An ISO 9001, 14001 & OHSAS 18001 company

SATIA INDUSTRIES LIMITED

Manufacturer of Quality Writing, Printing & Speciality Paper with ECO MARK IS : 1848

CIN: - L21012PB1980PLC004329

SIL/CS

Date: 11.08.2020

The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001	The Manager, Listing Department, National Stock Exchange of India Ltd, Exchange Plaza, Plot No. C/1, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051
Scrip Code: 539201	Symbol: SATIA

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para A of Schedule III of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, please find enclosed Investor Presentation.

Thanking You,

Yours faithfully,
For Satia Industries Ltd

(Rakesh Kumar Dhuria)
Company Secretary

SATIA INDUSTRIES LIMITED

INVESTOR PRESENTATION
August 2020

SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Executive Summary

Company Overview

- Incorporated in 1980, Satia Industries Limited (SIL), is one of the biggest and completely integrated Wood and Agro based paper manufacturers.
- SIL's products are extensively used in the printing of books, directories, envelopes, diaries, calendars, computer stationery, copy manufacturing, annual reports, etc.

Key Clientele

- SIL has long standing relationship with State Text book Corporations and around 40% of revenue comes from these organisations.
- The remaining revenue attributes to the Public and Private Sector Companies.

Manufacturing and Distribution Network

- Manufacturing plant based out of Muktsar with the capacity to manufacture 1,05,000 MT per annum.
- Completely integrated manufacturing operations with 3 paper machines, 100% in-house power generation and effluent treatment facilities.
- Strong Distribution Network: 70 dealers and 3 branch offices.

FY20 Financial Snapshot

Operational Revenue INR 8,086 Mn	EBITDA INR 1,749 Mn	EBITDA Margin 21.63%

PAT INR 918 Mn	PAT Margin 11.36%	ROE 23%	ROCE 21%

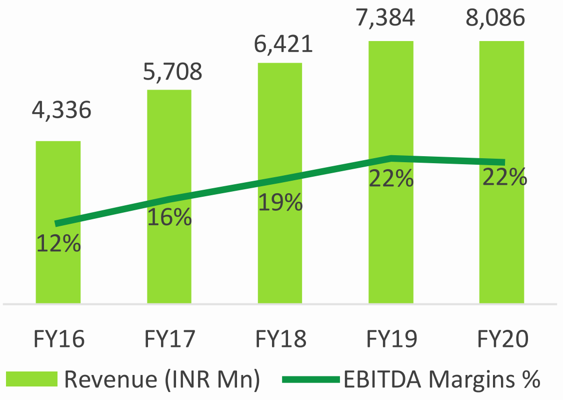
SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Company Overview

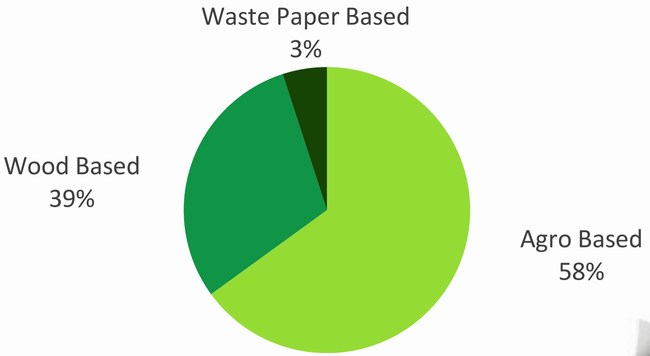
About The Company

- Incorporated in 1980 by Dr. Ajay Satia, Satia Industries Limited (SIL) started its commercial production of printing and writing paper at Muktsar, Punjab in 1984.
- SIL is one of the biggest Wood and Agro based paper plants in India manufacturing paper using wood chips, veneer waste, wheat straw, sarkanda, etc.
- The Company has a fully integrated manufacturing facility, which includes paper machines, pulping machinery, chemical recovery plant and power generation plant.
- Fully integrated production facility gives superior advantage in terms of cost efficiency and environmental compliance, ultimately leading to superior margin profile compared to peers.
- With a view to improve the quality of pulp and also to save on cooking chemicals, a Continuous Digester has been installed by the Company.
- The product profile includes Super Snow White, Snow White, Photocopier paper, Map litho, Colored paper, Ledger paper, Cartridge paper, Duplicating, bond paper - with and without watermarks and Chromo (Art) paper from GSM range 42 to 200 GSM.
- Satia Industries Limited market its product through dealer network located all over India and through Branches at Jaipur, Delhi & Chandigarh.

Operational Revenue (INR Mn) & EBITDA Margin (%)



Raw Materials Used of Total Volumes



3M / Q1-FY21 Financial Overview

SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Results for Q1-FY21

Q1-FY21 Financial Highlights	
Operational Revenue (INR Million)	**1,251***
EBITDA	**278***
EBITDA Margin	*22.24%*
Net Profit	**116***
PAT Margin	*9.27%*
EPS (INR per Share)	**1.16**

* Figures expressed in INR Millions

Operational Highlights for Q1-FY21

- Company proved its strength and agility despite the extraordinary adverse circumstances and headwinds arising on account of COVID 19 and a complete shutdown of over a month by the Govt, labor problem and slack demand.

- The operational resiliency was demonstrated by returning to its full operating capacity within a period of 3-4 days and the Company managed to produce @ 350 ton paper per day for the 65 days working available against last year average of plus 360 ton per day.

- Consequently, Company managed to achieve better EBIDTA margin of 22.24% over the previous quarter March,2020 figure of 20.80%. Furthermore, PBT witnessed a growth of 10.79% against 10.47% in the last quarter 2020.

- Company's market strength is evidenced by placing almost all quantity produced and sold 22094 ton paper in this period. In our opinion, the same trend is likely to continue even in the next quarter as we have almost 30 days order in hand while the industry is struggling to run even at 50% of the capacity.

- All efforts are being made to accelerate and ensure the completion of the New State of the Art Project despite heavy odds. We plan to start trials in July, 2021.

Key Management Personnel

Dr. Ajay Satia
Chairman & M.D

- Dr. Satia set up the integrated paper mill in 1984.
- His vision to adopt technological changes and economies of scale along with timely capital infusion has brought the unit among the best in the industry in terms of pulping strength, power self-sufficiency, effluent treatment and meeting the environmental norms.
- Dr. Satia has a passion for work and possesses unparalleled enterprising spirit for expansion and modernisation.
- His greatest strength lies in building and retaining a strong and trusted team which has turned his dreams into reality.

R.K. Bhandari (MBA) - *Joint Managing Director* : An Industry Veteran by himself, he looks after marketing and administrative responsibilities since the last 32 years. His excellent leadership qualities has enabled the Company to grow at an immense pace thus enabling it to be established as a leading player in the industry.

Chirag Satia - ***Executive Director* :** He has been the driving force behind new inititatives since he joined in 2015 and he looks after Finance, Accounts and Commercial Operations. His enterprising spirit and forward looking vision has added new energy to the workforce.

A.C. Ahuja – *Director* : He was the Ex. Executive Director IFCI, Delhi.

Hardev Singh - ***Director (Technical)* :** He has a wide range of experience in installation of projects.

Arun Kumar Gupta - ***Director (Independent)* :** He is a Senior Chartered Accountant by profession.

Ashok Kumar Gupta - ***Director* (Independent) :** He is a CAIIB and has 35 years of experience in Banking and Finance.

Dr. Priti Lal Shivhare (MSC, Ph.D. Chemistry) - ***Director (Independent)* :** He serves as a scientist in Central Pulp and Paper Research Institute, Saharanpur, (U.P).

Inder Dev Singh – ***Director (Independent)* :** He is a retired personnel of PNB, is a CAIIB and has studied B.Com. and LLB.

Dinesh Sharma – *Director (Independent)* : He has completed his Masters in Chemical Engineering.

Vinod Kumar Kathuria – *Director (Independent)* : He has priorly served Punjab National Bank for more than 3 decades.

Inderjeet Monga (C.A.) – *CFO* : He plays an active role in the financial decision making.

R. K. Dhuria – *Company Secretary* : L.L.B. : He assists the boards in Legal and compliance related matters.

Key Milestones

1980
Incorporation of the Company

1984
Started production using a single paper machine with the capacity of 4,950 MTPA

1989
Second paper machine was installed

1993
Production crossed 10,000 MTPA

1998
Third paper machine and 200 MTD pulp mill were installed.

2003
Power cogeneratio n plant (5MW) was installed

2006
A Chemical Recovery Plant and power plant (5MW) were installed

2011-12
Increased capacity of the power plant to 23.30 MW

2014-15
The Capacity of Chemical Recovery Plant was enhanced and also installed a Pulp Bleaching Plant

2016-17
Additional Power generation capacity of 10.45 MW and New Solar plant with capacity 2.29 MW were installed

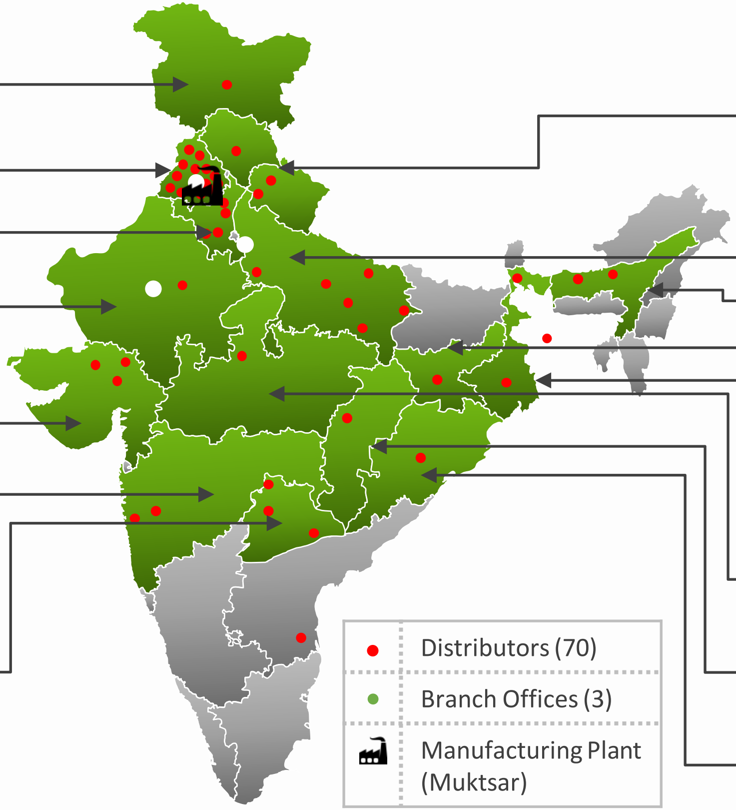
2017-18
Added Solar Capacity of 3.25 MW

2018-19
Achieved a significant production

2019-20
Recorded Highest Production of 133191 MT and capacity of CRP plant increased from 400tpd to 650tpd

Geographical Presence

Region-wise sales for FY20
Jammu & Kashmir **0.83%**
Punjab **8.93%**
Haryana **3.5%**
Rajasthan **9.57%**
Gujarat **3.28%**
Maharashtra **13%**
Telangana **2.51%**
Export and Others **6.67%**



Region-wise sales for FY20
Delhi **10.07%**
Uttar Pradesh **12.29%**
Assam **10.9%**
West Bengal **4.17%**
Bihar **1.46%**
Madhya Pradesh **3.9%**
Chhattisgarh **3.83%**
Odisha **5.09%**

Manufacturing Facilities

Segment	Pulping Facilities	Paper Machines	Chemical Recovery Plant	Power Generation
				
Description	• Continuous Digester for cooking pulp, oxygen delignification and chlorine dioxide bleaching has been installed.	• Capacity of paper machines varies with operating speed and GSM of paper. • Permission for 300 TPD has been received. • Project will be commenced by July, 2021. • State of the art newspaper machine will be installed.	• Installed two Chemical Recovery boilers with a capex of INR 850 Mn to process black liquor for reconversion into caustic soda. • It also helps in environment compliance.	• Installed three turbine generating sets at a total capex of INR 871.6 Mn and a solar power plant at capex of INR 224.2 Mn.

Capex Plan

Agro – Residue

Wood chips

Waste Paper

CRP

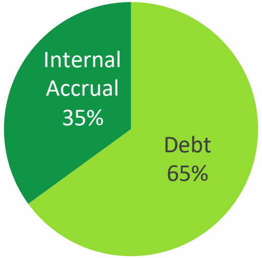
In-house power generation

Current Capacity 1,05,000 MT of Paper

Capex of INR 500 Cr

Capacity Expansion of 1,00,000 MT of Paper

Funding



Updates:

- Most of the parts of the New European Paper Manufacturing Machine has reached the site.
- The development of the New Block is almost complete.
- Final Environmental Clearance already received from the Ministry of Environment & Forests, Delhi.
- A total of Rs.220 Crs has been spent on the development of the new project out of which Rs.150 Crs is disbursed by the Banks and Rs.70 Crs is financed from Internal Accruals.

Plant to be commissioned by July 2021

A similar greenfield capacity expansion of 300 TPD would cost around INR 1,000 Cr and would take a timeline of around 40 months to be operational.

Paper Cutlery Segment

- Prime Minister Sh. Narendra Modi gave an ambitious call to eliminate all single-use plastic products in the country by 2022 and SIL plans to make most of this opportunity in the national movement to replace plastic and styro foam from food delivery packaging with sustainable packaged products

- The company had plans to commence the production of paper cutlery and the machinery was to be imported from South East Asia. However, due to the ongoing COVID-19 pandemic, the project has been delayed because the team was unable to travel on account of lockdown restrictions imposed by several Government bodies.

Online food delivery is fuelling substantial acceleration in food packaging demand. We expect this segment to gain traction by FY21.

Stage 1

Agro Residue 65% → **Wet Washing** → **Cleaned Raw Material** → **Continuous Cooking** with caustic soda which passes through steam at 165 Degree Celsius → **Cooked Pulp & Black Liquor (Sodium Lignate)** → Unbleached Pulp Washing, Refining, Screening & Cleaning → **Brown Pulp** → Elemental Chlorine Free Bleaching (Environ-ment Friendly)

Wastewater → **Clarifier & Biogas Plant**

Black Liquor → **Caustic Soda Recovery Section**

Wood Chips 30% — Requires higher amount of Caustic Soda (Sodium Hydroxide)

Imported Wood Pulp 5% → Hydra pulper (disintegrat ion) → Refined & stored in a chest

White Pulp →

Stage 2
Stock Preparation

Different types of Pulp (Agro, wood, imported wood) is mixed in different proportions as per the required quality additives like AKD, PAC, whitening Agent, Wet End Additives and Fillers

Stage 3
Paper Making

- Sheet Forming-> Wet Sheet
- De-watering through 3 stages: Vacuum Suction, Pressing, Evaporation (Drying)
- Calendaring for smoothness and evenness
- Roll Forming

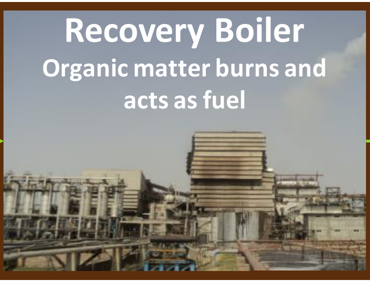
Stage 4
Converting and Finishing

- Sheeting
- Rewinding
- Cutting

Effluent Treatment

Black Liquor

(Sodium Lignate)

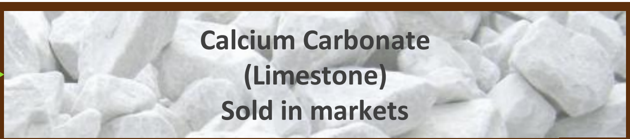


Recovery Boiler

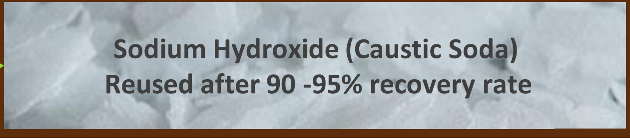
Organic matter burns and acts as fuel

Inorganic matter becomes Sodium Carbonate

Treated with Calcium Hydroxide



Calcium Carbonate (Limestone)
Sold in markets



Sodium Hydroxide (Caustic Soda)
Reused after 90 -95% recovery rate

Wheat straw wet washing waste water is used to produce Biogas

Waste water from paper machine is clarified and reused in washing of pulp in bleaching stages

Maximum circulation of bleaching plant filtrate

Final effluents are first treated at the Effluent Treatment Plant & then passed to the Eucalyptus Plantations

Top Clients

Bal Bharti	Assam State Text Book Production & Publication Corporation Ltd.	Odisha State Bureau of Textbook
Chhattisgarh Pathya Pustak Nigam	Rajasthan Rajya Pathyapustak Mandal	Burda Druck India Private Limited
West Bengal Text Book Corporation Ltd	Himachal Pradesh Board of School Education	Indian Railways

Myths Vs Realities of the Paper Industry

Myth	Reality
Denuding forests	Paper industry in India is also agro and rural based. Industry led agro/farm forestry in collaboration with farmers have brought over 125,000 hectares under pulp wood plantations.
Disturbs ecological balance	It is wood positive. The industry grows more trees through its agro-forestry initiative than it harvests. Moreover, pulp and paper industry consumes only 3% of the national requirement of wood while major consumption is as fuel wood (89.5%) and timber (7.5%).
The sun has set on India’s paper industry	Overall paper consumption is projected to increase to 24 million ton in 2024-25 from 15 million ton currently. Every one kg increment per capita consumption results in additional demand of more than 1 MTPA.
Technologically outdated	An investment of more than USD 5 Bn. has been made by the industry during the last five years in capacity enhancement, technology upgradation and various acquisitions.
Unsustainable industry	Paper is biodegradable, recyclable and sustainable.
Puts undue strain on water and energy resources	Earlier, paper mills used to consume 200 cubic meters of water to produce a ton of paper. Now, the integrated mills have reduced the usage to 50 cubic meters with efforts on for 40 cubic meters.
Lobbies for access to forests repeatedly	Out of the total degraded forest land of 29 Mn hectares, the paper industry is asking for only 10%. Growing pulpwood trees on degraded land will lead to a fillip in rural employment and add to the green cover of India.

Certifications

Certificate of Registration

RICL

Facilitating Businesses for Enhanced Efficiency

This is to certify that

Satia Industries Ltd.

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

has been assessed by RICL and found to comply with the requirements of

ISO 9001 : 2015

Quality Management System

For the following activities:

Manufacturing and Supply of Writing & Printing Paper

This Certificate is Valid from 21/04/2017 Until 20/04/2019

Date of Initial Certification: 21/04/2017
Ist Surveillance Successfully Conducted
IInd Surveillance on or before: 20/03/2019
Certification Valid Until: 20/04/2020

Certificate No.: 17RQ04BQ

Director
Royal Impact Certification Ltd.
Certificate details entered into JAS-ANZ register on 21/04/2017

A - 66, Ground Floor, Sector - 2, Noida - 201301, India.
www.isointernational.org, info@isointernational.org
Phone : +91 120 4113893, 9761618784
This Certificate can be verified at: www.isointernational.org and www.jas-anz.org

JAS-ANZ
www.jas-anz.org/register

Certificate remains the property of Royal Impact Certification Limited. Must be returned on request or if certificate is ...wn. Validity of this certificate is subject to successful surveillance audits. RICL is accredited by JAS-ANZ. URL ... ditation System of Australia & New Zealand- www.jas-anz.org/register

Certificate of Registration

RICL

Facilitating Businesses for Enhanced Efficiency

This is to certify that

Satia Industries Ltd.

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

has been assessed by RICL and found to comply with the requirements of

ISO 14001 : 2015

Environmental Management System

For the following activities:

Manufacturing and Supply of Writing & Printing Paper

This Certificate is Valid from 13/06/2018 Until 12/06/2019

Date of Initial Certification: 13/06/2018
Ist Surveillance on or before: 12/05/2019
Certification Valid Until: 12/06/2020
UAF is a full member of International Accreditation Forum (IAF)

Certificate No.: 18UE06AU

United Accreditation Foundation
UAF
United Accreditation Foundation
3510, Colmar, Norflok, VA 23509,
United States of America.

Director
Royal Impact Certification Ltd.

A - 66, Ground Floor, Sector - 2, Noida - 201301, India.
www.isointernational.org, info@isointernational.org
Phone : +91 120 4113893, 9761618784
This Certificate can be verified at: www.isointernational.org

...F is a full member of International Accreditation Forum (IAF), the membership status can be verified at www.iaf... ...ertificate remains the property of Royal Impact Certification Limited. Must be returned on request or if certific... Validity of this certificate is subject to successful surveillance audits as per dates given above

Certificate of Registration

RICL

Facilitating Businesses for Enhanced Efficiency

This is to certify that

Satia Industries Ltd.

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

has been assessed by RICL and found to comply with the requirements of

OHSAS 18001:2007

Occupational Health & Safety Management System

For the following activities:

Manufacturing and Supply of Writing & Printing Paper

This Certificate is Valid from 13/06/2018 Until 12/06/2019

Date of Initial Certification: 13/06/2018
Ist Surveillance on or before: 12/05/2019
Certification Valid Until: 12/06/2020
UAF is a full member of International Accreditation Forum (IAF)

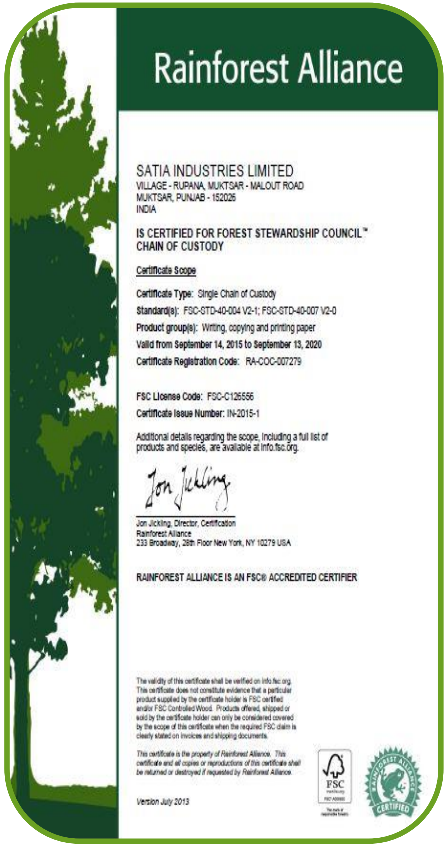
Certificate No.: 18UO06AV

United Accreditation Foundation
UAF
United Accreditation Foundation
3510, Colmar, Norflok, VA 23509,
United States of America.

Director
Royal Impact Certification Ltd.

A - 66, Ground Floor, Sector - 2, Noida - 201301, India.
www.isointernational.org, info@isointernational.org
Phone : +91 120 4113893, 9761618784
This Certificate can be verified at: www.isointernational.org

...F is a full member of International Accreditation Forum (IAF), the membership status can be verified at www.iaf... ...ertificate remains the property of Royal Impact Certification Limited. Must be returned on request or if certific... Validity of this certificate is subject to successful surveillance audits as per dates given above



Rainforest Alliance

SATIA INDUSTRIES LIMITED
VILLAGE - RUPANA, MUKTSAR - MALOUT ROAD
MUKTSAR, PUNJAB - 152026
INDIA

IS CERTIFIED FOR FOREST STEWARDSHIP COUNCIL™ CHAIN OF CUSTODY

Certificate Scope

Certificate Type: Single Chain of Custody
Standard(s): FSC-STD-40-004 V2-1; FSC-STD-40-007 V2-0
Product group(s): Writing, copying and printing paper
Valid from September 14, 2015 to September 13, 2020
Certificate Registration Code: RA-COC-007279

FSC License Code: FSC-C126556
Certificate Issue Number: IN-2015-1

Additional details regarding the scope, including a full list of products and species, are available at info.fsc.org.

Jon Jickling, Director, Certification
Rainforest Alliance
233 Broadway, 28th Floor New York, NY 10279 USA

RAINFOREST ALLIANCE IS AN FSC® ACCREDITED CERTIFIER

The validity of this certificate shall be verified on info.fsc.org. This certificate does not constitute evidence that a particular product supplied by the certificate holder is FSC certified and/or FSC Controlled Wood. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required FSC claim is clearly stated on invoices and shipping documents.

This certificate is the property of Rainforest Alliance. This certificate and all copies or reproductions of this certificate shall be returned or destroyed if requested by Rainforest Alliance.

Version July 2013

FSC

RAINFOREST ALLIANCE CERTIFIED

Key Strengths

Low cost raw materials

Wheat Straw is cheap and easily available locally

Co-power generation to reduce cost

27.95 MW capacity run on Biomass and process intermediate- Black Liquor

Secure access to raw materials

No other paper mill in a 100 Km radius

Pan India distribution network

3 Branch Offices and 70 Distributors

Long standing relationships with State Text Book Boards

Tremendous cost savings through in-house effluent treatments/intermediates

Chemical Recovery Plant to treat Black Liquor, oxygen plant for Delignification, production of Chlorine Dioxide for Bleaching & Pulping

Environment compliant manufacturing facilities

In-house treatment of pollutants and 540 Acres of Eucalyptus Plantations and Carbon Credit Surplus

SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Business Overview

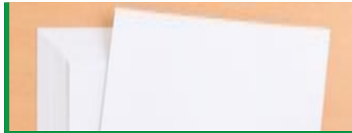
Writing and Printing paper : Products

Snow White

Features:
Brightness: 85%
Whiteness: 133%
Opacity: 85-96%

Variants:
Copy Segment:52-64 GSM
Printing Segment: 52-90 GSM

RM Composition:
Agro Pulp: 75%
Hard Wood Pulp: 25%



Super Snow White

Features:
Brightness: 89%
Whiteness: 142%
Opacity: 85-96%

Variants:
Copy Segment: 52-64 GSM
Printing Segment: 52-90 GSM

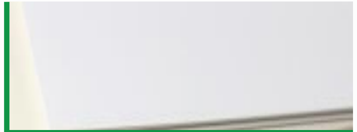
RM Composition:
Agro Pulp: 70%
Hard Wood Pulp: 30%

Ultra White

Features:
Brightness: 85%
Whiteness:133 %
Opacity: 85-96%

Variants:
Copy Segment: 52-64 GSM
Printing Segment: 52-90 GSM

RM Composition:
Agro Pulp: 75%
Hard Wood Pulp: 25%



Ultra Shine

Features:
Brightness: 88%
Whiteness: 142 %
Opacity: 85-96%

Variants:
Copy Segment: 52-64 GSM
Printing Segment: 52-90 GSM

RM Composition:
Agro Pulp: 70%
Hard Wood Pulp: 30%

Ultra Print

Features:
Brightness: 90%
Whiteness: 145 %
Opacity: 78-96%

Variants :
58-100 GSM

RM Composition:
Agro Pulp: 65%
Hard Wood Pulp: 25%
Imported Hard/Soft Wood Pulp: 10%

Writing and Printing paper : Products

Coloured Paper

Features:
Brightness- NA
Whiteness- NA
Opacity – 78-96%

Variants:
48-180 GSM

RM Composition:
Agro Pulp- 70%
Hard Wood Pulp -30%

Cover Paper

Features:
Brightness- 85%
Whiteness- 133%
Opacity – 94-96%

Variants:
100-170 GSM

RM Composition:
Agro Pulp- 75%
Hard Wood Pulp -25%

Natural Shade

Features:
Brightness- 82%
Whiteness- 70%
Opacity – 92-95%

Variants:
80-120 GSM

RM Composition:
Agro Pulp- 70%
Hard Wood Pulp -30%

Photo Copier

Features:
Brightness- 90%
Whiteness- 142%
Opacity – 92%

Variants:
70-80 GSM

RM Composition:
Agro Pulp- 65%
Hard Wood Pulp -20%
Imported Hard/Soft Wood Pulp- 15%

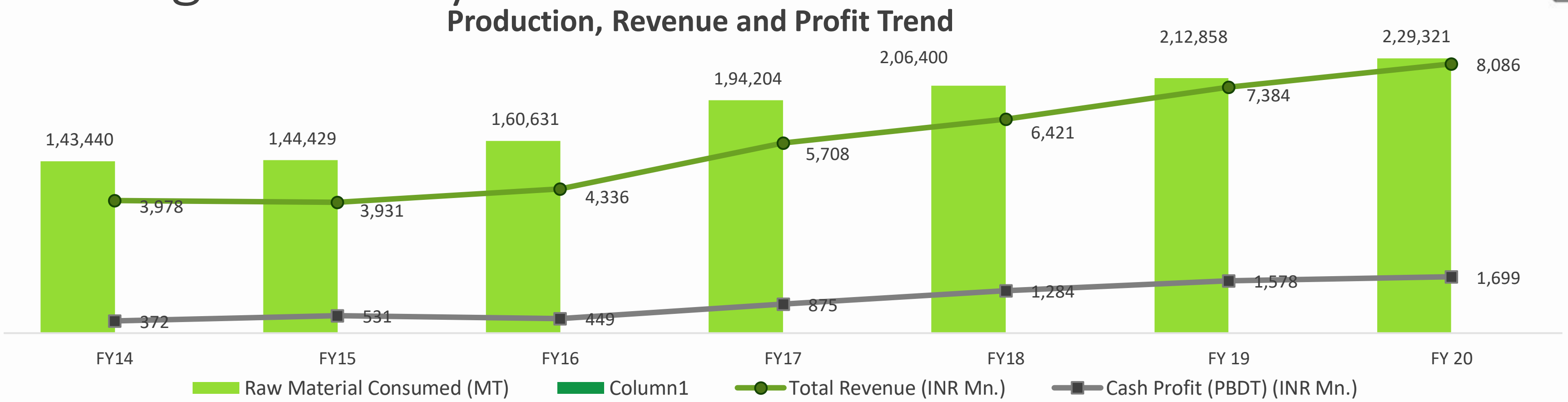
Ledger

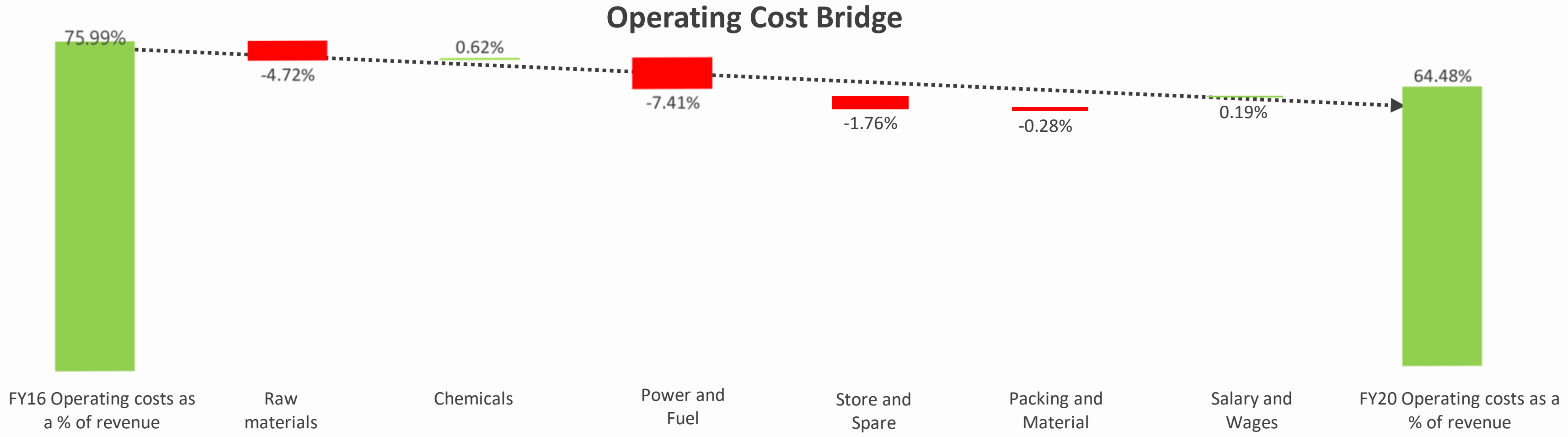
Features:
Brightness- 58%
Whiteness- 11%
Opacity – 88-90%

Variants :
58-90 GSM

RM Composition:
Agro Pulp- 75%
Hard Wood Pulp- 25%

Operating Efficiency





Strategic Advantage

Raw Material Security

- SIL has the capability and flexibility to use all three kinds of pulp made from agro residue, wood and waste paper.
- It procures raw materials like wheat straw, sarkanda and wood chips from the area adjacent to the manufacturing plant in Punjab.
- No other paper mill, in a 100 km, radius ensures easy and cheap availability.

Water Security

- Water is imperative at each stage of production and can lead to loss of machine days in case of shortage.
- The fresh water requirement is 18,500 m3 /day for Agro & Wood-Based Pulp to produce writing & printing paper 390 TPD.
- The Company has an approval from the state irrigation department for fresh water withdrawal of 7.5 cusec from Arniwala Canal, which is at a distance of 1.8 km.

Captive Power Generation

- With the high cost of power directly affecting profits of paper industries, the best option is to install own captive power plants to manage production schedules without unplanned downtime and lower costs.
- Against the huge requirement of steam at 10Kg/cm2 pressure for pulp making and steam at 4Kg/cm2 pressure for drying paper; SIL has installed 62Kg/cm2 steam pressure boilers and 27.95 MW power is co-generated from energy produced in pressure reduction which helps in huge cost savings.

Future Growth Strategy

03

With a strong raw material base, doubled production capacity to over 2.0 lac tons paper every year, a flexibility to make high grade surface sized maplitho, a copier paper along with our traditional stronghold in Government textbook paper market, we plan to expand our customer base and further strengthen our existing network by meeting varied needs of the customers in the face of stiff competition in the market.

02

SIL proposes to simultaneously enhance its agro, wood and recycling pulp making facilities to meet increased level of paper machines capacity along with flexibility in raw material usage. We plan to upgrade our Chemical recovery plant and cogeneration division to meet environmental challenges and also maintain our independence in low cost power to maintain cost competitiveness.

01

SIL plans to make best of the scenario by focusing on modernization of its existing plant and machinery. This will include upgrading the quality which will be achieved by increasing wood pulp in its raw material mix, making surface sized paper for high speed multi colour printing and by doubling its production capacity by setting up a new paper machine in its existing premises by July 2021.

Environmental Compliance

Environment Compliance though a legal necessity; SIL considers this as its moral responsibility and has undertaken many steps to ensure that no harm is done to the environment:

- **Eucalyptus Plantation** : SIL uses the natural quality of Eucalyptus Plant for natural pumping and evaporation of ground water through its leaves into the atmosphere and has developed 540 acres of Eucalyptus Plantation for waste water handling. No water is discharged into any water body.

- SIL has adequate water and air pollution control devices to meet the prescribed norms of Water and Air pollution and has got the necessary Consent to operate from the PPCB, Punjab under different Acts.

- SIL has a fish tank with the treated waste water to check fish survival in the treated effluent and establishes that it is not harmful for aquatic life.

- Solid waste is used by card board manufacturers and boiler ash goes into land filling.

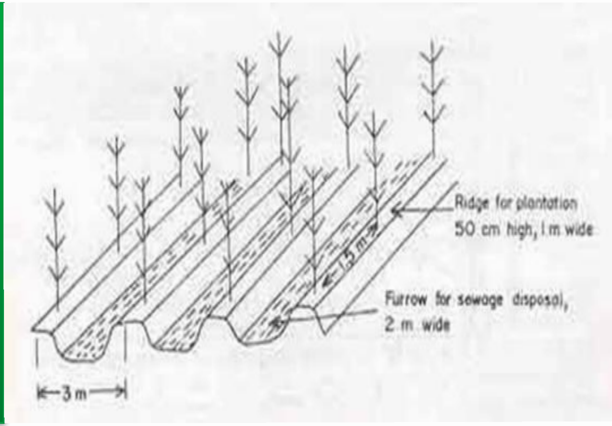
- SIL is planning to tie up with cement companies to dispose lime sludge.

- Methane is used for power generation or as fuel in the boiler.

Karnal Technology

Process

- The Karnal Technology involves growing trees on ridges 1m wide and 50cm high wand disposing of the untreated sewage in furrows.
- The effluent is consumed within 12-18 hours and it is possible to dispose off 0.3 to 1.0 ML of effluent per day per hectare through this technique.



Plantation

Eucalyptus plant is widely used for Karnal Technology due to the capacity to transpire large amounts of water and ability to remain active through out the year.

Low Cost

- The expenditure of adopting this technology involves cost of making ridges, plantation and their care.
- The implementation does not involve skilled labour and relatively unfertile wastelands can be used for this purpose.

Zero Effective Discharge

- This technique utilizes the entire biomass as living filter for supplying nutrients to soil and plant.
- Further, as forest plants are to be used for fuel wood, timber or pulp, there is no chance of pathogens, heavy metals and organic compounds to enter into the human food chain system.

Revenue Generation

This system generates gross returns from the sale of fuel wood and the sludge accumulating in the furrows along with the decaying forest litter.

Corporate Social Responsibility

SIL believes that the corporate sector are economic organs of the society and therefore endeavors to make a positive difference to the society by trying to build a better tomorrow.

- **Total amount spent in FY20: INR 10.8 Mn**
- **Total amount spent during FY19: INR 11.2 Mn**
- The management has approved **INR 25 Mn** for CSR program in surrounding villages. The activities mentioned therein shall be carried out within a **time frame of 5 years** (2017-18 to 2021-22)

The sectors identified under the scope of CSR activities are as follows:

Community Health Improvement: Periodical medical checkups, blood donation camps to be organized near the project site, eye check-up camps, health awareness camps for mother and child and health and hygiene practices

Community Education Facilities: Augmentation of furniture, blackboard, etc. in village schools, award scholarships to meritorious students, distribution of educational books, stationary, uniforms, aids, etc.

Community Welfare activities: Development of worship places as well as beautification, distribution of seeds & saplings, promotion & support to various Govt. schemes

Community Water Conservation: Rain water harvesting, ground water recharge pits and water conservation awareness programs

Community Capacity Building: Development of vocational training for technical skills, self employment trainings for women, such as, stitching, embroidery, tailoring, and handicrafts, etc.

Infrastructural Development: Village pond retrieval and R.O installation

A forestation Programs: Plantation of trees in village road sides

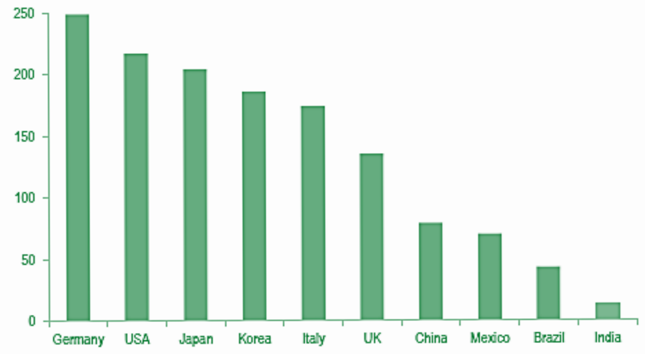
SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

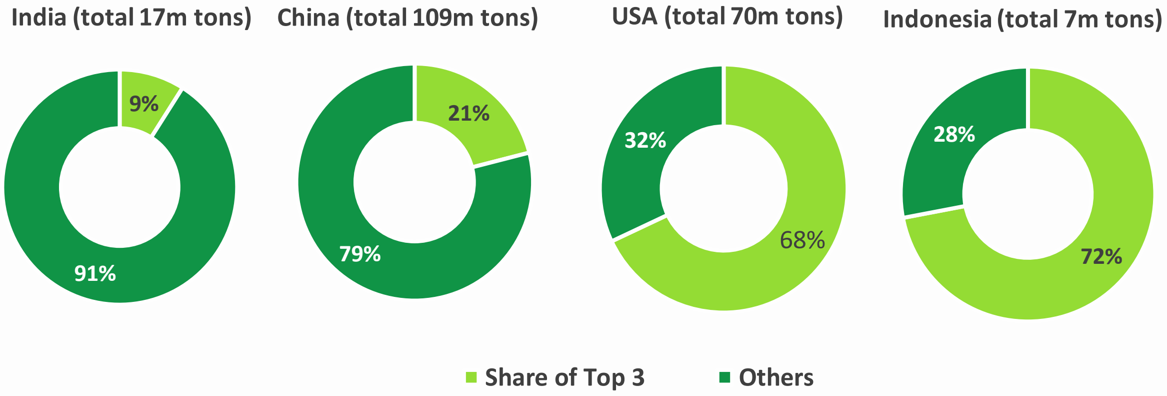
Industry Overview

Paper Industry Overview

- The Indian paper & paper products market is projected to grow from $ 8.6 billion in 2018 to $ 13.4 billion by 2024, exhibiting a CAGR of 7.8% during 2019-2024. It is also poised to grow and touch 25 million tons in 2019-20 from 20.37 million tons in 2017-18.
- According to a report released by Indian Paper Manufacturers Association (IPMA) detailing the paper industry overview for 2017-2018, the per capita paper consumption in India is currently around 13-kgs, while the global average is 57-kgs. This is projected to increase to at least 17-kgs by 2024-25. The per capita paper consumption in India at a little over 13 kg, is way behind the global average of 57 kg.
- The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tonnes.

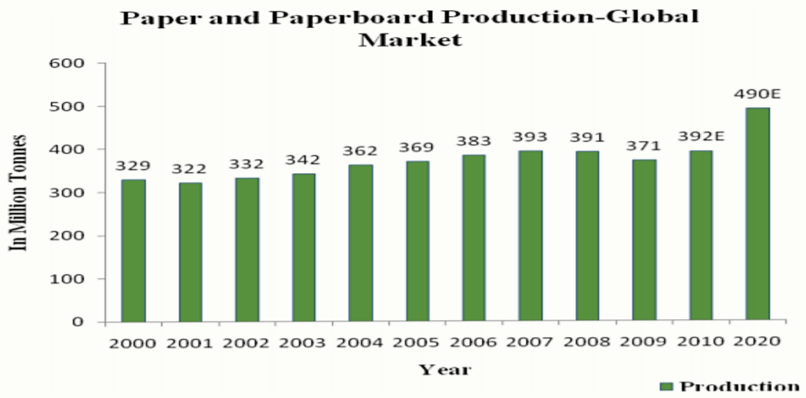
India has one of the lowest per capita consumption of paper



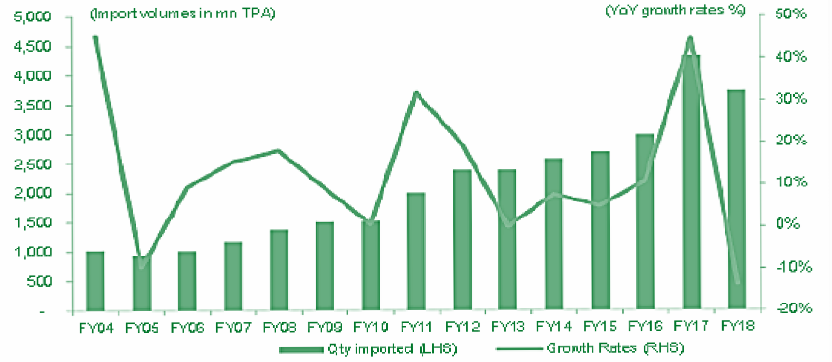


Paper Industry Overview

- India is the fastest growing major paper market in the world.
- The demand drivers and growth triggers have come from a combination of factors such as rising income levels, growing per capita expenditure, rapid urbanization and a larger proportion of earning population which is expected to lead consumption and there is enormous potential for the paper industry in the country
- The Indian paper & paper products market is projected to grow from $8.6 billion in 2018 to $13.4 billion by 2024, exhibiting a CAGR of 7.8% during 2019-2024
- The Indian paper industry accounts for about 1.6 per cent of the world's production of paper and paperboard.
- The Indian paper industry is accorded 'core sector' status since paper is categorized as an essential commodity by the government. The progress of paper industry is inextricably linked to the national priorities and with the changing times, its fortunes fluctuate. Indian paper industry has a 1:1 correlation with the economy.



Imports grew at 9.3% CAGR from FY13 to FY18



Challenges of Environmental Compliance

- The pulp and paper industry is among the world's largest generators of air and water pollutants, waste products and gases that cause climate change. Thus, heavy investment is required by companies to be environmentally compliant. Multiple norms have been introduced over the years, which have covered paper manufacturing companies.

CREP, 2003 → **CWRPP, 2012** → **CWRPP, 2015 (Ganga Basin States)** → **National Charter (In the pipeline)**

- Corporate Responsibility for Environment Protection (CREP) had some key action points - utilization of treated effluent wherever possible, reduce wastewater discharge to less than 140 m3/tonne of paper by 2005, etc.

- Charter for Water Recycling & Pollution Prevention in Pulp & Paper Industries (CWRPP), not only highlighted the Best Available Techniques (BAT) based on European Union's BREF document, but also laid down stringent water consumption, effluent generation and effluent characteristics norms for the industry to be achieved in two phases, i.e., short-term goals (by March 2016) and long-term goals (by March 2017). Water consumption norm of 50 m3/tonne of paper produced has already been achieved by the Industry.

- National Charter is in the pipeline. Large mills have already incurred capex to adopt environmental friendly technologies and thus, would not have a huge impact.

- Central Pollution Control Board (CPCB) advises the Central government on matters concerning air and water pollution. It has classified pulp and paper in the Red category, which means environmental clearance for new factories would be strict.

- Recently, 12 environmentally non-compliant paper mills were issued closure notices by CPCB.

Indian Paper Industry is Ripe for Consolidation

High Capital Intensity - Investment in land and machinery, repairs and maintenance of mills, technology, cost of environmental compliance, growing wood plantations and establishing a distribution network all make manufacturing paper a capital intensive task.

Economies of scale - The average capacity of an Indian Paper Mill is about 21,373 TPA, which is less than 1/5th of the average capacity of European mills, and about 1/9th the size of the average US mill.

Imports will pressure inefficient players further.

It is expensive to be environmentally compliant - The pulp and paper industry is among the world's largest producers of water pollutants and waste products. CPCB has classified Pulp and Paper industry into the Red category, which means environmental clearance for new factories would be strict.

Advent of GST - GST has been introduced at 12-18% for most paper categories which implies that the margin cushion available to small companies (likely tax avoiding) may be pressured.

Industry Stress - Multiple inorganic opportunities are available in India, which can help large players with strong balance sheets consolidate.

SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Financial Overview

Income Statement

PARTICULARS (INR Mn)	FY16	FY17*	FY18*	FY19*	FY20*	Q1 FY21
Operational Revenue	**4,336**	**5,708**	**6,421**	**7,384**	**8,086**	**1,251**
Total Expenses	3,801	4,799	5,203	5,743	6,337	973
EBITDA	**535**	**909**	**1,218**	**1,641**	**1,749**	**278**
EBITDA Margin	***12.34%***	***15.93%***	***18.97%***	***22.22%***	***21.63%***	***22.24%***
Other Income	165	211	303	145	152	25
Depreciation	332	400	451	477	546	123
Finance Cost	251	245	237	208	202	45
Extraordinary Items	(16)	-	-	-	-	-
PBT	**101**	**475**	**833**	**1,101**	**1153**	**135**
Tax	(30)	20	146	223	235	19
Profit After Tax	**131**	**455**	**687**	**878**	**918**	**116**
PAT Margin	***3.02%***	***7.98%***	***10.70%***	***11.89%***	***11.36%***	***9.27%***
Other Comprehensive Income	-	(2)	(8)	2	(3)	(1)
Total Comprehensive Income	**131**	**453**	**679**	**880**	**915**	**115**
EPS (INR per share)	**1.31**	**4.55**	**6.86**	**8.77**	**9.18**	**1.16**

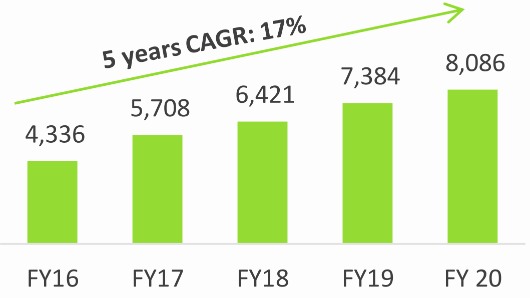
*As per IND-AS

Balance Sheet (IND-AS)

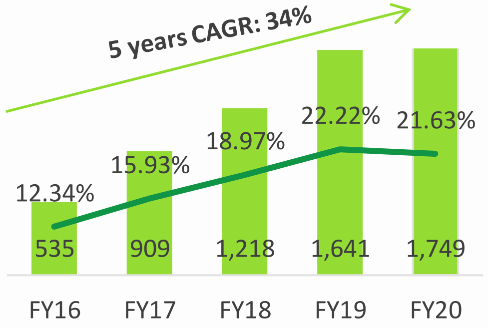
PARTICULARS (INR Mn)	FY18	FY19	FY20	PARTICULARS (INR Mn)	FY18	FY19	FY20
Equity	**2,226**	**3,076**	**3,955**	**Non-Current Assets**	**3,540**	**4,505**	**5,983**
Equity Share Capital	100	100	100	a) Property, Plant and Equipment	3,119	3,827	3,709
Other Equity	2,126	2,976	3,855	b) Capital Work In Progress	295	561	2,147
				c) Financial Assets			
Non-Current Liabilities	**1,819**	**1,957**	**2,600**	(i) Investments	29	31	33
a) Financial Liabilities				(ii) Loans	35	17	-
(i) Borrowings	910	1,054	1,588	(iii) Other financial assets	10	10	10
(ii) Other Financial liabilities	837	823	850	d) Deferred Tax Asset (Net)	48	59	32
b) Other Non-Current Liabilities	3	3	69	e) Other Non-Current Assets	4	-	52
c) Provisions	69	77	93				
				Current Assets	**2,278**	**2,099**	**2,468**
				a) Inventories	526	599	531
Current Liabilities	**1,773**	**1,571**	**1,896**	b) Biological Assets other than bearer plants	295	303	281
a) Financial Liabilities				c) Financial Assets			
(i) Borrowings	676	537	596	(i) Trade Receivables	1,179	1,057	1,323
(ii) Trade Payables	447	454	530	(ii) Cash and Cash Equivalents	13	5	17
(iii) Other Financial Liabilities	468	516	667	(iii) Bank balances other than above	64	35	138
b) Current tax liabilities (net)	-	13	-	(iv) Other financial assets	23	26	24
c) Other Current Liabilities	164	44	93	d) Current Tax Assets (Net)	21	-	22
d) Provisions	18	7	10	e) Other Current Assets	157	74	132
GRAND TOTAL - EQUITIES & LIABILITES	**5,818**	**6,604**	**8,451**	**GRAND TOTAL – ASSETS**	**5,818**	**6,604**	**8451**

Financial Highlights

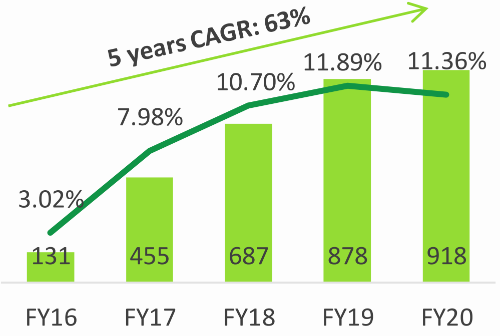
Operational Revenue (INR Mn)



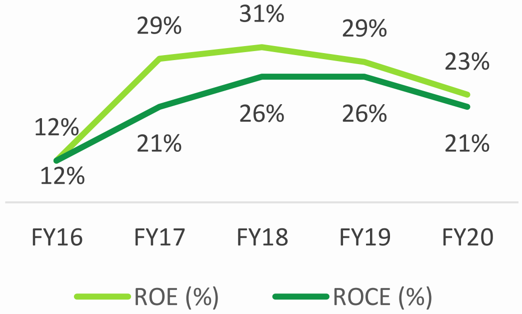
EBITDA (INR Mn) & EBITDA Margin (%)



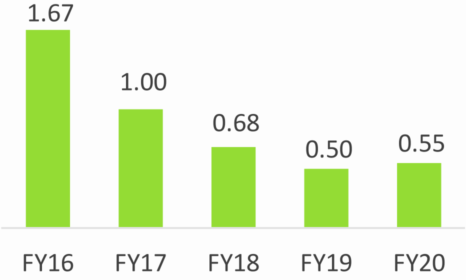
PAT (INR Mn) & PAT Margin (%)



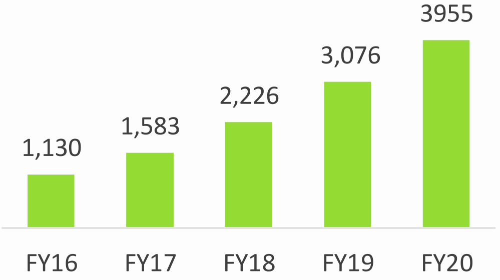
ROE (%) and ROCE (%)



Debt to Equity



Net Worth (INR Mn)



Disclaimer

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management Satia Industries Limited ("Company" or "SIL" or "Satia Industries Ltd."), which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from.
This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.

For further information please contact:
Mr. Inderjeet Monga
Chief Financial Officer
Tel: +91 9855716521
Email: agm.finance@satiagroup.com


SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Thank You