial liabilities		304.49	304.49	71.49	71.49	82.67	82.67
Total financial liabilities		4022.88	4022.88	3885.81	3885.81	6238.15	6238.15

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

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

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



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

### C : FINANCIAL RISK MANAGEMENT

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

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

#### 1. MANAGEMENT OF MARKET RISK:

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

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

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

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

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

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

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

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

The currency profile of financial assets and financial liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016 are as below:

Financial assets	Exposure currency	Rs. in lakhs		
		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade receivables	USD	219.72	151.97	18.73
	EURO	56.63	0	0
		276.35	151.97	18.73

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

### Sensitivity analysis

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

		Rs.in lakhs	
	As at	Strengthening	Weakening
Profit/(Loss)	31.03.2018	-13.81	13.81

### B. MANAGEMENT OF CREDIT RISK:

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

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

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

### C. MANAGEMENT OF LIQUIDITY RISK:

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

The Company's Current assets aggregate to Rs. 5,984.86 lakhs (2017 – Rs. 5,558.25 lakhs; 2016 – Rs. 3,959.09 Lakhs) including Cash and cash equivalents and Other bank balances of Rs. 513.18 lakhs (2017 – Rs.1,442.58 lakhs; 2016 – Rs. 344.61 Lakhs) against an aggregate Current liability of Rs. 1,325.48 Lakhs (2017 – Rs.2,233.59 Lakhs; 2016 – Rs. 5,200.73 Lakhs); Non-current liabilities due between one year to three years amounting to Rs. 53.90 lakhs (2017 – NIL; 2016 – NIL) and Non-current liability due after three years amounting to Rs. NIL(2017 – NIL; 2016 – NIL) on the reporting date. Further, while the Company's total equity stands at Rs. 9,025.43 Lakhs (2017 – Rs. 7,563.89 Lakhs ; 2016 – Rs. 1,175.02 Lakhs), it has borrowings of Rs. 343.09 lakhs (2017 – Rs.47.79 lakhs; 2016 – Rs. 1,514.93 Lakhs). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

### Note 37 Disclosures in respect of related parties pursuant to Ind AS 21

#### (i) Associate Company :

Genext Students Private Limited

#### (ii) Key Managerial Persons

Holding Company

01) Mrs. Shehnaz D Ali, Wholetime Director

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

03) Ms. Alka Premkumar Gupta, Company Secretary

Subsidiary

01) Mr Asad Daud

02) Mr. Hakim S Tidiwala

03) Mr Lalit Kumar Bolia

04) Mr. Debanshu Deb



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

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

Rs.in lakhs

Name of related party	Nature of relation	2017-2018	2016-2017	Nature of transaction
Remunarration	Key Management Person	69.77	63.74	Salary
Sat Invest Pvt. Ltd.	Promoter Company & Major Shareholder	66.00	0.00	i) Purchase of shares
		0.02	0.04	ii) Fees paid on behalf
Park Continental Pvt. Ltd.	Shareholder of the Company	3,917.46	2,895.40	Unsecured Loan Given
		4,321.07	1,381.82	Loan repayment received back
		0.00	436.41	Loan Taken
		0.00	1,056.30	Loan Repayment
Pil Italica Life style Limited	Controlled by Director's father	94.00	20.50	Loan Taken
		94.00	20.50	Loan Repayment
		2.83	0.00	Interest Paid
		70.60	11.43	Sales
		30.81	46.14	Purchases
Hakim S Tidiwala	Director of Subsidiary	-	30.00	Unsecured Loan Given
		-	30.00	Loan repayment received back
Mr Daud Ali	Director's Father	-	6.40	Consultancy charges paid

### Closing balances

Name	31.03.2018	31.03.2017
Mrs. Shehnaz D. Ali	1.54CR	1.99CR
Mr. Harikant Turgalia	0.97CR	0.71CR
Pil Italica Life style Limited	3.83 DR	22.24 CR
Park Continental Pvt. Ltd.	1,846.39 DR	-

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

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

### Note 38

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

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

During the year, the Group has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of Rs.109.92 lakhs (March 31, 2017 Rs. 43 lakhs, April 1, 2016 Rs. NIL). The Group is reasonably not certain availing the said MAT Credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same

Tax Credits carried forward	As at March 31, 2018	Expiry date	As at March 31, 2017	Expiry date	As at April 1, 2016	Expiry date
2012-13	11.51	31.03.2028	11.51	31.03.2028	11.51	31.03.2028
2013-14	6.00	31.03.2029	6.00	31.03.2029	6.00	31.03.2029
2014-15	3.26	31.03.2030	3.26	31.03.2030	3.26	31.03.2030
2016-17	43.00	31.03.2032	43.00	31.03.2032	0.00	0.00
2017-18	109.92	31.03.2033	0.00	0.00	0.00	0.00

### Note 39

(i) First-time Adoption of Ind AS (i) Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by:

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities.

(ii) Transition to Ind AS Reconciliations:

The following are reconciliations from previous GAAP to Ind AS in accordance with Ind AS 101

- Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016
- Reconciliation of Total Comprehensive income for the year ended March 31, 2017
- Adjustments to Statement of Cash Flows for the year ended March 31, 2017
  - Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

Rs. in lakhs

Particulars	As at 31/03/2017	As at 01/04/2016
Total Equity as per Indian GAAP	9,020.28	1,995.34
Total Equity as per IND AS	9,020.28	1,995.34



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

### II. Reconciliation of Total Comprehensive income for the year ended March 31, 2017

Rs. in lakhs	
Particulars	As at 31/03/2017
Profit After Tax as per Indian GAAP	2,083.65
Total Comprehensive income as per Ind AS	2,083.65

### III. Adjustments to Statement of Cash Flows for the year ended March 31, 2017

There is no differences between the Statement of Cash Flows presented under Ind AS and previous GAAP

- (iii) a. Property, plant and equipment and intangible assets were carried in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost at the date of transition.
- b. under the previous GAAP, investment in subsidiary was stated at cost and provisions made to recognise the decline ,other than temporary. Under Ind AS , the Company has considered their previous GAAP carrying amount as their deem cost.
- (iv) In addition to the above, the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017 are detailed below:
  - a. Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments [other than investment in subsidiaries, joint ventures and associates] have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.
  - b. Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as Fair Value through Profit or Loss (FVTPL) on the date of transition and fair value changes after the date of transition has been recognised in profit or loss.
  - c. Under previous GAAP, movements in cash credit facilities, repayable on demand, were reflected in cash flow financing activities in cash flow statement. Under Ind AS, such cash credit facilities are included in cash and cash equivalent in the cash flow statement.
  - d. Under previous GAAP, Non Controlling interest was shown separately. Under Ind AS, the same has been included in "Total Equity".

### Note 40 EMPLOYEE BENEFITS

#### a) DEFINED CONTRIBUTION PLAN

##### Provident Fund:

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

#### b) DEFINED BENEFIT PLAN

##### Gratuity:

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



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

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

### Provident Fund:

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

### c) Amounts Recognised as Expense:

#### i) Defined Contribution Plan

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to Rs. 9.42 Lakhs (previous year Rs. 8.61 Lakhs ) has been included under Contribution to Provident and Other Funds.

#### ii) Defined Benefit Plan

Gratuity cost amounting to Rs. 1.90 Lakhs (previous year Rs. 0.07 Lakhs ) has been included in Note 28 under Contribution to Provident and Other Funds.

### Note 41

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

### Note 42

As per Ind AS 108 " Operating Segment", the segments details are as under

Particular	Year ended	Year ended
	31/03/2018	31/03/2017
<b>Segment Revenue</b>		
Trading	5,546.97	5,401.27
Manufacturing	3,693.09	3,745.23
Finance & Investment	769.78	189.48
<b>Total</b>	10,009.84	9,335.98
Other Income	173.69	-
Total Revenue	10,183.53	9,335.98
<b>Segment results</b>		
Trading	205.59	1,958.65
Manufacturing	25.16	6.66
Finance & Investment	405.41	190.44
<b>Total Segment Results</b>	636.16	2,155.75
Other Income	173.69	-
Profit before tax	809.85	2,155.75
Provision for tax	109.22	72.10
Profit after tax	700.63	2,083.65



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

<b>Segment Assets</b>		
Trading	824.70	2,094.25
Manufacturing	3,175.08	2,764.00
Finance & Investment	9,553.99	8,293.56
<b>Total</b>	<b>13,553.77</b>	<b>13,151.81</b>
<b>Segment Liabilities</b>		
Trading	732.41	7,226.39
Manufacturing	1,314.90	-6.96
Finance & Investment	2,437.48	1,314.34
<b>Total</b>	<b>4,484.79</b>	<b>8,533.77</b>
<b>Capital Expenditure</b>		
Trading	-	-
Manufacturing	62.91	3.56
Finance & Investment	140.73	45.38
<b>Total</b>	<b>203.64</b>	<b>48.94</b>
<b>Depreciation and amortization</b>		
Trading	1.64	0.51
Manufacturing	68.27	72.18
Finance & Investment	25.89	38.77
<b>Total</b>	<b>95.80</b>	<b>111.46</b>

<b>GEOGRAPHICAL INFORMATION</b>		2018	2017	2016
Non Current Assets	- Within India	4,519.79	3,456.66	3,365.45
	- Outside India	-	-	-
1. Revenue from external customers	- Within India	7,680.61	8,032.17	8,940.68
	- Outside India	2,502.92	1,679.08	338.49

**Note 43**

Balances of banks, sundry debtors and trade payables, current liabilities etc. as on 31.03.2018 are subject to confirmation and reconciliation.

**Note 44**

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

**Note 45**

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

**Note 46**

The financial statements were authorised for issue by the Board of Directors on May 25, 2018.



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

### Note 47

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

### Note 48

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with Financial Statements prepared under Ind AS.

### Note 49

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

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Not later than one year	211.88	191.28	159.92
Later than one year and not later than five years	343.44	570.72	673.80
Later than five years	0.00	0.00	0.00

### Note 50

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

	Net assets (i.e. total assets minus total liabilities)		Share in profit/Loss account		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated profit and loss	Amount (Rs. In lakhs)	As % of consolidated Other comprehensive income	Amount (Rs. In lakhs)	As % of consolidated total Comprehensive income	Amount (Rs. In lakhs)
Name of the enterprises								
<b>Parent</b>								
Sat Industries Limited	39.37	3,570.11	63.05	441.76	-	-	63.05	441.76
<b>Subsidiary</b>								
<b>Indian</b>								
Sah Polymers Limited	20.00	1,814.66	6.36	44.56	-	-	6.36	44.56
Italica Furniture Private Limited	15.59	1,413.66	5.14	35.99	-	-	5.14	35.99
Italica venture Private Limited	2.43	219.99	1.26	8.86	-	-	1.26	8.86
Aeroflex International Limited	0.87	78.52	-0.14	-1.01	-	-	-0.14	-1.01
<b>Foreign</b>								
Italica Global FZC	21.74	1,972.03	28.03	196.39	-	-	28.03	196.39
<b>Associates (Investment accounted as per Equity method)</b>								
Genext Students Private Limited	0	0	-3.70	-25.92	-	-	-3.70	-25.92
<b>TOTAL</b>	<b>100</b>	<b>9,068.97</b>	<b>100.00</b>	<b>700.63</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>700.63</b>

The Notes referred to above form an integral part of the Financial Statements.

As per our Report Attached  
for and on behalf of  
SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

AJAY SARIYA  
PARTNER  
M No. 079102

SHEHNAZ D ALI  
Wholetime Director  
DIN :00185452

HARIKANT TURGALIA  
Wholetime Director  
and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 25, 2018

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

To the Members of

**M/s. Sat Industries Limited**

### **Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone Ind AS financial statements of **SAT INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting 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 thereunder. We conducted our audit of the standalone Ind

AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

5. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date. I

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

7. As required by Section 143(3) of the Act, based on our audit 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.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



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

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (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 Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigation having impact on its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Sampati Lal Bohara & Co.**  
Chartered Accountants  
FRN: 003324C

**Ajay Saria**  
Partner  
M No. 079102  
Place of Signature: Mumbai  
Date: May 25, 2018



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

### **Annexure - A to the Independent Auditor's Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SAT INDUSTRIES LIMITED** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to (Referred to in paragraph 7 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date) the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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

### **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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sampati Lal Bohara & Co.**

Chartered Accountants

FRN: 003324C

**Ajay Sariya**

Partner

M No. 079102

Place of Signature: Mumbai

Date: May 25, 2018

### **Annexure - B to the Independent Auditor's Report (Referred to in paragraph 8 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company has no immovable properties.
  - (ii) As explained to us, the Company has no inventories at the end of the year under review. Further inventories were physically verified during the year by the Management

at reasonable intervals and no material discrepancies were noticed on such physical verification.

- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with Sections 73 and 76 of the Companies Act, 2013 does not arise. The Company has no unclaimed deposits. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of any of the product /services of the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, GST, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax as on 31st March, 2018.



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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS financial statements etc. as required by the applicable Indian accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or person connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**for Sampati Lal Bohara & Co.**

Chartered Accountants

FRN: 003324C

**Ajay Saria**

Partner

M No. 079102

Place of Signature: Mumbai

Date: May 25, 2018

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018**

(Rs in Lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1,2016
1	2			
<b>ASSETS</b>				
(1) <b>Non-current assets</b>				
(a) Property, Plant & Equipment	3	444.63	235.61	159.29
(b) Capital work -in- Progress				
(c) Investment Property				
(d) Goodwill				
(e) Other Intangible Assets				
(f) Intangible assets under development				
(g) Biological Assets other than bearer plants				
(h) Financial Assets				
(i) Investments	4	3,874.44	3,877.39	2,211.74
(ii) Trade receivables				
(iii) Loans	5	40.00	50.00	58.50
(iv) Others	6	-	99.00	28.00
(i) Deferred tax assets (net)				
(j) Other non-current assets	7	100.30	0.52	8.41
(2) <b>Current assets</b>				
(a) Inventories				
(b) Financial Assets				
(i) Investments				
(ii) Trade receivables	8	791.08	2,105.59	3,516.66
(iii) Cash and cash equivalents	9	207.18	298.58	29.81
(iv) Bank balances other than (iii) above	10	306.00	1,144.00	314.80
(v) Loans	5	1,034.01	1,959.50	69.65
(vi) Others	6	396.49	35.83	9.02
(c) Current Tax Assets (Net)	11	-	-	0.89
(d) Other current assets	7	3,250.10	14.85	18.26
<b>Total Assets</b>		<b>10,444.23</b>	<b>9,820.87</b>	<b>6,425.03</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	12	2,160.00	1,960.00	1,118.00
(b) Other Equity	13	6,865.43	5,603.89	57.02
<b>LIABILITIES</b>				
(1) <b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	15	53.90	-	-
(ii) Trade payables				
(iii) Other financial liabilities(other than those specified in item(b) to be specified) Borrowings		53.90	-	-
(b) Provisions				
(c) Deferred tax liabilities (Net)	14	39.42	23.39	49.28
(d) Other non-current liabilities				
(2) <b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	15	289.19	47.79	1,514.93
(ii) Trade payables	16	738.36	1,986.76	3,580.55
(iii) Other financial liabilities(other than those specified in item(c))	17	218.14	190.39	105.06
(d) Other current liabilities	18	0.99	0.18	0.12
(c) Provisions	19	1.68	0.06	0.07
(d) Current Tax Liabilities (Net)	20	77.12	8.41	-
<b>Total Equity and Liabilities</b>		<b>10,444.23</b>	<b>9,820.87</b>	<b>6,425.03</b>

See accompanying notes to financial statements 1 to 42

As per our Report Attached  
for and on behalf of  
**SAMPATI LAL BOHARA & CO.,**  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

**AJAY SARIYA**  
PARTNER  
M No. 079102

**SHEHNAZ D ALI**  
Wholetime Director  
DIN :00185452

**HARIKANT TURGALIA**  
Wholetime Director  
and CFO  
DIN :00049544

**ALKA PREMKUMAR GUPTA**  
Company Secretary  
M.No. A35442

Mumbai. May 25, 2018



**STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018**

		(Rs in Lakhs)	
Particulars	Note no.	Year ended 31.03.2018	Year ended 31.03.2017
I Revenue from operations	21	5,150.36	4,795.75
II Other income	22	41.59	0.07
<b>III Total Revenue (I+II)</b>		<b>5,191.95</b>	<b>4,795.82</b>
IV. Expenses :			
Cost of Materials consumed			
Purchases of Stock-in-Trade		4,441.46	4,471.32
Changes in inventories of finished goods work-in-progress and Stock -in-Trade			
Employee benefits expense	23	60.08	49.59
Finance costs	24	22.42	2.15
Depreciation and amortization expense	3	14.01	8.66
Other expenses	25	101.26	48.37
<b>Total expenses</b>		<b>4,639.23</b>	<b>4,580.09</b>
V. Profit before exceptional items and tax (III-IV)		552.72	215.73
VI. Exceptional items			
Prov. For Diminution in Value of Investments written back			1,167.13
VII Profit/(loss) before tax (V-VI)		552.72	1,382.86
VIII Tax expense :			
(1) Current tax		105.12	43.00
(2) Excess provisions for tax in earlier years		-17.46	-0.38
(2) Deferred tax		16.03	-25.89
IX Profit/(loss) for the period from continuing operation (VII-VIII)		449.03	1,366.13
X Profit/(Loss) from discontinued operations.			
XI Tax expense of discontinued operations			
XII Profit/(loss) from discontinued operation (X-XI)			
XII Profit/(loss) for the period (IX+XII)		449.03	1,366.13
XIV Other Comprehensive Income			
A(i) Item that will not be reclassified to profit or loss			
(ii) Income tax relating to item that will not be reclassified to profit or loss			
B(i) Item that will be reclassified to profit or loss			
(ii) Income tax relating to item that will be reclassified to profit or loss			
XV Total Comprehensive Income for the period (XIII+XIV) ( Comprising profit (loss) and other Comprehensive Income for the period )		449.03	1,366.13
XVI Earnings per equity share:(for continued Operation):			
(1) Basic	26	0.419	1.948
(2) Diluted	26	0.419	1.705
XVII Earnings per equity share:(for discontinued Operation):			
(1) Basic	26		
(2) Diluted	26		
XVII Earnings per equity share:(for discontinued & continuing operations)			
(1) Basic	26	0.419	1.948
(2) Diluted	26	0.419	1.705

See accompanying notes to financial statements 1 to 42

As per our Report Attached  
for and on behalf of  
**SAMPATI LAL BOHARA & CO.,**  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

**AJAY SARIYA**  
PARTNER  
M No. 079102

**SHEHNAZ D ALI**  
Wholetime Director  
DIN :00185452

**HARIKANT TURGALIA**  
Wholetime Director  
and CFO  
DIN :00049544

**ALKA PREMKUMAR GUPTA**  
Company Secretary  
M.No. A35442

Mumbai. May 25, 2018

**CASH FLOW STATEMENT For the Year 31ST MARCH,2018**

(Rupees in Lakhs)

Sr. Particulars No.	Year ended 31.03.2018	Year ended 31.03.2017
<b>A Cash Flow from Operating Activities</b>		
Net Profit before tax	552.72	215.73
Adjustments for:		
Depreciation	14.01	8.66
Interest Paid	20.33	2.15
(Profit)/Loss on Sale of investments	(39.56)	(0.07)
<b>Operating Profit before working capital changes</b>	<b>547.50</b>	<b>226.47</b>
Adjustment for :		
Trade Receivables	1,314.51	1,411.07
Trade payables	(1,248.40)	(1,593.79)
Loans	935.49	(1,881.35)
Other financial assets	576.34	(927.01)
Other non-financial Assets	-	-
Financial liabilities	27.75	85.33
Non-financial liabilities and provisions	1.62	(0.01)
Current liabilities	0.81	0.06
Increase current tax assets	-	0.89
Increase/(Decrease) non-current assets	(99.78)	7.89
Increase in other current assets	(3,235.25)	3.41
<b>Cash Generated from Operations</b>	<b>(1,179.41)</b>	<b>(2,667.04)</b>
Income Tax Paid	18.94	34.22
Net Cash Inflow /(Out Flow) from Operation (A)	<b>(1,198.35)</b>	<b>(2,701.26)</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of fixed assets	(223.03)	(84.98)
Purchase of investments -Non Current	(1,164.18)	(498.52)
Sale of subsidiary /investment	1,206.69	0.07
Other bank balances		
<b>Net Cash Inflow/(Outflow) from investing Activities (B)</b>	<b>(180.52)</b>	<b>(583.43)</b>
<b>C Cash flow from Financing Activities</b>		
Repayment of borrowings		-
Increase in borrowings	295.30	(1,467.14)
Increase in capital	200.00	842.00
Increase in share premium	1,150.00	4,055.00
Share warrants	(337.50)	125.75
Interest Paid	(20.33)	(2.15)
<b>Net Cash Inflow /(Out Flow) from Financing Activities (C)</b>	<b>1,287.47</b>	<b>3,553.46</b>
<b>Net Increase/Decrease in cash &amp; Cash equivalents (A+B+C)</b>	<b>(91.40)</b>	<b>268.77</b>
<b>Cash and Cash equivalents as at 31.03.2017</b>	<b>298.58</b>	<b>29.81</b>
<b>Cash and Cash equivalents as at 31.03.2018</b>	<b>207.18</b>	<b>298.58</b>

Notes:-

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

See accompanying notes to financial statements 1 to 42

As per our Report Attached  
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SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

AJAY SARIYA  
PARTNER  
M No. 079102

SHEHNAZ D ALI  
Wholetime Director  
DIN :00185452

HARIKANT TURGALIA  
Wholetime Director  
and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 25, 2018

**Statement of Changes in equity**

	(Rs in Lakhs)		
	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
YEAR ENDED ON 31/03/2017	1,118.00	842.00	1,960.00
YEAR ENDED ON 31/03/2018	1,960.00	200.00	2,160.00

**b) Other equity**

	Share Application Money pending allotment	Equity component of compound financial instrument	Reserves & Surplus			Debt Instruments through other comprehensive income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow hedges	Revaluation Surplus	Exchange difference on translating financial difference on foreign operation	Other Items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities premium reserve	General Reserve	Retained earnings							
Balance at the beginning of the reporting period -01/04/2017			338.25	4,954.93	47.39	(74.17)						337.50	5,603.89
Profit for the year						449.03							449.03
Other comprehensive income													-
Amount received against share warrants													-
Issue of Equity Share													-
Changes in accounting policy/ prior period errors				1,150.00								(337.50)	812.50
Restated balance at the beginning of the reporting period													-
Total Comprehensive income for the year													-
Dividends													-
Transfer to retained earnings													-
Any other changes( to be specified)													-
Balance at the end of the reporting period -31/03/2018	-	-	338.25	6,104.93	47.39	374.86	-	-	-	-	-	-	6,865.43





Share Application Money pending allotment	Equity component of compound financial instrument	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings	Debt Instruments through other comprehensive income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow hedges	Revaluation Surplus	Exchange difference on translating financial difference on foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the reporting period -01/04/2016		338.25	899.93	47.39	(1,440.30)							211.75	57.02
Profit for the year					1,366.13								1,366.13
Other comprehensive income													-
Amount received against share warrants													-
Issue of Equity Share													-
Changes in accounting policy/ prior period errors													-
Restated balance at the beginning of the reporting period													-
Total Comprehensive income for the year			4,055.00									5,022.75	5,022.75
Dividends												(4,897.00)	(842.00)
Transfer to retained earnings													-
Any other changes( to be specified)													-
Balance at the end of the reporting period -31/03/2017	-	338.25	4,954.93	47.39	(74.17)							337.50	5,603.89

See accompanying notes to financial statements 1 to 42

As per our Report Attached  
for and on behalf of  
SAMPATI LAL BOHARA & CO.,  
Chartered Accountants  
FRN: 003324C

Signatures to the Financial Statements and Notes

AJAY SARIYA  
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Wholetime Director  
and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 25, 2018

## **Notes to the Standalone Financial Statements**

### **1. COMPANY INFORMATION**

Sat Industries Limited (SIL) was incorporated on 23-11-1984 and having its registered office at Mumbai, Maharashtra. SIL is engaged in the business of international trading, investment and finance, leasing of assets, manufacturing of flexible packaging, education etc. through its own or through subsidiary and associate companies.

### **2. Significant Accounting Policies**

#### **Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 32 (First-time Adoption).

#### **Basis of Preparation**

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

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

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

#### **Operating Cycle**

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

#### **Property, Plant and Equipment – Tangible Assets**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major

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

projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

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

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

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

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

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

### Intangible Assets

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

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

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

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

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes) or commercial obsolescence (e.g., lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite. Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.



## **Notes to the Standalone Financial Statements (Contd.)**

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

### **Impairment of Assets**

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

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

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

### **Inventories**

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

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

### **Foreign Currency Transactions**

The functional and presentation currency of the Company is Indian Rupee.

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

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

### **Investment in Subsidiary and Associate**

Investment in subsidiary and associate are carried at cost less accumulated impairment, if any.

### **Financial instruments, Financial assets, Financial liabilities and Equity instruments**

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

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

### Financial Assets

#### Recognition:

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

#### Classification:

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

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

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

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

#### Impairment:

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

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

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

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

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

### Income Recognition:

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

### Financial Liabilities

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

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

### Offsetting Financial Instruments

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

### Equity Instruments

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

### Revenue

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

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

### Employee Benefits

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

### Defined Benefit Plans

#### Gratuity Fund

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

### Leases

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



## **Notes to the Standalone Financial Statements (Contd.)**

### **Company as a Lessee**

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

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

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

### **Company as a Lessor**

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

### **Taxes on Income**

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

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

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

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

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

### **Dividend**

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per the Corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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

### **Provisions**

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



## **Notes to the Standalone Financial Statements (Contd.)**

### **Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

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

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led.

Segment results represent profits before finance charges, unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

### **Financial and Management Information Systems**

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

### **Use of estimates and judgements**

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

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

#### **A. Judgements in applying accounting policies**

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortized over their useful economic life. Refer notes to the financial statements.

#### **B. Key sources of estimation uncertainty**

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

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

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.



## **Notes to the Standalone Financial Statements (Contd.)**

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

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

### **3. Actuarial Valuation:**

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

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

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

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

Financial Year 2017-2018

**NOTE : 3**
**PROPERTY, PLANT AND EQUIPMENT**

Particulars	Gross Block			Depreciation			Net Block	
	Balance as at 01.04.2017	Additions	Deduction/ Adjustments	Balance as at 31.03.2018	Balance as at 01.04.2017	Depreciation charge for the year	Balance as at 31.03.2018	Balance as at 31.03.2017
Tangible Assets								
Computers	4.77	0.37	-	5.14	3.80	0.37	4.17	0.97
Furniture and Fixtures	-	1.77	-	1.77	-	0.06	0.06	-0.00
Vehicles	-	77.38	-	77.38	-	0.78	0.78	-0.00
Office equipment	2.80	2.79	-	5.59	1.82	0.43	2.25	0.98
Machinery - Under operating lease	94.16	94.34	-	188.50	6.26	5.96	12.22	87.90
Mould - Under operating lease	151.01	46.39	-	197.40	5.25	6.41	11.66	145.76
Current Year Total	252.74	223.04	-	475.78	17.13	14.01	31.14	235.61

Financial Year 2016-2017

Particulars	Gross Block			Depreciation			Net Block	
	Balance as at 01.04.2016	Additions	Deduction/ Adjustments	Balance as at 31.03.2017	Balance as at 01.04.2016	Depreciation charge for the year	Balance as at 31.03.2017	Balance as at 31.03.2016
Tangible Assets								
Computers	3.73	1.04	-	4.77	3.50	0.30	3.80	0.23
Furniture and Fixtures	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-
Office equipment	2.01	0.80	-	2.81	1.61	0.21	1.82	0.40
Machinery - Under operating lease	94.16	-	-	94.16	2.50	3.77	6.27	91.66
Mould - Under operating lease	67.87	83.14	-	151.01	0.87	4.38	5.25	67.00
Current Year Total	167.77	84.98	-	252.75	8.48	8.66	17.14	159.29



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

**Note : 4 INVESTMENTS - NON CURRENT**

(Rs. in lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of units	Amount	No of units	Amount	No of units	Amount
A) Investments in Equity Instruments						
i) Unquoted						
(a) Investments in Subsidiary (fully paid up)						
(Carried at cost )						
<b>Sat Middle East Limited</b>						
(Shares of AED 94520 each)						
Opening	-	-	100	-	100	1,167.13
Add: Provision for diminution in value of Investment				1,167.12		(1,167.12)
Add: Balance amount w/off to P&L	-		-	0.01		(0.01)
<b>Closing Balance</b>			-	1,167.13		0
<b>Italica Furniture Pvt. Ltd.</b>	20,82,118	797.17	20,82,118	797.17	20,82,118	797.17
(Shares of Rs. 10/- each)						
<b>Italica Global FZC</b>	100	34.04	-	-	-	-
(Shares of AED 1850 each)						
<b>Sah Polymers Ltd.</b>	1,43,16,000	1,854.95	1,26,96,000	1,368.95	1,12,82,145	1,213.43
(Shares of Rs. 10/- each)						
<b>Italica Ventures Pvt. Ltd.</b>	21,00,000	210.00	21,00,000	210.00	-	-
(Shares of Rs. 10/- each)						
<b>Aeroflex International Ltd.</b>	10,00,000	100.00	10,00,000	100.00	10,00,000	100.00
(Shares of Rs. 10/- each)						
(b) Investments in Associates (fully paid up)						
(Carried at cost )						
<b>Genext Students Ltd.</b>	9,36,513	199.50	9,36,513	199.50	6,64,979	66.50
(Shares of Rs. 10/- each)						



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

(c) Investments in Others (fully paid up) (At fair value through other comprehensive income):						
<b>Aeroflex Industries Ltd.</b> (Shares of Rs. 10/- each)	9,99,500	34.64	9,99,500	34.64	9,99,500	34.64
<b>Fibcorp Polyweave Pvt. Ltd.</b> (Shares of Rs.100 each)	7,600	28.50	-	-	-	-
<b>Aeroflex Industries Ltd.</b> 6,36,363 0.1% Compulsory Convertible Preference Shares of FV Rs.10/- each amounting to Rs.25,72,569/- 6,37,000 0.1% Compulsory Convertible Preference Shares of FV Rs.200/- each amounting to Rs.5,14,93,209/- 637 equity shares of FV Rs.10/- each amounting to Rs.2,575/-		540.68	-	-	-	-
<b>ii) Quoted</b> <b>Tirupati Sarjan Limited</b> (Shares of Rs. 10/- each)	3,75,000	74.96	-	-	-	-
<b>Total</b>		<b>3,874.44</b>		<b>3,877.39</b>		<b>2,211.74</b>

	<b>Year ended 31 March 2018</b>	<b>Year ended 31 March 2017</b>	<b>Year ended 1 April 2016</b>
TOTAL INVESTMENTS	3,874.45	3,877.39	2,211.74
Aggregate amount of Quoted Investments	74.96	-	Nil
Market value of the Quoted Investments	67.88	-	Nil
Aggregate amount of Unquoted Investments	74.96	3,877.39	2,211.74
Aggregate provision for diminution in value of investments	-	-	1,167.13





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

**NOTE 5: FINANCIAL ASSETS: LOANS**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
(Unsecured , considered good)						
Loans to related Parties						
-Unsecured -considered good	406.75		319.50		69.65	
- Doubtful	-		-		-	
Less : Allowance for doubtful	-		-		-	
	406.75		319.50		69.65	
<b>Other Loans:</b>						
Others :	627.26	40.00	1,640.00	50.00	-	58.50
<b>Total</b>	<b>1,034.01</b>	<b>40.00</b>	<b>1,959.50</b>	<b>50.00</b>	<b>69.65</b>	<b>58.50</b>

**Note 6: OTHER FINANCIAL ASSETS**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	current	Non-current	current	Non-current	current	Non-current
Bank Deposit with more than 12 months maturity	382.37	-	-	99.00	-	-
<b>Other Financial Assets</b>						
-Share application money	-	-	-	-	-	28.00
-Interest accrued on loan, deposit etc.	14.12	-	35.83	-	9.02	-
<b>Total</b>	<b>396.49</b>	<b>-</b>	<b>35.83</b>	<b>99.00</b>	<b>9.02</b>	<b>28.00</b>

**Note 7: OTHER ASSETS :**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	current	Non-current	current	Non-current	current	Non-current
Capital Advances	-	19.00	-	-	-	7.89
<b>Advances other than capital advances</b>						
Security Deposit						
-Others	0.36	0.41	-	0.41	-	0.41
<b>OTHER ADVANCES :</b>						
-With Statutory Authorities	-	80.80	14.12	-	15.86	-
-Prepaid Expenses	1.64	-	0.14	-	-	-
-Employees	1.89	0.09	0.59	-	2.40	-
-Other Receivables	3,219.26	-	-	0.11	-	0.11
GST Credit	26.95	-	-	-	-	-
<b>Total</b>	<b>3,250.10</b>	<b>100.30</b>	<b>14.85</b>	<b>0.52</b>	<b>18.26</b>	<b>8.41</b>



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

**NOTE 8 : TRADE RECEIVABLES**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Unsecured:						
Considered good		791.08		2,105.59		3,516.66
Considered doubtful		-		-		-
		791.08		2,105.59		3,516.66
Less: Allowance for doubtful debts		-		-		-
<b>Total</b>		<b>791.08</b>		<b>2,105.59</b>		<b>3,516.66</b>

**NOTE 9 : CASH AND CASH EQUIVALENTS**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
a) Balances with banks						
i) in current accounts		2.10		118.38		29.04
ii) deposits with original maturity upto 3 months						
FDR with Kotak Bank		104.00		-		-
FDR with Ratnakar Bank		100.00		180.00		-
		206.10		298.38		29.04
b) Cash on hand		1.08		0.20		0.77
<b>Total</b>		<b>207.18</b>		<b>298.58</b>		<b>29.81</b>

**NOTE 10 : OTHER BANK BALANCES**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Bank deposits with original maturity for more than 3 months but not more than 12 months (including accrued interest thereon)						
FDR with Ratnakar Bank		-		604.00		90.00
FDR with HDFC Bank		-		-		99.90
FDR with Kotak Mahindra Bank		306.00		540.00		124.90
<b>Total</b>		<b>306.00</b>		<b>1,144.00</b>		<b>314.80</b>

**NOTE 11 : CURRENT TAX ASSETS**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Income tax Refund		-		-		0.89
<b>Total</b>		<b>-</b>		<b>-</b>		<b>0.89</b>

**Notes to the Standalone Financial Statements (Contd.)**
**NOTE 12: SHARE CAPITAL**
**Amount in Rs. lakhs**

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>						
Equity Shares of 2/- each	7,50,00,000	1,500.00	7,50,00,000	1,500.00	7,50,00,000	1,500.00
	7,50,00,000	1,500.00	7,50,00,000.00	1,500.00	7,50,00,000	1,500.00
<b>Issued</b>						
Equity Shares of 2/- each fully paid up	10,80,00,000	2,160.00	9,80,00,000	1,960.00	5,59,00,000	1,118.00
<b>Total</b>	<b>10,80,00,000</b>	<b>2,160.00</b>	<b>9,80,00,000</b>	<b>1,960.00</b>	<b>5,59,00,000</b>	<b>1,118.00</b>

**Note: 12.1 Reconciliation for No. of shares outstanding during the year**
**Amount in Rs. lakhs**

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	9,80,00,000	1,960.00	5,59,00,000	1,118.00	4,60,00,000	920.00
Shares Issued during the year	1,00,00,000	200.00	4,21,00,000	842.00	99,00,000	198.00
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	10,80,00,000	2,160.00	9,80,00,000	1,960.00	5,59,00,000	1,118.00

**Note :12.02 Details of shareholders holding more than 5%**

Name of Shareholder	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
1. Sat Invest Private Limited	5,08,35,000	47.07%	4,48,35,000	45.75%	2,62,35,000	46.93%
2. Dawood Investment Private Limited	72,09,321	6.68%	72,09,350	7.36%	72,09,350	12.90%
3. Space Age Polymers Private Limited	66,19,455	6.13%	61,69,455	6.30%	61,69,455	11.04%
3. A Flex Invest Private Limited	75,00,000	6.94%				

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

12.04 : There are no calls unpaid on equity shares.

12.05 : No Equity shares have been forfeited.

12.06 : Shares Reserved for issue under options :

The Company has reserved NIL ( 2017- 1,00,00,000 , 2016- 1,21,00,000 ) equity shares of Rs. 2/- each to be allotted to the holders of the share warrants on the exercise of the option attached to share warrants within 18 months from the date of allotment of share warrants.

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



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

**Note 13 : OTHER EQUITY**

**Rs. In lakhs**

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April March,2016
<b>1. SECURITIES PREMIUM ACCOUNT</b>			
As per the last year accounts	4,954.93	899.93	600.93
Add: Addition during the year	1,150.00	4,055.00	299.000
	<b>6,104.93</b>	<b>4,954.93</b>	<b>899.93</b>
<b>2. CAPITAL RESERVE</b>			
As per the last year accounts	<b>338.25</b>	<b>338.25</b>	<b>338.25</b>
<b>3. GENERAL RESERVE</b>			
As per the last year accounts	<b>47.39</b>	<b>47.39</b>	<b>47.39</b>
<b>4. MONEY RECEIVED AGAINST SHARE WARRANTS</b>			
As per the last year accounts	337.50	211.75	-
Add: Addition during the year	-	5,022.75	708.75
Less : Deduction during the year	337.50	4,897.00	497.00
	-	337.50	211.75
<b>5. RETAINED EARNINGS</b>			
As per the last year accounts	(74.17)	(1,440.30)	(1,410.52)
Add: Surplus for the year	449.03	1,366.13	(29.78)
	<b>374.86</b>	<b>-74.17</b>	<b>-1440.30</b>
<b>TOTAL</b>	<b>6,865.43</b>	<b>5,603.89</b>	<b>57.02</b>

**NOTE 14 : DEFERRED TAX LIABILITIES**

**Rs. In lakhs**

Particulars	As at March,2018	As at March,2017	As at April 1,2016
Opening Balance	23.39	49.28	(13.07)
<b>Deferred tax liability</b>			
Depreciation	16.55	25.74	49.28
<b>Deferred tax assets</b>			
Depreciation			
Gratuity	0.52	-	-
Less: Deferred Tax Asset created on losses now reversed	-	51.63	13.07
Net amount charged to Profit & Loss	16.03	25.89	62.35
<b>Total</b>	<b>39.42</b>	<b>23.39</b>	<b>49.28</b>



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

**NOTE 15 : BORROWINGS**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	current	Non-current	current	Non-current	Current	Non-current
<b>Secured *</b>						
<b>Term Loan</b>						
From Bank						
Yes Bank		45.25		-		-
Others						
Kotak Mahindra Prime Limited		8.65		-		-
	-	53.90	-	-	-	-
<b>Unsecured</b>						
<b>Other Loan</b>						
From Bank	-	-	32.79	-	-	-
Others	289.19	-	15.00	-	1,514.93	-
	289.19	53.90	47.79	-	1514.93	-

- (a) Term loan from Yes Bank is secured against hypothecation of Car no. MH01 DB 1251. The loan is repayable in 60 equated monthly instalments of Rs.1,12,822/- each commencing from 09.03.2018 and the last instalment is repayable on 02.03.2023 There is no continuing default in the repayment of instalment and interest thereon. Rate of interest as on 31.03.2018 is 8.10% per annum.
- (b) Term loan from Kotak Mahindra Prime Limited is secured against hypothecation of Car no. MH01 CT 6227. The loan is repayable in 60 equal monthly instalments of Rs. 22,941/- each commencing from 16.12.2017 and the last instalment is repayable on 01.11.2022 . There is no continuing default in the repayment of instalment and interest thereon. Rate of interest as on 31.03.2018 is 8.35% per annum.

**NOTE 16: TRADE PAYABLE**

**Rs. In lakhs**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Due to Small and Medium Enterprises	-	-	-
Other than small and Medium Enterprises	738.36	1,986.76	3,580.55
	<b>738.36</b>	<b>1,986.76</b>	<b>3,580.55</b>

**NOTE 17 : OTHER FINANCIAL LIABILITIES**

**Rs. In lakhs**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Current maturity of long term debt *	11.43		-		-	
Overdraft facility	206.71		190.39		105.06	
	218.14	-	190.39	-	105.06	-

\*for security and other terms refer note no. 15



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

**NOTE 18 : OTHER CURRENT LIABILITIES**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Statutory Liabilities						
Professional Tax	0.02		-		-	
TDS Payable	0.97		0.18		0.12	
<b>Total</b>	<b>0.99</b>	<b>-</b>	<b>0.18</b>	<b>-</b>	<b>0.12</b>	<b>-</b>

**NOTE 19 : PROVISIONS**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
a. Provision for Gratuity		1.68		0.06		0.07
<b>Total</b>		<b>1.68</b>		<b>0.06</b>		<b>0.07</b>

**NOTE 20 : CURRENT TAX LIABILITIES**

**Rs. In lakhs**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Income Tax (Net of advance tax )	77.12		8.41		-	
<b>Total</b>	<b>77.12</b>		<b>8.41</b>		<b>-</b>	

**NOTE 21 : REVENUE FROM OPERATIONS**

**Rs. In lakhs**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
i) Trading	4,532.78	4,532.88
ii) Services	-	-
a) Income from Equipment Uses charges	84.60	54.04
b) Income from Interest	532.98	208.83
<b>Total</b>	<b>5,150.36</b>	<b>4,795.75</b>

**NOTE 22 : OTHER INCOME**

**Rs. In lakhs**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit from Sale of Shares	39.56	0.07
Balances not payable	2.03	-
<b>Total</b>	<b>41.59</b>	<b>0.07</b>

**NOTE 23 : EMPLOYEE BENEFITS**

**Rs. In lakhs**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salary & Bonus	58.06	49.38
Gratuity fund contributions	1.69	0.07
Staff welfare	0.33	0.14
<b>Total</b>	<b>60.08</b>	<b>49.59</b>



**Notes to the Standalone Financial Statements (Contd.)**
**NOTE 24 : FINANCE COST**
**Rs. In lakhs**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Bank Interest	20.33	2.15
Interest on delayed payment of tax	2.09	-
<b>Total</b>	<b>22.42</b>	<b>2.15</b>

**NOTE 25 : OTHER EXPENSES**
**Rs. In lakhs**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>Payment to Auditor as:</b>		
a. Statutory Audit fees	0.40	3.31
b. Taxation Fees	0.10	0.79
c. Certification Fees	-	0.82
Advertisement and Publicity	0.44	0.38
Bad Debts Written Off	36.23	-
Business Promotion Exp.	2.52	0.09
Bank Charges and Commission	0.22	0.50
Car Hire Charges	0.19	-
Conveyance Expenses	1.13	1.21
Depository Charges	4.20	3.66
Donation	2.95	-
Electricity Expenses	1.13	1.94
Fringe Benefit Tax Receivable written off	-	0.19
ROC Filing Fees	0.21	6.97
Hospitality Expenses	2.54	0.54
Insurance Expenses	0.18	0.38
Keyman Insurance	1.68	1.68
Membership and subscriptions	0.28	0.24
Office Expenses	9.02	7.74
Printing/Stationery Expenses	1.98	0.88
Professional Charges	6.67	7.53
Rent	0.64	0.24
Telephone & Communication Expenses	3.99	3.64
Travelling Expenses	22.80	5.64
Vehicle Insurance	0.47	-
Vehicle Running and Maintenance	1.29	-
<b>Total</b>	<b>101.26</b>	<b>48.37</b>



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

### Additional Information :

Rs. In lakhs

	As at 31.03.2018	As at 31.03.2017
(i) Depreciation and amortization expenses	14.01	8.66
	14.01	8.66

### Note 26 : (ii) Earnings per share

Rs. In lakhs

	2017-2018	2016-2017
Earning per share has been computed as under		
(a) Profit for the year	449.03	1,366.13
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	1072.60	701.31
(c) Effect of potential Equity shares on conversion of outstanding share warrants	0.00	100.00
(d) Weighted average number of equity shares in computing diluted earnings per share	1072.60	801.31
[(b) + (c)]		
(e) Earnings per share on profit for the year (Face Value Rs. 2.00 per share) – -Basic (a/b)	0.419	1.948
-Diluted (a/d)	0.419	1.705

### Note 27 : Contingent liabilities and commitments :

- (a) There are no contingent liabilities.
- (b) Commitments
  - Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. 45.75 lakhs (2017 – Rs. Nil, 2016- Rs. NIL.)

### Note 28 : Details of subsidiary

Name	Country of incorporation	% of ownership interest as at 31/03/2018	% of ownership interest as at 31/03/2017	% of ownership interest as at 01/04/2016
Sah Polymers Limited	India	91.79	89.43	79.47
Italica Furniture Private Limited	India	100	100	100
Italica Venture Private Limited	India	100	100	-
Aeoflex International Limited	India	100	100	100
Sat Middle east Limited	UAE	*	100	100
Italica Global FZC , UAE	UAE	100	-	-

\* ceased to be subsidiary w.e.f. 30/03/2018

Details of Associate

Name	Country of incorporation	% of ownership interest as at 31/03/2018	% of ownership interest as at 31/03/2017	% of ownership interest as at 01/04/2016
Genext Students Private Limited	India	33.72	39.70	39.23



## **Notes to the Standalone Financial Statements (Contd.)**

### **Note 29 : Financial Instruments and Related Disclosures**

#### **1. Capital Management**

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals, borrowings etc. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern. During the year, the Company issued 1,00,00,000 equity shares of Rs. 2.00 each amounting to Rs. 200.00 Lakhs (2017 - Rs. 842.00 lakhs) on conversion of share warrants. The securities premium stood at Rs. 6,104.93 lakhs as at 31st March, 2018 (2017 - Rs. 4,954.93 lakhs)

#### **2. Categories of financial Instruments and fair value :**

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

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

Particulars	Fair value hierarchy	Rs. In lakhs			
		As at 31st March, 2018		As at April 1, 2016	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A</b>					
Financial assets					
a) Measured at amortised cost					
i) Cash and cash equivalent		207.18	207.18	298.58	298.81
ii) Other Bank balance		306.00	306.00	1,144.00	1,144.80
iii) Loans		1,074.01	1,074.01	2,009.50	2,009.50
iv) Trade receivables		791.08	791.08	2,105.59	2,105.59
v) Other financial assets		396.49	396.49	134.83	134.83
Sub Total		2,774.76	2,774.76	5,692.50	5,692.50
b) Measured at fair value through OCI					
i) Equity Instrument	L3	678.78	678.78	34.64	34.64
Sub Total		678.78	678.78	34.64	34.64
Total Financial assets		3,453.54	3,453.54	5,727.14	4,061.08
<b>B</b>					
Financial Liabilities					
a) Measured at amortised cost					
i) Borrowings		343.09	289.19	47.79	1,514.93
iii) Trade payables		738.36	738.36	1,986.76	3,580.55
iv) Other financial liabilities		218.14	218.14	190.39	105.06
Total financial liabilities		1,299.59	1,245.69	2,224.94	5,200.54

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

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

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

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

### 3 : FINANCIAL RISK MANAGEMENT

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

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

#### A. MANAGEMENT OF MARKET RISK:

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

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

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

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

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

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no foreign currency transactions and is, therefore, not exposed to foreign exchange risk.

The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2018 is Rs.678.78 lakhs( 2017 – Rs. 34.63 lakhs; 2016 – Rs. 34.63 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

As the Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. The investment is guided by tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

#### B. MANAGEMENT OF CREDIT RISK:

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

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

financing activities including investments in deposits with banks.

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

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

**C. MANAGEMENT OF LIQUIDITY RISK:**

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

The Company's Current assets aggregate to Rs. 5,984.86 lakhs (2017 – Rs. 5,558.25 lakhs; 2016 – Rs. 3,959.09 Lakhs) including Cash and cash equivalents and Other bank balances of Rs. 513.18 lakhs (2017 – Rs.1,442.58 lakhs; 2016 – Rs. 344.61 Lakhs) against an aggregate Current liability of Rs. 1,325.48 Lakhs (2017 – Rs.2,233.59 Lakhs; 2016 – Rs. 5,200.73 Lakhs); Non-current liabilities due between one year to three years amounting to Rs. 53.90 lakhs (2017 – NIL; 2016 – NIL) and Non-current liability due after three years amounting to Rs. NIL (2017 – NIL; 2016 – NIL) on the reporting date. Further, while the Company's total equity stands at Rs. 9,025.43 Lakhs (2017 – Rs. 7,563.89 Lakhs ; 2016 – Rs. 1,175.02 Lakhs), it has borrowings of Rs. 343.09 lakhs (2017 – Rs.47.79 lakhs; 2016 – Rs. 1,514.93 Lakhs). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

**Note 30 Disclosures in respect of related parties pursuant to Ind AS 21****(i) Subsidiary :**

- 01) Sah Polymers Limited
- 02) Italica Furniture Private Limited
- 03) Italica Venture Private Limited
- 04) Aeroflex International Limited
- 05) Sat Middle east Limited , UAE ( ceased to be subsidiary w.e.f.30/03/2018)
- 06) Italica Global FZC, UAE

**(ii) Stepdown Subsidiary :**

Sat E-Com Limited

**(iii) Associate Company :**

Genext Students Private Limited

**(iv) Key Managerial Persons**

- 01) Mrs. Shehnaz D Ali, Wholetime Director
- 02) Mr.Harikant Turgalia, Wholetime Director and Chief Financial Officer
- 03) Ms. Alka Premkumar Gupta, Company Secretary





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

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

Rs. In lakhs

Name of related party	Nature of relation	2017-2018	2016-2017	Nature of transaction
Mr. Harikant Turgalia	Wholetime Director	10.26	8.82	Salary
Mrs. Shehnaz D. Ali	Wholetime Director	17.10 1.68	14.94 1.68	i) Salary ii) Keyman Insurance Premium paid
Sat Invest Pvt. Ltd.	Promoter Company & Major Shareholder	66.00 0.02	0.00 0.04	i) Purchase of shares ii) Fees paid on behalf
Park Continental Pvt. Ltd.	Shareholder of the Company	1,821.07 1,821.07	2,895.40 1,381.82	i) Unsecured Loan Given ii) Loan repayment received
Italica Ventures Pvt Ltd	Subsidiary	2.92 2.95	4.14 4.22	i) Unsecured Loan Given ii) Loan repayment received
Sah Polymers Ltd.	Subsidiary	179.50 179.50 420.00 17.48 0.27	360.00 360.00 0.00 0.00 0.24	i) Unsecured Loan Given i) Unsecured Loan taken Equity contribution Interest received Rent paid
Italica Furniture Pvt. Ltd.	Subsidiary	1,204.75 1,117.50	677.93 428.08	i) Unsecured Loan Given ii) Loan repayment received

### Closing balances

Name	31.03.2018	31.03.2017
Mrs. Shehnaz D. Ali	1.54	1.99
Mr. Harikant Turgalia	0.97	0.71
Italica Furniture Pvt. Ltd.	406.75	319.50

Closing balances in the case of other parties is NIL



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

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

### Note 31

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

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

During the year, the Company has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of Rs.105.12 lakhs (March 31, 2017 Rs. 43 lakhs, April 1, 2016 Rs. NIL). The Company is reasonably not certain availing the said MAT Credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same

Rs. In lakhs						
Tax Credits carried forward	As at March 31, 2018	Expiry date	As at March 31, 2017	Expiry date	As at April 1, 2016	Expiry date
2017-18	105.12	31.03.2033	-	-	0	0
2016-17	43.00	31.03.2032	43.00	31.03.2032	0	0

### Note 32

(i) First-time Adoption of Ind AS (i) Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by:

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities.

(ii) Transition to Ind AS Reconciliations:

The following are reconciliations from previous GAAP to Ind AS in accordance with Ind AS 101

- Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016
- Reconciliation of Total Comprehensive income for the year ended March 31, 2017
- Adjustments to Statement of Cash Flows for the year ended March 31, 2017

I. Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

Rs. In lakhs		
Particulars	As at 31/03/2017	As at 01/04/2016
Total Equity as per Indian GAAP	7,563.89	1,175.02
Total Equity as per IND AS	7,563.89	1,175.02

**Notes to the Standalone Financial Statements (Contd.)**
**II. Reconciliation of Total Comprehensive income for the year ended March 31, 2017**

	<b>Rs. In lakhs</b>
Particulars	As at 31/03/2017
Profit After Tax as per Indian GAAP	1,366.13
Total Comprehensive income as per Ind AS	1,366.13

**III. Adjustments to Statement of Cash Flows for the year ended March 31, 2017**

There is no differences between the Statement of Cash Flows presented under Ind AS and previous GAAP

- (iii) a. Property, plant and equipment and intangible assets were carried in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost at the date of transition.
- b. under the previous GAAP, investment in subsidiary was stated at cost and provisions made to recognise the decline ,other than temporary. Under Ind AS , the Company has considered their previous GAAP carrying amount as their deem cost.
- (iv) In addition to the above, the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017 are detailed below:
  - a. Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments [other than investment in subsidiaries, joint ventures and associates] have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.
  - b. Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as Fair Value through Profit or Loss (FVTPL) on the date of transition and fair value changes after the date of transition has been recognised in profit or loss.

**Note 33 EMPLOYEE BENEFITS**
**a) DEFINED BENEFIT PLAN**
**Gratuity:**

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

**b) Amounts Recognised as Expense:**
**i) Defined Benefit Plan**

Gratuity cost amounting to Rs. 1,68,839/- (previous year Rs. 6,826 ) has been included in Note 23. under Contribution to Provident and Other Funds.

**Note 34**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



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

**Note 35**

As per Ind AS 108 " Operating Segment", the segments details are as under

**Rs. In lakhs**

Particular	Year ended	Year ended
	31/03/2018	31/03/2017
<b>Segment Revenue</b>		
Trading	4,617.38	4,532.88
Finance & Investment	657.14	1,430.07
<b>Total</b>	5,274.52	5,962.95
Other Income		
Total Revenue		
<b>Segment results</b>		
Trading	91.31	61.56
Finance & Investment	463.41	1,321.3
<b>Total Segment Results</b>	554.72	1,382.86
Other Income		
Profit before tax	554.72	1,382.86
Provision for tax	105.12	13.99
Profit after tax	449.6	1,368.87
<b>Segment Assets</b>		
Trading	791.08	2,074.11
Finance & Investment	9,653.15	7,781.35
<b>Total</b>	10,444.23	9,855.46
<b>Segment Liabilities</b>		
Trading	738.5	1,976.11
Finance & Investment	680.39	7,879.35
Total	1,418.89	9,855.46
Capital Expenditure		
Trading	0	0
Finance & Investment	223.04	84.98
<b>Total</b>		
<b>Depreciation and amortization</b>		
Trading	1.64	0.51
Finance & Investment	12.37	8.15
<b>Total</b>	14.01	8.66



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

		Rs. In lakhs		
GEOGRAPHICAL INFORMATION		2018	2017	2016
Non Current Assets	- Within India	100.3	0.52	8.4
	- Outside India	0	0	0
1. Revenue from external customers	- Within India	5,150.36	4,795.75	4,838.3
	- Outside India	NIL	NIL	NIL

### Note 36

Balances of banks, sundry debtors and trade payables , current liabilities etc. as on 31.03.2018 are subject to confirmation and reconciliation.

### Note 37

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

### Note 38

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

### Note 39

The financial statements were authorised for issue by the Board of Directors on May 25, 2018.

### Note 40

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

### Note 41

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with Financial Statements prepared under Ind AS.

### Note 42

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

Rs. in lakhs

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Not later than one year	105.20	84.60	54.04
Later than one year and not later than five years	36.00	156.60	140.40
Later than five years	0.00	0.00	0.00

The Notes referred to above form an integral part of the Financial Statements.  
As per our Report Attached

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

AJAY SARIYA  
PARTNER  
M No. 079102

SHEHNAZ D ALI  
Wholtime Director  
DIN :00185452

HARIKANT TURGALIA  
Wholtime Director  
and CFO  
DIN :00049544

ALKA PREMKUMAR GUPTA  
Company Secretary  
M.No. A35442

Mumbai. May 25, 2018

If undelivered please return to :

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