

## **Independent Auditor's Report**

**To the Members of  
SAB INDUSTRIES LIMITED**

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

1. We have audited the accompanying financial statements of **SAB INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at **31 March 2015**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.
5. 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.



6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 financial statements.
7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31 March 2015**, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 purpose 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 financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. on the basis of the written representations received from the directors as on **31 March 2015** and taken on record by the Board of Directors, none of the directors is disqualified as on **31 March 2015** from being appointed as a director in terms of Section 164(2) of the Act;



- f. 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 does not have any pending litigations which would impact its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S. C. Dewan & Co.**  
Chartered Accountants  
Firm's Registration No.: 000934N

per **S. C. Dewan & Co.**  
Partner  
Membership No.: 015678

Place : Chandigarh

Date : 18 May 2015



**Annexure to the Independent Auditor's Report of even date to the members of SAB INDUSTRIES LIMITED, on the financial statements for the year ended 31 March 2015**

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Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in



**Annexure to the Independent Auditor's Report of even date to the members of SAB INDUSTRIES LIMITED, on the financial statements for the year ended 31 March 2015**

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respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

- (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or to debenture-holders during the year.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **S.C. Dewan & Co**  
Chartered Accountants  
Firm's Registration No.: 000934N

per **S.C. Dewan**  
Partner  
Membership No.: 015678

Place : Chandigarh  
Date : 18 May 2015



**SAB INDUSTRIES LIMITED**

Head Office : S.C.O.-49-50, Sector-26, Madhya Marg, Chandigarh

CIN L00000CH1983PLC031318

Email : avinash1958@gmail.com

**PART-I : Audited Financial Results for the Quarter and year ended 31st March, 2015**

(Rs. in lacs)

PARTICULARS	THREE MONTHS ENDED			FINANCIAL YEAR ENDED	
	31.03.2015 (AUDITED)	31.12.2014 (UN-AUDITED)	31.03.2014 (AUDITED)	31.03.2015 (AUDITED)	31.03.2014 (AUDITED)
<b>1 Income from operations</b>					
(a) Gross Income from operations	1223.40	255.31	119.78	1527.74	1004.66
Less : Excise Duty	0.00	0.00	0.00	0.00	0.00
Net Income from Operations	1223.40	255.31	119.78	1527.74	1004.66
(b) Other Operating Income	0.00	0.00	0.00	0.00	0.00
<b>Total Income from operations (net)</b>	<b>1223.40</b>	<b>255.31</b>	<b>119.78</b>	<b>1527.74</b>	<b>1004.66</b>
<b>2 Expenses</b>					
(a) Cost of Material Consumed	469.17	251.83	27.87	721.05	80.23
(b) Purchase of stock-in-trade					
(c) Changes in inventories of work-in-progress and stock-in-trade	(9.00)	(181.00)	0.00	(190.00)	28.42
(d) Employee benefits expense	56.91	43.35	49.37	178.90	170.44
(e) Depreciation and amortisation expense	10.83	9.66	10.60	40.14	40.56
e) Other Expenses					
(1) Labour wages	275.48	117.57	323.21	421.49	372.00
(2) Other Expenditure	163.50	90.49	92.11	405.36	306.97
Total Expenses :	966.89	331.90	503.16	1576.94	998.62
<b>3 Profit/(Loss) from operations before other Income and Finance costs</b>	<b>256.51</b>	<b>(76.59)</b>	<b>(383.38)</b>	<b>(49.20)</b>	<b>6.04</b>
4 Other Income	47.59	38.03	55.61	224.74	261.57
<b>5 Profit/(Loss) from ordinary Activities before finance costs and exceptional items</b>	<b>304.10</b>	<b>(38.56)</b>	<b>(327.77)</b>	<b>175.54</b>	<b>267.61</b>
6 Finance costs	35.58	41.66	15.53	112.70	208.75
<b>7 Profit/(Loss) from ordinary Activities after finance costs but before exceptional items</b>	<b>268.52</b>	<b>(80.22)</b>	<b>(343.30)</b>	<b>62.84</b>	<b>58.86</b>
8 Exceptional items	100.00	0.00	0.00	100.00	0.00
<b>9 Profit/(Loss) from ordinary Activities before tax</b>	<b>368.52</b>	<b>(80.22)</b>	<b>(343.30)</b>	<b>162.84</b>	<b>58.86</b>
10 Tax Expense	49.07	0.31	(113.50)	50.00	19.00
<b>11 Net Profit/(Loss) from ordinary Activities after</b>	<b>319.45</b>	<b>(80.53)</b>	<b>(229.80)</b>	<b>112.84</b>	<b>39.86</b>
12 Extraordinary items (net of tax expense)	(8.58)	5.17	2.78	0.49	2.90
<b>13 Net Profit / (Loss) for the period</b>	<b>328.03</b>	<b>(85.70)</b>	<b>(232.58)</b>	<b>112.35</b>	<b>36.96</b>
14 Paid up equity share capital (Face value of Rs. 10/- ea)	1518.84	1518.84	1518.84	1518.84	1518.84
15 Reserve excluding revaluation reserves		0.00		3446.72	3334.37
16.i Basic and Diluted Earning per share (before extraordinary items)	2.10	(0.53)	(1.51)	0.74	0.26
16.ii Basic and Diluted Earning per share (after extraordinary items)	2.16	(0.56)	(1.53)	0.74	0.24

**PART-II****A. Particulars of Shareholding****Public Shareholding**

Number of Shares	4005016	4005016	4005016	4005016	4005016
Percentage of Shareholding	26.37%	26.37%	26.37%	26.37%	26.37%

**Promoters & Promoter Group Shareholding****a). Pledge/Encumbered**

- Number of Shares	Nil	Nil	Nil	Nil	Nil
- Percentage of Shareholding	-	-	-	-	-
- Percentage of Share Capital	-	-	-	-	-

**b). Non-encumbered**

- Number of Shares	11183356	11183356	11183356	11183356	11183356
- Percentage of Shareholding	100%	100%	100%	100%	100%
- Percentage of Share Capital	73.63%	73.63%	73.63%	73.63%	73.63%

**B. Investor Complaints**

Ended 31.03.2015

- Pending at the beginning of the quarter	Nil
- Received during the quarter	Nil
- Disposed off during the quarter	Nil
- Remaining unresolved at the end of the quar	Nil

The above Results for the year ended 31st March, 2015 were reviewed and recommended by the Audit Committee and thereafter approved and taken on records by the Board of Directors at their meeting held on 18th May 2015. The shares of the company has been listed with BSE vide notice no.20150507-33 (Script No.539112) effective from May 11 2015.

Place: Chandigarh  
Date: 18.05.2015

By order of the Board of Directors  
For SAB Industries Limited

  
(H.K. SINGHAL)  
DIRECTOR

## SAB INDUSTRIES LIMITED

### SEGMENT REPORT

Segmentwise Revenue, Results And Capital Employed for the Three Months And Year Ended.

	<u>THREE MONTHS ENDED</u>			<u>FINANCIAL YEAR ENDED</u>	
	<u>31.03.2015</u>	<u>31.12.2014</u>	<u>31.03.2014</u>	<u>AUDITED</u> <u>31.03.2015</u>	<u>AUDITED</u> <u>31.03.2014</u>
<b>1</b>	<b><u>SEGMENT REVENUES</u></b>				
a)	1239.18	269.31	129.89	1625.99	1141.13
b)	0.00	0.00	0.00	0.00	0.00
c)	0.01	0.08	0.17	19.80	19.87
d)	13.76	12.69	14.92	37.39	35.47
e)	18.04	11.26	30.41	69.30	69.76
f)	0.00	0.00	0.00	0.00	0.00
	<b>TOTAL</b>	<b>293.34</b>	<b>175.39</b>	<b>1752.48</b>	<b>1266.23</b>
<b>2</b>	<b><u>SEGMENT RESULTS</u></b>				
	<b>Profit/(Loss)</b>				
	<b>(Before tax and interest from each segment)</b>				
a)	392.46	(43.93)	(340.93)	232.56	249.33
b)	(100.00)	0.00	0.00	(100.00)	0.00
c)	0.01	0.08	0.17	19.80	19.87
d)	7.92	8.48	2.26	15.07	(7.42)
e)	3.71	(3.19)	10.74	8.11	5.84
f)	0.00	0.00	0.00	0.00	0.00
	<b>TOTAL</b>	<b>-38.56</b>	<b>-327.76</b>	<b>175.54</b>	<b>267.62</b>
	Interest	35.58	41.66	15.54	112.70
	<b>TOTAL PROFIT/(LOSS) BEFORE TAX</b>	<b>268.52</b>	<b>(80.22)</b>	<b>(343.30)</b>	<b>62.84</b>
	Provision for Taxation	50.00	0.00	(113.50)	50.00
	Provision for Deferred Tax (Assets)/Liability	(1.29)	0.31	(0.02)	(0.36)
	Exceptional Items	100.00	0.00	0.00	100.00
	Income Tax paid/adj. for earlier years	0.85	0.00	2.80	0.85
	Prior Period adjustments	(9.07)	5.17	0.00	0.00
	<b>Net Profit /(Loss)</b>	<b>328.03</b>	<b>(85.70)</b>	<b>(232.58)</b>	<b>112.35</b>
<b>03</b>	<b><u>CAPITAL EMPLOYED</u></b>				
	<b>(Segment assets-Segment liabilities)</b>				
a)				601.58	(799.28)
b)				3851.20	4350.59
c)				1198.34	1198.34
d)				707.61	707.61
e)				35.15	32.53
g)				7.46	7.46
h)				1034.31	1090.33
	<b>TOTAL</b>			<b>7435.65</b>	<b>6587.58</b>

Place: Chandigarh  
Date : 18.05.2015

By order of the Board of Directors  
For SAB Industries Limited



(H.K. SINGHAL)  
DIRECTOR

# SAB INDUSTRIES LTD

## Annexure - IX

### Clause 41 of the Listing Agreement For Companies (Other than Banks)

Standalone / Consolidated Statement of Assets and Liabilities		31.03.2015	31.03.2014
Particulars			
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share capital	151883720	151883720
	(b) Reserves and surplus	344672782	333437934
	(c) Money received against share warrants	0	0
	<b>Sub-total - Shareholders' funds</b>	<b>496556502</b>	<b>485321654</b>
<b>2</b>	<b>Share application money pending allotment</b>		
<b>3</b>	<b>Minority interest *</b>		
<b>4</b>	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	226797562	187190653
	(b) Deferred tax liabilities (net)	0	0
	(c) Other long-term liabilities	42281118	36175438
	(d) Long-term provisions	21288551	22875484
	<b>Sub-total - Non-current liabilities</b>	<b>290367231</b>	<b>246241575</b>
<b>5</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	17758072	0
	(b) Trade payables	7174920	2219687
	(c) Other current liabilities	107932160	149265993
	(d) Short-term provisions	5000000	1900000
	<b>Sub-total - Current liabilities</b>	<b>137865152</b>	<b>153385680</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>924788885</b>	<b>884948909</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets	191636075	162311677
	(b) Goodwill on consolidation *	0	0
	(c) Non-current investments	124395653	124395653
	(d) Deferred tax assets (net)	3689442	3653323
	(e) Long-term loans and advances	0	0
	(f) Other non-current assets	0	0
	<b>Sub-total - Non-current assets</b>	<b>319721170</b>	<b>290360653</b>
<b>2</b>	<b>Current assets</b>		
	(a) Current investments	0	0
	(b) Inventories	383218275	362289761
	(c) Trade receivables	104426660	114922383
	(d) Cash and cash equivalents	34916187	38436370
	(e) Short-term loans and advances	53250859	71222569
	(f) Other current assets	29255734	7717173
	<b>Sub-total - Current assets</b>	<b>605067715</b>	<b>594588256</b>
	<b>TOTAL - ASSETS</b>	<b>924788885</b>	<b>884948909</b>

