



Manufacturing



Financial Services



**SAT
INDUSTRIES
LIMITED**



Education



Global Business

**32ND ANNUAL REPORT
2016-2017**

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 Gupta

Contents	Page No.
Directors' Report	1
Corporate Governance Report	15
Corporate Governance Certificate	27
Management Discussion and Analysis Report	28
CEO/CFO Certificate	29
Independent Auditors' Report on Consolidated Financial Statements	39
Balance Sheet	44
Profit and Loss Account	45
Cash Flow Statement	46
Notes to Financial Statements	48
Independent Auditors' Report on Standalone Financial Statements	76

Importance Communication to Members

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

Audit Committee :

- Mr. Ramesh Chandra Soni – Chairman
- Mr. Harikant Turgalia
- Mr. Nikhil Raut

Nomination and Remuneration Committee:

- Mr. Ramesh Chandra Soni – Chairman
- Mr. Sunil Mithalal Jain
- Mr. Nikhil Raut

Stakeholders Relationship Committee:

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

Bankers

RBL Bank Ltd.

Mittal Court, Nariman Point, Mumbai 400 021

HDFC Bank Ltd.

Nanik Motwani Marg, Fort, Mumbai 400 023.

Kotak Mahindra Bank Ltd.

Mittal Court, Nariman Point, Mumbai 400 021

Auditors

M/s. R. Kabra & CO.

Chartered Accountants,

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

Registrar and Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.

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

Mumbai – 400 083

Phone: +91-22-49186000

Fax: +91-22-49186060

Registered Office

41, B-Wing, Mittal Tower,

Nariman Point, Mumbai- 400 021. (INDIA)

Phone: 91-22-6610 7025

Fax: 91-22-66107027

E-mail: sil@mtnl.net.in

Website www.satgroup.in

Directors' Report

To The Members of SAT INDUSTRIES LIMITED

Directors' Report

The Directors of your Company have pleasure in presenting their Thirty second (32nd) Annual Report and the Audited Accounts of the Company for the year ended March 31, 2017.

01. FINANCIAL RESULTS

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

Stand Alone

(Rs. in lakhs)

Particulars	2016-2017	2015-2016
Turnover	4795.75	4838.30
Other Income	0.07	0.00
Profit/Loss(-) before Tax, Interest, Depreciation and Exceptional Items	227.05	44.50
Interest	2.66	0.00
Depreciation	8.66	3.94
Profit/(Loss) before Tax and exceptional Items	215.73	40.56
Less: Tax Expense	16.73	70.35
Profit/(Loss) after Tax	199.00	(29.79)
Exceptional Items	1167.13	0.00
Profit/(Loss) after Tax and exceptional Items	1366.13	(29.79)
Profit available for appropriation	1366.13	(29.79)
Surplus carried from Previous year	(1440.30)	(1410.52)
Balance carried to Balance Sheet	(74.18)	(1440.30)

Consolidated

(Rs. in lakhs)

Particulars	2016-2017	2015-2016
Turnover	9137.68	9196.40
Other Income	197.34	82.78
Profit before Tax	2179.56	(154.90)
Less: Tax Expense	72.11	(20.27)
Profit/(Loss) after Tax	2107.45	(175.17)

Net Profit/(Loss) for the year after Shares of Profit/(Loss) of Associates and Minority Interest	2083.17	(197.78)
Balance carried from last year	(2398.39)	(2398.60)
Balance carried to Balance Sheet	(336.49)	(2398.39)

02. STATE OF COMPANY'S AFFAIRS:

The company is engaged in the business of general trading mainly fabric and leasing of machinery & moulds. During the year the Company clocked a turnover of Rs. 4795.75 lakhs as against Rs. 4838.30 lakhs in corresponding previous year. However, during the year, the Company incurred a profit after tax of Rs. 1366.13 lakhs as against loss after tax of Rs. 29.79 lakhs in the corresponding previous year.

03. MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which this financial statements relate and the date of report.

04. DIVIDEND:

The Directors of the Company are of the opinion to reinvest all of its earnings back into the company and hence do not recommend any dividend for the year 2016-2017.

05. CHANGE IN NATURE OF BUSINESS:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this Report. During the Year Company has made foray into nonbanking financial activities.

06. LISTING OF SHARES:

The Equity Shares of your Company are listed on the BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and the listing fees for the year 2017-2018, has been paid.

Directors' Report

07. SHARE CAPITAL:

During the year under report the authorized share capital of the Company increased from Rupees Fifteen Crores (Rs.15,00,00,000/-) divided into Seven Crore Fifty Lakhs (7,50,00,00) Equity Shares of Rs. 2/- each to Rupees Twenty Two Crores (Rs.22,00,00,000/-) divided into Eleven Crores (11,00,00,000) Equity Shares of Rs. 2/- each. Further, the issued, subscribed and paid up capital of the Company has also been increased from Rupees Eleven Crores Eighteen Lakhs (Rs.11,18,00,000/-) divided into Five Crores Fifty Nine Lakhs (5,59,00,000) Equity Shares of Rs. 2/- each to Rupees Nineteen crores Sixty Lakhs (Rs.19,60,00,000/-) divided into Nine Crores Eighty Lakhs (9,80,00,000) Equity Shares of Rs. 2/- each with the allotment of equity shares upon conversion warrants.

The equity shares have since been listed on BSE Limited.

08. SUBSIDIARIES AND ASSOCIATES:

The Company has, as on 31st March, 2017 Five subsidiaries namely Aeroflex International Limited, Italica Furniture Private Limited, Italica Ventures Private Limited, Sat Middle East Limited as its Wholly Owned Subsidiary Companies and Sah Polymers Limited as its Subsidiary Company. Further, the Company also has, as on 31st March, 2017, one Associate Company namely Genext Students Private Limited as mentioned in the notes of the Standalone Financial Statements of the Company.

The prescribed salient features of the financial statements of the aforesaid subsidiary companies as per Sub Section 3 of Section 129 of the Act have been disclosed in a separate statement attached to the consolidated Financial Statements which form part of this Annual Report. The statement reflects the performance and financial position of each of the subsidiaries, as required by Rule 8 (1) of the Companies (Accounts) Rules, 2014.

During the year Sat Middle East Limited, wholly owned subsidiary of Sat Industries Limited, engaged in the business of general trading has restarted its business operations and achieved turnover of Rs. 2,01,20,474 (AED 11,03,780).

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. 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. Asad Daud, Director (DIN: 02491539), retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Further Mr. Nikhil Khanderao Raut (DIN: 06653335) and Mr. Sunil Mithalal Jain (DIN: 03398788) will cease to hold their respective offices from 1st October, 2017. The Board of Directors of your Company has at its meeting held on 23rd May, 2017, proposed to re-appoint them on their respective posts subject to your approval at the ensuing Annual General Meeting for which necessary resolutions have been incorporated in the notice of the aforesaid meeting.

b) KEY MANAGERIAL PERSONNEL :

During the year under review, there was no change in Key Managerial Personnel of the Company.

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

It is stated pursuant to provisions 134(3)(d) of the Companies Act, 2013 that the declarations given by Mr. Ramesh Chandra Soni, Mr. Sunil Jain and Mr. Nikhil

Directors' Report

Raut, who are independent directors meet the criteria of independence as mentioned in Schedule IV of the Companies Act, 2013 and under Clause 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

During the year there is no expenditure/Income of foreign exchange.

14. DIRECTORS' RESPONSIBILITY STATEMENT :

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

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

compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. AUDITORS:

The existing Statutory Auditors M/s R. Kabra & Co., Chartered Accountants, will retire at the conclusion of ensuing annual general meeting. The retiring auditors are ineligible for re-appointment in view of the provision of the section 139(2) of the Companies Act, 2013 read with the Companies (Auditors) Rules, 2014. Under these circumstances the Board of Directors of the Company have on the recommendation of the Audit Committee proposed that M/s. Sampati Lal Bohara & Co., Chartered Accountants, Udaipur (ICAI FRN: 003324C), be appointed as the Statutory Auditors of the Company for a period of five years term commencing from the conclusion of this 32nd Annual General Meeting till the conclusion of the 37th Annual General meeting subject to ratification of their appointment at every annual general meeting. M/s. Sampati Lal Bohara & Co., Chartered Accountants, Udaipur have forwarded their letter to the Company stating that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

16. QUALIFICATION IN THE AUDITORS' REPORT - BOARD'S COMMENTS OR EXPLANATION THERE ON:

There is no qualification reported by Auditor's in their audit report for the year ended on 31st March, 2017.

17. 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").

18. CORPORATE GOVERNANCE:

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

19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

Directors' Report

20. CEO/CFO CERTIFICATE:

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

21. NUMBER OF MEETINGS OF THE BOARD:

Number of meetings of the Board during the year were Twelve (12) held on 30th May, 2016, 6th July, 2016, 3rd August, 2016, 12th August, 2016, 25th August, 2016, 9th September, 2016, 17th September, 2016, 27th October, 2016, 14th November, 2016, 24th December, 2016, 16th January, 2017 and 14th February, 2017.

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

Loans, guarantee 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.

23. 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

24. NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

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

25. INDEPENDENT DIRECTORS:

The Non-Executive Independent Directors fulfil the conditions of Independence specified in section 149(6) of Companies Act, 2013 and Rules made thereunder and meet with requirements of Clause

16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment to Independent Director has been issued and disclosed on the website of the Company at the link: www.satgroup.in

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

26. EVALUATION OF THE PERFORMANCE OF THE BOARD MEMBERS:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board at their separate meeting.

27. SECRETARIAL AUDIT REPORT:

The Board has appointed Mrs. Averil. F. Pinto, Practicing Company Secretaries, to carry out secretarial audit under the provisions of section 204 (1) of the Companies Act, 2013. The Secretarial Audit is attached to this report vide **Annexure -"H"**

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

During the year Company has incorporated Italica Ventures Private Limited as its wholly owned Subsidiary, and we make an application in terms of sub-section (2) of section 45-IA of the Reserve Bank of India Act, 1934 for issue of a Certificate of Registration to commence the business of a Non-Banking Financial Company.

29. CONSOLIDATION OF ACCOUNTS:

Pursuant to section 129(3) of the Companies Act, 2013 read with Rule 6 of the Companies(Accounts) Rules,

Directors' Report

2014 and also required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, audited consolidated financial statements form part of the Annual Report.

30. 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.

31. RISK MANAGEMENT:

The Company has laid down the procedures to inform to the Board about the Risk assessment and minimization procedures. The common risks inter alia are: Regulations, Credit Risk, Foreign Exchange and Interest Risk, Competition, Business Risk, Technology Obsolescence, Investments, Retention of Talent and Expansion of Facilities etc. Business risk, inter-alia further includes financial risk, political risk, legal risk etc. The Board reviews the risk trend, exposure and potential impact analysis and prepares risk mitigation plans, if necessary.

32. INTERNAL FINANCIAL CONTROLS:

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

33. CORPORATE SOCIAL RESPONSIBILITY:

The Company does not qualify under the provisions of Section 135 of the Companies Act, 2013. The operating profit is 199 Lakhs which is below the threshold limit and exceptional items comprises of diminution in value of investment written back, which is capital receipt and is not profit under Section 198(3)(c) Companies Act, 2013. Hence the Company is not required to constitute Corporate Social Responsibility committee as it does not fall under the purview of Section 135 of the Companies Act, 2013.

34. 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: 23-05-2017	H.K. Turgalia	Shehnaz D. Al
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 2016-17	S.No.	Name of Director	Ratio of the remuneration of each director to the median remuneration of the employees	
		1	Mrs. Shehnaz D Ali	5.81:1	
		2	Mr. Harikant Turgalia	3.60:1	
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year 2016-17:-	S.No.	Name	Designation	Increase in remuneration in the financial year 2016-17 (in %)
		01	Mrs. Shehnaz D Ali	Whole-time Director	12.71
		02	Mr. Harikant Turgalia	Whole-time Director and Chief Financial Officer	14.33
		03	Ms. Alka Gupta	Company Secretary	14.34
3	The percentage (%) increase in the median remuneration of employees in the financial year	10.61			
4	The number of permanent employees on the rolls of Company	11			
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 2016-17 was 12.4% whereas the increase in the remuneration of the managerial personnel was 15.71%.</p> <p>Justification: The percentile increase in the managerial remuneration in the financial year 2016-17 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 31.03.2017

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	41, B- Wing, Mittal Tower, Nariman point, Mumbai- 400 021. Tel. +91 22 66107025 Fax : 91 22 66107027 website: www.satgroup.in e-mail: sil@mtnl.net.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 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	94.52%

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 41, 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 Rj 313003	U25209RJ2004PTC020052	Subsidiary	100	Section 2(87)(ii)
3	Italica Ventures Private Limited 41, B-Wing, Mittal Tower, Nariman Point, Mumbai-400021	U65929MH2016PTC282853	Subsidiary	100	Section 2(87)(ii)
4	Sat Middle East Limited. 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	89.43	Section 2(87)(ii)
5	GENEXT STUDENTS PRIVATE LIMITED 48-B, Mittal Tower, Plot No. 210, Nariman Point, Mumbai-400021	U80302MH2011PTC251294	Associate	39.70	Section 2(6)

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

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	0.00
	Bodies Corporate	26235000	0	26235000	46.93	48335000	0	48335000	49.32	2.39
	Sub Total (A)(1)	26235000	0	26235000	46.93	48335000	0	48335000	49.32	2.39
[2]	Foreign								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	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)	26235000	0	26235000	46.93	48335000	0	48335000	49.32	2.39
(B)	Public Shareholding								0.00	0.00
[1]	Institutions								0.00	0.00



Directors' Report

(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(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	0	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	0.00				0.00	0.00
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions								0.00	0.00
(a)	Individuals								0.00	0.00
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	3475842	30	3475872	6.22	3649101	30	3649131	3.72	2.49
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	7333072	0	7333072	13.12	21926549	0	21926549	22.37	-9.26
(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	890711	0	890711	1.59	3527637	0	3527637	3.60	-2.01
	Non Resident Indians (Non Repat)	500	0	500	0.00	100	0	100	0.00	0.00
	Non Resident Indians (Repat)	15588	0	15588	0.03	11058	0	11058	0.01	0.02
	Clearing Member	672460	0	672460	1.20	1398325	0	1398325	1.43	-0.22
	Bodies Corporate	17276797	0	17276797	30.91	19152200	0	19152200	19.54	11.36
	Sub Total (B)(3)	29664970	30	29665000	53.07	49664970	30	49665000	50.68	2.39
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	29664970	30	29665000	53.07	49664970	30	49665000	50.68	2.39
	Total (A)+(B)	55899970	30	55900000	100.00	97999970	30	98000000	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)	55899970	30	55900000	100.00	97999970	30	98000000	100.00	0.00

(b) Shareholding of Promoter-

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 01.04.2016			Shareholding at the end of the year - 31.03.2017			% 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.	26235000	46.93	0	44835000	45.75	0	-1.18

Directors' Report

2	A FLEX INVEST PRIVATE LIMITED	0	0	0	3500000	3.57	0	3.57
	Total	26235000	46.93	0	48335000	49.32	0	2.39

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

Sr No.	Shareholding at the beginning of the year – 01.04.2016			Transactions during the year		Cumulative Shareholding at the end of the year – 31.03.2017	
	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.	26235000	46.93%				
	Allotment of shares on conversion of warrants			30-05-2016	5700000	31935000	32.59
	Allotment of shares on conversion of warrants			16-01-2017	6500000	38435000	39.22
	Allotment of shares on conversion of warrants			14-02-2017	6400000	44835000	45.75
	At the end of the Year					44835000	45.75
2	A Flex Invest Private Limited	0	0				
	Allotment of shares on conversion of warrants			27-10-2016	3500000	3500000	3.57
	At the end of the Year					3500000	3.57

(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 – 01.04.2016		Transactions during the year		Cumulative Shareholding at the end of the year – 31.03.2017	
		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	Space Age Polymers Private Limited	6169455	11.04%				



Directors' Report

	Transfer			22 Apr 2016	(44650)	6124805	6.25
	Transfer			08 Jul 2016	494650	6619455	6.75
	At the end of the year					6619455	6.75
2	Dawood Investments Pvt. Ltd.	7209350	12.90%				
	At the end of the year					7209350	12.90
3	Satendrapal Singh Chhabra	0	0.00			0	0.00
	Transfer			03 Feb 2017	500	500	0.00
	Allotment of shares on conversion			16 Jan 2017	3375000	3375500	3.44
	At the end of the year					3375500	3.44
4	Park Continental Private Ltd	2570870	4.60%				
	Transfer			08 Apr 2016	10472	2581342	2.63
	Transfer			15 Apr 2016	4726	2586068	2.64
	Transfer			22 Apr 2016	(55668)	2530400	2.58
	Transfer			29 Apr 2016	(1452)	2528948	2.58
	Transfer			06 May 2016	9411	2538359	2.59
	Transfer			13 May 2016	50461	2588820	2.64
	Transfer			20 May 2016	1747	2590567	2.64
	Transfer			27 May 2016	24800	2615367	2.67
	Transfer			03 Jun 2016	10633	2626000	2.68
	Transfer			10 Jun 2016	10305	2636305	2.69
	Transfer			17 Jun 2016	8695	2645000	2.70
	Transfer			24 Jun 2016	10010	2655010	2.71
	Transfer			30 Jun 2016	2028	2657038	2.71
	Transfer			08 Jul 2016	(2300)	2654738	2.71
	Transfer			15 Jul 2016	2100	2656838	2.71
	Transfer			29 Jul 2016	5549	2662387	2.72
	Transfer			05 Aug 2016	(5002)	2657385	2.71
	Transfer			02 Sep 2016	4615	2662000	2.72
	Transfer			09 Sep 2016	13866	2675866	2.73
	Transfer			23 Sep 2016	1716	2677582	2.73
	Transfer			30 Sep 2016	7191	2684773	2.74
	Transfer			07 Oct 2016	(36055)	2648718	2.70
	Transfer			21 Oct 2016	(3718)	2645000	2.70
	Transfer			11 Nov 2016	15070	2660070	2.71
	Transfer			18 Nov 2016	9620	2669690	2.72
	Transfer			25 Nov 2016	15431	2685121	2.74
	Transfer			02 Dec 2016	(121)	2685000	2.74
	Transfer			09 Dec 2016	9255	2694255	2.75
	Transfer			16 Dec 2016	5315	2699570	2.75
	Transfer			23 Dec 2016	18243	2717813	2.77
	Transfer			30 Dec 2016	1000	2718813	2.7
	Transfer			27 Jan 2017	(6813)	2712000	2.77
	Transfer			03 Feb 2017	(6072)	2705928	2.76
	Transfer			10 Feb 2017	(41111)	2664817	2.72
	Transfer			17 Feb 2017	4828	2669645	2.72



Directors' Report

	Transfer			24 Feb 2017	19654	2689299	2.74
	Transfer			03 Mar 2017	10571	2699870	2.76
	Transfer			10 Mar 2017	19425	2719295	2.77
	Transfer			17 Mar 2017	13375	2732670	2.79
	Transfer			24 Mar 2017	5665	2738335	2.7942
	Transfer			31 Mar 2017	6113	2744448	2.80
	At the end of the year					2744448	2.80
5	Amarjeet Kaur Chhabra	0	0.00				
	Allotment of shares on conversion			27 Oct 2016	1800000	1800000	1.84
	At the end of the year					1800000	1.84
6	Lalit Kabra	1500000	2.68			1500000	1.53
	At the end of the year					1500000	1.53
7	Renu Goyal	0	0.0				
	Allotment of shares on conversion			16 Jan 2017	1500000	1500000	1.53
	At the end of the year					1500000	1.53
8	Preeti Krishna Kabra	1500000	2.68			1500000	1.53
	At the end of the year					1500000	1.53
9	Shailja Mangal	0	0.00				
	Allotment of shares on conversion			16 Jan 2017	1500000	1500000	1.53
	At the end of the year					1500000	1.53
10	Pankaj Kumar Jain	0	0.00				
	Allotment of shares on conversion			27 Oct 2016	1500000	1500000	1.53
	At the end of the year					1500000	1.53

(e) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	17,59,98,918	0	17,59,98,918



Directors' Report

ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	17,59,98,918	0	17,59,98,918
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	0	15,21,81,121	0	15,21,81,121
Net Change	0	15,21,81,121	0	15,21,81,121
Indebtedness at the end of the financial year				
i) Principal Amount	0	2,38,17,797	0	2,38,17,797
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	2,381,7797	0	2,381,7797

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (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	9,96,000	5,88,000	15,84,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,98,000	2,94,000	7,93,000
	(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
	Total (A) (Rs.)	14,94,000	8,82,000	23,76,000
	Ceiling as per the Act*			60,00,000

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	Fee for attending board committee meetings				
	Commission	-----	NIL		-----
	Others, please specify				
	Total (1)				

Directors' Report

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				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Rs.)	-	3,84,192	-	3,84,192
	(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.)		3,84,192	-	3,84,192

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)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE 'C'
Corporate Governance Report
INTRODUCTION

Your company has complied with the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 01, 2016 to March 31, 2017.

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

As at 31st March, 2017, 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	12	12	No
2.	Mr. Harikant Turgalia	12	12	Yes
3.	Mr. Asad Daud	12	12	Yes
4.	Mr. Ramesh Chandra Soni	12	9	Yes
5.	Mr. Sunil Mithalal Jain	12	9	No
6.	Mr. Nikhil Raut	12	10	No

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

Sr. No.	Name of the Director	Directorships in Other Board of Directors	Memberships of Committees of Other Boards	Chairmanships of Committees of Other Boards
1.	Mrs. Shehnaz D Ali	4	-	-
2.	Mr. Harikant Turgalia	2	-	-
3.	Mr. Asad Daud	9	-	-
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 twelve times during the financial year, on 30th May, 2016, 6th July, 2016, 3rd August, 2016, 12th August, 2016, 25th August, 2016, 9th September, 2016, 17th September, 2016, 27th October, 2016, 14th November, 2016, 24th December, 2016, 16th January, 2017 and 14th February, 2017. 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 Mr. Asad Daud, who is the son of Mrs. Shehnaz D Ali.

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

Corporate Governance (Contd.)

the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant (based on predefined factory rating parameters), Product Category and Corporate Function from time to time.

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

<http://satgroup.in/familiarisation-program-to-independent-directors/>

h. Directors Appointment/Re-Appointment:

Mr. Asad Daud is liable to retire by rotation in the 32nd AGM and being eligible, offers himself for re-appointment. The term of office of Independent Director namely; Mr. Sunil Mithalal Jain and Mr. and Nikhil Khanderao Raut are up to 30th September, 2017. Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director. Details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by 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 27th March, 2017, 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

The Company has 4 (Four) non-listed Indian Subsidiaries and 1 (One) non-listed Foreign Subsidiary Company, namely:

1. AEROFLEX INTERNATIONAL LIMITED (Wholly-Owned Subsidiary)
2. ITALICA FURNITURE PRIVATE LIMITED (Wholly-Owned Subsidiary)
3. ITALICA VENTURES PRIVATE LIMITED (Wholly-Owned Subsidiary)
4. SAH POLYMERS LIMITED (89.43% shareholding)
5. SAT MIDDLEAST LIMITED FZC, UAE (Wholly-Owned Subsidiary)

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.

Company has complied with Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Audit Committee Inter alia performs the function of approving Annual Internal Audit plan, review of financial reporting system, Internal controls system, discussion on quarterly, half-yearly and annual financial results, interaction with statutory and internal Auditors, one-on-one meetings with statutory and internal Auditors, recommendation for the appointment of statutory

Corporate Governance (Contd.)

and their remuneration, recommendation for the appointment and remuneration of internal auditors, review of Business Management plan, review of internal audit reports significant related party transactions. The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of section 177 of the Companies Act, 2013 and Regulation 18 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

b. Composition, Name of Members and Chairperson:

The Audit Committee comprises one Executive Director and two Non-Executive Directors as members. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Composition of Audit Committee as on 31st March, 2017, 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 eight times during the financial year, on 30th May, 2016, 6th July, 2016, 3rd August, 2016, 12th August, 2016, 14th November, 2016, 24th December, 2016, 16th January, 2017 and 14th February, 2017. The maximum time gap between any two meetings was less than 120 days.

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

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	8	8
Mr. Harikant Turgalia	8	8
Mr. Nikhil Raut	8	8

4. NOMINATION AND REMUNERATION COMMITTEE

a. The Board has framed the Nomination and Remuneration Committee Charter which ensures

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

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

- i. To help in determining the appropriate size, diversify and composition of the Board.
- ii. To recommend to the Board appointment/re-appointment and removal of Directors;
- iii. To frame criteria for determining qualifications, positive attributes and independence of Directors;
- iv. Fixing the remuneration to executive Directors (the restrictions contained in the Companies Act, 2013 is to be considered);
- v. To create an evaluation framework for Independent Directors and the Board;
- vi. To provide necessary reports to the chairman after the evaluation process is completed by the Directors;
- vii. To assist in developing a succession plan for the Board;
- viii. To assist the Board in fulfilling responsibilities entrusted from time to time;
- ix. Delegation of any of its powers to any Member of the Committee of the Compliance Officer.

b. Composition, Name of Members and Chairperson:

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

c. Meetings and attendance during the year:

The Nomination and Remuneration Committee met one time during the financial year, on 30th May, 2016.

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

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

Corporate Governance (Contd.)
d. Performance evaluation criteria for Independent Directors:

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

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

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

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

The Company has adopted a Nomination and Remuneration Policy for Directors and Key Managerial Personnel regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company www.satgroup.in, in the 'Corporate Governance' under 'Investor Relation' section.

c. Disclosures with respect to Remuneration for FY 2016-2017:

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.16,23,000 p.a.	Nil	Rs.16,23,000 pa	***
Mr. Harikant Turgalia	CFO & Whole-time Director	Rs.10,05,000 p.a.	Nil	Rs.10,05,000 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 Relationship / Grievance Redressal Committee are as per the governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

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

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

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

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

b. Name and designation of Compliance Officer:

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

c. Number of shareholders' complaints received so far:

No shareholder complaint was received in the financial year.

d. Number not solved to the satisfaction of shareholders: NA
e. Number of pending complaints: NA
f. Meetings and attendance during the year:

The committee met four times on 30th May, 2016, 12th August, 2016, 14th November, 2016, 14th February, 2017. 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
29th	19th July, 2014	9:00 a.m.	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020
30th	26th September, 2015	9:15 a.m.	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020
31st	17th September, 2016	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
19th July, 2014	3
26th September, 2015	8
17th September, 2016	1

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

During the year, 5 (Five) Special Resolutions were passed on 6th September, 2016, through Postal Ballot. The details of voting pattern of Special Resolutions are mentioned below:

Resolution No.1			Insertion of the objects in the Object clause of the Memorandum of Association					
Resolution Required: (Ordinary/Special)			Special					
Whether promoter/Promoter group are interested in the agenda/resolution:			No					
Category	Mode of Voting	No. of Shares held (1)	No. of Votes Postal Ballot (2)	% of votes postal ballot on outstanding shares (3)=[(2)/(1)]*100	No. of votes in favour (4)	No. of votes against (5)	% of votes in favour on votes postal ballot (6)=[(4)/(2)]*100	% of votes against on votes postal ballot (7)=[(5)/(2)]*100
Promoter & Promoter group	E-Voting	31935000	31935000	100.000	31935000	0	100.000	0
	Postal Ballot		0	0	0	0	0	0
	Total		31935000	31935000	100.000	31935000	0	100.000
Public institutional	E-Voting	0	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total		0	0	0	0	0	0
Public Non-institutional	E-Voting	29665000	15251999	51.414	15251999	0	100.000	0
	Postal Ballot		1149	0.004	1149	0	100.000	0
	Total		29665000	15253148	51.418	15253148	0	100.000
Total		61600000	47188148	76.604	47188148	0	100.000	0



Corporate Governance (Contd.)

Resolution No.2			Preferential issue of warrants.					
Resolution Required: (Ordinary/Special)			Special					
Whether promoter/Promoter group are interested in the agenda/resolution:			Yes					
Category	Mode of Voting	No. of Shares held (1)	No. of Votes Postal Ballot (2)	% of votes postal ballot on outstanding shares (3)=[(2)/(1)]*100	No. of votes in favour (4)	No. of votes against (5)	% of votes in favour on votes postal ballot (6)=[(4)/(2)]*100	% of votes against on votes postal ballot (7)=[(5)/(2)]*100
Promoter & Promoter group	E-Voting	31935000	31935000	100.000	31935000	0	100.000	0
	Postal Ballot		0	0	0	0	0	0
	Total		31935000	31935000	100.000	31935000	0	100.000
Public institutional	E-Voting	0	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total		0	0	0	0	0	0
Public Non-institutional	E-Voting	29665000	15251999	51.414	15251999	0	100.000	0
	Postal Ballot		1149	0.004	1149	0	100.000	0
	Total		29665000	15253148	51.418	15253148	0	100.000
Total		61600000	47188148	76.604	47188148	0	100.000	0

Resolution No.3			Increase in Authorised Share Capital					
Resolution Required: (Ordinary/Special)			Special					
Whether promoter/Promoter group are interested in the agenda/resolution:			No					
Category	Mode of Voting	No. of Shares held (1)	No. of Votes Postal Ballot (2)	% of votes postal ballot on outstanding shares (3)=[(2)/(1)]*100	No. of votes in favour (4)	No. of votes against (5)	% of votes in favour on votes postal ballot (6)=[(4)/(2)]*100	% of votes against on votes postal ballot (7)=[(5)/(2)]*100
Promoter & Promoter group	E-Voting	31935000	31935000	100.000	31935000	0	100.000	0
	Postal Ballot		0	0	0	0	0	0
	Total		31935000	31935000	100.000	31935000	0	100.000
Public institutional	E-Voting	0	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total		0	0	0	0	0	0
Public Non-institutional	E-Voting	29665000	15251999	51.414	15251999	0	100.000	0
	Postal Ballot		1149	0.004	1149	0	100.000	0
	Total		29665000	15253148	51.418	15253148	0	100.000
Total		61600000	47188148	76.604	47188148	0	100.000	0



Corporate Governance (Contd.)

Resolution No.4			Alteration of clause V of the Memorandum of Association consequent upon increase in Authorised Share Capital.					
Resolution Required: (Ordinary/Special)			Special					
Whether promoter/Promoter group are interested in the agenda/resolution:			No					
Category	Mode of Voting	No. of Shares held (1)	No. of Votes Postal Ballot (2)	% of votes postal ballot on outstanding shares (3)=[(2)/(1)]*100	No. of votes in favour (4)	No. of votes against (5)	% of votes in favour on votes postal ballot (6)=[(4)/(2)]*100	% of votes against on votes postal ballot (7)=[(5)/(2)]*100
Promoter & Promoter group	E-Voting		31935000	100.000	31935000	0	100.000	0
	Postal Ballot	31935000	0	0	0	0	0	0
	Total	31935000	31935000	100.000	31935000	0	100.000	0
Public institutional	E-Voting		0	0	0	0	0	0
	Postal Ballot	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Public Non-institutional	E-Voting		15251999	51.414	15251999	0	100.000	0
	Postal Ballot	29665000	1149	0.004	1149	0	100.000	0
	Total	29665000	15253148	51.418	15253148	0	100.000	0
Total		61600000	47188148	76.604	47188148	0	100.000	0

Resolution No.5			To investment in other Body Corporate.					
Resolution Required: (Ordinary/Special)			Special					
Whether promoter/Promoter group are interested in the agenda/resolution:			Yes					
Category	Mode of Voting	No. of Shares held (1)	No. of Votes Postal Ballot (2)	% of votes postal ballot on outstanding shares (3)=[(2)/(1)]*100	No. of votes in favour (4)	No. of votes against (5)	% of votes in favour on votes postal ballot (6)=[(4)/(2)]*100	% of votes against on votes postal ballot (7)=[(5)/(2)]*100
Promoter & Promoter group	E-Voting		31935000	100.000	31935000	0	100.000	0
	Postal Ballot	31935000	0	0	0	0	0	0
	Total	31935000	31935000	100.000	31935000	0	100.000	0
Public institutional	E-Voting		0	0	0	0	0	0
	Postal Ballot	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Public Non-institutional	E-Voting		15251999	51.414	15251999	0	100.000	0
	Postal Ballot	29665000	1149	0.004	1149	0	100.000	0
	Total	29665000	15253148	51.418	15253148	0	100.000	0
Total		61600000	47188148	76.604	47188148	0	100.000	0

Corporate Governance (Contd.)

d. Person who conducted the postal ballot exercise:

Mr. Dinesh M Jain, Practicing Chartered Accountant.

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

No Special Resolution proposed to be conducted through postal ballot.

f. Procedure for Postal Ballot:

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

8. MEANS OF COMMUNICATION

a. Quarterly results:

The Company publishes limited reviewed un-audited standalone 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.

b. Newspapers wherein results normally published:

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

c. Website, where displayed:

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

d. Official news releases:

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

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

During the year there were no Presentations made to institutional investors or to the analysts

9. GENERAL SHAREHOLDER INFORMATION

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

DAY: Friday

Date: 29th September, 2017

Time: 9.15a.m.

Venue: Umang Hall, Samrat Restaurant, J. Tata Road, Mumbai - 400020.

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

c. Dividend

No dividend was paid/recommended during the year.

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

Equity shares of the company are listed on BSE Limited located at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. The annual listing fees for FY 2017-2018 to BSE have been paid by the Company within stipulated time.

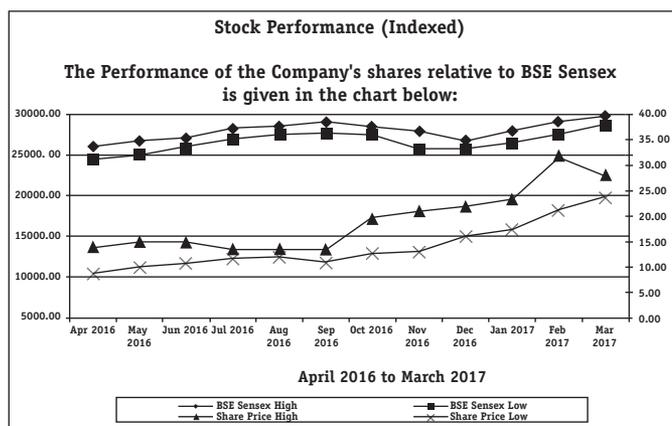
e. Stock Code

Security ID	Security Code	ISIN
SATINDLTD	511076	INE065D01027

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

Month	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
High	14.00	15.00	14.80	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50
Low	8.80	10.00	10.75	11.75	12.01	13.50	19.61	20.99	21.95	23.40	31.90	28.00
	11.00	12.75	13.03	16.25	17.25	21.20	23.75					

g. performance in comparison to BSE Sensex:



Corporate Governance (Contd.)

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

Not applicable.

- i. Registrar to an issue and Share Transfer Agents**

M/s. Link Intime India Private Limited
(Unit: Sat Industries Limited)
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

- j. Share transfer system**

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

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

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

- k. Distribution of Shareholding as on 31.03.2017**

Sr. No.	SHARES RANGE			No. OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1	to	500	1052	56.99	194323	0.19
2	501	to	1000	239	12.95	202991	0.20
3	1001	to	2000	130	7.04	202141	0.21
4	2001	to	3000	69	3.74	177803	0.18
5	3001	to	4000	45	2.44	162200	0.17
6	4001	to	5000	45	2.44	212294	0.22
7	5001	to	10000	95	5.14	740650	0.76
8	10001	to	Above	171	9.26	96107598	98.07
Total				1846	100.00	98000000	100.00

- 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 9,79,99,970 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:**

1,00,00,000 warrants are outstanding at the balance sheet date i.e. 31.03.2017.

conversion the paid share capital of the Company will increase accordingly.

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

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

- o. Plant locations**

The company does not have any plants.

- p. Address for Correspondence**

For any information/complaint/query, investors may contact:

Corporate Governance (Contd.)

- (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),
Mumbai – 400 083
Phone: +91-22-49186000
Fax: +91-22-49186060
E-mail: mumbai@linkintime.co.in
Website: www.linkintime.co.in
- (2) Investor Relation Department of the Company:
Miss. Alka Gupta
Company Secretary and Compliance Officer
SAT INDUSTRIES LIMITED
41, B-Wing, Mittal Tower, Nariman Point,
Mumbai - 400 021, India
Phone: +91-22-66107025
Fax: +91-22-66107027
E-mail: investor.relations@satgroup.in

10. OTHER DISCLOSURES

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

There have been no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives which have a potential conflict with the interests of the Company. Members may refer to disclosures made in Note No 23 to Financial Statements in compliance of Regulation 23 of SEBI (LODR) Regulations 2015 and Accounting Standard 18. All the related party transactions have been done at arm's length price and in the ordinary course of business with the prior approval of the Audit Committee. As per section 177 and 188 of The Companies Act 2013, Related Party Transaction policy is also available on the company website.

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

The Company has not been penalized, nor have the Stock Exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

e. **Establishment of vigil mechanism:** In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud

or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company.

d. **Details of compliance with mandatory requirements and adoption of the no mandatory requirements:**

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

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

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

http://satgroup.in/wp-content/uploads/2016/09/material_subsiary.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

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

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

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

- a) **The Board 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, hence the results are

Corporate Governance (Contd.)

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 issued an unqualified opinion for the year ended 31st March, 2016.
- 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.

12. DISCLOSURE OF COMPLIANCE OF REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB REGULATION (2) OF REGULATION 46.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

<http://satgroup.in/code-of-conduct-forboard-of-directors-and-senior-management>

Declaration pursuant to SEBI
(Listing Obligations and Disclosure Requirements)
Regulations, 2015

All Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended 31st March, 2017.

Harikant Turgalia

Mumbai, May 23, 2017 CFO and Whole-time Director

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

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

Disclosures with respect to demat suspense account/unclaimed suspense account:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

OTHER USEFUL INFORMATION FOR SHAREHOLDERS

Update E-mails for receiving notice/ documents in e-mode:

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible corporate citizen, your Company fully supports the MCA's endeavor.

In accordance of the same, your Company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the shareholders in electronic mode at their email addresses.

The shareholders who have not registered their email addresses with the Company are requested to kindly register their e-mail addresses with the Company in the Form annexed with the Notice of Annual General Meeting enabling the Company to better service shareholder correspondence through e-mode. The shareholders have also an option to register their email addresses with their Depository through Depository Participant.

Dematerialization of Shares:

Equity Shares of the Company are under compulsory demat trading segment. Considering the advantages of scrip less trading, members are advised to consider dematerialization of their shareholding so as to avoid inconvenience involved in the physical shares such as mutilation, possibility of loss/misplacement, delay in transit etc. and also to ensure safe and speedy transaction in securities.

Corporate Governance (Contd.)

Transfer / Transmission / Transposition of Shares:

The Securities and Exchange Board of India (SEBI), vide its Circular No.MRD/DoP/Cir-05/2009 dated 20th May, 2009 and Circular No. MRD/DoP/SE/RTA/Cir-03/2010 dated 7th January, 2010 made it mandatory that a copy of the PAN Card is to be furnished to the Company in the following cases:

- registration of physical transfer of shares;
- deletion of name of deceased shareholder(s) where shares are held jointly in the name of two or more shareholders;
- transmission of shares to the legal heirs where shares are held solely in the name of deceased shareholder; and
- Transposition of shares where order of names of shareholders are to be changed in the physical shares held jointly by two or more shareholders. Investors, therefore, are requested to furnish the self-attested copy of PAN card, at the time of sending the physical share certificate(s) to the Company, for effecting any of the above stated requests. Shareholders are also requested to keep record of their specimen signature before lodgment of shares with the Company to avoid probability of signature mismatch at a later date.

Consolidation of Multiple Folios:

Shareholder(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.

Nomination Facility:

Provision of Section 72 of the Companies Act, 2013 read with

rule 19(1) of the rules made thereunder extends nomination facility to individuals holding shares in the physical form. To help the legal heirs/ successors get the shares transmitted in their favour, shareholder(s) are requested to furnish the particulars of their nomination in the prescribed Nomination Form. Shareholder(s) holding shares in Dematerialized form are requested to register their nominations directly with their respective DPs.

Update your Correspondence Address / Bank Mandate / Email Id:

To ensure all communications/ monetary benefits received promptly, all shareholders holding shares in physical form are requested to notify to the Company, change in their address / bank details / email Id instantly by written request under the signatures of sole/ first joint holder.

Shareholder(s) holding shares in dematerialized form are requested to notify change in bank details / address / email Id directly with their respective DPs.

Quote Folio No. / DP ID No.:

Shareholders / Beneficial Owners are requested to quote their Folio Nos. / DP ID Nos., as the case may be, in all correspondence with the Company. Shareholders are also requested to quote their Email IDs, Contact / Fax numbers for prompt reply to their correspondence.

For and on behalf of Board of Directors of
SAT INDUSTRIES LIMITED

Date: 23-05-2017	H.K. Turgalia	Shehnaz D. Al
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
41, B-Wing, Mittal Tower,
4th Floor, Nariman Point,
Mumbai-400021

We have examined the compliance of conditions of Corporate Governance by Sat Industries Limited for the year ended on March 31, 2017 as stipulated in:

Regulations 17 to 27 and Regulation 46 and para C, D and E of Schedule V of the Listing Regulation for the period from 01/04/2016 to 31/03/2017.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. 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 financial statements of the Company.

In our opinion and to the best of our information and

according to our to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in regulation 17 to 27 and regulation 46 and Para C, D and E of Schedule V the year ended March 31, 2017.

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

For S. K Jain & Co.
Practicing Company Secretary

(Dr. S.K. Jain)
Proprietor
C. P. No. 3076

Place: Mumbai
Dated: 23rd May, 2017

Directors' Report

Annexure-"D": Management Discussion and Analysis Report

Disclaimer:

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

1. Industrial Structure and Development

Your Company is engaged in wholesale trading of general merchandise, leasing of machinery and moulds, investment and finance.

2. Opportunities, Threats, Risks and concerns

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

3. Segment-wise or product-wise performance

During the year the Company clocked a turnover of Rs. 4,532.88 lakhs from the trading segment and Rs. 1,430.07 lakhs from investment and finance segment.

4. Outlook

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

on the rise, the retail sector has experienced a rapid growth in the past decade.

5. Risk and Concerns

With regard to wholesale trading and leasing of machines & moulds, there is no risk or concern except when the goods are sold on credit.

Your Company continues to follow suitable strategies to positively modify its risk profile by eliminating and significantly reducing key business and developing and implementing strategies to achieve the maximum possible degree of insulation from broad macroeconomic risks.

6. Internal control systems and their adequacy

Your company has an adequate system of internal control, designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and properly recorded. Accounting records are adequate for preparation of financial statements and other financial information. Besides, the management has put in place system for review and monitoring of non-performing assets of the company for effecting recoveries.

7. Discussion on financial performance with respect to operational performance

The turnover during the year under report was Rs. 4795.75 lakhs and the profit earned after providing for depreciation of Rs. 8.66 lakhs but before tax was Rs. 1382.86 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

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



Directors' Report

Annexure-"E": CEO/CFO Certificate

CEO/CFO CERTIFICATION

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

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

A. We, Harikant Turgalia, Whole-time Director & 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, 2017 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 and on behalf of Board of Directors of
SAT INDUSTRIES LIMITED

Date: 23-05-2017
Place: Mumbai

H.K. Turgalia
CFO & Whole-time
Director
DIN: 00049544

Shehnaz D. Al
Whole-time
Director
DIN: 00185452

Directors' Report

Annexure "F"

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 already made; such other requirements as may be prescribed, from

Directors' Report

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;

- 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 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;
 - is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
- 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



Directors' Report

effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

- A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- A Director shall not serve as an Independent

Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

- A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

Directors' Report

Annexure "G"

Remuneration Policy for Directors, Key Managerial Personnel and other employees

1. Introduction

1.1 SAT INDUSTRIES LIMITED (SIL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion:

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

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

- 3.1 "Director" means a director appointed to the Board of the company.
- 3.2 "Key Managerial Personnel" means
- i) the Chief Executive Officer or the managing director or the manager;
 - ii) the company secretary;
 - iii) the whole-time director;
 - iv) the Chief Financial Officer; and

v) such other officer as may be prescribed under the Companies Act, 2013.

3.3 "Nomination and Remuneration Committee" means the committee constituted by SIL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

4. Policy:

4.1 Remuneration to Executive Directors and Key Managerial Personnel.

- The Board, on the recommendation of the Nomination and Remuneration (HRNR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
 - (i) Basic Pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options
 - (iv) Commission (Applicable in case of Executive Directors)
 - (v) Retiral benefits
 - (vi) Annual Performance Bonus
- The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

4.2 Remuneration to Non-Executive Directors

- The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall

Directors' Report

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.

Annexure-“H”

Secretarial Audit Report

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

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

To
The Members,
SAT INDUSTRIES LIMITED.
41, B - Wing, Mittal Tower, Nariman Point,
Mumbai - 400021.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAT INDUSTRIES LIMITED** (hereinafter called “The Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's' Books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the Financial Year ended on 31st

March, 2017 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 the Company as given in **Annexure 'T'** for the Financial Year ended on 31st March, 2017 according to the provisions of:
 - i. The Companies Act, 2013 and the Rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under (not applicable as the company has not availed any External commercial borrowings, has not received any Foreign Direct Investment & has not made any Overseas Direct Investment.)
 - v. The following Regulations and Guidelines prescribed under the SEBI Act, 1992 are as follows:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable as the Company has not introduced any such scheme during the financial year under review);
 - e) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation 2015.
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable since the Company has not issued any Debt Securities);

Directors' Report

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted / propose to delist its Equity Shares from any Stock Exchange during the financial year under review);
- h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Not applicable as the Company has not brought back / propose to buy-back any of its securities during the financial year under review); and
- i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements, Regulations, 2015 on 16th December, 2015.

I have also examined the books, papers and returns filed and other records maintained by SAT INDUSTRIES LIMITED for the Financial Year ended on 31st March, 2017 according to the provisions of various other Laws applicable, including the Rules made thereunder, and amended from time to time, to the Company, as informed by the Company, details of which are mentioned in **Annexure 'II'**

We have also examined compliance with applicable Laws, Act, Rules, Regulations, Guidelines, Standards etc. complied by Italica Furniture Private Limited, Aeroflex International Limited and Italica Ventures Private Limited the wholly owned subsidiaries of the Company and Sah Polymers Limited being a subsidiary of the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Director and Independent directors. No changes in the composition of the Board of Directors that took place during the period under review.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meeting of the Board of Directors or Committee of the Board, as the case may be.

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 compliances with the applicable Laws, Rules, Regulations and Guidelines.

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act and Profession Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period, the Company has allotted 1,21,00,000 Equity Shares of Rs.2/- each at 7/- per Share (including premium of Rs. 5/- each per Share) upon exercise of conversion option by the holders of convertible Warrants which were allotted on preferential basis to promoters group and non-promoters with an option to convert the same into equal number of shares at a price of Rs. 7/- per share, including premium of Rs. 5/- per Share on face value of Rs.2/- per share, within a period of 18 months from the date of allotment of warrants i.e December 9, 2015 as per terms and conditions approved through Postal Ballot .

I further report that during the audit period, the Company has allotted 3,00,00,000 Equity Shares of Rs.2/- each at 13.50/- per Share (including premium of Rs. 11.50/- each per Share) upon exercise of conversion option by the holders of convertible Warrants which were allotted on preferential basis to promoters group and non-promoters with an option to convert the same into equal number of shares at a price of Rs. 13.50/- per share, including premium of Rs. 11.50/- per Share on face value of Rs.2/- per share, within a period of 18 months from the date of allotment of warrants i.e. September 17, 2016 as per terms and conditions approved through Postal Ballot .

Place: Mumbai
Date: 23-05-2017

Averil F. Pinto
Practicing Company Secretary
FCS No.:30272
C P No.: 12643

Directors' Report

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2017.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer & Stakeholder Relationship Committee, along with Attendance Register held during the Financial Year under report.
4. Minutes of General Body Meetings held during the Financial Year under report.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors /Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

Place: Mumbai
Date: 23-05-2017

Averil F. Pinto
Practicing Company Secretary
FCS No.:30272
C P No.: 12643

ANNEXURE – II

List of applicable laws to the Company

1. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder; (There is no requirement for Sexual Harassment Committee as there is only one Woman employee working at present in the Company).
2. Maternity Benefits Act, 1961 and the rules made thereunder;
3. Professional Tax Act, 1975;
4. Bombay Stamp Act, 1958;
5. Negotiable Instruments Act, 1881
6. Labour Laws as applicable to the Company.
7. The Bombay Shops and Establishments Act, 1948

Place: Mumbai
Date: 23-05-2017

Averil F. Pinto
Practicing Company Secretary
FCS No.:30272
C P No.: 12643

To
The Members,
SAT INDUSTRIES LIMITED.
41, B - Wing, Mittal Tower, Nariman Point,
Mumbai – 400021.
My Secretarial Audit Report of Even date is to be read along with this letter.

Management's Responsibility

It is the responsibility of the management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

My responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.

Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company

Place: Mumbai
Date: 23-05-2017

Averil F. Pinto
Practicing Company Secretary
FCS No.:30272
C P No.: 12643



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	SAT MIDDLEAST LIMITED FZC, UAE (Wholly-Owned Subsidiary)	SAH POLYMERS LIMITED (Subsidiary)	ITALICA FURNITURE PRIVATE LIMITED (Wholly-Owned Subsidiary)	AEROFLEX INTERNATIONAL LIMITED (Wholly-Owned Subsidiary)	ITALICA VENTURES PRIVATE LIMITED (Wholly-Owned Subsidiary)
2.	Date of becoming subsidiary of the Company or the date of its acquisition	19th December, 2001	1st July, 2015	1st July, 2015	30th November, 2015	24th June, 2016
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	AED Exch. Rate 1 AED = Rs. 17.62	N.A.	N.A.	N.A.	N.A.
5.	Share capital	AED 94,52,000 Equivalent to Rs. 16,65,19,665/-	14,19,60,000	2,08,21,180	1,00,00,000	2,10,00,000
6.	Reserves & surplus	AED 73,925 Equivalent to Rs. 13,02,366/-	(6,73,047)	7,62,94,960	(20,46,447)	1,12,631
7.	Total assets	AED 95,98,203 Equivalent to Rs. 16,90,95,381/-	27,64,19,415	18,06,80,198	80,61,720	2,12,94,692
8.	Total Liabilities	AED 95,98,203 Equivalent to Rs. 16,90,95,381/-	27,64,19,415	18,06,80,198	80,61,720	2,12,94,692
9.	Investments	0	1,00,00,000	2,00,09,297	0	0
10.	Turnover	AED 11,03,780 Equivalent to Rs. 2,01,20,474/-	40,06,90,983	5,10,12,840	0	0
11.	Profit before taxation	Rs. 17,37,34,367/-	6,72,711	2,28,66,073	[12,32,095]	3,47,431
12.	Provision for taxation	0	2,10,031	54,73,494	3,80,717	2,34,800
13.	Profit after taxation	Rs. 17,37,34,367/-	4,62,680	1,73,92,579	(8,51,378)	1,12,631
14.	Proposed Dividend	0	-	-	-	-
15.	% of shareholding	100%	89.43%	100%	100%	100%

Directors' Report
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
Latest audited Balance Sheet Date	31st March, 2017
Date on which the Associate was associated or acquired	29th May, 2015
Shares of Associate held by the company on the year end	39.70% in paid up capital of company
Amount of Investment in Associate (in Rs.)	1,99,49,790
Extend of Holding%	39.70%
Description of how there is significant influence	SAT INDUSTRIES LIMITED holds more than 20% of share capital of company.
Reason why the associate/joint venture is not consolidated	N.A.
Net worth attributable to shareholding as per latest audited Balance Sheet (in Rs.)	3,81,18,815
Profit/Loss for the year (in Rs.)	[59,94,132]
Considered in Consolidation (in Rs.)	(2379670)
Not Considered in Consolidation (in Rs.)	(3614462)

For and on behalf of Board of Directors of SAT INDUSTRIES LIMITED

Place: Mumbai

Date: 23 May, 2017

Shehnaz D. Ali

Whole-time Director

DIN NO: 00185452

H.K Turgalia

Whole-time Director

DIN NO: 00049544

Alka Premkumar Gupta

Company Secretary

A-35442

Independent Auditor's Report on Consolidated Financial Statements

To the Members of SAT Industries Limited.

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of SAT INDUSTRIES LIMITED (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2017 and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statements for the year then ended 31st March, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

- (i) We did not audit the financial statements of Indian Subsidiary i.e. Aeroflex International Ltd whose financial statements reflect total assets of Rs. 8,061,720 /- as at 31st March 2017 and total revenues of Rs. Nil respectively for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the

Independent Auditor's Report on Consolidated Financial Statements (Contd.)

- other auditors.
- (ii) We did not audit the financial statements of Indian Subsidiary i.e. Italica Furniture Private Limited whose financial statements reflect total assets of Rs. 180,680,198/- as at 31st March 2017 and total revenues of Rs. 58,544,999/- respectively for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.
- (iii) We did not audit the financial statements of Indian Subsidiary i.e. Italica Ventures Private Limited whose financial statements reflect total assets of Rs. 21,294,692/- as at 31st March 2017 and total revenues of Rs. 827,385/- respectively for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.
- (iv) We did not audit the consolidated financial statements of Indian Subsidiary i.e. Sah Polymers Limited whose financial statements reflect total assets of Rs. 276,400,067/- as at 31st March 2017 and total revenues of Rs. 374,522,577/- respectively for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.
- (v) We did not audit the financial statements of foreign Subsidiary i.e. SAT Middleeast Ltd. UAE whose financial statements reflect total assets of Rs. 169,095,381/- as at 31st March 2017 and total revenues of Rs. 20,120,474/- respectively for the year then ended. These financial statements have been audited by other auditors and whose reports have been furnished to us and emphasis of matter has been raised on the point regarding commercial license of SAT Middleeast Ltd., FZC registered with Ajman Free Zone Authority which has not been renewed after 7th February, 2011 and subject to this, in so far as it relates to the amounts included in respect of the foreign subsidiary, is based solely on the report of the other auditors.
- (vi) We did not audit the financial statements of Associate i.e. Genext Students Private Limited (formerly known as Genext Students Limited) whose financial statements reflect total assets of Rs. 44,109,921/- as at 31st March 2017 and total revenues of Rs. 352,789/- respectively for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the associates, is based solely on the report of the other auditors.
- (vii) We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS-21), Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of SAT Industries Limited, its subsidiaries and associates included in the consolidated financial statements and on the basis of assumption as narrated in the notes to consolidated accounts.
- (viii) On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of SAT Industries Limited and its aforesaid subsidiaries are subject to assumptions and the basis of consolidation as disclosed in notes to accounts.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of other auditors on the separate financial statements of subsidiaries, as noted in the Other Matters paragraph above, we report, to the extent applicable that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- the aforesaid Consolidated Financial Statements comply

Independent Auditor's Report on Consolidated Financial Statements (Contd.)

- with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2017 and taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company, is disqualified as on March 31, 2017, from being appointed as a Director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A". We have relied upon other auditors on the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls in respect of the Indian subsidiaries since all the Indian subsidiaries are audited by other auditors and the Foreign Subsidiary as certified by the management.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the separate financial statements of subsidiaries, as noted in the Other Matters paragraph above:
- i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate. Refer note 29 of the Consolidated Balance sheet.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
 - iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period 8th November 2016 to 30th December 2016 and these are in accordance with the books of account maintained by the company (Refer Note-38).

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

(R.L Kabra)
Partner

Place: Mumbai
Date: 23rd May 2017

M. Ship No.016216

Annexure 'A' To The Independent Auditor's Report of Sat Industries Limited

Annexure referred to in Point f of the para of **"Report on Other Legal and Regulatory Requirements"**, in the Consolidated Auditor's Report of even date to the members of **Sat Industries Limited for the year ended 31st March 2017**.

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

We have audited the internal financial controls over financial reporting of Sat Industries Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended 31st March 2017. We have audited the internal financial controls over financial reporting of Sat Industries Limited (hereinafter referred to as "the Holding Company"), which the company is incorporated in India, as of that date. However, we are unable to comment about the Internal Financial Controls of the Subsidiaries or jointly controlled companies or associate companies of Sat Industries Limited on Independent basis as the audit is done by other Auditors and unaudited management accounts certified by the management in respect of its foreign subsidiary.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and



Annexure 'A' To The Independent Auditor's Report of Sat Industries Limited

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according

to the explanations given to us, the holding company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Place: Mumbai
Date: 23rd May 2017

(R.L Kabra)
Partner
M. Ship No.016216

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	NOTES	(Figure in ₹)	
		As at 31st March 2017	As at 31st March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	196,000,000	111,800,000
(b) Reserves and surplus	2	657,376,985	37,420,116
(c) Money received against share warrants	3	33,750,000	21,175,000
(2) Minority Interest		14,804,649	29,138,550
(3) Non-current liabilities			
(a) Long-term borrowings	4	15,509,768	35,633,428
(b) Deferred tax liabilities (Net)	5	17,054,177	19,344,026
(c) Other Long term liabilities	6	66,480	-
(4) Current liabilities			
(a) Short-term borrowings	7	88,095,870	196,810,166
(b) Trade payables	8	271,812,899	381,904,302
(c) Other current liabilities	9	18,452,470	26,956,659
(d) Short term provisions	10	5,757,193	1,068,881
TOTAL		1,318,680,491	861,251,128
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets	11.1	195,317,433	201,406,022
(ii) Intangible assets	11.2	54,475	-
(b) Non-current investments	12	49,191,033	32,679,189
(c) Long-term loans and advances	13	27,647,999	50,625,127
(d) Other non-current assets	14	83,266	126,709
Goodwill on Consolidation		73,385,926	64,080,901
(2) Current assets			
(a) Inventories	15	70,344,888	43,461,952
(b) Trade receivables	16	449,115,615	378,678,993
(c) Cash and cash equivalents	17	265,555,135	76,094,495
(d) Short-term loans and advances	18	177,967,279	13,883,808
(e) Other current assets	19	10,017,443	213,932
TOTAL		1,318,680,491	861,251,128
Notes to the Financial Statements and accounting policies	1 to 42		
The Notes referred to above and Notes to Accounts form an integral part of the Financial Statement.			

As per our audit report of even date attached

For R. Kabra & Co.,
Chartered Accountants
FRN: 104502W

For and on behalf of the Board

R L Kabra
Partner
M No.: 016216

Shehnaz D. Ali
Wholetime Director
DIN - 00185452

H.K Turgalia
Wholetime Director
DIN No. 00049544

Alka P. Gupta
Company Secretary
Mem.No. A35442

Place : Mumbai
Date : 23 May 2017



CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	NOTES	(Figure in ₹)	
		As at 31st March 2017	As at 31st March 2016
I. Revenue from operations	20	951,399,101	969,379,936
Less : Excise duty		37,631,464	49,739,624
Net Revenue from operations		913,767,637	919,640,312
II. Other income	21	19,733,875	8,277,221
III. Total Revenue (I+II)		933,501,512	927,917,533
IV. Expenses :			
Cost of Materials consumed	22	274,062,508	320,386,872
Purchases of Stock-in-Trade	23	505,320,990	472,396,873
Changes in inventories of finished goods work-in-progress and Stock -in-Trade	24	(20,588,237)	4,586,165
Employee benefits expense	25	20,708,705	18,412,595
Finance costs	26	12,395,498	14,524,830
Depreciation and amortization expense	27	11,145,814	10,286,510
Other expenses	28	94,985,554	102,075,297
TOTAL EXPENSES		898,030,832	942,669,142
V. Profit before exceptional, extra-ordinary items and taxes (III-IV)		35,470,680	(14,751,610)
VI. Exceptional items			
Provision for doubtful debt written back		172,686,090	-
Profit on Sale of Assets		10,659,900	-
Loss on Sale of Investments		(861,491)	(738,310)
VII Profit before extra-ordinary items and tax (V-VI)		217,955,179	(15,489,920)
VIII. Extraordinary items			
IX Profit before tax(VII-VIII)		217,955,179	(15,489,920)
X Tax expense			
(1) Current tax		(9,454,953)	(1,433,799)
Less: MAT Credit Entitlement		257,796	-
		(9,197,157)	(1,433,799)
(2) Prior Period Income tax		37,558	(556)
(3) Deferred tax Liability/Assets		1,948,625	(592,485)
XI Profit for the Year after tax (IX- X) before share in profit /(loss) of associates and minority Interest		210,744,205	(17,516,760)
Less: Minority Interest		(48,250)	-
Less: Share in profit/(loss) of associate		(2,379,670)	(2,261,737)
XII Net Profit for the Year		208,316,285	(19,778,497)
XIII Earnings per equity share (of Rs. 2/- each)			
(1) Basic		2.97	(0.35)
(2) Diluted		2.60	(0.35)
Notes to the Financial Statements and accounting policies	1 to 42		
The Notes referred to above and Notes to Accounts form an integral part of the Financial Statement.			

As per our audit report of even date attached
For R. Kabra & Co.,
Chartered Accountants
FRN: 104502W

For and on behalf of the Board

R L Kabra
Partner
M No.: 016216

Shehnaz D. Ali
Wholetime Director
DIN - 00185452

H.K Turgalia
Wholetime Director
DIN No. 00049544

Alka P. Gupta
Company Secretary
Mem.No. A35442

Place : Mumbai
Date : 23 May 2017

CONSOLIDATED CASH FLOW STATEMENT For the Year Ended 31ST MARCH 2017

Sr. no Particulars	Year ended 31-03-2017	(Figure in ₹) Year ended 31-03-2016
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	217,955,179	(15,489,920)
Adjustments for :		
Depreciation	11,145,814	10,286,510
Profit on sale of Fixed Assets	-10,659,900	(105,991)
Depreciation Adjustment in Reserve on application of Sch II		(10,356)
Foreign Currency Exchange Fluctuation	-169,035	(13,709)
interest exp	12,395,498	14,524,830
interest income	-29,607,507	(7,201,383)
Profit on sale of Investment	-7,053	(1,788,383)
Bad Debts Recoveres	-1,567,079	-
Loss on sale of Investment	861,491	738,310
Operating Profit before working capital changes	200,347,408	939,908
Adjustments for :		
Trade Receivables	-70,436,622	(375,034,819)
Trade Payables	-110,091,403	381,904,302
Other Current Liabilities	2,002,007	45,038,849
Inventory	-26,882,936	(43,461,952)
Proceeds from Short Term Borrowings	(119,280,489)	166,173,209
Short term Provision	4,688,312	976,766
Other Current Assets	-9,803,511	966,665
Cash Generated from Operations	-129,457,234	177,502,928
Direct Taxes Paid	(9,379,562)	(2,026,840)
B) Net Cash Flow from Operating Activities	-138,836,796	175,476,088
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets on (including acquisition of subsidiary(net))	(15,104,677)	(212,145,898)
Purchase of Investments (net)	-16,511,844	(41,027,039)
interest income	29,607,507	7,201,383
Sale of Investments	7,053	14,397,923
Sale of Fixed Assets	9,992,976	619,588
Goodwill on Consolidation	(9,305,025)	(64,080,901)
Share Premium on consolidation	-	42,013,290
Capital subsidy on Consolidation	-	7,975,200
Opening Surplus of subsidiaries on Consolidation	-2,126,750	19,799,871
Minority Interest on Consolidation	-14,577,503	29,138,550
Share of loss in Associate Co. on Consolidation		(2,261,737)
Income from mutual fund Investment	10,659,900	-
Loss on sale of Investment	-861,491	-



CONSOLIDATED CASH FLOW STATEMENT For the Year Ended 31ST MARCH 2017 (Contd.)

Sr. no Particulars	Year ended 31-03-2017	(Figure in ₹) Year ended 31-03-2016
Net inflow/(outflow) in Investing Activities	-8,219,854	(198,369,770)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share warrant	12,575,000	19,075,000
Issue of Shares	84,200,000	49,700,000
Proceeds from Long Term Advances	22,977,128	(42,612,270)
interest expense	(12,395,498)	(14,524,830)
Other Non Current Assets	43,443	-
Proceeds from Short Term Advances	(164,083,471)	16,539,978
Proceeds from Long Term Borrowings	(20,123,660)	35,633,428
Proceeds from Other Long Term Liability	66,480	-
Foreign Currency Exchange Fluctuation	169,035	-
Securities Premium	415,774,610	-
Share Issue Expenses	-434,900	-
Net inflow/(outflow) in Financing Activities	338,768,167	63,811,306
D) FOREIGN EXCHANGE TRANSLATION RESERVE ADJUSTMENT	-2,250,878	13,709
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C+D)	189,460,639	40,931,333
Cash and Cash equivalents at the beginning	76,094,495	35,163,163
Cash and Cash equivalents at the end	265,555,134	76,094,495

As per our audit report of even date attached

For R. Kabra & Co.,
Chartered Accountants
FRN: 104502W

For and on behalf of the Board

R L Kabra
Partner
M No.: 016216

Shehnaz D. Ali
Wholetime Director
DIN - 00185452

H.K Turgalia
Wholetime Director
DIN No. 00049544

Alka P. Gupta
Company Secretary
Mem.No. A35442

Place : Mumbai
Date : 23 May 2017



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017

	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
NOTE 1: SHARE CAPITAL		
Authorised		
11 00 00000 (Previous Year 7 50 00 000) Equity Shares of 2/- each	220,000,000	150,000,000
Issued subscribed and paid up		
9 80 00 000 (Previous Year 5 59 00 000) Equity Shares of 2/- each fully paid up	556,300,845	284,581,180
Less: Share Capital - Subsidiaries	360,300,845	172,781,180
9 80 00 000 (Previous Year 5 59 00 000) Equity Shares of 2/- each fully paid up	196,000,000	111,800,000
	196,000,000	111,800,000

Note 1.1

Reconciliation for no. of shares outstanding during the year

PARTICULARS	No. Of Shares	No. Of Shares
No. of Shares outstanding at the beginning of the year	55,900,000	46,000,000
Shares Issued during the year	42,100,000	9,900,000
Shares bought back during the year		-
Shares outstanding at the end of the year	98,000,000	55,900,000

Note 1.2

Details of shares held by shareholders holding more than 5% shares in the company

Name of Shareholder	Class	As at 31st March 2017	As at 31st March 2016
1. Sat Invest Private Limited			
No. of Shares held	Equity	44,835,000	26,235,000
% of Shares held		45.75	46.93
2. Dawood Investment Private Limited			
No. of Shares held	Equity	7,209,350	7,209,350
% of Shares held		7.36	12.90
3. Space Age Polymers Private Limited			
No. of Shares held	Equity	6,169,455	6,169,455
% of Shares held		6.30	11.04

1.3 Rights, preferences and restrictions attached to Equity Shares

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

Note 2 : RESERVES AND SURPLUS	As at 31st March 2017	As at 31st March 2016
a. General Reserves		
Opening Balance	4,729,221	4,739,577
(-) Depreciation Impact due to change in the method to useful life	-	(10,356)
Closing Balance	4,729,221	4,729,221
b. Securities Premium Account		
Opening Balance	132,005,790	60,092,500
(+) On Consolidation of Subsidiaries	-	42,013,290
(+) Shares of Associate on Consolidation	10,274,610	
(+) Securities premium received during the year	405,500,000	29,900,000
Closing Balance	547,780,400	132,005,790
c. Foreign Currency Translation Reserve		
Opening Balance	98,723,747	98,723,747
(+) Current Year Transfer	(2,250,878)	-
Closing Balance	96,472,869	98,723,747
d. Capital Reserve (Reserve created on forfeiture of share warrants)		
Opening Balance	33,825,000	33,825,000
(+) Current year additions	-	-
Closing Balance	33,825,000	33,825,000
e. Capital Subsidy		
Opening Balance	7,975,200	-
Add: Addition during the year on consolidation	-	7,975,200
	7,975,200	7,975,200
Less: Deduction during the year	-	-
Closing Balance	7,975,200	7,975,200
f. Surplus		
Opening balance	(239,838,842)	(239,860,216)
Opening balance of subsidiaries added during the year	-	19,799,871
(+) Net Profit/(Net Loss) For the current year	208,316,285	(19,778,497)
(+) Share in Opening Surplus of Associate and other balances	(2,126,750)	
	-	
Closing Balance	(33,649,307)	(239,838,842)
	TOTAL (A)	37,420,116
Less: Minority Interest	(243,601)	-
	TOTAL (B)	37,420,116

Note 2.1

The Foreign Currency Translation Reserve was pertaining to foreign branch which is considered as Non-integral operations and the branch has closed its operations during the year ended 31st March 2015. Further Foreign Currency Translation Reserve is pertaining to subsidiary.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)
NOTE 3 : MONEY RECEIVED AGAINST SHARE WARRANTS

Particulars	As at 31st March 2017	As at 31st March 2016
A) Share warrants		
Opening Balance (Refer note 3.1)	21,175,000	-
Add:25% advance received during the year	-	31,500,000
Add:75% balance received on 12100000 warrants issued @ Rs.7.00 per warrant	63,525,000	30,975,000
Less: 12100000 warrants converted into shares during the year @ Rs.7.00 per warrant	(84,700,000)	41,300,000
A	-	21,175,000
B) Share Warrants (4000000 warrants issued as on 21st July 2014		
Opening Balance	-	2,100,000
Add:75% balance received	-	6,300,000
Less: 4000000 Converted during the year	-	(8,400,000)
B	-	-
C) Share Warrants		
Opening Balance (Refer note 3.2)	-	-
Add:25% advance received during the Year on 4,00,00,000 warrants issued @ Rs.13.50 per warrant	135,000,000	-
Add:75% balance amount received 3,00,00,000 warrants issued @ Rs.13.50 per warrant	303,750,000	-
Less: 3,00,00,000 warrants converted into shares during the year @ Rs.13.50 per warrant	(405,000,000)	-
C	33,750,000	-
Total	33,750,000	21,175,000
A+B		

Note 3.1:

During the Previous year, The company has issued 1,80,00,000 convertible warrants on 9th December 2015 which are convertible into equity shares of Rs.2/- each at a premium of Rs.5/- per share within 18 months from the date of allotment. The said 1,80,00,000 Convertible warrants were converted into equity Shares on Different Dates on Subscription of full money as under :

- (a) During the Previous year, 59,00,000 warrants are converted On 25th February, 2016
- (b) During the Current year, 57,00,000 Warrants were converted On 30th May 2016.
- (c) During the Current year, 64,00,000 Warrants were converted On 14th February, 2017.

Note 3.2:

The company has issued 4,00,00,000 convertible warrants on 17th September 2016 which are convertible into equity shares of Rs.2/- each at a premium of Rs.11.50 per share within 18 months from the date of allotment. The said 4,00,00,000 Convertible warrants were converted into equity Shares on Different Dates on Subscription of full money as under :

- (a) On 27th October 2016 1,17,00,000 warrants are converted.
- (b) On 16th January 2017 1,83,00,000 warrants are converted
- (c) 1,00,00,000 warrants are pending as on year end date for converting (Since converted on 28.04.2017)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE 4 : LONG TERM BORROWINGS	As at 31st March 2017	As at 31st March 2016
(a) SECURED :		
Term Loans:		
from banks :		
(1) 'UCO Bank		
Term Loan -II (Refer note 4.1)	18,750,000	24,991,185
(-)Current	6,250,000	6,241,815
Non Current	12,500,000	18,749,370
(2) ICICI Bank Limited (Refer note 4.2)	3,529,726	4,000,388
(-) Current maturities	519,958	470,662
Noncurrent	3,009,768	3,529,726
from others :		
(1) Kotak Mahindra Prime Limited (Refer note 4.3)	379,332	843,465
(-) Current maturities	379,332	464,133
Noncurrent	-	379,332
TOTAL (a)	15,509,768	22,658,428

Note 4.1

- (a) Term loan - Term Loan -II from UCO Bank is secured against equitable mortgage of land and building of the Sah Polymers Ltd situated at E-260-261 Mewar Industrial Area Madri Udaipur-313003 and by way of first charge on all moveable assets such as plant and machinery furniture and fixtures etc. It is also secured by way of personal guarantee of Mr. Hakim S Tidiwala and Mr.Asad Daud Directors of the Sah Polymers Limited.
- (b) Term loan II is repayable in 32 quarterly instalments of Rs. 1562500/- each commencing from 30.06.2012 . The last instalment is repayable on 31.03.2020 . The rate of interest as on 31.03.2017 is 13.70% per annum with quarterly rests.
- (c) There is no continuing default in the repayment of instalment of loan and interest thereon.
- (d) In respect of unsecured loans, there is no schedule of repayment

Note 4.2

- (a) Term Loans from ICICI Bank Limited is secured against the hypothecation of Car no. MH-01-CD-0522. The loan is repayable in 84 equal monthly installments of Rs 70800 each commencing from 10th October 2015 and the last installment is payable on 10th August 2022. There is no continuing default in the repayment of installment and interest thereon. The rate of interest as on 31.03.2017 is 10% p.a. with monthly rests.

Note 4.3

- Term Loans from Kotak Mahindra Prime Limited is secured against the hypothecation of Car no. MH-01-BG-1556. The loan is repayable in 59 equal monthly installments of Rs 43900 each commencing from 30th January 2013 and the last installment is payable on 10th December 2017. There is no continuing default in the repayment of installment and interest thereon. The rate of interest as on 31.03.2017 is 9.876% p.a. with monthly rests.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

(b) Unsecured Loans

	As at 31st March 2017	As at 31st March 2016
Corporate Borrowing *#		
From related parties	-	-
From Others	-	12,975,000
TOTAL (b)	-	12,975,000
Total (a) + (b)	-	35,633,428

Note 4.4:

In respect of unsecured loans there is no schedule of repayment.

For Related party details refer note. No. 31

NOTE 5 : DEFERRED TAX LIABILITIES (Net)	As at 31st March 2017	As at 31st March 2016
Deferred Tax liabilities at the beginning of the year	19,344,026	-
(+) Opening balances of subsidiaries	-	18,751,541
(+) Current year deferred tax liabilities	3,423,477	1,351,925
(-) Current deferred tax assets for Leave Encashment (Provisions)	(550,081)	2,066,746
(-) Deferred tax asset created on losses now reversed	(5,163,245)	(1,307,306)
TOTAL	17,054,177	19,344,026

Note 5.1

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

NOTE 6 : OTHER LONG TERM LIABILITIES	As at 31st March 2017	As at 31st March 2016
Others - Creditors for Expenses	66,480	-
TOTAL	66,480	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE 7 : SHORT TERM BORROWINGS	As at 31st March 2017	As at 31st March 2016
SECURED :		
(a) Loans Repayable on demand		
(A) From banks:		
UCO Bank	64,278,073	43,817,441
UNSECURED :		
(A) From Banks		
Kotak Bank Business Loan	19,039,021	
(B) InterCorporate Deposits		
(b) From Related Parties #	-	151,492,725
(c) from Others	4,778,776	1,500,000
TOTAL (b)	23,817,797	152,992,725
TOTAL (a+b)	88,095,870	196,810,166

For Related party details refer note. No. 31

7.1 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.

7.2 The rate of interest of secured loan is 11.25% per annum as at 31.03.2017

7.3 There is no continuing default in payment of interest

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

NOTE 8 :TRADE PAYABLES	As at 31st March 2017	As at 31st March 2016
a. Small & Micro Enterprise (Refer 8.1)	-	-
b. Others	271,812,899	381,904,302
TOTAL	271,812,899	381,904,302

Note 8.1:

Micro and medium scale business entities.

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

Note 8.2:

All Trade payables are subject to confirmation



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE 9 :OTHER CURRENT LIABILITIES	As at 31st March 2017	As at 31st March 2016
(a) Current maturities of long-term debt *	7,149,290	7,176,610
(b) Advance from Customers	1,585,999	2,758,173
(c) Payable on purchases of fixed Assets	-	1,090,740
(d) Statutory Remittance	3,686,434	4,212,610
(e) Other Liabilities	-	-
i) Salary Payable	539,901	332,664
ii) Provision for outstanding Expenses	57,904	153,148
iii) Provision for audit fees	143,750	226,860
iv) TDS Payable	17,793	12,006
(vii) Payable against DCA and CS of IOCL	4,587,404	-
(viii)Kahan Advertising	6,603	-
(ix) R Kabra & Co.	474,392	422,573
(x) Adv. Rishabh Shah	27,000	27,000
(xi) Link Intime India Pvt Ltd	42,714	38,080
(xii) D M Jain & Co.	4,600	-
(xiii) Hilway Airconditioning Services	19,500	-
(xiv) Prama Raval Shah	67,500	-
(xv) Creditors for Expenses	41,686	-
(xvi) HDFC Bank - Overdrawn balance	-	10,506,195
TOTAL	18,452,470	26,956,659

NOTE 10 : SHORT TERM PROVISIONS	As at 31st March 2017	As at 31st March 2016
(i) Provisions for employee benefits		
a. for Gratuity	6,626	6,641
b. for leave encashment	351,001	262,240
(ii) Other provisions - Provision for income tax	5,399,566	800,000
TOTAL	5,757,193	1,068,881



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE : 11 FIXED ASSETS

	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 1st April 2016	Additions	Disposals	Balance as at 31st Mar 2017	Balance as at 1st April 2016	Depreciation charge for the year	Deduction	Balance as at 31st Mar 2017	Balance as at 31st Mar 2016
11.1 TANGIBLE ASSETS									
Land	7,068,214	37,240	-	7,105,454	-	-	-	2,956,545	10,024,759
Land : Leasehold	2,956,545	-	-	2,956,545	-	-	-	-	-
Building	37,898,632	2,642,542	2,642,542	37,898,632	8,305,445	1,275,708	2,896	28,320,375	29,593,187
Plant and Equipment	137,907,427	2,052,530	244,980	139,714,977	39,136,709	5,148,571	216,004	95,645,701	98,770,718
Mould : Under operating lease	25,558,635	9,552,732	-	35,111,367	6,909,318	994,492	-	27,207,558	18,649,317
Machinery : Under operating lease	33,162,321	-	-	33,162,321	2,131,050	1,325,048	-	29,706,223	31,031,271
Vehicle	12,790,685	-	-	12,790,685	5,196,602	1,656,755	-	5,937,329	7,594,083
Scooty	-	-	-	-	-	-	-	-	-
Furniture	1,547,925	87,958	-	1,635,883	774,339	183,004	-	678,540	773,586
EPABX System	24,150	-	-	24,150	13,791	6,040	-	4,319	10,359
Office Equipment	1,249,910	181,678	-	1,431,588	798,667	178,027	-	454,895	451,243
D G Set	5,893,181	-	-	5,893,181	1,580,960	254,362	-	4,057,859	4,312,221
Tube Well	115,672	-	-	115,672	28,595	3,684	-	83,393	87,077
Computer	909,133	256,347	-	1,165,480	800,933	99,849	-	264,698	108,200
Total (A)	267,082,430	14,811,027	2,887,522	279,005,935	65,676,409	11,125,539	218,900	195,317,433	201,406,022
Previous Year	182,755,857	6,638,901	-	189,394,758	45,442,615	7,084,877	-	201,406,021	137,313,242
11.2 INTANGIBLE ASSETS									
Computer Software (B)	67,000	74,750	-	141,750	67,000	20,275	-	87,275	54,475
Previous Year	67,000	-	-	67,000	67,000	-	-	67,000	-
Total - Current year	267,149,430	14,885,777	2,887,522	279,147,685	65,743,409	11,145,814	218,900	195,371,908	201,406,022
Total - Previous year	182,822,857	6,638,901	-	189,461,758	45,509,615	7,084,877	-	201,406,022	137,313,242

1. In the opinion of management, there is no impairment of fixed assets as prescribed in the accounting standard (AS-28) on impairment of assets.
2. No write off has been made in respect of leasehold land.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)
NOTE : 12 NON-CURRENT INVESTMENTS

Particulars	As at 31/03/2017		As at 31/03/2016	
	Nos.	Rs.	Nos.	Rs.
AT COST				
Non -Trade				
Unquoted :				
Investment in Equity Instrument				
In Associate :				
Genext Students Private Ltd.	936513	19,949,790	664979	6,649,790
Shares of Rs. 10/- each fully paid up				
Less: Share of loss in Associate		(2,379,670)		
Add: Share in Reserves of Associate		10,274,610		
Add: Share in other balances and opening surplus		(2,126,750)		
		25,717,980		6,649,790
In Others :				
Sat E.com Ltd				
Shares of Rs. 20/- each fully paid up	0	-	500000	10,000,000
Aeroflex Industries Ltd.				
Shares of Rs. 10/- each fully paid up	999500	3,463,756	0	-
RNT Wellness Pvt Ltd				
Shares of Rs. 10/- each fully paid up	79	328,898	79	328,898
Ketto Online Ventures Private Limited				
Shares of Rs. 10/- each fully paid up	10	70,500	10	70,500
NM Fix Maintenance Services Private Limited				
Shares of Rs. 10/- each fully paid up	0	-	333	909,973
Confirm Ticket Online Solution Pvt Ltd				
Shares of Rs. 10/- each fully paid up	441	269,149	221	132,813
SIFTR Labs Private Limited				
Shares of Rs. 10/- each fully paid up	158	1,023,586	79	510,000
Proximit India Pvt Ltd				
Shares of Rs. 10/- each fully paid up	84	500,000	84	500,000
Vphrase Analytics Solution Pvt Ltd				
Shares of Rs. 10/- each fully paid up	56	500,640	56	500,640
GetUp For Change Services Private Limited				
Shares of Rs. 10/- each fully paid up	5	56,054	5	56,054
Ideope Media Pvt Ltd				
Shares of Rs. 10/- each fully paid up	1	10,102	1	10,102
My Aashiana Management Services P Ltd				
Shares of Rs. 1/- each fully paid up	5460	500,000	0	-
Innofin Solution Private Limited				
Shares of Rs. 10/- each fully paid up	290	1,034,673	0	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE : 12 NON-CURRENT INVESTMENTS

Particulars	As at 31/03/2017		As at 31/03/2016	
	Nos.	Rs.	Nos.	Rs.
Urbtranz Technologies Pvt Ltd				
Shares of Rs. 10/- each fully paid up	52	154,679	0	-
Idea bubbles Consulting Services P Ltd				
Shares of Rs. 1/- each fully paid up	1425	1,500,000	0	-
Creditas Solutions Private Limited				
Shares of Rs. 10/- each fully paid up	286	500,000	0	-
Zeva Capsol Private Limited				
Shares of Rs. 10/- each fully paid up	16110	1,500,000	0	-
Reconnext Labs Private Limited				
Shares of Rs. 10/- each fully paid up	16	211,038	0	-
		11,623,075		13,018,980
INVESTMENT IN CONVERTIBLE PREFERENCE SHARES:				
Ketto Online Ventures Private Limited				
Non-Cummulative Convertible Preference shares of Rs. 10/- each fully paid up	60	423,000	60	423,000
Duronto Technologies Private Limited				
Convertible Preference Shares of Rs.45/- each fully paid up	1122	1,000,128	1122	1,000,128
GetUp For Change Services Private Limited				
Convertible Preference shares of Rs. 300/- each fully paid up	84	941,704	84	941,704
Lithasa Technologies Pvt Ltd				
Cumulative Convertible Preference shares of Rs. 100/- each fully paid up	52	386,814	52	386,814
Ideope Media Pvt Ltd				
Convertible Preference shares of Rs. 10/- each fully paid up	49	495,017	49	495,017
Lithasa Technologies Pvt Ltd				
A Compulsory Convertible Preference Share (s) of Rs.100 each	34	745,261		-
Stay Vista Private Limited				
Cumulative Convertible Preference shares of Rs. 10/- each fully paid up	600	1,000,590		-
Absentia Virtual Reality Private Limited				
Cumulative Convertible Preference shares of Rs. 10/- each fully paid up	42	697,959		-
My Aashiana Management Services P Ltd				
Cumulative Convertible Preference Shares of Rs. 133.51/- each fully paid up	3745	500,000		-
Manali E-Business Pvt Ltd				
Cumulative Convertible Preference shares of Rs. 10/- each fully paid up	112	504,000		-
		6,694,473		3,246,663



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE : 12 NON-CURRENT INVESTMENTS

Particulars	As at 31/03/2017		As at 31/03/2016	
	Nos.	Rs.	Nos.	Rs.
DEBENTURES:				
Switchme Technologies and Services Pvt Ltd Convertible Debenture of Rs.1000 each fully paid up	500	500,000	500	500,000
OTHERS				
Venture Capital Fund India Quotient Fund II- Venture Capital Fund Class A units of Rs. 1,00,000/- each	50	4,655,505	30	3,000,000
Avigo Trustee co. towards advance for 999500 shares of Aeroflex Industries Ltd				3,463,756
Share Application -Genext Student Pvt. Ltd.				2,800,000
		4,655,505		9,263,756
Total Non Current Investments		49,191,033		32,679,189
*Pledged with commercial taxes department				
(a) Aggregate of unquoted investments.		49,191,033		32,679,189
(b) Aggregate of quoted investments		-		-
(c) Market value of quoted investment		-		-

NOTE 13 :LONG TERM LOANS & ADVANCES	As at 31st March 2017	As at 31st March 2016
Unsecured considered good unless otherwise stated		
(a) Capital advances	-	100,000
(b) Security Deposits	6,412,659	5,107,524
(c) Loans and advances to related parties * (Refer note 14.1 below)	-	12,372,200
(d) Loans and advances others * Inter Corporate deposits (Refer note 14.2 below)	16,209,897	33,045,403
(e) Others		
1. Salma F. Attari	3,000,000	
2. Huzaifa Suterwala	1,000,000	
3. Samina H. Suterwala	1,000,000	
4. Bombay Dyes	11,157	
(e) Advance Tax & TDS(Net of Provision)	14,286	
TOTAL	27,647,999	50,625,127

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

Note 13.1

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE 14 :OTHER NON CURRENT ASSET	As at 31st March 2017	As at 31st March 2016
Others - Miscellaneous Expenditure:-		
Office Renovation Expenses to be amortised	83,266	126,709
TOTAL	83,266	126,709

NOTE 15 : INVENTORIES	As at 31st March 2017	As at 31st March 2016
(a) Raw materials	13,389,926	8,970,489
(b) Work-in-progress	40,375,956	23,893,220
(c) Finished goods	10,486,824	6,407,553
(d) Stores and spares	4,911,914	3,197,262
(e) Printing Ink	1,106,178	945,568
(e) Wastage	74,089	47,860
TOTAL	70,344,888	43,461,952

NOTE 16 :TRADE RECEIVABLES	As at 31st March 2017	As at 31st March 2016
(Unsecured considered good)		
Others	443,817,581	375,045,623
Outstanding for a period exceeding six months	5,298,034	3,633,370
TOTAL	449,115,615	378,678,993

Note 16.1

During the previous year foreign branch debtors which had been fully provided on closure of operations during the year ended 31st March 2016, on a reconsideration by the management, based on the current business situation, have been recognised as recoverable amounting to Rs. 172,686,090.

Note 16.2

All trade receivables are subject to confirmation.

NOTE 17 :CASH AND CASH EQUIVALENTS	As at 31st March 2017	As at 31st March 2016
a. Balances with banks		
Current Accounts	26,582,630	44,167,274
b. Cheques drafts on hand	72,352,275	-
c. Cash on hand (As Certified by Management)	375,224	183,058
d. Fixed deposits (refer notes 18.1 and 18.2)	166,245,005	31,744,163
TOTAL	265,555,135	76,094,495

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

Note 17.1

Fixed Deposit including accrued interest Rs. 31945 (previous Year Rs 4163) with more than 12 months maturities not available for immediate use including margin money deposit.

Note 17.2

Fixed deposits include Rs.2761038 (including interest) with UCO bank as margin money against bank guarantee and Rs. 65907 (including interest accrued thereon) with Assitant Commissioner Excise Division, Udaipur)

NOTE 18 :SHORT TERM LOANS AND ADVANCES	As at 31st March 2017	As at 31st March 2016
Unsecured considered good unless otherwise stated		
(a) To Related Parties *	-	8,369,400
(b) Others	126,845	-
i) Advance to suppliers	-	252,204
ii) Prepaid Expenses	988,056	355,813
iii) Income tax - Advance tax and TDS	25,215	110,643
TDS Advance payment - A.Y. 2010-11	152,250	152,250
TDS Advance payment - A.Y. 2013-14	12,245	12,245
TDS Advance payment- A.Y. 2014-15	16,328	16,328
TDS Advance payment- A.Y. 2015-16	162,742	162,742
TDS Advance payment- A.Y. 2016-17	2,019	459,171
TDS Advance payment- A.Y. 2017-18	2,082,787	-
TDS Advance Payment Udaipur	131,055	66,974
Advance tax Ay 2017-18	900,000	-
iv) Loans to employees	334,279	418,649
(v) FBT Receivable		
Ay 2005-06	-	3,000
Ay 2007-08	-	15,989
(vi) Advance Against Expenses	723,440	137,975
(vii) Interest Accrued but not due	3,582,668	901,907
(viii) Balances with Revenue Authorities	356,195	837,483
(ix) Excise Duty and cess advance	1,414,548	1,606,562
(x) Service tax and cess	-	4,473
(xi) Excise Duty and cess advance	13,402	-
(xii) Interest Receivable	2,943,205	-
(xiii) Loans and advances - Others	164,000,000	-
TOTAL	177,967,279	13,883,808
* For Related Party Disclosure Refer Note No.31		



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE 19 :OTHER CURRENT ASSETS	As at 31st March 2017	As at 31st March 2016
Receivables against DCA and CS of IOCL	6,405,432	-
Dues from others	-	-
Export Incentives	1,769,263	-
Interest Accrued	1,794,088	213,932
Accrued Commission of DCA and CS of IOCL	48,660	-
TOTAL	10,017,443	213,932

NOTE 20 :REVENUE FROM OPERATIONS(NET)	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of Products & Services	951,346,241	969,379,936
Other Operating Income	52,860	-
Total	951,399,101	969,379,936

(a) Broad classification of Products sold:	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Particulars		
a. Fabrics	493,712,895	476,048,951
b. Overseas Branch Sales	20,120,474	-
c. HDPE/PP Women Sacks	277,039,268	408,390,733
d. HDPE/PP Fabrics	9,229,102	25,541,984
e. PP Woven Sacks	33,513,709	4,769,132
f. PP Woven Fabrics	76,654,909	29,080,180
g. Others	4,201,135	7,450,151
Total (a)	914,471,492	951,281,131

(b) Broad classification of Services rendered:	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Particulars		
a. Income from clearing & Forwarding Charges	-	2,563,500
b. Income from Equipment Uses charges	15,992,032	10,967,000
c. Income from Interest	20,882,717	4,568,305
Total (b)	36,874,749	18,098,805
Grand total (a+b)	951,346,241	969,379,936



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE 21 : OTHER INCOME	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Income from Interest	7,850,286	2,628,275
Income from Interest on Fixed Deposits	874,504	4,163
Income from Interest on I T Refund	-	640
Income from Rent	-	32,000
Income from Content Development	-	714,287
Income from Subsidy	3,469,173	2,943,001
Profit/(Loss) on sale of Investments	7,053	-
Profit on sale of Assets	-	105,991
Foreign Exchange Flctuation	169,035	13,709
Bad Debts recovered	1,567,079	-
Miscellaneous Income (export Incentives)	4,154,264	46,772
Scrap Sale	1,642,481	-
Profit on Sale of Shares of Associates and others	-	1,788,383
TOTAL	19,733,875	8,277,221

NOTE 22 : COST OF MATERIALS CONSUMED	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Stock - On Consolidation	8,970,489	13,983,780
Add: Purchases and adjustments		
Indigenous	278,481,945	315,373,582
Imported	-	-
	287,452,434	329,357,362
Less: Closing Stock	13,389,926	8,970,489
Cost of Material Consumed	274,062,508	320,386,872

NOTE 23 : PURCHASE OF STOCK IN TRADE	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Purchases -Fabrics	505,320,990	472,396,873



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE 24 : CHANGE IN INVENTORIES	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Stock :		
Finished Goods	6,455,413	5,816,025
Stock-in-trade	-	-
Work-in-progress	23,893,220	29,118,773
	30,348,633	34,934,798
Less :Closing Stock :		
Finished Goods	10,560,913	6,455,413
Stock-in-trade	-	-
Work-in-progress	40,375,956	23,893,220
	50,936,869	30,348,633
(Increase)/decrease in Excise Duty on Stocks	(20,588,237)	4,586,165

NOTE 25 : EMPLOYEE BENEFITS	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(i) Salaries, wages and bonus	19,638,724	17,423,066
(ii) Contribution to provident and other funds	877,987	788,801
(iii) Staff welfare expenses	185,168	194,087
(iv) Gratuity Fund contributions	6,826	6,641
TOTAL	20,708,705	18,412,595

NOTE 26 : FINANCE COST	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Interest expense		
(i) Interest on borrowing	12,083,530	13,791,203
(ii) Interest on delayed payment of taxes	1,118	36,520
(b) Other borrowing costs - Bank/Processing Charges	310,850	697,107
TOTAL	12,395,498	14,524,830

NOTE 27 : DEPRECIATION AND AMORTISATION EXPENSES	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation and amortisation	11,145,814	10,286,510
TOTAL	11,145,814	10,286,510

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE 28 : OTHER EXPENSES	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Consumption of stores and spare parts	3,505,715	8,257,641
Electric & Power	27,702,704	30,741,091
Fuel & Lubricant	2,261,346	1,716,327
Fabric Weaving Expenses	6,276,178	6,813,064
Bag Stitching Expenses	11,490,080	13,906,042
Bag Printing Expenses	5,064,195	5,866,946
Inspection Charges of bags	17,645	139,235
PP-oring	270,300	-
Printing Ink	5,823,022	7,295,133
Lamination Expenses (export)	-	188,675
Packing Materials	477,228	180,784
Books & Periodicals	57,279	38,544
Carriage Outward	2,695,563	4,119,239
Export Freight , Insurance & other Expenses	9,128,023	2,410,601
Rebate, Claim & Discounts	1,895,792	2,382,958
Consultancy Charges of Moulds	560,000	960,000
Consultancy	10,000	-
Software Consultancy	12,000	38,843
Content Development Charges	-	47,500
Website Expenses	818	873
Commission on sales	2,622,691	2,330,204
Bank Commission	949,270	2,396
Godown Rent	84,000	-
Rent & Service Charges	1,031,121	1,845,821
Professional Tax	7,500	7,500
Insurance Charges	541,775	1,268,518
Keyman Insurance	167,673	167,673
Advertisement & Publicity	63,903	89,981
Loss on sale of assets	17,216	-
Legal & Professional Exp.	1,235,205	385,458
ISI Registration Expenses	100,562	31,770
Design Expenses	2,600	-
Domain Name Registration	15,972	82,328
Payment to Auditors:		
(i) as Audit Fee	466,489	131,160
(ii) Branch Auditors	-	-
(iii) for taxation matters	81,812	31,125
(iv) for Issue of certificates	81,700	39,811
(v) for reimbursement of expenses	4,800	5,040
Light & Water	245,826	217,222



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE 28 : OTHER EXPENSES	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Miscellaneous Expenses	398,210	324,689
Postage & Telegrams	174,738	178,934
Sales Promotion Exp.	132,383	93,682
Sales Tax Demand -2012-13	-	22,468
Diwali Expenses	186,728	315,066
Hospitality Expenses	54,271	302,583
Charity and Donations	102,000	56,000
Facilitation Charges	-	7,736
Fees & Taxes	797,337	610,779
Filing Fees	712,200	498,400
Depository Charges	366,400	276,246
Repairs & Maintenance (Building)	769,433	230,849
Repairs & Maintenance (Others)	201,831	143,893
Repairs & Maintenance (Plant & Machinery)	1,089,106	1,138,145
Stationery & Printing	201,023	286,925
Subscription	184,318	82,290
Conveyance & Travelling Expenses	1,170,570	843,025
Trunk & Telephone	704,374	619,932
Vehicle Running & Maintenance Expenses.	576,882	527,105
Excise Duty Provided on stock	538,229	241,989
Bad debts	-	1,567,079
Swachh Bharat Cess	7,819	2,473
Rating Charges	35,800	45,800
Training Fee	-	84,978
Office Expense	812,713	499,535
Other expenses	338,142	-
Bank Charges	1,725	338
Tea & Refreshment Expenses	930	980
Trade Mark Registration	2,000	-
Preliminary Expenses	4,500	-
Share Issue Expenses	434,900	-
Loss on sale of investments	-	95,229
Fringe Benefit tax written off	18,989	-
Diminution in balance of investment w/o	-	1,000
Other expenses	-	1,237,646
TOTAL	94,985,554	102,075,297



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE 29 : ADDITIONAL INFORMATION

Particulars	For the year ended 31 March,2017	For the year ended 31 March,2016
Contingent liabilities (refer note 29.1)	59,974,158	20,872,500
Capital commitments (refer note 29.2)	-	-

Note 29.1: Contingent Liabilities

Particulars	Amt. in Rs. 2017	Amt. in Rs. 2016
1. Performance Guarantee issued by the banker in favour of:		
(a) FCI ARAVALI Gypsum Limited and outstanding	927,000	937,500
(b) Indian Oil Corporation Limited	10,000,000	-
2. General Bond in favour of Assistant Commissioner of Central Excise	-	240,000
3. Bond in favour of Assistant/ Deputy Commissioner of Custom	27,800,000	17,021,000
4. Bond in favour of Assistant/ Deputy Commissioner of Custom	20,380,000	2,674,000
5. Central Excise duty	867,158	
Total	59,974,158	20,872,500

Note 29.2: Capital Commitments

Particulars	For the year ended 31 March,2017	For the year ended 31 March,2016
There are no Capital Commitments	-	-

NOTE 30: EARNING PER SHARE (EPS)

Particulars	For the year ended 31 March,2017	For the year ended 31 March,2016
(a) Net profit after taxation for the year	208,316,285	(19,778,497)
(b) Number of Equity shares for Basic /Diluted EPS	98,000,000	55,900,000
(c) Nominal Value of Equity Shares (in Rupee)	2	2
(d) Basic earnings per Equity Share of Rs. 2 (in Rupee)	2.97	(0.35)
(e) Diluted earnings per Equity Share of Rs 2. (in Rupee)	2.60	(0.35)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)
NOTE 31: RELATED PARTY DISCLOSURES

Disclosure of the relationship and transactions in accordance with Accounting Standard 18- Related Party Disclosures issued :

A. Name of the Related Parties	Relationship	Transaction Types
Mr. H.K. Turgalia	Whole time Director	Salary
Mrs. Shehnaz D. Ali	Whole time Director	I) Salary ii) Key man Insurance Premium Paid iii) Travel advance given
Mr. Daud Ali	Father of Director of a Subsidiary	
Mr. Asad Daud	Managing Director /Director of Subsidiaries	
Mr. Hakim Tidiwala	Wholetime Director / Director of Subsidiaries	
Mr. Ramesh Chandra Soni	Director of a subsidiary	
Mr. Lalit Kumar Bolia	(CFO of subsidiary)	
Mr. Dipesh Somaiya :	Company Secretary of subsidairy	
Sat Invest Pvt. Ltd.	Promoter Company & Major Shareholder	i) Fees paid on behalf ii) Unsecured Loan taken iii) Purchases of shares iv) Unsecured Loan repaid
Park Continental Pvt. Ltd.	Shareholder of the Company	i) Unsecured Loan taken ii) Fees paid on behalf iii) Purchases of shares iv) Unsecured Loan repaid
Space Age Polymers Pvt. Ltd.	Shareholder of the Company	i) Unsecured Loan taken ii) Unsecured Loan repaid
Genext Students Pvt. Ltd.	Associate	Share Application Money paid
Lion Houseware Pvt. Ltd.	Group Company	i) Purchase of shares ii) Amount repaid
Dawood Investments Pvt. Ltd.	Shareholder of the Company	i) Purchase of shares ii) Amount repaid
Safe Polymers Pvt Ltd	Group Company	i) Purchase of shares ii) Amount repaid
PIL Italica Lifestyle Limited	Controlled by father of Director of Subsidiary	i) Loan taken ii) Loan repayment iii) Interest paid

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)
B. Volume of Transactions

NATURE	31st March, 2017	31st March, 2016
Remuneration	6,206,059	5,990,295
Keyman Insurance Premium	-	167,673
Unsecured Loan Taken	186,827,275	174,560,000
Unsecured Loan given	3,000,000	
Unsecured Loan Repaid	402,970,000	179,557,596
Purchase	1,142,556	205,062,850
Sale	4,614,245	
Loan Repayment received	10,766,600	95,256,493
Advance given	-	107,733,844
Share Application Money Paid	-	2,800,000
Interest Receivable	-	3,697,761
Fees/TDS/ S.A Tax/ Service tax paid	12,800	139,925
Interest paid	-	955,567
Sale of Investment	-	11,062,450
Consultancy Charges	640,000	960,000
Lease Rent recd.	-	12,360,803

C. Outstanding Balances at year end

PARTY	31st March, 2017	31st March, 2016
Park Continental Pvt. Ltd.	-	(145,226,125)
Dawood Investments Pvt. Ltd.	-	-
Shehnaz D. Ali	(199,338)	(110,000)
H K Turgalia	(71,882)	
Lion Houseware Pvt. Ltd.	-	-
Genext Students Pvt. Ltd.	-	2,800,000
Space Age Polymers Pvt. Ltd.	-	-
Sat Invest Pvt. Ltd.	-	-
Safe Polymers Pvt Ltd	-	-
Mr Daud Ali	-	(72,000)
PIL Italica Lifestyle Ltd.	(2,183,712)	22,391,829



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

D. Maximum Balances during the year

PARTY	31st March, 2017	31st March, 2016
Park Continental Pvt. Ltd.		160,536,125
Sat E-Com Ltd.		(50,000)
Dawood Investments Pvt. Ltd.		(5,773,308)
Shehnaz D. Ali	(199,338)	(110,000)
H K Turgalia	(131,500)	-
Mr Daud Ali		(72,000)
Lion Houseware Pvt. Ltd.		19,065,000
Genext Students Pvt Ltd.	5,750,000	6,400,000
Sah Polymers Ltd.		22,130,332
Space Age Polymers Pvt. Ltd.		8,301,566
Sat Invest Pvt. Ltd.	4,200	(70,088,537)
Italica Furniture Pvt. Ltd.		25,591,353
PIL Italica Lifestyle Ltd.		2,425,923

NOTE 32: SEGMENT INFORMATION

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

Primary Segments/Secondary Segment

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



Sat Industries Limited Consolidated Statement Of Profit And Loss For The Year Ended 31st March 2017

Segment Information (i) Business Segment	31.03.2017		31.03.2016		31.03.2017		31.03.2016		31.03.2017		31.03.2016		31.03.2017		31.03.2016	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
PARTICULARS																
Segment Revenue																
External Revenue	540,127,171	483,830,756	374,522,577	430,838,896	18,947,544	13,247,251	-	-	-	-	933,597,292	927,916,903	-	-	933,597,292	927,916,903
Inter-segment Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	540,127,171	483,830,756	374,522,577	430,838,896	18,947,544	13,247,251	-	-	-	-	933,597,292	927,916,903	-	-	933,597,292	927,916,903
Segment Result before exceptional items, finance cost and tax	196,130,383	4,057,330	12,359,006	(8,732,879)	21,861,386	4,448,769	-	-	-	-	230,350,775	(226,780)	-	-	230,350,775	(226,780)
Less:																
Unallocated Income/(Expenses) (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance Cost	(265,540)	(372)	(11,692,496)	(12,299,462)	(437,561)	(2,224,996)	-	-	-	-	(12,395,597)	(14,524,830)	-	-	(12,395,597)	(14,524,830)
Exceptional items	-	-	-	-	-	(738,310)	-	-	-	-	-	(738,310)	-	-	-	(738,310)
Segment result before tax	195,864,843	4,056,958	666,510	(21,032,341)	21,423,825	2,223,773	-	-	-	-	217,955,178	(15,489,920)	-	-	217,955,178	(15,489,920)
Provision for taxes	(1,673,366)	(7,035,215)	(210,031)	6,814,263	(5,327,577)	(1,805,888)	-	-	-	-	(7,210,974)	(2,026,840)	-	-	(7,210,974)	(2,026,840)
Profit before tax	194,191,477	(2,978,257)	456,479	(14,218,078)	16,096,248	417,885	-	-	-	-	210,744,204	(17,516,760)	-	-	210,744,204	(17,516,760)
Minority Interest	-	-	-	-	-	-	-	-	-	-	(48,250)	-	-	-	(48,250)	-
Share of Profits in associate companies	-	-	-	-	-	-	-	-	-	-	(2,379,670)	(2,261,737)	-	-	(2,379,670)	(2,261,737)
NET PROFIT AFTER TAX	194,191,477	(2,978,257)	456,479	(14,218,078)	16,096,248	417,885	-	-	-	-	208,316,285	(19,778,497)	-	-	208,316,285	(19,778,497)
Other Information:																
Segment Assets																
Unallocated Assets	985,546,087	643,301,833	276,400,067	264,154,538	379,131,991	107,726,056	-	-	-	-	1,641,078,145	1,015,182,427	-	-	1,641,078,145	1,015,182,427
Total Assets	985,546,087	643,301,833	276,400,067	264,154,538	379,131,991	107,726,056	-	-	-	-	1,641,078,145	1,015,182,427	-	-	1,641,078,145	1,015,182,427
Segment Liabilities																
Minority Interest	262,907,251	679,744,833	277,095,912	152,468,538	247,697,997	38,056	-	-	-	-	14,804,649	29,138,550	-	-	14,804,649	29,138,550
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	262,907,251	679,744,833	277,095,912	152,468,538	247,697,997	38,056	-	-	-	-	787,701,160	832,251,427	-	-	787,701,160	832,251,427
Capital Expenditure																
Segment Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation																
Segment Depreciation and amortisation	865,905	393,682	7,240,885	7,084,877	3,038,524	2,807,951	-	-	-	-	11,145,314	10,286,510	-	-	11,145,314	10,286,510
Unallocated depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Depreciation and amortisation	865,905	393,682	7,240,885	7,084,877	3,038,524	2,807,951	-	-	-	-	11,145,314	10,286,510	-	-	11,145,314	10,286,510
Significant Non cash Expenditure:																
Segment significant Non cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated non cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Significant Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

(ii) Geographical Segment

Particulars	India		Outside India		Total	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Segment Revenue	514,742,915	894,068,219	420,758,597	33,849,314	935,501,512	927,917,533
Carrying Cost of segment Assets	195,371,908	201,406,021	-	-	195,371,908	201,406,021
Additions to Fixed Assets and Intangible Assets (net)	14,885,777	6,638,901	-	-	14,885,777	6,638,901

Other Disclosures:

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

NOTE 33: OTHER DISCLOSURES

Particular	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Value of imports calculated on CIF basis		
Capital goods	1,096,518	2,706,771
Raw Material	-	-
(b) Expenditure in Foreign Currency :		
UAE Branch	-	-
UAE Subsidiary	-	-
Commission on Sale	1,383,725	590,367
Foreign Travelling	31,925	41,158
(c) Earning in Foreign Exchange		
UAE Branch	-	-
UAE Subsidiary	-	-
FOB Value of Export	105,970,004	32,950,779
(d) Value of raw materials and spare parts consumed		
Raw materials		
Imported -0%	-	-
Indigenous - 100%	274,062,508	320,386,872
Spare Parts		
Imported - 0%	-	-
Indigenous - 100%	3,505,715	8,257,641

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)
NOTE 34:

The Consolidated Accounts are prepared including the following subsidiaries/associate companies in accordance with the AS - 21 - Consolidated Financial Statements read with the provisions of the Companies Act 2013

	% Holding	TYPE
SAT Industries Ltd	-	Holding Company
*Sah Polymers Ltd w.e.f. 01/07/2015 (including step down subsidiary SAT E-Com Ltd)	89.43%	Indian Subsidiary Company
Itlaica Furniture Pvt Ltd w.e.f. 01/07/2015	100%	Wholly owned Indian Subsidiary
Aeroflex Internatinal Ltd w.e.f. 30/11/2015	100%	Wholly owned Indian Subsidiary
**Italica Ventures Private Limited w.e.f. 24/06/2016	100%	Wholly owned Indian Subsidiary
***SAT Middleeast Limited, UAE w.e.f. 19/12/2001	100%	Wholly owned foreign Subsidiary
****Genext Students Pvt Ltd w.e.f. 29/05/2015	39.70%	Associate Company

*The Company was holding 11,82,145 Equity shares of Sah Polymers Limited representing 79.47% shareholding upto 31st Mrch 2016. During the year, the company has further acquired 870,000 Equity shares on 17/01/2017 and 543,855 Equity Shares on 25/01/2017. Thus, shareholding is increased to 89.43% during the year ended 31/03/2017.

** The Company acquired 10000 Equity shares on 24/06/2016 on the incorporation of Itlaica Ventures Privte Limited. It acquired 20,90,000 Equity shares on 17/08/2016.

***SAT Middleeast Ltd, UAE had closed its operations during the year ended 31st March 2015 and therefore its accounts were not incorporated during the year ended 31st March 2016 due to closure of its operations. However, the UAE subsidiary was revived during the year and its audited accounts have been consolidated during the year. The emphasis of the matter has been raised in the auditors report of SAT Middleeast Ltd., UAE regarding the commercial license registered with Ajman Free Zone Authority which has not been renewed after 7th February, 2011.

**** The Company was holding 664,979 Equity shares of Genext Students Private Limited (previously Genext Students Ltd) representing 39.237% shareholding upto 31st Mrch 2016. During the year, the company has further acquired 57166 Equity shares on 08/07/2016 and 214,368 Equity Shares A on 26/07/2016. Thus, shareolding is increased to 39.70% during the year ended 31/03/2017.

NOTE 35:

"(A)The consolidated figures for the current year are not comparable with the previous year (refer note. 34) as the accounts of subsidiary company i.e. SAT Middle East Limited, UAE, which had discontinued operations during the year ended 31/03/2015 were not consolidated during the year ended 31/03/2016. During the current year since the operation have been started again of SAT Middleeast Ltd., UAE, consolidation has been done during the current year. (B)Further, during the year the company has acquired another subsidiary company i.e. Italica Ventures Private Limited on 24/06/2016 and the said compny became subsidiary for the first time during the year."

NOTE 36:

The outstanding balances of Debtors, Creditors, Loans and advances given/taken are subject to confirmation by the parties.

NOTE 37

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)

NOTE 38

Disclosure in accordance with the notification no. G.S.R. 308 (E) dated 30th March 2017

Particulars	Specified Bank Notes	Other Denominations	Total
Closing cash in hand as on 08.11.2016	8,151,000	77,452	8,228,452
(+) Permitted receipts	-	2,779,680	2,779,680
(-) Permitted payments	-	2,214,383	2,214,383
(-) Amount deposited in Banks	8,151,000	-	8,151,000
Closing cash in hand as on 30.12.2016	-	642,749	642,749

NOTE 39

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

Particular	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Subsidiary:		
Sah polymers Ltd		
Maximum Balance	34,000,000	6,614,954
Shareholder of the Company:		
Park Continental Pvt. Ltd.		
Maximum Balance	211,832,725	151,352,725
Dawood Investments Pvt. Ltd.		
Maximum Balance	-	19,253,308
Group Company:		
Lion Houseware Pvt. Ltd.		
Maximum Balance	-	18,400,000

NOTE 40

The Company's Indian subsidiaries and associate are audited by other auditors for the financial year ended on 31st March, 2017.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)
NOTE 41

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

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
Parent				
SAT Industries Ltd	86.75	756,388,836	65.57	136,588,469
Subsidiaries				
Indian				
1. Sah Polymers Ltd	(0.08)	(695,845)	(0.59)	(1,221,641)
2. Italica Furniture Pvt. Ltd	8.75	76,294,960	9.14	19,046,229
3. Aeroflex International Ltd.	(0.23)	(2,046,447)	(0.41)	(851,378)
4. Italica Ventures Pvt. Ltd	0.01	112,631	0.05	112,631
Foreign				
1. SAT Middleeast Ltd. UAE	0.15	1,302,366	27.35	56,973,395
"Minority Interests in all Subsidiaries"				
Indian				
1. Sah Polymers Ltd	1.70	14,804,649	0.02	48,250
"Minority Interests all Associates (Investment as per the equity method)"				
Indian				
1. Genext Students Pvt. Ltd (earlier Genext Students Ltd)	2.95	25,717,980	(1.14)	(2,379,670)
Foreign				
1				
2				
Joint Ventures (as per proportionate consolidation/investment as per the equity method)				
Indian				
1	-	-	-	-
2	-	-	-	-
Foreign				
1	-	-	-	-
2	-	-	-	-
	-	-	-	-
TOTAL	100.00	871,879,130	100.00	208,316,285

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH 2017 (Contd.)
Note 42: Significant Accounting Policies Of Consolidated Financial Statements

- (A) The consolidated financial statements are prepared in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India.
- (B) PRINCIPLES OF CONSOLIDATION
- a. The Consolidated financial statements comprise the financial statement of Sat Industries Limited (The Holding Company) and its 5 subsidiaries and an associate. The financial statements of all the Companies are in line with generally accepted accounting principles in India.
 - b. The financial statements of the holding company and its subsidiaries have been consolidated as per AS 21 Consolidated Financial Statement by eliminating in full the intra-group balances and intra-group transactions including sales and expenses. The unrealised profits resulting from intra-group transactions that are included in the carrying amount of fixed assets, inventory are also eliminated in full and assets are shown net of unrealized profits.
 - c. CONSOLIDATION OF FOREIGN SUBSIDIARY
The investments in Foreign Subsidiary viz. Sat Middle East Ltd. whose accounts were not consolidated in the previous year due to closure of business have been consolidated in the current year after revival of the subsidiary during the current year
- (C) The difference between the costs of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statement as goodwill or capital reserve, as the case may be.
- (D) The Investments in the Associate are accounted for under Equity Method as prescribed in Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements. Intra group transactions are by eliminated to the extent of the group. The unrealized profits resulting from intra-group transactions that are included in the carrying amount of fixed assets, inventory is also eliminated in full and assets are shown net of unrealized profits.
- (E) Amortization: Intangible assets are written off over a period of five year.
- (F) OTHER SIGNIFICANT ACCOUNTING POLICIES
Most of the accounting policies of the holding Company and that of the subsidiaries are similar and hence not reproduced.

Companies Included In Consolidation	Country of Incorporation	Proportion of Ownership	Reporting Period	Consolidated Period with Parent	Relationship
1.Sah Polymers Ltd	India	89.437%	12 months	12 months	Subsidiary
2.Italica Furniture Pvt. Ltd.	India	100%	12 months	12 months	Wholly Owned Subsidiary
3.Aeroflex International Ltd.	India	100%	12 months	12 months	Wholly Owned Subsidiary
4. Italica Ventures Pvt. Ltd.	India	100%	9 months (Since incorporation 24th June 2016)	9 months (Since incorporation 24th June 2016)	Wholly Owned Subsidiary
5.Sat Middle East Ltd. FZC	UAE	100%	12 months	12 months	Wholly Owned Subsidiary
6. Genext Students Pvt Ltd (formerly Genext Students Ltd)	India	39.70%	12 month	12 months	Associated Co.

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

We have audited the accompanying standalone financial statements of **M/s. SAT Industries Limited** ("the Company"), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2017;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

2. As required by Section 143 (3) of the Act, we report 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.
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – **There are no pending litigations and claims.**
- ii. The Company does not have any long-term contracts including derivatives 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.
- iv. The company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period 8th November 2016 to 30th December 2016 and these are in accordance with the books of account maintained by the company - **Refer Note 13.1.**

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

(R.L Kabra)
Partner

Place: Mumbai
Date: 23rd May 2017

M. Ship No.016216

Annexure A To Independent Auditor's Report On The Standalone Financial Statements Of Sat Industries Limited

(Referred to in our report of even date)

Annexure referred to in Point 1 of the Auditor's Report of even date to the members of SAT Industries Limited for the year ended 31st March 2017.

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

- i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanation given to us, these fixed assets have been physically verified by the management at reasonable intervals in terms of the phased program of verification adopted by the company and no material discrepancies were noticed on such verification
 - (c) As per the information and explanations given to us by the management, all the title deeds of immovable properties are held in the name of the company and the original documents are deposited with /mortgaged to the banks for the financial assistance obtained, therefore we have relied on the same as we are unable to verify the original title deeds.
- ii) (a) As per the information and explanations given to us, the inventories (excluding stock, materials and work in progress, which are in transit & stock lying with third parties) have been physically verified during the year by the management and no material discrepancies were noticed during such verification. In our opinion and having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- iii) (a) In our opinion and according to the information and explanations given to us, the company has not granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act and therefore clause iii b and iii c of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and security, the provisions of sections 185 and 186 of the Act have been complied with.
 - v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits. Therefore, the compliance with respect to directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the company.
 - vi) In our opinion the maintenance of cost records has been specified by the Central Government sub section (1) of section 148 of the Act and such accounts and records have been so made and maintained by the company. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
 - vii) (a) According to information and explanation given to us and the records examined by us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There were no undisputed dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable
 - (b) According to the information and explanation given to us, there were no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
 - viii) Based on our audit procedures and the information and explanations provided by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowing to financial institutions, banks and Government. The Company does not have any debenture holders.
 - ix) In our opinion and according to the information and explanations given to us, the term loans raised during the year have been applied for the purpose for which those loans were raised. The company has not raised money by way of initial public offer or further public offer, including debt instruments.
 - x) During the course of our examination of the books and records of the company carried in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by the company or on the Company by



Annexure A To Independent Auditor's Report On The Standalone Financial Statements Of Sat Industries Limited

- its officers or employees has been noticed or reported during the year
- xv) In our opinion, and based on such checks as we considered appropriate, and according to the information and explanations given to us, the company has not entered in to any non-cash transactions with directors or persons connected with them.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934.
- xi) In our opinion and according to the information and explanations given to us the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) Since the company is not a nidhi company, clause xii of para 3 of the Order is not applicable to the Company.
- xiii) In our opinion, and based on such checks as we considered appropriate, all the transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Financial Statements, etc as required by the applicable Accounting Standards.
- xiv) The Company has Made Preferential allotment of shares during the year under review. The requirement of section 42 of the Companies Act 2013 have been complied with and the amounts raised have been used for which the funds were raised.

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

(R.L Kabra)
Partner

Place: Mumbai
Date: 23rd May 2017

M. Ship No.016216

ANNEXURE "B"

THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SAT INDUSTRIES LIMITED

Annexure referred to in Point 2(f) of the Auditor's Report of even date to the members of SAT Industries Limited for the year ended 31st March 2017.

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

We have audited the internal financial controls over financial reporting of SAT Industries Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

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

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls

system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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 R. Kabra & Co.
Chartered Accountants
(Registration No.104502W)

(R.L Kabra)
Partner
M. Ship No.016216

Place: Mumbai
Date: 23rd May 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No	(Figure in ₹)	
		As at 31st March 2017	As at 31st March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
a. Share Capital	1	196,000,000	111,800,000
b. Reserves and Surplus	2	526,638,836	(15,473,413)
c. Amount Received Against Share Warrant	3	33,750,000	21,175,000
(2) Non-Current Liabilities			
a. Long Term Borrowings		-	-
b. Deferred Tax Liability	4	2,338,833	4,927,910
(3) Current Liabilities			
b. Short-term borrowings	5	23,817,797	175,998,918
a. Trade payables	6	198,676,202	344,054,771
c. Other current liabilities	7	17,793	12,006
d. Short-term provisions	8	4,306,626	806,641
Total		985,546,087	643,301,833
II.Assets			
(1) Non-current assets			
a. Fixed assets			
(i) Tangible assets	9	23,560,801	15,928,759
b. Non-current investments	10	387,739,038	223,973,910
d. Long term loans and advances	11	5,051,907	6,690,411
(2) Current assets			
a. Trade receivables	12	210,559,303	351,665,571
b. Cash and cash equivalents	13	154,157,862	34,461,528
c. Short-term loans and advances	14	204,477,176	10,581,654
Total		985,546,087	643,301,833
Significant Accounting Policies & Notes to Accounts	1 to 27		

As per our audit report of even date attached

For R. Kabra & Co.,

Chartered Accountants

FRN: 104502W

For and on behalf of the Board

R L Kabra

Partner

M No.: 016216

Shehnaz D. Ali

Wholetime Director

DIN - 00185452

H.K Turgalia

Wholetime Director

DIN No. 00049544

Alka P. Gupta

Company Secretary

Mem.No. A35442

Place : Mumbai

Date : 23 May 2017



Statement Of Profit And Loss For The Year Ended 31st March, 2017

Particulars	Note No	(Figure in ₹)	
		As at 31st March 2017	As at 31st March 2016
Revenue from operations	15	479,574,804	483,830,756
Other Income	16	7,053	-
I. Total Revenue		479,581,857	483,830,756
Expenses:			
Purchase of Stock-in-Trade		447,132,085	471,657,622
Employee benefit expense	17	4,959,171	3,885,890
Financial costs	18	265,440	372
Depreciation and amortization expense	8	865,905	393,682
Other expenses	19	4,786,364	3,836,232
II. Total Expenses		458,008,965	479,773,798
III. Profit before exceptional and extraordinary items and tax	(I-II)	21,572,892	4,056,958
IV. Exceptional Items:			
Prov. For Diminution in Value of Investments written back		116,712,723	-
V. Profit before extraordinary items and tax	(III+IV)	138,285,615	4,056,958
VI. Tax expense:			
(1) Current tax		4,300,000	800,000
(2) Excess provision for tax in earlier Written off		(37,558)	-
(3) Deferred tax Liability / (Asset)		(2,589,076)	6,235,215
VII. Profit/(Loss) for the period	(V-VI)	136,612,249	(2,978,257)
VIII. Earning per equity share:			
(1) Basic		1.948	(0.053)
(2) Diluted		1.705	(0.053)
Significant Accounting Policies & Notes to Accounts	1 to 27		

As per our audit report of even date attached

For R. Kabra & Co.,
Chartered Accountants
FRN: 104502W

For and on behalf of the Board

R L Kabra
Partner
M No.: 016216

Shehnaz D. Ali
Wholetime Director
DIN - 00185452

H.K Turgalia
Wholetime Director
DIN No. 00049544

Alka P. Gupta
Company Secretary
Mem.No. A35442

Place : Mumbai
Date : 23 May 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2017

Sr. no	Particulars	(Amount in Rupees)	
		Year ended 31-03-2017	Year ended 31-03-2016
A)	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before Tax	136,612,249	4,056,958
	Adjustments for :		
	Depreciation	865,905	393,682
	Profit on sale of Investments	(7,053)	-
	Provision for dimunition on investment	(116,712,723)	-
	Provision for Differed Tax	(2,589,076)	-
	Excess provision for tax in earlier Written off	(37,558)	-
	Provision for Tax	4,300,000	-
	interest exp	265,440	372
	interest income	(20,882,717)	(4,568,305)
	Loss on sale of Investment	-	95,229
	Operating Profit before working capital changes	1,814,467	(22,064)
	Adjustments for :		
	Trade Receivables	141,106,268	(348,053,653)
	Trade Payables	(145,378,569)	342,951,687
	Short Term Provisions	(15)	714,526
	Short term loans and advances	(193,895,522)	33,830,974
	Short term borrowing	(152,181,121)	120,855,768
	Other Current Liabilities	5,787	-
	Cash Generated from Operations	(348,528,705)	150,277,238
	Direct Taxes Paid	(762,442)	-
	Net Cash Flow from Operating Activities	(349,291,147)	150,277,238
B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(8,497,947)	(16,262,211)
	Purchase of Investments	(47,052,405)	(223,973,910)
	interest income	20,882,717	4,568,305
	Sale of Investments	7,053	4,904,771
	Net inflow/(outflow) in Investing Activities	(34,660,582)	(230,763,045)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2017

Sr. no	Particulars	(Amount in Rupees)	
		Year ended 31-03-2017	Year ended 31-03-2016
C) CASH FLOW FROM FINANCING ACTIVITIES			
Amount received against share warrant		12,575,000	19,075,000
Issue of Shares		489,700,000	49,700,000
Proceeds from Long Term Advances		1,638,504	1,211,047
interest expense		(265,440)	(372)
Net inflow/(outflow) in Financing Activities		503,648,064	69,985,675
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		119,696,334	(694,656)
Cash and Cash equivalents at the beginning		34,461,528	35,156,184
Cash and Cash equivalents at the end		154,157,862	34,461,528

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

For R. Kabra & Co.,
Chartered Accountants
FRN: 104502W

For and on behalf of the Board

R L Kabra
Partner
M No.: 016216

Shehnaz D. Ali
Wholetime Director
DIN - 00185452

H.K Turgalia
Wholetime Director
DIN No. 00049544

Alka P. Gupta
Company Secretary
Mem.No. A35442

Place : Mumbai
Date : 23 May 2017

Notes To Accounts For The Year Ended 31st March 2017

(Amount in ₹)

NOTE 1: SHARE CAPITAL

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of 2/- each	110,000,000	220,000,000	75,000,000	150,000,000
	110,000,000	220,000,000	75,000,000	150,000,000
Issued				
Equity Shares of 2/- each fully paid up	98,000,000	196,000,000	55,900,000	111,800,000
Total	98,000,000	196,000,000	55,900,000	111,800,000

Note 1.1
Reconciliation for No. of shares outstanding during the year

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	Amt	No. of Shares	Amt
Shares outstanding at the beginning of the year	55,900,000	111,800,000	46,000,000	92,000,000
Shares Issued during the year	42,100,000	84,200,000	9,900,000	19,800,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	98,000,000	196,000,000	55,900,000	111,800,000

Note 1.2
Details of shareholders holding more than 5%

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Sat Invest Private Limited	44,835,000	45.75%	26,235,000	46.93%
2. Dawood Investment Private Limited	7,209,350	7.36%	7,209,350	12.90%
3. Space Age Polymers Private Limited	6,169,455	6.30%	6,169,455	11.04%



Notes To Accounts For The Year Ended 31st March 2017 (Contd.)

(Amount in ₹)

Note 2 : RESERVES AND SURPLUS

Particulars	As at 31 March 2017	As at 31 March 2016
a. General Reserves		
Opening Balance	4,739,577	4,739,577
(+) Current Year Transfer	-	-
(-) Depreciation Impact due to change in the method to useful life	-	-
Closing Balance	4,739,577	4,739,577
b. Securities Premium Account		
Opening Balance	89,992,500	60,092,500
Add : Securities premium credited on Share issue	405,500,000	29,900,000
Closing Balance	495,492,500	89,992,500
c. Capital Reserve (Reserve created on forfeiture of share warrants)		
Opening Balance	33,825,000	33,825,000
(+) Current Year Transfer	-	-
Closing Balance	33,825,000	33,825,000
d. Surplus		
Opening balance	(144,030,490)	(141,052,232)
(+) Net Profit/(Net Loss) For the current year	136,612,249	(2,978,257)
(+) Short/Excess Provision for Income Tax	-	-
Closing Balance	(7,418,241)	(144,030,490)
Total	526,638,836	(15,473,413)

NOTE 3 : AMOUNT RECEIVED AGAINST SHARE WARRANTS

Particulars	As at 31 March 2017	As at 31 March 2016
A) Share Warrants		
Opening Balance (Refer Note No. 3.1)	21,175,000	-
Add: 25% Advance received during the year	-	31,500,000
Add: 75% Balance received on 12100000 warrants issued @ 7.00 per warrant	63,525,000	30,975,000
Less: 12100000 warrants converted into shares during the year @ Rs.7/- per share	(84,700,000)	(41,300,000)
	-	21,175,000
B) Share Warrants		
Opening Balance	-	2,100,000
Add: 75% balance received	-	6,300,000
Less: 4000000 converted during the year	-	(8,400,000)
	-	-
C) Share Warrants		
Opening Balance (refer Note No. 3.2)	-	-
Add: 25% Advance received during the year on 4,00,00,000 warrants issued @ Rs.13.50 per warrant	135,000,000	-
Add: 75% balance amount received on 3,00,00,000 warrants issued @ Rs.13.50 per warrant	303,750,000	-
Less: 30000000 warrants converted into shares during the year @ Rs.13.50 per share	(405,000,000)	-
	33,750,000	-
Total (A+B+C)	33,750,000	21,175,000

Notes To Accounts For The Year Ended 31st March 2017 (Contd.)
Note 3.1:

During the Previous year, The company has issued 1,80,00,000 convertible warrants on 9th December 2015 which are convertible into equity shares of Rs.2/- each at a premium of Rs.5/- per share within 18 months from the date of allotment. The said 1,80,00,000 Convertible warrants were converted into equity Shares on Different Dates on Subscription of full money as under :

- (a) During the Previous year, 59,00,000 warrants are converted On 25th February, 2016
- (b) During the Current year, 57,00,000 Warrants were converted On 30th May 2016.
- (c) During the Current year, 64,00,000 Warrants were converted On 14th February, 2017.

Note 3.2:

The company has issued 4,00,00,000 convertible warrants on 17th September 2016 which are convertible into equity shares of Rs.2/- each at a premium of Rs.11.50 per share within 18 months from the date of allotment. The said 4,00,00,000 Convertible warrants were converted into equity Shares on Different Dates on Subscription of full money as under :

- (a) On 27th October 2016 1,17,00,000 warrants are converted.
- (b) On 16th January 2017 1,83,00,000 warrants are converted
- (c) 1,00,00,000 warrants are pending as on year end date for converting (Since converted on 28.04.2017)

NOTE 4 : DEFERRED TAX LIABILITIES
(Amount in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Opening Balance	4,927,909	(1,307,028)
Deferred tax liability		
Depreciation	2,574,169	4,927,909
Deferred tax assets		
Depreciation		
Less: Deferred Tax Asset created on losses now reversed	5,163,245	(1,307,306)
Net amount charged to Profit & Loss	2,589,076	(6,235,215)
Total	2,338,833	4,927,909

NOTE 5 : SHORT TERM BORROWINGS

Particulars	As at 31 March 2017	As at 31 March 2016
InterCorporate Deposits		
Loans from related parties		
Park Continental Private Limited	-	151,492,725
Loan From Others	1,500,000	14,000,000
Loan From Bank		
Secured Loan		
Kotak Mahindra Bank (Overdraft against FD)	19,039,021	10,506,193
Unsecured Loan		
Kotak Bank Business Loan	3,278,776	
Total	23,817,797	175,998,918



Notes To Accounts For The Year Ended 31st March 2017 (Contd.)

Note 5.1:

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

NOTE 6: TRADE PAYABLE

(Amount in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Due to Small and Medium Enterprises	-	-
Trade Creditors for Goods	197,292,338	342,951,687
Trade Creditors for Expenses	1,383,864	1,103,084
Total	198,676,202	344,054,771

Note 6.1:

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

Note 6.2:

Micro and medium scale business entities.

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

NOTE 7 :OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2017	As at 31 March 2016
TDS Payable	17,793	12,006
Total	17,793	12,006

NOTE 8 : SHORT TERM PROVISIONS

Particulars	As at 31 March 2017	As at 31 March 2016
a. Provision for Gratuity	6,626	6,641
b. Provision for Income Tax	4,300,000	800,000
Total	4,306,626	806,641

Notes To Accounts For The Year Ended 31st March 2017 (Contd.)
NOTE : 9 FIXED ASSETS

 Current Year
Tangible Assets

Particulars	Gross Block			Depreciation			Net Block	
	Balance as at 1st April 2016	Additions	Deduction/ Adjustments	Balance as at 31st Mar 2017	Balance as at 1st April 2016	Depreciation charge for the year	Deduction	Balance as at 31st Mar 2017
Computers	372,835	103,647	-	476,482	350,093	29,677	-	22,742
Office equipment	200,649	79,800	-	280,449	160,715	21,468	-	39,934
Machinery - Under Operating Lease	9,416,234			9,416,234	249,724	376,649		9,166,510
Mould - Under Operating Lease	6,786,777	8,314,500		15,101,277	87,204	438,111		6,699,573
Current Year Total	16,776,495	8,497,947	-	25,274,442	847,736	865,905	-	15,928,759

1. In the opinion of management, there is no impairment of fixed assets as prescribed in the accounting standard (AS-28) on impairment of assets.
2. The Company's depreciation method has changed to useful life method as per the companies Act 2013 for all the assets.

 Previous Year
Tangible Assets

Particulars	Gross Block			Depreciation			Net Block	
	Balance as at 1st April 2015	Additions	Deduction/ Adjustments	Balance as at 31st Mar 2016	Balance as at 1st April 2015	Depreciation charge for the year	Deduction	Balance as at 31st Mar 2016
Tangible Assets	357,835	15,000	-	372,835	310,783	39,310	-	47,052
Computers	-			-				
Furniture and Fixtures	-			-				
Vehicles	156,449	44,200	-	200,649	143,271	17,444	-	13,178
Office equipment	-			-				
Machinery - Under operating lease	-	9,416,234	-	9,416,234	-	249,724	-	9,166,510
Mould - Under operating lease	-	6,786,777	-	6,786,777	-	87,204	-	6,699,573
Current Year Total	514,284	16,262,211	-	16,776,495	454,054	393,682	-	15,928,759



Notes To Accounts For The Year Ended 31st March 2017 (Contd.)

Note 10: NON CURRENT INVESTMENTS

(A) Unquoted (at cost)

1 Investments in Equity Instruments

(Amount in ₹)

Particulars	As on 31.03.2017		As on 31.03.2016	
	No of units	At cost	No of units	At cost
(a) SUBSIDIARY				
(i) Sat Middle East Limited				
Opening	100	-	100	116,712,723
(Shares of AED 94520 each)				
Add: Provision for diminution in value of Investment		116,711,723	-	(116,711,723)
Add: Balance amount w/off to P&L		1,000		(1,000)
Closing Balance	100	116,712,723		-
(ii) Italica Furniture Pvt. Ltd.	2,082,118	79,717,484	2,082,118	79,717,484
(Shares of Rs. 10/- each)				
(iii) Sah Polymers Ltd.	12,696,000	136,895,285	11,282,145	121,342,880
(Shares of Rs. 10/- each)				
(iv) Italica Ventures Pvt. Ltd.	2,100,000	21,000,000	-	-
(Shares of Rs. 10/- each)				
(v) Aeroflex International Ltd.	1,000,000	10,000,000	1,000,000	10,000,000
(Shares of Rs. 10/- each)				
(b) ASSOCIATE				
Genext Students Pvt. Ltd.	936,513	19,949,790	664,979	6,649,790
(Shares of Rs. 10/- each)				
(c) OTHERS				
Aeroflex Industries Ltd.	999,500	3,463,756	999,500	3,463,756
Total	19,814,231	387,739,038	16,028,842	221,173,910

(B) Share Application Money Paid

Particulars	As at 31 March 2017	As at 31 March 2016
Genext Students Pvt. Ltd.	-	2,800,000
Total	-	2,800,000
TOTAL INVESTMENTS	387,739,038	221,173,910
Aggregate amount of Quoted Investments	Nil	Nil
Market value of the Quoted Investments	Nil	Nil
Aggregate amount of Unquoted Investments	387,739,038	221,173,910

Note 10.1

The Company has written back the investments done in the wholly owned subsidiary i.e. Rs. 1167,12,723/- since the management is of the opinion that activities of the company are revived back and it will recoup its losses shortly



Notes To Accounts For The Year Ended 31st March 2017 (Contd.)

NOTE 11 :LONG TERM LOANS & ADVANCES

Particulars	As at 31 March 2017	As at 31 March 2016
a. Security Deposits	40,750	40,750
b. Loans and Advances to others		
1. Salma F. Attari	3,000,000	3,000,000
2. Ali Asgar Kagzi	-	850,000
3. Huzaifa Suterwala	1,000,000	1,000,000
4. Samina H. Suterwala	1,000,000	1,000,000
5. Taizhou Bona Mould Co. Ltd.	-	748,503
6. Bombay Dyes	-	40,000
d. PUG Securities Pvt. Ltd.	11,157	11,158
Total	5,051,907	6,690,411

Note 11.1

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

NOTE 12 :TRADE RECEIVABLES

Particulars	As at 31 March 2017	As at 31 March 2016
Trade receivables outstanding for a period less than six months Unsecured, considered good	206,947,385	348,053,653
	<u>206,947,385</u>	<u>348,053,653</u>
Trade receivables outstanding for a period exceeding six months Unsecured, considered good (Refer Note 12.1)	3,611,918	3,611,918
	<u>3,611,918</u>	<u>3,611,918</u>
Total	210,559,303	351,665,571

NOTE 12.1

All the sundry debtors are subject to confirmation. There is an amount of Rs.36,11,918/- which is outstanding since long but as per the management, this amount is recoverable and considered good.

NOTE 13 :CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2017	As at 31 March 2016
a. Balances with banks		
With Schedule banks	11,837,972	2,904,108
FDR with Ratnakar Bank	88,300,000	9,000,000
FDR with HDFC Bank	-	9,990,000
FDR with Kotak Mahindra Bank	54,000,000	12,490,000
b. Cash on hand (As been Certified by Managment) (Refer Note No. 13.1)	19,890	77,420
Total	154,157,862	34,461,528



Notes To Accounts For The Year Ended 31st March 2017 (Contd.)

Note No. 13.1

Disclosure in accordance with the notification no. G.S.R. 308 (E) dated 30th March 2017

Particulars	For the year ended 31/03/2017		Total
	Specified Bank Notes	Other Denomination	
Closing cash in hand as on 08.11.2016	925000	43,446	968,446
(+) Permitted receipts	-	353,000	353,000
(-) Permitted payments	-	(62,551)	(62,551)
(-) Amount deposited in Banks	925000	-	(925,000)
Closing cash in hand as on 30.12.2016	-	333,895	333,895

NOTE 14 :SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2017	As at 31 March 2016
a. Advances to Employees	59,029	240,000
b. Duties and Taxes Receivable		
Fringe Benefit Tax	-	18,989
TDS/Advance Tax Receivables	3,459,426	869,710
Excise Duty	1,411,910	1,586,048
d. Interest Accrued But Not Due	3,582,668	901,907
e. Loan to 100% Subsidiary		
Italica Furniture Pvt. Ltd.(Note 14.1)	31,950,000	6,965,000
f. Loans & Advances to others		
Bhavgeet Hotel & Motel Pvt. Ltd.	25,000,000	-
B R Surfactants	20,000,000	-
Golden Future Developers Pvt. Ltd.	12,000,000	-
Hiraman Builders & Developers Pvt. Ltd.	12,000,000	-
R.V. Hospitality Services	5,000,000	-
Sahil Enterprises	5,000,000	-
Shree Nath Cotton Co.	10,000,000	-
Sooraj Sagar Resorts Pvt. Ltd.	20,000,000	-
Sudarshan Enterprises	27,500,000	-
Toshi Enterprises	27,500,000	-
g. Prepaid Expenses	14,143	-
Total	204,477,176	10,581,654



Notes To Accounts For The Year Ended 31st March 2017 (Contd.)

NOTE 15 :REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
i) Trading	453,288,055	476,048,951
ii) Services		
a) Income from clearing & forwarding charges	-	2,563,500
b) Income from Equipment Uses charges	5,404,032	650,000
c) Income from Interest	20,882,717	4,568,305
Total	479,574,804	483,830,756

NOTE 16 : OTHER INCOME

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit from Sale of Shares	7,053	-
Total	7,053	-

NOTE 17 : EMPLOYEE BENEFITS

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salary & Bonus	4,938,338	3,859,445
Gratuity fund contributions	6,826	6,641
Staff welfare	14,007	19,804
Total	4,959,171	3,885,890

NOTE 18 : FINANCE COST

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Bank Interest	215,223	-
Bank Charges and Commission	50,217	372
Total	265,440	372



Notes To Accounts For The Year Ended 31st March 2017 (Contd.)

NOTE 19 : OTHER EXPENSES

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Payment to Auditor as:		
a. Statutory Audit fees	330,624	85,875
b. Taxation Fees	79,312	28,625
c. Certification Fees	81,700	39,811
Advertisement and Publicity	37,772	65,317
Business Promotion Exp.	8,952	79,921
Conveyance Expenses	120,910	111,582
Depository Charges	366,400	276,246
Electricity Expenses	194,230	250,110
Fringe Benefit Tax Receivable written off	18,989	-
ROC Filing Fees	696,900	494,800
Hospitality Expenses	54,271	302,583
Insurance Expenses	37,536	37,372
Keyman Insurance	167,673	167,673
Loss on sale of Investments	-	95,229
Membership and subscriptions	23,730	9,052
Office Expenses	773,989	457,959
Printing/Stationery Expenses	87,972	122,383
Professional Charges	753,429	568,604
Rent	24,000	24,000
Telephone & Communication Expenses	363,981	341,027
Travelling Expenses	563,994	277,063
Diminution in balance of investment w/off		1,000
Total	4,786,364	3,836,232

NOTE 20

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

NOTE 21

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

a) Value of imports of C.I.F. basis :-	NIL
b) Expenditure on foreign currency :-	NIL
c) Earnings in foreign currency :-	NIL
d) FOB Value of exports :-	NIL

NOTE 22

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

Notes To Accounts For The Year Ended 31st March 2017 (Contd.)
NOTE 23 : Related Party Transactions

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

I Subsidiary Sat MiddleEast Ltd. Aeroflex International Ltd. Italica ventures Pvt. Ltd. Sah Polymers Ltd. Italica Furniture Pvt. Ltd.	IV Enterprises over which Key Managerial Personnel are liable to Lion Houseware Pvt. Ltd. Sat E-Com Ltd. Safe Polymers Pvt Ltd
II Key Managerial Personnel Mr. H.K. Turgalia Mrs. Shehnaz D. Ali	V Company/Subsidiary is a beneficiary Sat Invest Pvt. Ltd. Park Continental Pvt. Ltd. Space Age Polymers Pvt. Ltd. Dawood Investments Pvt. Ltd.
III Associate Company Genext Students Pvt. Ltd.	

Volume of Transaction

NATURE	31st March, 2017	31st March, 2016
Remuneration	2,376,000	2,059,000
Keyman Insurance Premium	167,673	167,673
Unsecured Loan Taken	141,136,675	8,750,000
Unsecured Loan Repaid	295,290,000	3,300,000
Purchase of Share of Subsidiary Co.	21,000,000	-
Loan Repayment received	-	38,052,500
Advance given	-	20,675,000
Fees/TDS/ S.A Tax/ Service tax paid on behalf	12,800	99,243



Notes To Accounts For The Year Ended 31st March 2017 (Contd.)

Balance with Related Party

PARTY	31st March, 2017		31st March, 2016	
	Max. Balance	Closing Balance	Max. Balance	Closing Balance
Park Continental Pvt. Ltd.	-	-	15,13,52,725 Cr.	15,14,92,725 Cr.
Sat E-Com Ltd.	-	-	50,000 Cr.	-
Dawood Investments Pvt. Ltd.	-	-	1,92,53,308 Cr.	-
Shehnaz D. Ali	1,99,338 Cr.	1,99,338 Cr.	1,10,000 Cr.	1,10,000 Cr.
Harikant Turgalia	1,31,500 Cr.	71882 Cr.		
Aeroflex International Ltd.	8,000	-	1,11,000 Dr.	-
Lion Houseware Pvt. Ltd.	-	-	1,84,00,000 Dr.	-
Genext Students Ltd.	57,50,000 Dr.	-	28,00,000 Dr.	28,00,000 Dr.
Sah Polymers Ltd.	3,40,00,000 Cr.	-	66,55,332 Dr.	-
Space Age Polymers Pvt. Ltd.	-	-	8,79,434 Cr.	-
Sat Invest Pvt. Ltd.	4,200 Dr.	-	7,09,04,537 Cr.	-
Safe Polymers Pvt Ltd	-	-	-	-
Italica Furniture Pvt. Ltd.	4,73,00,000 Dr.	3,19,50,000 Dr.	2,05,81,906 Dr.	69,65,000 Dr.

NOTE 24 : SEGMENT INFORMATION

The details of segment Reporting(AS-17) is given in the annexure as applicable to the company.

NOTE 25:

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

NOTE 26 : Earning Per Share

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
(a) Earning Attributable to Equity Shareholders for basic EPS	136,612,249	(2,978,257)
(b) Adjusted for the purpose of diluted EPS	-	-
(c) Earning Attributable to Equity Shareholders for Diluted EPS	136,612,249	(2,978,257)
(d) Weighted Average Equity Shareholders for Basic EPS	70,130,685	55,900,000
(e) Add: Weighted Average Potential Equity Shares on Conversion of Share Warrant	-	-
(f) Weighted Average Equity Shareholders for Diluted EPS	80,130,685	55,900,000
(g) Basic Earning Per Share	1.948	(0.053)
(h) Diluted Earning Per Share	1.705	(0.053)



Notes To Accounts For The Year Ended 31st March 2017 (Contd.)

NOTE 27:

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

Particulars	31st March, 2017		31st March, 2016	
	Max. Balance	Closing Balance	Max. Balance	Closing Balance
Subsidiary:				
SAT Middle East Limited	Nil	Nil	Nil	Nil
Sah Polymers Ltd.	3,40,00,000	-	6,655,332	-
Aeroflex International Ltd.	8,000	-	111,000	Nil
Shareholder of the Company:				
Park Continental Pvt. Ltd.	211,832,725	-	151,492,725	151,492,725
Dawood Investments Pvt. Ltd.	-	-	19,253,308	Nil
Group Company:				
Lion Houseware Pvt. Ltd.	-	-	18,400,000	Nil

As per our audit report of even date attached

For R. Kabra & Co.,
Chartered Accountants
FRN: 104502W

For and on behalf of the Board

R L Kabra
Partner
M No.: 016216

Shehnaz D. Ali
Wholetime Director
DIN - 00185452

H.K Turgalia
Wholetime Director
DIN No. 00049544

Alka P. Gupta
Company Secretary
Mem.No. A35442

Place : Mumbai
Date : 23 May 2017

Notes To Accounts For The Year Ended 31st March 2017 (Contd.)
Annexure - Segment Reporting

Standalone Segment wise revenue, Results and Capital employed with the quarterly and annual results

In Rs.

Particulars	Quarter ended			Year ended	Year ended
	31/03/2017	31/12/2016	31/03/2016	31/03/2017	31/03/2016
1. Segment Revenue					
(a) Segment - Trading	1,287.98	189.07	3,745.91	4,532.88	4,760.49
(b) Segment - Leasing and Finance	1,271.15	86.83	24.88	1,430.07	52.18
(c) Segment - Others	-	-	-	-	25.64
Unallocated	-	-	-	-	-
Total	2,559.13	275.90	3,770.79	5,962.95	4,838.31
Less: Inter segment revenue	-	-	-	-	-
Net Sales/Income from operations	2,559.13	275.90	3,770.79	5,962.95	4,838.31
2. Segment Results (Profit before tax and int. from each segment)					
(a) Segment - Trading	18.33	1.22	42.22	61.56	43.91
(b) Segment - Leasing and Finance	1,268.79	84.66	23.34	1,421.92	48.81
(c) Segment - Others	-	-	-	-	-
Unallocated	-	-	-	-	-
Total	1,287.12	85.88	65.56	1,483.48	92.72
Less:					
1. Finance Cost	2.15	-	-	2.15	-
2. Other unallocable expenditure	25.74	22.77	22.70	98.47	52.16
3. Other unallocable Income	-	-	-	-	-
Profit before tax	1,259.23	63.11	42.86	1,382.86	40.56
3. Capital Employed					
(a) Segment - Trading	1,976.11	2,049.93	3,434.12	1,976.11	3,434.12
(b) Segment - Leasing and Finance	-	-	-	-	-
(c) Segment - Others	-	-	-	-	-
Unallocated	7,879.35	5,556.81	2,998.90	7,879.35	2,998.90
Total	9,855.46	7,606.74	6,433.02	9,855.46	6,433.02