

# Annual Report 2020-21



**SAB Industries Limited**

# CORPORATE

# Information

## BOARD OF DIRECTORS

|                      |                          |
|----------------------|--------------------------|
| Sh. R. K. Garg       | <i>Chairman</i>          |
| Sh. H. K. Singhal    | <i>Director</i>          |
| Sh. Sanjay Garg      | <i>Director</i>          |
| Sh. S. K. Bansal     | <i>Director</i>          |
| Sh. D. P. Reddy      | <i>Director</i>          |
| Sh. S. S. Viridi     | <i>Director</i>          |
| Smt. Manju Lakhanpal | <i>Director</i>          |
| Ms. Priya Garg       | <i>Managing Director</i> |

## COMPANY SECRETARY

Ms. Gurpreet Kaur

## AUDITORS

AKR & Associates  
Chartered Accountants  
SCO 51, 2nd Floor,  
Chandigarh Citi Centre, VIP Road,  
Zirakpur -140603

## BANKERS

Indian Bank  
HDFC Bank Limited

## REGD. OFFICE

SAB Industries Limited  
(CIN:L00000CH1983 PLC031318)  
Regd. Office: SCO 49-50, Sector 26, Madhya Marg,  
Chandigarh 160 019  
Email: ssl\_ssg@glide.net.in,  
Website : www.sabindustries.in  
Phone: +91-172-2793112, FAX : 91-172-2794834

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**SAB INDUSTRIES LIMITED**  
**(CIN:L00000CH1983PLC031318)**

Regd. Office: at S.C.O.49-50, Sector- 26, Madhya Marg, Chandigarh.  
Email: ssl\_ssg@glide.net.in, Website: www.sabindustries.in  
Phone: +91-172-2793112., Fax: +91-172-2794834

**NOTICE**

NOTICE is hereby given that the 37th Annual General Meeting of the shareholders of the Company shall be held as scheduled below:

**Day & Date :Thursday, 30th September, 2021**

**Time : 3.30 P.M..**

**Venue : Regd. Office of the Company at S.C.O.49-50,  
Sector- 26, Madhya Marg, Chandigarh.**

to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2021 and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. Sanjay Garg (DIN: 00030956), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Special Resolution:**  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("ACT") and the Rules made there under read with Schedule IV to the Act, as amended from time to time and SEBI (LODR) Regulations, 2015 consent of the members is accorded to Shri Humesh Kumar Singhal, (DIN 00044328), appointed as Non-Executive Director of the Company to be designated as Independent Director of the Company for a period of five years from 01.10.2021 to 30.09.2026.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution."

Place: Chandigarh  
Date: 13.08.2021

SANJAY GARG  
Director  
DIN-0030956

**Notes**

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and rules made thereunder, relating to the Special Business to be transacted at the Meeting is annexed hereto. The relevant details of Directors seeking appointment/ re-appointment at this Annual General Meeting of the company are also annexed.
2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy so appointed need not be a member of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxy form is sent herewith.**  
A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.  
During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company
3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The members are requested to bring duly filled attendance slip alongwith their copy of Annual Report at the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **24-09-2021 to 30-09-2021**. (both days inclusive).
7. As per amendment in Regulation 40 of SEBI (LODR) Regulations, 2015, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
8. In compliance with SEBI Circular dated January 15, 2021 relaxation has been provided to Companies regarding dispatch of physical copy of Annual Report to Shareholders due to Covid-19 pandemic. Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website and website of the Bombay Stock Exchange (BSE) for download.
9. **Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with Registrar and Share Transfer Agents of the Company/ Depository Participant (s), for receiving all communication including Annual Report. Notices, irculars, etc from the Company electronically.**
10. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2020-21 will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.

11. The Company is maintaining the "INVESTORS SERVICE CELL" at its Head Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
12. Members having any queries relating to Annual Report are requested to send their queries at least seven days before the date of the Meeting.
13. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

**The instructions for shareholders voting electronically are as under:**

- 1 **The voting period begins on September 27, 2021 at 9.00 a.m. and will end on September 29 2021 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as **on 23rd September, 2021 (cut-off date)**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholder's /retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

4. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders   | Login Method   |
|--|--|
| Individual shareholders holding securities in Demat mode with <b>CDSL</b>                                      | <ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>   |
| Individual shareholders holding securities in demat mode with <b>NSDL</b>                                      | <ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol> |
| Individual shareholders (holding securities in demat mode) login through their <b>Depository Participants.</b> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website. **Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL .**

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022 - 23058738 and 22 -23058542- 43 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30                 |

**5. Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.**

- (1) The Shareholders should Log on to the e-voting website **www.evotingindia.com**
- (2) Click on shareholders
- (3) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (4) Next enter the Image Verification as displayed and Click on Login.
- (5) If you are holding shares in Demat Form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.
- (6) If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |  |
|---|--|
| PAN   | Enter your 10 digit alpha - numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by the Company/ RTA which is printed on Postal Ballot/ attendance slip indicated in the PAN field or contact Company/ RTA.</li> </ul> |
| Dividend Bank Details <b>OR</b> Date of Birth (DOB)               | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank details field.</li> </ul>  |

- (7) After entering these details appropriately, click on "SUBMIT" tab.
- (8) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (9) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (10) Click on the EVSN for the relevant Company Name <SAB INDUSTRIES LIMITED> on which you choose to vote.
- (11) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- (12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (13) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (15) You can also take a print of the voting cast by clicking on "Click here to print" option on the Voting page.
- (16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (17) **Note for Non-Individual Shareholders and Custodians:**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
  - After receiving the login details a compliance User should be created using the admin login and password. The compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- After receiving the login details a compliance User should be created using the admin login and password. The compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [ssl\\_ssg@glide.net.in](mailto:ssl_ssg@glide.net.in) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same

Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **23rd September 2021** may follow the same instructions as mentioned above for e-Voting.

in case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (18) The Board of Directors has appointed Mr. S.K.Sikka, Practicing Company Secretary (ICSI Membership No. FCS- 4241 and CP No.3582) Proprietor of S.K. Sikka & Associates, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (19) The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (20) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange.

14. Relevant documents referred to in the notice and the explanatory Statement including register of shareholding of Directors and Key Managerial Personnel are open for inspection by members at the registered office of the Company on all working days during Normal business hours (09:30 am to 5.30 pm) upto and including the date of meeting.

By Order of the Board of Directors

Place: Chandigarh

SANJAY GARG

Date : 13.08.2021

Director

DIN-00030956

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

Shri Humesh Kumar Singhal is a Director of the Company w.e.f. 30.11.1996. The Board of Directors of the Company ('the Board') at their meeting held on 13.08.2021 is of the view that the appointment of Shri Humesh Kumar Singhal, on the Company's Board as Independent Director is desirable and would be beneficial to the Company. Subject to approval of Shareholders and on the recommendation of the Nomination & Remuneration Committee, it is proposed to change his designation from non-executive Director to Independent Director.

The Company has received a declaration from Shri Humesh Kumar Singhal that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Shri Humesh Kumar Singhal fulfills the conditions specified in the Act and Rules framed thereunder and SEBI (LODR) Regulations, 2015 for appointment as independent Director and he is independent of the Management and is not in any pecuniary relationship with the Company apart from receiving sitting fee. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and he has given his consent to act as Director.

Shri Humesh Kumar Singhal, a qualified Chartered Accountant (DIN 00044328) is having vast and varied experience of more than 42 years in the area of Management and Corporate Finance. He has appropriate skills, experience and knowledge of management and other disciplines related to the Company's business. He is also qualified to be appointed as an Independent Director under the provisions of the Companies Act, 2013.

The Board recommends the special resolution mentioned at Item No. 3 of the accompanying Notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives except Humesh Kumar Singhal are concerned or interested (financially or otherwise), in this resolution.

By order of the Board of Directors

Place: Chandigarh

SANJAY GARG

Date: 13.08.2021

Director

DIN-00030956

**DIRECTORS' REPORT**

Dear Members,

The Directors of your Company have pleasure in presenting the Annual Report on Accounts for the Financial Year ending 31st March 2021.

**FINANCIAL HIGHLIGHTS**

| Particulars   | (₹ in Lakhs) |           |              |           |
|---|--------------|-----------|--------------|-----------|
|   | Standalone   |           | Consolidated |           |
|   | 2020-21      | 2019-20   | 2020-21      | 2019-20   |
| Revenue from Operations   | 124.34       | 997.66    | 124.34       | 997.66    |
| Other Income  | 300.33       | 662.46    | 300.33       | 662.46    |
| Total Revenue   | 424.67       | 1660.12   | 424.67       | 1660.12   |
| Profit before Exceptional item, depreciation, interest & Tax (PBDIT)) | 157.25       | 591.99    | 2034.36      | (1839.94) |
| Interest & other financial expenses                                   | 418.68       | 119.73    | 418.68       | 119.73    |
| Profit before Depreciation & Tax (PBDT)                               | (261.43)     | 472.26    | 1615.68      | (1959.67) |
| Depreciation and amortization expenses                                | 36.80        | 36.33     | 36.80        | 36.33     |
| Profit before Tax (PBT)   | (298.23)     | 435.93    | 1578.88      | (1996.00) |
| Tax Expenses  | -            | 52.00     | -            | 52.00     |
| - Current   | -            | 52.00     | -            | 52.00     |
| - Deferred  | 2.74         | (11.07)   | 2.74         | (11.07)   |
| Profit after Tax (PAT)  | (300.97)     | 395.00    | 1576.14      | (2036.93) |
| Other Comprehensive Income  | 3635.18      | (4965.15) | 3635.18      | (4965.15) |
| Total Comprehensive Income for the period                             | 3334.21      | (4570.15) | 5211.32      | (7002.08) |
| Earnings per share  |              |           |              |           |
| -Basic  | (1.98)       | 2.60      | 10.38        | (13.41)   |
| -Diluted  | (1.98)       | 2.60      | 10.38        | (13.41)   |

**Note:** The financial statements of the Company for the year ended 31st March, 2021, are prepared in accordance with Indian Accounting Standards (IndAS).

**OPERATIONS AND FUTURE OUTLOOK**

During the year under review, the Revenue from Operations of the Company have decreased to ₹124.34 lakh from ₹997.66 lakh in the previous year. The Company has incurred a net loss of ₹300.97 lakh during the year as against net profit of ₹395.00 lakh during the previous year on account of lower scale of operations due to outbreak of Covid-19 pandemic. Company is continuously striving to strengthen its operations in near future. There has been increase in other comprehensive income of ₹3635.18 lakh as compared to loss of ₹4965.15 lakh on account of increase in fair value of Equity Instruments in which Investment is made by the Company on account of overall market scenario prevailed.

Your Company has revived its real estate project i.e. SSL Highway Towers measuring 25846.73 sq. Mtrs situated on NH-22, Ambala Chandigarh Road, Derabassi (Punjab), an industrial hub and Satellite City for Chandigarh (RERA approved Project vide Certificate No. PBRWERA-SAS79-PR0409 valid upto 30<sup>th</sup> September, 2023). The work on the project has been started and is expected to be completed as per time frame stipulated in RERA approved certificate. Company has been exploring means of finance to meet the future needs of the said project. Company has already incurred a sum of ₹5409.27 lakhs out of which amount of ₹1020.47 lakhs was incurred during the year.

**IMPACT OF COVID-19 PANDEMIC**

Outbreak of COVID-19 pandemic in the first half of the year has adversely impacted all economic activity as consequent lockdown was announced by Central and State Governments. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees. Covid-19 still poses as a threat not only on the human life but on businesses and industrial activity across the globe, which will be realized only over next few months. The Company has been monitoring the situation closely and has taken proactive measures to comply with various directions/regulations/ guidelines issued by the Government and local bodies to ensure safety of workforce across its sites and offices.

**SCHEME OF AMALGAMATION**

The proposed Scheme for Amalgamation of Steel Strips Limited (Transferor Company) with SAB Industries Ltd. (Transferee Company) has been approved by BSE on 12th September, 2019. The Company has also filed merger petition under Section 230 to Section 232 and other applicable rules and provisions under Companies Act, 2013 with

National Company Law Tribunal (NCLT), Chandigarh Bench on 26th September 2019. NCLT vide its order dated June 12, 2020 has directed to convene meeting of shareholders at the Registered office of the Company for their approval on the scheme.

Scheme for Amalgamation of Steel Strips Limited with SAB Industries Ltd. has been passed by shareholders in NCLT convened meeting on 30.08.2020 and Second Motion Petition was filed with NCLT, Chandigarh Bench vide Filing No. 0404115/01046/2020 on 04-09-2020. Petition has been allowed by NCLT, Chandigarh Bench vide its order dated 22.12.2020 and listed for objection, if any of Regulatory Authorities. The Reports of Statutory Authorities has been taken on record by NCLT on 19.03.2021 and pending for their consideration.

**1.5 MW Biogas Power Plant at Moonak**

SAB Industries Limited is setting up a 1.5 MW capacity biogas power and bio-fertilizer plant at Moonak, (Sangrur) Punjab with capital investment of ₹21 crore. using cow-dung, press mud and poultry litter based on bio-methanation technology under NRSE Policy 2012 (New and Renewable Sources of Energy) in technical collaboration with HRG Solution Germany who have wide experience in setting up similar projects in Europe as well as in India

The proposed project will qualify for generating electricity from non-conventional energy sources defined under New & Renewable Sources of Energy (NRSE) Policy 2012. It is being promoted in line with Prime Minister Sh. Narendra Modi and Mahatma Gandhi's vision of Clean India under Swachh Bharat Abhiyan as it seeks to clean up Moonak village and adjoining areas and convert cow-dung, poultry litter and other waste into valuable electricity and fertilizer providing hygienic and healthy living conditions to its habitats. Using the Biogas of the Biogas plant as a fuel for power generation will avoid Greenhouse-Gas Emission of approx. 7,500 tons CO2 per year, compared to power production by a coal based power plant, even without considering less logistical effort. Implementation agreement for this project has been signed with Punjab Energy Development Agency (PEDA). Power Purchase agreement has been signed with Punjab State Power Corporation Ltd. for evacuation of power produced in this plant. Land has been purchased for the project and change of land use permission has been granted. NOC from Punjab Pollution Control Board have also been obtained to implement this project. Advances for critical equipment have been paid for digesters, engine as well as gas cleaning supplies. Financial assistance from Commercial Banks has been sanctioned but its execution has not yet begun and is pending due to outbreak of Covid-19 pandemic in the country bringing all economic activity to standstill.

**SEGMENT REPORT**

Your Company has a number of activities in its fold. Its business activities include Construction and Engineering, Real Estate, Information Technology and Trading. The Company is registered with various Government Departments like Uttaranchal PWD (B&R), HP PWD (B&R), Madhya Pradesh PWD (B&R), PUDA and other Central Bodies as Class-1 contractors. This segment presently has the largest share of revenue and profits in the performance of the Company. This segment also provides consultancy in the field of civil engineering and preparation and award of claims.

The other important segment of activities of your Company is Development and Sale of Real Estate. As stated above, the Central Government is taking new initiatives to give a boost to the Real Estate Sector. Though the market growth in housing sector in Northern Region of the Country is presently low, however, it is likely to pick up in due course of time.

A breakup of the segment-wise performance is given in the 'Notes on Accounts' which forms a part of the Balance Sheet.

**FINANCIAL STATUS**

There is no change in the 'Issued and Subscribed Capital' of ₹15,18,83,720, divided into 1,51,88,372 equity shares of ₹10/- each, during the year. There are no equity shares with differential rights or sweat equity or ESOP or scheme of purchase of Company shares by employees or their trustees.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no material changes which occurred subsequent to the close of the financial year to which the Financial Statements relate and upto the date of report.

**CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE**

The Company has constituted a Corporate Social Responsibility

Committee and also framed a Corporate Social Responsibility Policy and the same is posted on the website of the Company at <http://www.sabindustries.in>.

Since the Company does not have net profits in accordance with Section 135 of the Companies Act, 2013, the Company is not required to undertake any activity under CSR Rules.

**DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

Your Company has no Subsidiary or Joint Venture Company during the year. However, there is an Associate by the name of SAB Udyog Limited reportable under Section 129(3) of the Companies Act, 2013.

A separate statement related to the Associate Company forms part of Annual report in the prescribed Form AOC-1 in compliance with Section 129 and other applicable provisions, if any of the Companies Act, 2013, Consolidated Financial Statement prepared by the Company includes financial information of its Associate Company. The Company will provide a copy of Annual Report and other document of its Associate Company on the request made by any member, investor of the Company. The annual accounts of the Associate Company have been kept for inspection by any Shareholder at the Registered Office of the Company. The statement is also available on the website of the Company at <http://www.sabindustries.in>.

**DIVIDEND**

Keeping in view the business commitments, your Company has decided not to declare any dividend for the year 2020-21.

**FIXED DEPOSITS**

The Company has not accepted any fixed deposits covered under Chapter V of the Companies Act 2013 read with Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year under review.

**CORPORATE GOVERNANCE REPORT- DISCLOSURE REQUIREMENTS**

The Company continuously strives to attain high levels of corporate performance, accountability, transparency, responsibility and fairness in all aspects of its operations. Transparency in all dealings and providing better services without compromising in any way on integrity and regulatory compliances have been the basic objectives of corporate governance in the Company. The Corporate Governance practices followed by the Company are enclosed as Annexure to this report.

**EXTRACT OF THE ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2021 on its website at [www.sabindustries.in](http://www.sabindustries.in). By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors' confirm that:

- a. in the preparation of the annual accounts for the year ending 31st March 2021, 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 control to be followed by the Company and that such internal financial controls were 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.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The internal control systems and processes of the Company cover operational efficiency, accuracy and promptness in financial reporting, compliance with laws and regulations and development of mature, disciplined and effective processes. The processes are also designed to meet the goals of cost, schedule, functionality and quality, thus resulting in higher levels of customer satisfaction.

**DIRECTORS**

**A) Changes in Directors and Key Managerial Personnel**

Since the last Annual General Meeting, following changes have taken place in the Board of Directors.

As per the provisions of Companies Act, 2013, Shri Sanjay Garg (DIN-00030956), Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment

**B) Declaration by an Independent Director(s) and re-appointment, if any**

A declaration by Independent Directors stating that he/ they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 had been taken at the time of their appointment.

**C) Formal Annual Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance and that of the Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under SEBI (LODR) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issue to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the year under review, 4 Board Meetings were held, one each on 30th June 2020, 13th July, 2020, 9th November, 2020, and 12th February 2021.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the Directors' Report.

**AUDIT COMMITTEE**

The Audit & Compliance Committee comprises of three non-executive Directors out of which two are Independent Directors. viz. Shri S S Virdi, Smt. Manju Lakhanpal and Shri H K Singhal. During the year, the committee held four meetings. Other details of the Audit Committee are included in the Corporate Governance Report which forms part of this report.

The Board had accepted all recommendation of the Audit Committee, if any.

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES**

The Company has formulated and published a Whistle Blower Policy



o provide vigil mechanism for employees including Directors of the Company to report genuine concerns. The provisions of this Policy are in line with the provisions of Section 177(9) of the Act and the Regulation 22 of SEBI (LODR) Regulations, 2015.

There are no cases reported during the year.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The committee has been constituted to review and recommend compensation payable to the whole-time directors including Chairman and senior management of the Company. The committee reviews the overall compensation structure and policies of the Company with a view to attract, retain and motivate employees, reviewing compensation levels of the Company vis-à-vis other Companies and industry in general. The Nomination & Remuneration Policy may be accessed on the website of the Company at <http://www.sabindustries.in>.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

There were no Loans/ Guarantee given and Investments made by the Company during the year exceeding the limits prescribed under Section 186 of the Companies Act, 2013.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All contracts/ arrangements/ transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. A statement, in summary form, of transactions with related parties which were all in ordinary course of business and arm's length basis is periodically placed before the audit committee for review and recommendation to the board for their approval.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the board is uploaded on the website of the Company.

Disclosures as required under Indian Accounting Standards (Ind AS-24) have been made in the financial statements of the Company, enclosed with this report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Board's report.

#### **BUSINESS RISK MANAGEMENT**

The risk management includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company. The Board has formulated the Risk Management Policy to manage risks with the objective of maximizing shareholders value. The Risk Management Policy may be accessed on the website of the Company at <http://www.sabindustries.in>.

#### **AUDITORS**

As per the Provisions of Section 139 of Companies Act, 2013, M/s AKR & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of Annual General Meeting to be held in the calendar year 2022 (subject to ratification of their appointment at every AGM). The Company has received a certificate from them pursuant to Companies (Audit & Auditors) Rules 2014 read with Section 139 & 141 of the Companies Act, 2013, confirming their eligibility for reappointment, and that they were not disqualified for reappointment.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

#### **AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT**

The Auditors' Report and Secretarial Auditors' Report do not contain any qualifications, reservations or adverse remarks. Report of Secretarial Auditors is attached as an annexure which forms part of this report.

#### **LISTING OF SHARES**

Equity shares of the Company are listed on BSE Limited and Listing fee has already been paid in pursuance to Regulation 14 of SEBI (LODR) Regulations, 2015.

#### **DEMATERIALISATION**

The equity shares of your Company are to be compulsorily traded in dematerialized form. As on 31.03.2021, a total of 15120156 equity shares, representing 99.55% of equity share capital have been dematerialized.

#### **INSURANCE**

All the assets of the Company have been adequately insured.

#### **PERSONNEL AND RELATED DISCLOSURES**

The information required under Section 197 of the Act read with rule 5 of the Companies (Appointment and remuneration of managerial personnel) rules 2014 is enclosed with this report.

#### **INDUSTRIAL RELATIONS**

Industrial relations continued to be cordial during the year under review.

#### **HEALTH, SAFETY AND ENVIRONMENT PROTECTION**

Our Company has complied with all the applicable health & Safety standards, environment laws and labour laws and has been taking all necessary measures to protect the environment and provide workers a safe work environment. Our Company is committed for continual improvement in Health & Safety as well as Environmental performance by involving all the employees to provide a Safe & healthy work environment to all its employees.

#### **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2020-21, the Company has not received any complaint on sexual harassment and hence no complaints remain pending as on 31st March, 2021.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is not applicable as the Company did not have any manufacturing facility during the period under consideration. There were no foreign exchange earnings/ outgo during the period.

#### **ACKNOWLEDGEMENT**

Your Directors acknowledge with gratitude the assistance, co-operation and support received by the Company from the Banks, Statutory/ Govt. Bodies, Customers and Shareholders of the Company

For and on behalf of  
Board of Directors

RAJINDER KUMAR GARG  
CHAIRMAN  
DIN:00034827

Place: Chandigarh  
Date: 11.06.2021

## 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 or associate companies or joint ventures

**Part A: Subsidiaries - Not Applicable****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 or Joint Ventures  | <b>SAB UDYOG LIMITED</b> |
| 1. Latest audited Balance Sheet Date  | 31/03/2021               |
| 2. Shares of Associate or Joint Ventures held by the Company on the year end  |                          |
| No. of Shares   | 5368630                  |
| Amount of Investment in Associates or Joint Venture                           | 2,87,75,857              |
| Extent of Holding (in percentage)   | 40.99                    |
| 3. Description of how there is significant influence                          |                          |
| 4. Reason why the associate/joint venture is not consolidated                 | Not Applicable           |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet | (59,35,99,511)           |
| 6. Profit or Loss for the year  |                          |
| Considered in Consolidation   | (24,31,93,470)           |
| Not Considered in Consolidation   | (35,01,06,041)           |

Note.: 1. There were no subsidiaries which have been liquidated or sold during the year.,  
2. The Company is not having any Joint Venture Company.

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed

for AKR & Associates  
Chartered Accountants  
(Registration No.021179N)

R. K. GARG  
Chairman

BHAGWAN SINGH NEGI    S.S. VIRDI  
Chief Financial Officer    MANJU LAKHANPAL  
H.K. SINGHAL  
GURPREET KAUR    SANJAY GARG  
Company Secretary    Directors

Place : Chandigarh  
Dated : 11.06.2021

Kailash Kumar  
Partner  
Membership No.505972

**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

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

To,  
The Members,  
**SAB INDUSTRIES LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAB 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 SAB Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March, 2021, 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2021 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 2018 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) 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, 2018- **Not applicable as there was no reportable event during the financial year under review;**
  - (d) 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- **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company as there was no reportable event during the financial year under review;**
  - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- **Not applicable as the Company as there was no reportable event during the financial year under review;**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as there was no reportable event during the financial year under review;**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **Not applicable as there was no reportable event during the financial year under review; and**
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (6) The Company has complied with the following laws applicable specifically to the Company;
- (a) Real Estate (Regulation and Development) Act, 2016

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Directors, Non-Executive Directors and Independent Directors. There is no changes in the composition of the Board of Directors took place during the period under review.

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

Decisions at the Board meetings, as represented by management, were taken unanimously.

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

**I further report that** during the year, the Company has initiated the process of merger of Steel Strips Limited with it and filed the joint petition with National Company Law Tribunal, Chandigarh on 26.09.2019 for its approval.

Scheme for Amalgamation of Steel Strips Limited with SAB Industries Ltd. has been passed by shareholders in NCLT convened meeting on 30.08.2020 and Second Motion Petition was filed with NCLT, Chandigarh Bench vide Filing No. 0404115/01046/2020 on 04-09-2020. Petition has been allowed by NCLT, Chandigarh Bench vide its order dated 22.12.2020 and listed for objection, if any of Regulatory Authorities. The Reports of Statutory Authorities has been taken on record by NCLT on 19.03.2021 and pending for their consideration.

I further report that during the audit period, there were no instances of:

- (i) Public/ Rights/ Preferential issue of shares/ debentures/ sweat equity.
- (ii) Redemption/ buy-back of securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Chandigarh  
Date: 10.06.2021

Sushil K Sikka  
Company Secretary  
FCS 4241, CP 3582  
UDIN:F004241C000443339

To  
The Members

#### **SAB INDUSTRIES LIMITED**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chandigarh  
Date: 10.06.2021

Sushil K Sikka  
Company Secretary  
FCS 4241, CP 3582  
UDIN:F004241C000443339

## DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(2) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The ratio of the remuneration of each director to the median employee's remuneration of the Company for the financial year

|                                | Ratio to Median Remuneration |
|--------------------------------|------------------------------|
| <b>Non Executive Directors</b> |                              |
| Shri R.K. Garg                 | 0.26                         |
| Smt. Manju Lakhanpal           | 0.36                         |
| Shri S.S. Viridi               | 0.31                         |
| Shri H.K. Singhal              | 0.28                         |
| Shri Sanjay Garg               | 0.26                         |
| <b>Whole Time Director</b>     |                              |
| Ms. Priya Garg                 | 13.95                        |

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year;

| Director, Chief Executive Officer, Chief Financial Officer, Company Secretary | %age increase in Remuneration over previous year |
|---|--|
| Sh. Bhagwan Singh Negi - Chief Financial Officer                              | Nil  |
| Ms Gurpreet Kaur - Company Secretary  | 0.01%  |

(iii) The percentage increase/decrease in the median remuneration of employees in the financial year 2020-21..

The percentage increase in medium remuneration of employees is 21.66%

(iv) The number of permanent employees on the rolls of company.

The number of permanent employees on the roll of company as of 31st March 2021 was 21.

(v) 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 and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average annual increase during the year was around Nil and the average increase in managerial remuneration was also Nil.

(vi) Affirmation that the remuneration is as per the remuneration policy of the company.

It is confirmed that the remuneration is paid as per the remuneration policy of the Company

**STATEMENT PURSUANT TO SECTION 197 OF COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2021.**

-----Not Applicable-----

### TOP TEN EMPLOYEES IN TERM OF REMUNERATION WITHDRAWN DURING THE YEAR

| Name of Employee              | Designation                    | Educational Qualification | Age | Remuneration (P.A.) (Rs in lacs) | Date of commencement of Employment | % of shares held | Relative Director                   |
|-------------------------------|--------------------------------|---------------------------|-----|----------------------------------|------------------------------------|------------------|-------------------------------------|
| Ms. Priya Garg                | M.D.                           | B.E (Civil)               | 50  | 53.98                            | 01.05.2019                         | 0.53             | Daughter of Sh. R.K. Garg, Chairman |
| Shri Anil Kumar Singla        | General Manager                | B.E (Civil)               | 56  | 18.62                            | 01.05.2019                         | Nil              | NA                                  |
| Sh. Rakesh Kumar Mittal       | Sr. General Manager (Projects) | B.Tech (Civil)            | 52  | 18.39                            | 04.12.2017                         | Nil              | NA                                  |
| Sh. Nirmal Singh Goria        | Project Manager                | B.Tech (Civil)            | 48  | 14.46                            | 16.04.2018                         | Nil              | NA                                  |
| Sh. Om Parkash                | Civil Engineer                 | Diploma(Civil)            | 45  | 12.02                            | 01.09.2004                         | Nil              | NA                                  |
| Ms. Gurpreet Kaur             | Company Secretary              | B.Com ,CS                 | 41  | 9.70                             | 19.06.2002                         | 50               | NA                                  |
| Shri R.D. Sharma              | Project Manager                | Diploma(Civil)            | 52  | 9.04                             | 22.02.2010                         | Nil              | NA                                  |
| Sh. Bhagwan Singh Negi        | Chief Financial Officer        | B.Com                     | 57  | 8.68                             | 11.11.1989                         | 50               | NA                                  |
| Sh. Jatinder Singh            | Sr. Electrical Engg            | Diploma (Elect)           | 31  | 5.54                             | 05.04.2019                         | Nil              | NA                                  |
| Shri Shahrukh Khan Alam Saifi | Civil Engg                     | B.Tech (Civil)            | 25  | 4.87                             | 11.11.2019                         | Nil              | NA                                  |

## MANAGEMENT DISCUSSION AND ANALYSIS

**MACRO ECONOMIC REVIEW**

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In order to boost the construction of buildings in the country, the Government of India has decided to come up with a single window clearance facility to accord speedy approval of construction projects.

Being one of the most resilient sectors, it plays a crucial role in accelerating India's overall development, thereby driving its economic growth. Increased government spending on more extensive scale projects offers strength to India's competitiveness across the globe. As per Indian Infrastructure Sector in India Industry Report, India plans to spend US\$ 1.4 trillion on infrastructure between 2019 to 2023 which is predicted to boost the expansive growth of the sector.

**Investments**

India has a requirement of investment worth ₹50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country and is witnessing significant interest from international investors in the infrastructure space. According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDIs in the construction development sector (townships, housing, built up infrastructure and construction development projects) and construction (infrastructure) activities stood at US\$ 25.93 billion and US\$ 23.99 billion, respectively, between April 2000 and December 2020. In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US\$ 81.72 billion.

**Govt. Initiatives for the Sector**

The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport and is taking every possible initiative to boost the infrastructure sector. Announcements made in Union Budget 2020-21 are summarised below:

- In May 2021, Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Mr. Nitin Gadkari stated that the government is giving utmost priority to infrastructure development and has set a target of road construction of worth ₹15 lakh crore (US\$ 206 billion) in the next two years. ₹1,18,101 crore (US\$ 16.20 billion) has been allocated towards road transport and highway sector.
- In March 2021, the Parliament passed a bill to set up the National Bank for Financing Infrastructure and Development (NaBFID) to fund infrastructure projects in India.
- NHAI is expected to generate revenue of Rupees one lakh crore (US\$ 14.31 billion) from toll and wayside amenities over the next five years.
- Government has given a massive push to the infrastructure sector to develop the transport infrastructure.
- Indian railways received ₹1,10,055 crore (US\$ 15.09 billion), of which ₹1,07,100 crore (US\$ 14.69 billion) is for capital expenditure.

**a) OPPORTUNITIES AND STRENGTHS**

The Company has a well diversified business portfolio spread across various business verticals viz., Buildings & Housing, Roads, Water & Environment, Irrigation, Power and Railways. The Company has significant experience in construction sector and is recognized as one of the key construction players in the country. It has carried out variety of projects across the country. Our core strength is our people who carry several years of industry experience in various domains including engineering, design, construction, procurement, planning, etc.

During the year 2020-21, the Company earned revenue of ₹424.67 lakhs, and expect to do better during the current year.

**b) FINANCIAL PERFORMANCE**

During the year under review, there is no change in capital of the Company. Other Equity of the Company have decreased down from ₹9468.57 lakhs to ₹12802.77 lakhs in 2020-21 on account of increase of valuation of equity instruments etc, through other comprehensive income.

**c) OPERATIONAL PERFORMANCE**

There has been decline in the Revenue from operations of the Company from ₹997.66 lakh to ₹124.34 lakh as Company is concentrating on real estate project and is not bidding for the new projects for the time being considering the outbreak of Covid-19 pandemic in the Country and Worldwide. The Company's operations during the year under review have resulted in a net loss ₹300.97 lakh as against net profit of ₹395.00 lakh in the previous year. This decrease in net profits is on account of less revenue generated in the Components of construction projects as no tendering is being done for the time being due to outbreak of Covid-19 pandemic as stated above..

The Company has effective and robust system of internal controls to help management review the effectiveness of the financial and operating controls and assurance about adherence to company's laid down systems and procedures. Proper controls are in place, which are reviewed at regular intervals to ensure that transactions are properly authorized & correctly reported and assets are safeguarded. The Audit Committee periodically reviews the findings and recommendations of the Auditors and takes necessary corrective actions as deemed necessary.

**RISKS AND CONCERNS**

The Company has a robust Enterprise Risk Management process in place, which is a holistic, integrated and structured approach to manage risks with the objective of maximizing shareholders' value.

The risk management process broadly consists of identification, assessment, mitigation, prioritization and monitoring of risks. The ERM process allows the company to:

- Enhance confidence in achieving its desired goals and objectives
- Effectively restrain threats to acceptable levels
- Take informed decisions about exploiting opportunities

Owing to the nature of the industry the Company operates in, it is exposed to a variety of risk factors which are broadly categorized into technical, physical, construction, performance and legal risks.

A tight risk process is carried out from pre-bid to project completion stage to manage, mitigate and monitor these risks by adopting specific risk mitigation measures. During the year, the Board has reviewed the process and the Risks that have been identified for the business. Some of these key risks that the Company faces along with their mitigation strategies adopted are listed below:

| <b>Risk Type</b>   | <b>Key Risks</b>                                 | <b>Risk Impact</b> | <b>Risk Mitigation Strategy</b>  |
|--------------------|--|--------------------|--|
| Technical Risks    | Incomplete Design                                | High               | <ul style="list-style-type: none"> <li>Carrying out extensive due diligence during the project bid phase</li> <li>Bidding for those works which are closely aligned with our core strengths</li> </ul>   |
|                    | Inadequate Specifications                        | High               | <ul style="list-style-type: none"> <li>Carrying out exhaustive due diligence before and during the bid phase</li> <li>Incorporating contingency for inadequate specifications in the price bids</li> <li>Engaging with clients and their representatives on a regular basis</li> </ul>   |
|                    | Insufficient Resources of Construction Materials | Medium             | <ul style="list-style-type: none"> <li>Strong and efficient resources planning, both at the corporate and project levels.</li> <li>Strong management of vendors and subcontractors</li> <li>Carrying out due diligence on vendors and sub-contractors before entering into agreements with them</li> </ul>   |
| Physical Risks     | Equipment Damage/ Failure                        | Medium             | <ul style="list-style-type: none"> <li>Own a sizeable equipment base, specifically those, which are frequently used in our operations thus reducing dependence on equipment vendors</li> <li>Following a strict preventive and corrective maintenance schedule</li> <li>Strong relationship with equipment vendors for renting equipment</li> <li>Strong management of equipment vendors including rating their performance</li> </ul> |
|                    | Labour Injuries                                  | Low                | <ul style="list-style-type: none"> <li>Strong implementation and monitoring of health and safety protocols to prevent injuries</li> <li>Designated safety personnel at sites.</li> <li>Periodical reporting on safety and health issues</li> <li>Conducting training programs on health and safety issues</li> </ul>   |
| Construction Risks | Labour Productivity                              | Medium             | <ul style="list-style-type: none"> <li>Ensure safe, clean and hygienic work environment at all work locations.</li> <li>Strong track record in maintaining labour.</li> <li>Regular monitoring and ensuring strong controls to ensure adherence to timelines and quality</li> </ul>  |
|                    | Theft  | Low                | <ul style="list-style-type: none"> <li>Strong monitoring and control to prevent theft</li> <li>Penalizing defaulters without exception</li> </ul>  |
| Performance Risks  | Achieving Required Quality                       | Medium             | <ul style="list-style-type: none"> <li>Regular inspection of works and reporting to clients</li> <li>Strong adherence to specifications and timelines</li> <li>Constant engagement with clients and their representatives</li> <li>Reliable Quality assurance programs</li> </ul>  |
|                    | Meeting Client Expectations                      | Medium             | <ul style="list-style-type: none"> <li>Experienced workforce, Regular engagement with clients</li> <li>Response mechanisms to address issues raised by clients and their representatives</li> </ul>  |
| Legal Risks        | Claims, Disputes & Litigations                   | Medium             | <ul style="list-style-type: none"> <li>Engagement with clients to capture and address litigious issues upfront</li> <li>Proper and thorough documentation on each project from the pre bid stage</li> <li>In-house Contracts and Claims team.</li> <li>Legal firm onboard to handle pre-legal claims and/or litigations</li> <li>Keeping ourselves abreast on regulatory issues</li> </ul>   |

**Cautionary Statement:**

Statements in this report on Management Discussion and Analysis describing the Company's Objectives, projections, estimates, expectations or predictions may be "forward looking" within the meaning of applicable Securities laws and regulations. Actual results could differ materially from those expressed or implied

Place: Chandigarh  
Date: 11.06.2021

**For and on behalf of Board of Directors**

RAJINDER KUMAR GARG  
Chairman  
DIN: 00034827

**REPORT ON CORPORATE GOVERNANCE**

The Company continuously strives to attain high levels of corporate performance, accountability, transparency, responsibility and fairness in all aspects of its operations. Transparency in all dealings and providing better services without compromising in any way on integrity and regulatory compliances have been the basic objectives of corporate governance in the Company.

The Company is in Compliance with the requirements stipulated under Schedule V of SEBI (LODR) Regulations, 2015 and with the Listing Regulations entered into with the Stock Exchanges, with regard to corporate governance.

**BOARD OF DIRECTORS**

- i. As on March 31, 2021, the Company has eight Directors including a Non-Executive Chairman. Of the eight, seven are Non-executive Directors of which, four are Independent Directors. The composition of Board is in conformity with Regulation 17(1) of SEBI (LODR) Regulations, 2015.
- ii. During the year under review, 4 Board Meetings were held, one each on 30<sup>th</sup> June 2020, 13<sup>th</sup> July, 2020, 09<sup>th</sup> November 2020 and 12<sup>th</sup> February 2021 and the gap between two meetings did not exceed one hundred twenty days. The necessary quorum was present for all the meetings.
- iii. None of the Directors on the Board held Directorships in more than ten Public Companies. Further, none of them is a member of more than ten Committees or Chairman of more than five Committees across all the Public Companies in which he was a Director. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2021 have been made by the Directors.
- iv. Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149 of the Act.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Companies as on March 31, 2021 are given below. Other Directorships do not include Directorships of Private Limited Companies, Section 8 Companies and of Companies incorporated outside India. Chairmanships/ Memberships of Board Committees include only Audit Committee and Stakeholders' Relationship Committee.

**The detail of Board Meetings, number of Directorships and Committee Memberships held by Directors**

| Name of Director and Designation                   | Category   | No. of Board meetings held during the year 2020-21 |          | Whether attended last AGM held on 28 <sup>th</sup> December, 2020 | No. of Directorships in other Public Companies |        | No. of Committee positions held in other public Companies |        |
|--|--|--|----------|---|--|--------|---|--------|
|  |  | Held   | Attended |   | Chairman                                       | Member | Chairman  | Member |
| Shri Rajinder Kumar Garg, Chairman<br>DIN 00034827 | Non-Executive – Non Independent Director<br>Chairman | 4  | 4        | No  | 3  | 1      | -   | -      |
| Ms. Priya Garg<br>DIN-00034953                     | Executive Director-<br>Managing Director             | 4  | 2        | No  | -  | -      | -   | -      |
| Shri Surinder Singh Virdi<br>DIN 00035408          | Non-Executive - Independent Director                 | 4  | 4        | Yes   | -  | 4      | 3   | 2      |
| Shri Sanjay Garg<br>DIN 00030956                   | Non-Executive - Non Independent Director             | 4  | 4        | Yes   | -  | 6      | -   | 1      |
| Shri Surinder Kumar Bansal (DIN-00165583)          | Non-Executive - Independent Director                 | 4  | 1        | No  | -  | 2      | -   | -      |
| Shri Humesh Kumar Singhal<br>DIN 00044328          | Non-Executive - Non Independent Director             | 4  | 4        | No  | -  | 5      | -   | 4      |
| Smt. Manju Lakhanpal<br>DIN 07130592               | Non-Executive - Independent Director                 | 4  | 3        | No  | -  | 4      | 2   | 2      |
| Shri Deva Pampapathi Reddy<br>DIN 01939650         | Non-Executive - Independent Director                 | 4  | 2        | No  | -  | 1      | -   | -      |

- As per the provisions of Companies Act, 2013, Shri Sanjay Garg (DIN-00030956), Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment

- vi. During the year, a separate meeting of the Independent Directors was held inter-alia to review the performance of Non-independent Directors and the Board as a whole. The Company has adopted a familiarization programme for the Independent Directors, which has been displayed on the website of the Company.
- vii. The Board periodically reviews compliance reports of all laws applicable to the Company and steps are taken the instances of non-compliance, if any.

**COMMITTEES OF DIRECTORS**

The Board has constituted committees of Directors to deal with matters, which need quick decisions and timely monitoring of the activities falling within their terms of reference. The Board Committees are as follows:

**AUDIT & COMPLIANCE COMMITTEE**

The Audit & Compliance Committee comprises of three Non-executive Directors, Shri S S Viridi, Smt Manju Lakhnupal and Shri Humesh Kumar Singhal. During the year, the committee held four meetings, one each on 30th June 2020, 13th July, 2020, 9th November 2020 and 12th February 2021.

The composition of the Audit Committee and particulars of the meetings attended by the members of the Audit Committee are given below:

| Name                       | Category                           | No. of Meeting held during the year 2020 -21 |          |
|----------------------------|------------------------------------|--|----------|
|                            |                                    | Held   | Attended |
| Shri S S Viridi - Chairman | Non-Executive Independent Director | 4  | 4        |
| Shri H K Singhal           | Non-Executive Director             | 4  | 4        |
| Smt. Manju Lakhnupal       | Non-Executive Independent Director | 4  | 3        |

The terms of reference of the Audit & Compliance Committee are in accordance with Section 177 of the Companies Act, 2013 and part C of Schedule II of SEBI (LODR) Regulations, 2015 and inter-alia include the following:

- Overseeing the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information.
- Recommending appointment and removal of external auditors and fixing of their fees.
- Reviewing with management the annual financial statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the Audit and Compliance function, including their policies, procedures, techniques and other regulatory requirements.
- Reviewing the adequacy of internal control systems and significant audit findings.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- Evaluation of internal financial controls and risk management systems.
- To review the functioning of whistle blower mechanism.
- Carrying out any other function as is mentioned in terms of reference of the Audit Committee.

**NOMINATION AND REMUNERATION COMMITTEE**

The Company has a Nomination and Remuneration Committee of Directors. The Nomination and Remuneration Committee comprises of three non executive Directors viz Shri S S Viridi, Smt. Manju Lakhnupal, and Shri H K Singhal. The committee has been constituted to review and recommend compensation payable to the Whole-time Directors and Senior Management of the Company. The committee reviews the overall compensation structure and policies of the Company with a view to attract, retain and motivate employees, reviewing compensation levels of the Company vis-à-vis other Companies and industry in general in line with Remuneration Policy. During the year, the committee held one meeting on 30th June, 2020 and all the members of the Committee were present.

**REMUNERATION OF DIRECTORS**

Ms. Priya Garg is appointed as Managing Director of the Company subject to following terms and conditions:-

|                      |   |
|----------------------|---|
| Name                 | Priya Garg  |
| -Designation         | Managing Director   |
| -Date of appointment | 01.05.2019  |
| -Term                | Five years  |
| - Salary             | ₹5,00,000/- per month<br>Comprising of Basic salary and rent free allowance and other perks |

- In addition to the above, the Managing Director shall also be eligible for the following perquisites, which shall not be included for computation of the ceiling as specified.
- Contribution to Provident Fund @ 12% of basic salary;
- Reimbursement of medical bills up to one months' basic salary in a year, or up to three months' salary in a period of three years;
- Gratuity - Not exceeding half month's basic salary for each completed year of service, subject to Gratuity Act;
- Earned Leave - As per Company's Rules (unavailed portion of the earned leave accumulated as per Company rules may be encashed at the end of the tenure, including extension in tenure.).
- Chauffer Driven Car and Telephone at the residence for official use (the private use of car and telephone shall be billed by the Company to the appointee)

The remuneration is in conformity with Schedule V of the Companies Act, 2013. Other Non-executive Directors are paid sitting fee of ₹20000/- for each Meeting of the Board, and ₹10000/- for each Meeting of the Audit Committee attended by them. The Company also



**EMPLOYEES STOCK OPTION (ESOP)**

The Company does not have any employee stock option scheme.

**DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE DIRECTORS AS ON 31ST MARCH 2021**

| NAME            | NO OF SHARES |
|-----------------|--------------|
| SH. R. K GARG   | 3404020      |
| Ms. PRIYA GARG  | 80008        |
| SH. H K SINGHAL | 70           |
| SH. SANJAY GARG | 50           |

**SECRETARIAL COMMITTEE**

The Secretarial Committee approves and monitors transfers, transmission, splitting and consolidation of shares of the company. The Secretarial Committee is comprised of Shri Sanjay Garg and Shri H.K. Singhal, Directors of the Company. The Secretarial Committee of the company meets as often as required.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

- The Company has a Secretarial Committee/ Investors Grievances Committee of Directors to look after redressal of complaints/ grievances of investors. The nomenclature of the said committee was changed to Stakeholders Relationship Committee in light of provisions of the Act and Regulation 20 of SEBI (LODR) Regulations, 2015. The Composition of Stakeholders Relationship Committee comprises of Shri Surinder Singh Viridi as Chairman, Shri H K Singhal and Shri Sanjay Garg, as members. The Committee monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet, dividends, dematerialisation of shares etc. The Company attends to most of the investor's grievances/ correspondence within a period of 10 days from the date of receipt, except in cases constrained by disputes or legal impediment.
- Details of Complaints received and redressed:

| Opening Balance | Received during the year | Resolved during the year | Closing balance |
|-----------------|--------------------------|--------------------------|-----------------|
| Nil             | 0                        | 0                        | Nil             |

**GENERAL BODY MEETINGS**

Venues & time of previous meetings of shareholders, including three Annual General Meetings:

| Nature of Meetings             | Day      | Date       | Time       | Venue  |
|--------------------------------|----------|------------|------------|--|
| AGM                            | Monday   | 28.12.2020 | 3:00 p.m   | At Regd. Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh |
| Court Convened General Meeting | Sunday   | 30.08.2020 | 10:00 a.m. | Same as above  |
| AGM                            | Saturday | 28.09.2019 | 3:00 p.m.  | Same as above  |
| AGM                            | Friday   | 28.09.2018 | 4:00 p.m.  | Same as above  |

No special resolutions were put through Postal Ballot during last year, as there was no such item, which required to be passed through Postal Ballot. The Company did not have any outstanding GDRs/ADRs as at 31<sup>st</sup> March 2021.

**DISCLOSURES:**

- The transactions with the Companies, where the Directors of the Company were interested, were in the normal course of business and there were no materially significant related party transactions that might have had potential conflict with the interest of the Company at large. The Policy on dealing with Related Party Transactions as approved by the Board is posted on the website of the Company.
- The Company has framed a Whistle Blower Policy, details of which are available on the Company's website.
- Shri R K Garg is also the Chairman of Steel Strips Wheels Ltd., Steel Strips Infrastructures Ltd. Steel Strips Ltd., Managing Director of Indian Acrylics Ltd. and Shareholder of Indlon Chemicals Ltd. and SAB Developers Pvt. Ltd.

The group headed by Shri R K Garg & Family members, namely Shri R K Garg & Sons (HUF), Smt. Sunena Garg, Ms. Priya Garg and Shri Dheeraj Garg comprises of the following companies:

Indian Acrylics Ltd., SAB Industries Ltd., Steel Strips Wheels Ltd., Steel Strips Ltd., Steel Strips Infrastructures Ltd., Steel Strips Industries Ltd., Indlon Chemicals Ltd., SAB Developers Pvt. Ltd., Malwa Chemtex Udyog Ltd., S.S. Credits Pvt. Ltd., S.J. Mercantile Pvt. Ltd., Indian Acrylics Investments Ltd., Malwa Holdings Pvt. Ltd., Steel Strips Mercantile Pvt. Ltd., Steel Strips Financiers Pvt. Ltd., Steel Strips Holdings Pvt. Ltd., Munak International Pvt. Ltd., Munak Financiers Pvt. Ltd., Munak Investments Pvt. Ltd., S.A.B. Udyog Ltd., Chandigarh Developers Pvt. Ltd. and DHG Marketing Pvt. Ltd.

- There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last three years.

**INSIDER TRADING**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, as amended, the Company has adopted a "Code of Conduct for Prevention of Insider Trading". Ms. Gurpreet Kaur, Company Secretary of the Company had been appointed as the Compliance Officer for this purpose. The Code is applicable to all such employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company as well as to all Directors.

**MEANS OF COMMUNICATION**

**Quarterly Results:**

The quarterly financial results are regularly published in Financial Express/ Business Standard and Jansatta. All price sensitive information is made available at the earliest under intimation to Stock Exchanges.

**GENERAL SHAREHOLDER INFORMATION**

Annual General Meeting: To be held on 30th September, 2021 at Regd. Office of the Company.

**FINANCIAL CALENDER (Tentative)**

|                                       |                             |
|---------------------------------------|-----------------------------|
| Results for quarter ending June 2021  | : Second week of Aug., 2021 |
| Results for quarter ending Sept. 2021 | : Second week of Nov., 2021 |
| Results for quarter ending Dec. 2021  | : Second week of Feb., 2021 |
| Results for quarter ending March 2022 | : Last week of May, 2022    |
| Date of Book Closure                  | : 24-09-2021 to 30-09-2021  |
| Dividend Payment Date                 | : Not Applicable            |
| Scrip Code on BSE                     | : 539112                    |

**Distribution of shareholding as on 31st March 2021**

| Share holding of      |                      | Shareholders |               | Share Amount |               |
|-----------------------|----------------------|--------------|---------------|--------------|---------------|
| Face Value of ₹ 10/ - | Face Value of ₹10/ - | Number       | %age to Total | In ₹         | %age to Total |
| 1                     | To 500               | 714          | 92.13         | 561210       | 0.37          |
| 501                   | To 1000              | 19           | 2.45          | 137080       | 0.09          |
| 1001                  | To 2000              | 14           | 1.81          | 208000       | 0.14          |
| 2001                  | To 3000              | 4            | 0.52          | 104140       | 0.07          |
| 3001                  | To 4000              | 4            | 0.52          | 141680       | 0.09          |
| 4001                  | To 5000              | 1            | 0.12          | 50000        | 0.03          |
| 5001                  | To 10000             | 3            | 0.39          | 246010       | 0.16          |
| 10001                 | and Above            | 16           | 2.06          | 150435600    | 99.05         |
|                       |                      | 775          | 100.00        | 151883720    | 100.00        |

**Shareholding Pattern as on 31st March, 2021**

| S.No. | Particulars                                  | No. of Shares | (%)    |
|-------|--|---------------|--------|
| 1.    | Promoter & Persons Acting in Concert         | 11183356      | 73.63  |
| 2.    | Financial Institutions, Banks & Mutual Funds | 17401         | 0.11   |
| 3.    | Bodies Corporate                             | 3823121       | 25.17  |
| 4.    | General Public                               | 164494        | 1.09   |
|       | Total Shareholding                           | 15188372      | 100.00 |

**STOCK MARKET DATA**

| (₹PER SHARE)          |              |             |               |               |                  |
|-----------------------|--------------|-------------|---------------|---------------|------------------|
| BOMBAY STOCK EXCHANGE |              |             |               |               |                  |
| MONTH                 | MONTH'S HIGH | MONTH'S LOW | NO. OF SHARES | NO. OF TRADES | NET TURNOVER (₹) |
| April-20              | 61.95        | 51.30       | 121           | 12            | 7069             |
| May-20                | 56.00        | 56.00       | 4             | 2             | 224              |
| June-20               | 56.00        | 48.00       | 238           | 17            | 12679            |
| July-20               | 50.35        | 28.25       | 3888          | 112           | 125505           |
| August-20             | 30.00        | 27.85       | 1684          | 44            | 49448            |
| September-20          | 28.95        | 27.85       | 656           | 9             | 18463            |
| October-20            | 31.20        | 28.00       | 560           | 18            | 16440            |
| November-20           | 33.75        | 31.50       | 486           | 19            | 16055            |
| December-20           | 34.55        | 30.00       | 5142          | 120           | 163104           |
| January-21            | 34.95        | 29.00       | 5217          | 137           | 171514           |
| February-21           | 32.55        | 27.10       | 4645          | 122           | 139944           |
| March-21              | 32.00        | 28.10       | 3286          | 72            | 97388            |

**DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The Company's script forms part of the "Compulsory demat segment" for all investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) through the Registrar M/s Link Intime India Pvt. Limited, Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi- 110058

Phone: +911141410592-94, Fax- +911141410591, Email:delhi@linkintime.co.in

The Company has also appointed them as Common Agency to look after dematerialization of shares as well as for physical transfer of shares. Members are requested to address all their correspondence to the Registrar at the above address.

As on 31.03.2021, 15120156 (99.55%) equity shares of the Company were held in demat form and the 331 shareholders held shares in dematerialized form. Demat ISIN Number allotted to the Company by NSDL for equity shares is INE137M01017.

**CORPORATE IDENTIFICATION NUMBER (CIN):** L00000CH1983PLC031318

**NAME, DESIGNATION, ADDRESS & E-MAIL OF COMPLIANCE OFFICER:**

Ms. Gurpreet Kaur, Company Secretary & Compliance Officer  
SAB INDUSTRIES LIMITED  
Corporate Office: S.C.O. 49-50, Sector – 26, Madhya Marg,  
Chandigarh-160019

E-mail: gurpreet@sabindustries.in

**ADDRESS FOR CORRESPONDENCE & REGISTERED OFFICE:**

SCO 49-50, Sector 26, Madhya Marg, Chandigarh – 160 019.  
Phone No. 0172-2793112, 2792385, 2790979, Fax No. 0172-2794834, 2790887  
Designated E-Mail address for Investor Services: [ssl\\_ssg@glide.net.in](mailto:ssl_ssg@glide.net.in)  
Website : [www.sabindustries.in](http://www.sabindustries.in)

Place: Chandigarh  
Date: 11.06.2021

On behalf of Board of Directors

**RAJINDER KUMAR GARG**  
Chairman  
DIN: 00034827

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Part C of Schedule V of LODR)

As required by Clause 10 (i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 inserted vide SEBI notification dated 9<sup>th</sup> May 2018, I certify that none of the Directors on the Board of SAB Industries Limited has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority for the year ended 31<sup>st</sup> March, 2021.

For S. K. SIKKA & ASSOCIATES  
Company Secretaries

Place: Chandigarh  
Date: 10.06.2021

Sushil K. Sikka  
Prop.  
FCS 4241  
CP 3582  
UDIN:F004241C000443328

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for Director & Senior Management of the Company, the Code of Conduct is available on the website.

I confirm that the Company has in respect of the financial year ended March 31, 2021 received from the senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of conduct applicable to them.

For SAB Industries Limited

Place: Chandigarh  
Date: 11.06.2021

Sanjay Garg  
Director  
DIN-00030956

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**CERTIFICATE OF CORPORATE GOVERNANCE**

We have examined the Company's compliance of conditions of Corporate Governance by SAB Industries Limited for the year ended on 31st March 2021 as stipulated in Schedule V of SEBI (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company, we certify that the Company complied with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

For **AKR & Associates**  
Chartered Accountants  
Firm's Registration No.: 021179N

Place: Chandigarh  
Dated: 11.06.2021

**Kailash Kumar**  
Partner  
Membership No.: 505972

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**CEO'S/CFO'S Certificate  
WHOMSOEVER IT MAY CONCERN**

In Compliance to Regulation 17(8) of SEBI (LODR) Regulations, 2015, we certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affair 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 volative of the Company's Code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the 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 control, if any, of which we are aware and the steps we have taken or purpose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the year,
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. 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 Company's internal control system over financial reporting.

For SAB Industries Limited

Place: Chandigarh  
Date: 09.06.2021

**BHAGWAN SINGH NEGI**  
Chief Financial Officer

**SANJAY GARG**  
Director

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**INDEPENDENT AUDITORS' REPORT**

To  
The Members of **SAB INDUSTRIES LIMITED**

**Report on the Ind AS Financial Statements****1. Opinion**

We have audited the accompanying standalone financial statements of SAB INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Profit and Loss statement including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive Loss, its cash flows and the changes in equity for the year ended on that date.

**2. Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there- under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**3. Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

**4. Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**5. 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**6. Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 7. 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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 Profit and Loss statement including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **AKR & Associates**  
Chartered Accountants  
Firm's Registration No.: 021179N

**Kailash Kumar**

Partner

Membership No.: 505972

UDIN:20505972AAADG7211

Place : Chandigarh

Date : 11.06.2021

**Annexure A to the Independent Auditors' Report referred to in paragraph 8 our report of even date.**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS 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.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year 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), 3(iii)(b) and 3(iii)(c) of the said Order are not applicable to the company.
- (iv) The Company has not granted any loan or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore, the provisions of clauses 3(iv) of the said Order are not applicable to the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the said Order are not applicable to the company.
- (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, GST, 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 respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given

to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute

- (viii) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or bank or Government or to debenture-holders during the year.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Money raised by way of term loans were applied for the purposes for which those are raised.
- (x) No fraud on or by the Company has been noticed or reported during the period covered by our audit.
- (xi) The Company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) As the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the order are not applicable to the company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The detail of such related party transactions have been disclosed in the Ind AS Financial Statements as required under Indian accounting standards (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the company.

**For AKR & Associates**  
Chartered Accountants  
Firm's Registration No.: 021179N

**Kailash Kumar**  
Partner

Place : Chandigarh  
Date : 11.06.2021

Membership No.: 505972

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act.**

1. We have audited the internal financial controls over financial reporting of **SAB Industries Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

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

2. 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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**

3. Our responsibility is to express an opinion on the company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial control over financial reporting (the "Guidance Notes") and the standards on auditing deemed to be prescribed under section 143(10) of the act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those standards and the guidance notes require that we comply with ethical requirements and planned and performed the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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 system over financial reporting included obtaining an understanding of internal financial controls system over financial reporting, assessing the risks that material weakness exists, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk. The procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the Ind AS Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained in our audits 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**

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of the company ; and (3.) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitation of Internal financial controls over financial reporting**

7. Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management over-ride of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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**

8. In our opinion, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021 based on the internal financial controls 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 AKR & Associates**  
Chartered Accountants  
Firm's Registration No.: 021179N

**Kailash Kumar**  
Partner  
Membership No.: 505972

Place : Chandigarh  
Date : 11.06.2021



**BALANCE SHEET AS AT 31st MARCH, 2021**

| Particulars                          | Note No | As on<br>31.03.2021<br>(₹) | As on<br>31.03.2020<br>(₹) |
|--------------------------------------|---------|----------------------------|----------------------------|
| <b>I. ASSETS</b>                     |         |                            |                            |
| <b>(1) Non-current assets</b>        |         |                            |                            |
| (a) Property, plant and equipment    | 1(a)    | 22,12,62,673               | 21,58,98,543               |
| (b) Capital Work In Progress         | 1(b)    | 3,73,05,093                | 3,35,70,167                |
| <b>(c) Financial Assets</b>          |         |                            |                            |
| - Investments                        | 1(c)    | 1,10,52,92,654             | 60,18,07,440               |
| - Loans                              |         | 10,39,24,227               | 14,05,00,000               |
| (d) Deferred tax assets (net)        |         | <u>(15,83,85,045)</u>      | <u>(1,80,02,156)</u>       |
| <b>Total Non-current assets</b>      |         | <u>1,30,93,99,602</u>      | <u>97,37,73,994</u>        |
| <b>(2) Current assets</b>            |         |                            |                            |
| (a) Inventories                      | 2(a)    | 54,09,27,652               | 43,88,80,102               |
| <b>(b) Financial Assets</b>          |         |                            |                            |
| - Trade receivables                  | 2(b)    | -                          | -                          |
| - Cash and Cash Equivalents          | 2(c)    | 14,94,80,643               | 4,07,05,027                |
| (c) Current Assets (Net)             | 2(d)    | 7,99,23,691                | 8,07,24,895                |
| (d) Other current assets             | 2(e)    | <u>1,39,34,586</u>         | <u>2,48,65,397</u>         |
| <b>Total Current assets</b>          |         | <u>78,42,66,572</u>        | <u>58,51,75,421</u>        |
| <b>TOTAL ASSETS</b>                  |         | <u>2,09,36,66,174</u>      | <u>1,55,89,49,415</u>      |
| <b>II. EQUITY AND LIABILITIES</b>    |         |                            |                            |
| <b>Equity</b>                        |         |                            |                            |
| (a) Share Capital                    | 3(a)    | 15,18,83,720               | 15,18,83,720               |
| (b) Other Equity                     | 3(b)    | <u>1,28,02,77,347</u>      | <u>94,68,56,884</u>        |
| <b>Total Equity</b>                  |         | <u>1,43,21,61,067</u>      | <u>1,09,87,40,604</u>      |
| <b>Liabilities</b>                   |         |                            |                            |
| <b>(1) Non-Current Liabilities</b>   |         |                            |                            |
| <b>(a) Financial Liabilities</b>     |         |                            |                            |
| - Borrowing                          | 4(a)    | 36,89,56,734               | 20,24,67,854               |
| (b) Provisions                       | 4(b)    | 92,12,765                  | 1,20,90,615                |
| (c) Other non current liabilities    | 4(c)    | <u>4,53,26,219</u>         | <u>4,13,62,309</u>         |
| <b>Total Non-Current Liabilities</b> |         | <u>42,34,95,718</u>        | <u>25,59,20,778</u>        |
| <b>(2) Current Liabilities</b>       |         |                            |                            |
| <b>(a) Financial Liabilities</b>     |         |                            |                            |
| - Borrowing                          | 5(a)    | -                          | 7,46,66,240                |
| - Trade payables                     | 5(b)    | 95,39,167                  | 1,04,37,607                |
| (b) Other Financial liabilities      | 5(c)    | 22,84,70,222               | 11,39,84,186               |
| (c) Provisions                       | 5(d)    | -                          | 52,00,000                  |
| <b>Total Current Liabilities</b>     |         | <u>23,80,09,389</u>        | <u>20,42,88,033</u>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |         | <u>2,09,36,66,174</u>      | <u>1,55,89,49,415</u>      |

**Significant Accounting Policies Notes  
on Financial Statements**

**1 to 13**

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed

for AKR & Associates  
Chartered Accountants  
(Registration No.021179N)

R. K. GARG  
Chairman

BHAGWAN SINGH NEGI  
Chief Financial Officer

GURPREET KAUR  
Company Secretary

S.S. VIRDI  
MANJU LAKHANPAL  
H.K. SINGHAL  
SANJAY GARG  
Directors

Place : Chandigarh  
Dated : 11.06.2021

Kailash Kumar  
Partner  
Membership No.505972

**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2021**

| PARTICULARS   | NOTE NO. | As on<br>31.03.2021<br>(₹)  | As on<br>31.03.2020<br>(₹) |
|---|----------|-----------------------------|----------------------------|
| <b>I. Revenue from operations</b>   | 6        | <b>1,24,33,634</b>          | 9,97,65,621                |
| <b>II. Other Income</b>   | 7        | <b>3,00,33,126</b>          | 6,62,46,355                |
| <b>III. Total Revenue (I +II)</b>   |          | <b><u>4,24,66,760</u></b>   | <u>16,60,11,976</u>        |
| <b>IV. Expenses</b>   |          |                             |                            |
| Cost of materials consumed  | 8        | <b>3,09,273</b>             | 72,98,251                  |
| Purchase of Stock-in-Trade  |          | -                           | -                          |
| Changes in inventories of finished goods, work in-progress and Stock-in-Trade                       | 9        | -                           | 1,28,50,000                |
| Employee benefit expense  | 10       | <b>1,55,53,080</b>          | 2,77,45,331                |
| Financial costs   | 11       | <b>4,18,67,657</b>          | 1,19,73,074                |
| Depreciation and amortization expense   | 1 (a)    | <b>36,79,885</b>            | 36,33,011                  |
| Other expenses  | 12       | <b>1,08,80,246</b>          | 5,89,19,208                |
| <b>Total Expenses</b>   |          | <b><u>7,22,90,141</u></b>   | <u>12,24,18,875</u>        |
| <b>V. Profit /Loss (-) before tax</b>   |          | <b><u>(2,98,23,381)</u></b> | <u>4,35,93,101</u>         |
| <b>VI. Tax expense:</b>   |          |                             |                            |
| (1) Current tax   |          | -                           | 52,00,000                  |
| (2) Deferred tax Liability / (Assets)   | 1(c)     | <b>2,73,932</b>             | (11,06,661)                |
| <b>VII. Profit for the year</b>   |          | <b><u>(3,00,97,313)</u></b> | <u>3,94,99,762</u>         |
| <b>VIII. Other comprehensive Income</b>   |          |                             |                            |
| A (i) Items that will not be reclassified to profit or loss   |          |                             |                            |
| - Remeasurement of the defined benefit plans  |          | <b>1,41,518</b>             | 1,74,097                   |
| - Gain/(Loss) on Fair Valuation of Equity Instruments carried at at Fair Value through Profit       |          | <b>50,34,85,215</b>         | (68,80,58,014)             |
| (ii) Income tax relating to items that will not be reclassified to profit or loss asset/(liability) |          | <b>(14,01,08,957)</b>       | 19,13,69,306               |
|   |          | <b><u>36,35,17,776</u></b>  | <u>(49,65,14,611)</u>      |
| <b>IX. Total comprehensive Income for the year (VII+VIII)</b>                                       |          | <b><u>33,34,20,463</u></b>  | <u>(45,70,14,849)</u>      |
| Earning per share-basic and diluted (Face Value of ₹10/- per share)                                 |          | <b>(1.98)</b>               | 2.60                       |
| Significant Accounting Policies Notes on Financial Statements                                       | 1 to 13  |                             |                            |

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed

for AKR & Associates  
Chartered Accountants  
(Registration No.021179N)

Kailash Kumar  
Partner  
Membership No.505972

Place : Chandigarh  
Dated : 11.06.2021

R. K. GARG  
Chairman

BHAGWAN SINGH NEGI  
Chief Financial Officer

GURPREET KAUR  
Company Secretary

S.S. VIRDI  
MANJU LAKHANPAL  
H.K. SINGHAL  
SANJAY GARG  
Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021**

|  | 2020-21<br>₹         | 2019-20<br>₹         |
|--|----------------------|----------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                      |                      |                      |
| <b>NET PROFIT/(LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS</b>                       | <b>(2,98,23,381)</b> | 4,35,93,101          |
| ADJUSTMENT FOR :   |                      |                      |
| PROFIT ON SALE OF FIXED ASSETS   | (57,13,531)          | (3,36,97,685)        |
| LOSS ON SALE OF FIXED ASSETS   | -                    | 2,92,75,757          |
| DEPRECIATION   | 36,79,885            | 36,33,011            |
| DIVIDEND RECEIVED  | -                    | (52,96,748)          |
| INTEREST & OTHER FINANCIAL CHANGES   | 4,18,67,657          | 1,19,73,074          |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES</b>                             | <b>1,00,10,630</b>   | <b>4,94,80,510</b>   |
| ADJUSTMENT FOR TRADE AND OTHER RECEIVABLES   | 4,83,07,788          | 5,65,24,426          |
| INVENTORIES  | (10,20,47,550)       | (5,59,87,267)        |
| TRADE PAYABLES   | 99,20,370            | 3,14,30,228          |
| <b>CASH GENERATED FROM OPERATIONS</b>  | <b>(3,38,08,762)</b> | <b>8,14,47,897</b>   |
| INTEREST AND OTHER FINANCIAL EXPENSES PAID   | 4,18,67,657          | 1,19,73,074          |
| DIRECT TAXES PAID/ADJUSTED   | -                    | 52,00,000            |
| <b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>                                       | <b>(7,56,76,419)</b> | <b>6,42,74,823</b>   |
| OTHER ADJUSTMENTS  | 1,41,518             | 1,74,097             |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   | <b>(7,55,34,901)</b> | <b>6,44,48,920</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                      |                      |                      |
| PURCHASE OF FIXED ASSETS/CAPITAL WORK IN PROGRESS                                  | (1,37,34,926)        | (5,82,80,015)        |
| SALE OF FIXED ASSETS   | 66,69,517            | 5,51,70,004          |
| DIVIDEND RECEIVED  | -                    | 52,96,748            |
| DEFERRRED REVENUE EXPENDITURE  | -                    | -                    |
| <b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>                                     | <b>(70,65,409)</b>   | <b>21,86,737</b>     |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                      |                      |                      |
| REPAYMENT OF LONG TERM BORROWING   | (21,04,667)          | 90,34,362            |
| REPAYMENT OF SHORT TERM BORROWING  | -                    | -                    |
| LOAN GIVEN   | -                    | 12,80,00,000         |
| REPAYMENT OF SHORT TERM BORROWINGS   | (7,46,66,240)        | -                    |
| PROCEEDS FROM SHORT TERM BORROWINGS  | 26,81,46,833         | 5,12,12,942          |
| <b>NET CASH RECEIVED FROM FINANCING ACTIVITIES</b>                                 | <b>19,13,75,926</b>  | <b>(8,58,21,420)</b> |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>                        | <b>10,87,75,616</b>  | <b>(1,91,85,763)</b> |
| CASH AND CASH EQUIVALENTS AS AT 01.04.2020/01.04.2019<br>(OPENING BALANCE)         | 4,07,05,027          | 5,98,90,790          |
| <b>CASH AND CASH EQUIVALENTS AS AT 31.03.2021/31.03.2020<br/>(CLOSING BALANCE)</b> | <b>14,94,80,643</b>  | <b>4,07,05,027</b>   |

For and on behalf of the Board

R. K. GARG  
Chairman

BHAGWAN SINGH NEGI  
Chief Financial Officer

GURPREET KAUR  
Company Secretary

S.S. VIRDI  
MANJU LAKHANPAL  
H.K. SINGHAL  
SANJAY GARG  
Directors

Place : Chandigarh  
Dated : 11.06.2021

**AUDITORS' REPORT**

We have verified the attached Cash Flow Statement of SAB Industries Limited derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March, 2021 and found the same in agreement therewith.

**AKR & Associates**  
Chartered Accountants  
(Registration No.021179N)

Place : Chandigarh  
Dated : 11.06.2021

**Kailash Kumar**  
Partner  
Membership No.505972

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

|   |                     |                     |                       | Amount                |
|---|---------------------|---------------------|-----------------------|-----------------------|
| <b>A. Equity share capital</b>  |                     |                     |                       |                       |
| (a) Balance at 01 April, 2019   |                     |                     |                       | 15,18,83,720          |
| (b) Changes in equity share capital during the year                     |                     |                     |                       | -                     |
| <b>(c) Balance at 31 March, 2020</b>                                    |                     |                     |                       | <b>15,18,83,720</b>   |
| (d) Changes in equity share capital during the year                     |                     |                     |                       | -                     |
| <b>(e) Balance at 31 March, 2021</b>                                    |                     |                     |                       | <b>15,18,83,720</b>   |
| <b>B. Other equity</b>  |                     |                     |                       |                       |
| PARTICULARS   | Reserve and surplus |                     |                       | Total                 |
|   | Capital Reserve     | General Reserve     | Retained earnings     |                       |
| <b>(a) Balance at 01 April, 2019</b>                                    | <b>4,19,99,490</b>  | <b>19,01,46,426</b> | <b>1,17,17,25,818</b> | <b>1,40,38,71,734</b> |
| (i) Profit / (Loss) for the year  | -                   | -                   | 3,94,99,762           | 3,94,99,762           |
| (ii) Intra Head Transfers   | -                   | -                   | -                     | -                     |
| (iii) Dividend Paid   | -                   | -                   | -                     | -                     |
| (iv) Dividend Distribution Tax  | -                   | -                   | -                     | -                     |
| (v) Other comprehensive income for the year, net of income tax          | -                   | -                   | (49,65,14,611)        | (49,65,14,611)        |
| <b>(b) Total comprehensive income for the year ended 31 March, 2020</b> | <b>4,19,99,490</b>  | <b>19,01,46,426</b> | <b>71,47,10,969</b>   | <b>94,68,56,885</b>   |
| (vi) Profit / (Loss) for the year                                       | -                   | -                   | (3,00,97,313)         | (3,00,97,313)         |
| (vii) Intra Head Transfers  | -                   | -                   | -                     | -                     |
| (viii) Dividend Paid  | -                   | -                   | -                     | -                     |
| (ix) Dividend Distribution Tax  | -                   | -                   | -                     | -                     |
| (x) Other comprehensive income for the year, net of income tax          | -                   | -                   | 36,35,17,776          | 36,35,17,776          |
| <b>(c) Total comprehensive income for the year ended 31 March, 2021</b> | <b>4,19,99,490</b>  | <b>19,01,46,426</b> | <b>1,04,81,31,432</b> | <b>1,28,02,77,347</b> |

See accompanying notes forming part of the financial statements  
In terms of our report attached.

1-13

FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF SAB INDUSTRIES LTD

For AKR & Associates  
ICAI FRN: 021179N

CA. KAILASH KUMAR  
Partner  
Membership No: 505972

R. K. GARG  
Chairman

BHAGWAN SINGH NEGI  
Chief Financial Officer

GURPREET KAUR  
Company Secretary

S.S. VIRDI  
MANJU LAKHANPAL  
H.K. SINGHAL  
SANJAY GARG  
Directors

## NOTE 1. NON CURRENT ASSETS

## NOTES OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

| Particulars                              | Land                | Plant & Machinery  | Furniture, Fixture & Equipments | Vehicles           | Agriculture Equipments | Total               |
|--|---------------------|--------------------|---------------------------------|--------------------|------------------------|---------------------|
| <b>Gross Block</b>                       |                     |                    |                                 |                    |                        |                     |
| <b>As at 01 April, 2019</b>              | <b>17,66,14,468</b> | <b>113800382</b>   | <b>2,02,81,250</b>              | <b>3,14,17,196</b> | <b>69,20,202</b>       | <b>34,90,33,498</b> |
| Additions                                | 5,68,66,800         | 1,45,600           | 2,16,250                        | 10,51,365          | -                      | 5,82,80,015         |
| Additions under amalgamation             | -                   | -                  | -                               | -                  | -                      | -                   |
| Disposals                                | 3,56,28,927         | 1,71,32,185        | -                               | -                  | -                      | 5,27,61,112         |
| Other adjustments*                       | -                   | -                  | -                               | -                  | -                      | -                   |
| <b>As at 31 March, 2020</b>              | <b>19,78,52,341</b> | <b>9,68,13,797</b> | <b>2,04,97,500</b>              | <b>3,24,68,561</b> | <b>69,20,202</b>       | <b>35,45,52,401</b> |
| Additions                                | 1,00,00,000         | -                  | -                               | -                  | -                      | 1,00,00,000         |
| Additions on acquisition of subsidiaries | -                   | -                  | -                               | -                  | -                      | -                   |
| Disposals                                | 8,76,708            | -                  | 39,375                          | 30,15,213          | -                      | 39,31,296           |
| Disposals on sale of subsidiary          | -                   | -                  | -                               | -                  | -                      | -                   |
| Assets held for sale (refer note 5(xv))  | -                   | -                  | -                               | -                  | -                      | -                   |
| Other adjustments*                       | -                   | -                  | -                               | -                  | -                      | -                   |
| <b>As at 31 March, 2021</b>              | <b>20,69,75,633</b> | <b>9,68,13,797</b> | <b>2,04,58,125</b>              | <b>2,94,53,348</b> | <b>69,20,202</b>       | <b>36,06,21,105</b> |
| <b>Depreciation</b>                      |                     |                    |                                 |                    |                        |                     |
| At 01 April, 2019                        | -                   | 9,04,74,272        | 1,70,61,640                     | 2,75,74,583        | 4618643                | 13,97,29,138        |
| Charge for the year                      | -                   | 15,90,037          | 5,92,175                        | 6,50,122           | 800676                 | 36,33,010           |
| Additions under amalgamation             | -                   | -                  | -                               | -                  | -                      | -                   |
| Disposal                                 | -                   | 47,08,290          | -                               | -                  | -                      | 47,08,290           |
| Other adjustments*                       | -                   | -                  | -                               | -                  | -                      | -                   |
| <b>As at 31 March, 2020</b>              | <b>-</b>            | <b>8,73,56,019</b> | <b>1,76,53,815</b>              | <b>2,82,24,705</b> | <b>54,19,320</b>       | <b>13,86,53,858</b> |
| Charge for the year                      | -                   | 15,82,789          | 6,95,088                        | 6,01,332           | 8,00,674               | 36,79,885           |
| Additions on acquisition                 | -                   | -                  | 0-                              | -                  | -                      | -                   |
| Disposals                                | -                   | -                  | 37,406                          | 29,37,904          | -                      | 2,975,310           |
| Disposals on sale of subsidiary          | -                   | -                  | -                               | -                  | -                      | -                   |
| Exchange translation adjustments         | -                   | -                  | -                               | -                  | -                      | -                   |
| Other adjustments*                       | -                   | -                  | -                               | -                  | -                      | -                   |
| <b>As at 31 March, 2021</b>              | <b>-</b>            | <b>8,89,38,808</b> | <b>1,83,11,497</b>              | <b>2,58,88,133</b> | <b>62,19,994</b>       | <b>13,93,58,431</b> |
| <b>Net Block</b>                         |                     |                    |                                 |                    |                        |                     |
| <b>As at 1 April, 2019</b>               | <b>17,66,14,468</b> | <b>2,33,26,110</b> | <b>32,19,610</b>                | <b>38,42,613</b>   | <b>23,01,559</b>       | <b>20,93,04,360</b> |
| <b>As at 31 March, 2020</b>              | <b>19,78,52,341</b> | <b>94,57,778</b>   | <b>28,43,685</b>                | <b>42,43,856</b>   | <b>15,00,882</b>       | <b>21,58,98,542</b> |
| <b>As at 31 March, 2021</b>              | <b>20,69,75,633</b> | <b>78,74,989</b>   | <b>21,46,628</b>                | <b>35,65,215</b>   | <b>7,00,208</b>        | <b>22,12,62,673</b> |

Notes:

1) The company has used deemed cost exemption under Ind AS 101 as on the date of transition to Ind AS.

**1. (b) Capital Work in Progress (BIO-Gas Project, Moonak, under Progress)**

| <b>PARTICULARS</b>  | <b>As on<br/>31.03.2021</b> | <b>As on<br/>31.03.2020</b> |
|---|-----------------------------|-----------------------------|
| <b>LAND</b>   |                             |                             |
| Cost Of Land Including Registration   | 1,75,56,230                 | 1,75,56,230                 |
| <b>PLANT &amp; MACHINERY</b>  |                             |                             |
| (a) Plant & Machinery /Equipments Purchased (Incl advances)                 | 1,27,404                    | 54,404                      |
| (b) Purchase of Machinery/Others (Incl advances)                            | 59,00,500                   | 59,00,500                   |
| <b>PRE-OPERATIVE EXPENDITURES PENDING CAPITALIZATION</b>                    |                             |                             |
| <b>Direct Cost:</b>   |                             |                             |
| - Material Cost   | 16,15,603                   | 12,35,800                   |
| - Labour wages  | 3,86,285                    | 2,47,718                    |
| - Hire Charges/Machinery Running & Maintenance                              | 3,05,859                    | 3,02,959                    |
| <b>Fees and Taxes:</b>  |                             |                             |
| - Feasibility Report/Consultancy Fee-Others                                 | 5,17,500                    | 5,17,500                    |
| - Soil Investigation Fee  | 51,750                      | 51,750                      |
| - Land Survey   | 24,500                      | 24,500                      |
| - Punjab Energy Development Authority(Registration charges)                 | 9,50,000                    | 9,50,000                    |
| - Map Fee Nagar Panchayat   | 51,270                      | 51,270                      |
| - Legal Fee   | 2,12,767                    | 1,65,267                    |
| - Architect Fee   | 3,54,000                    | 3,54,000                    |
| Employee Cost   | 18,00,356                   | 17,42,595                   |
| Administration Expenses   | 3,83,548                    | 3,50,810                    |
| Finance Cost  | 9,52,416                    | 9,29,801                    |
| <b>Total Capital Work-in-Progress</b>                                       | <b>3,11,89,988</b>          | <b>3,03,85,217</b>          |
| <b>(c) (ii) Capital Work in Progress (Land and building under Progress)</b> |                             |                             |
| Land  | 21,00,000                   | 21,00,000                   |
| Building under construction   | 40,15,105                   | 10,84,950                   |
| <b>Total (b)</b>  | <b>61,15,105</b>            | <b>31,84,950</b>            |
| <b>Total (B+C)</b>  | <b>3,73,05,093</b>          | <b>3,35,70,167</b>          |

**(c) Investments**

**INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS  
QUOTED & VALUED AT MARKET PRICE**

|   |              |              |
|---|--------------|--------------|
| 13,24,187 (Previous Year 13,24,187) fully paid equity shares of ₹10/- each of M/s Steel Strips Wheels Limited   | 92,81,88,877 | 46,79,01,477 |
| 1,47,93,772 fully paid up equity shares of Indian Acrylics Ltd (Previous Year 1,47,93,772) of ₹10/- each  | 14,67,54,218 | 10,35,56,404 |
| 3900 fully paid (Previous year 3900) equity shares of ₹10/- each of M/s Steel Strips Infrastructures Limited (Formerly known as Steel Strips & Tubes Ltd) | 12,671       | 12,671       |
| 6,85,934 (Previous year 6,85,934) fully paid equity shares of ₹10/- each of M/S Steel Strips Limited,   | 14,58,245    | 14,58,245    |

**INVESTMENT IN EQUITY INSTRUMENTS - OTHERS  
QUOTED & VALUED AT COST PRICE**

|  |                       |                     |
|--|-----------------------|---------------------|
| 37 Nos fully paid up equity shares of Consolidated Fibres & Chemicals Ltd (Previous Year 37) of ₹10/- each | 64                    | 64                  |
| <b>AGGREGATE AMOUNT OF THE QUOTED INVESTMENTS</b>  | <b>1,07,64,14,075</b> | <b>57,29,28,861</b> |

**INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS  
UNQUOTED & VALUED AT COST**

|   |             |             |
|---|-------------|-------------|
| 5900 equity shares (previous Year 5600) of ₹10/-each of Steel Strips Industries Ltd | 1,02,722    | 1,02,722    |
| 5368630 equity shares of ₹10/-each of M/S SAB Udyog Ltd                             | 2,87,75,857 | 2,87,75,857 |

IRAN NIL (Previous Year USD 202750)

**AGGREGATE AMOUNT OF THE UN-QUOTED INVESTMENTS**

|  |                    |                    |
|--|--------------------|--------------------|
|  | <b>2,88,78,579</b> | <b>2,88,78,579</b> |
|--|--------------------|--------------------|

**AGGREGATE AMOUNT OF THE QUOTED & UN-QUOTED INVESTMENTS**

|  |                       |                     |
|--|-----------------------|---------------------|
|  | <b>1,10,52,92,654</b> | <b>60,18,07,440</b> |
|--|-----------------------|---------------------|

Aggregate Market value of Quoted Investments\*\*

|  |                       |                     |
|--|-----------------------|---------------------|
|  | <b>1,07,49,43,095</b> | <b>57,14,57,881</b> |
|--|-----------------------|---------------------|

Note : 1. The quoted value of shares does not include the quoted value of shares of Steel Strips Ltd as these are not being quoted in the Stock Exchanges.

2. The company has adopted to measure investments in subsidiaries and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

| PARTICULARS                                | As on<br>31.03.2021   | As on<br>31.03.2020 |
|--|-----------------------|---------------------|
| <b>Loans</b>                               |                       |                     |
| - Corporate Loans (Un-Secured)             | <b>10,39,24,227</b>   | 14,05,00,000        |
| <b>TOTAL</b>                               | <b>10,39,24,227</b>   | 14,05,00,000        |
| <b>(d) Deferred Tax</b>                    |                       |                     |
| W.D.V. as per Income Tax Act.(Net of Land) | <b>2,13,31,648</b>    | 2,60,72,943         |
| W.D.V. as per books (Net of Land)          | <b>1,42,87,040</b>    | 1,80,43,676         |
| Depreciation excess claimed in books       | <b>70,44,608</b>      | 80,29,267           |
| Deferred tax assets                        | <b>19,59,810</b>      | 22,33,742           |
| Less : Provision already made              | <b>22,33,742</b>      | 11,27,081           |
| Deferred Tax Assets/(Liability)            | <b>(2,73,932)</b>     | 11,06,661           |
| Add : Deferred Tax impact of OCI           | <b>(16,03,44,855)</b> | (2,02,35,898)       |
| Profit & Loss Impact                       | <b>(15,83,85,045)</b> | (1,80,02,156)       |

"In compliance with Ind AS 12 on Accounting for the Taxes on Income, the company has recognised Deferred Tax Assets in its books as per detail given herein above. In the opinion of the management, considering the future profits of the company, it will be recovered in future."

**NOTE '2' CURRENT ASSETS**

**(a) Inventories**

| PARTICULARS   | As on<br>31.03.2021 | As on<br>31.03.2020 |
|---|---------------------|---------------------|
| 1.. COMMERCIAL PROPERTY UNDER DEVELOPMENT<br>(Land, Development expenses thereon (valued at cost) and<br>Misc. Expenditure Pending Allocation to above commercial property) |                     |                     |
| (a) Cost Of Land Including Registration   | <b>22,57,84,131</b> | 22,57,84,131        |
| Less : Land Acquired (950 sq. yard)   | <b>65,55,872</b>    | 65,55,872           |
|   | <b>21,92,28,259</b> | 21,92,28,259        |
| (b) Development Expenses  |                     |                     |
| Fees & Taxes (Land Dev. Fee)  | <b>61,35,375</b>    |                     |
| Addition  | <b>61,35,375</b>    | 61,35,375           |
| Architect/Other Fee & Taxes   | <b>56,83,267</b>    |                     |
| Addition  | <b>56,83,267</b>    | 56,836,267          |
|   | <b>1,18,18,642</b>  | 1,18,18,642         |
|   | <b>23,10,46,901</b> | 23,10,46,901        |
| (c) Misc. Expenditure Pending Allocation To Above<br>Commercial Property  |                     |                     |
| Direct Cost   | <b>15,06,29,488</b> | 15,06,29,488        |
| Addition  | <b>8,73,91,183</b>  |                     |
| Administration Expenses   | <b>91,20,372</b>    | 91,20,372           |
| Addition  | <b>57,81,900</b>    |                     |
| Employee Cost   | <b>1,12,25,982</b>  | 1,12,25,987         |
| Addition  | <b>71,73,266</b>    |                     |
| Selling & Advertisement. Expenses   | <b>46,89,941</b>    | 46,89,941           |
| Addition  | <b>16,86,162</b>    | -                   |
| Interest And Bank charges   | <b>3,03,05,054</b>  | 3,03,05,054         |
| Addition  | <b>15,044</b>       |                     |
| Depreciation  | <b>18,62,359</b>    | 18,62,359           |
|   | <b>30,98,80,751</b> | 20,78,33,201        |
| <b>Total 2</b>  | <b>54,09,27,652</b> | 43,88,80,102        |
| <b>Total 1+2</b>  | <b>54,09,27,652</b> | 43,88,80,102        |

Stocks of buildings and buildings under construction have been valued at cost.

**NOTE '2' (Continued)**

| PARTICULARS   | As on<br>31.03.2021 | As on<br>31.03.2020 |
|---|---------------------|---------------------|
| <b>2(b) Trade Receivable</b>  |                     |                     |
| - Outstanding for a period exceeding six months                         | 92,10,345           | 92,10,345           |
| - Others  | -                   | -                   |
|   | <u>92,10,345</u>    | <u>92,10,345</u>    |
| Less : Provision for bad and doubtful debts                             | <u>92,10,345</u>    | <u>92,10,345</u>    |
| <b>SUB - TOTAL</b>  | <u>-</u>            | <u>-</u>            |
| <b>(c) Cash and cash equivalent</b>                                     |                     |                     |
| - Balances With Banks - In Current Accounts                             | 50,66,125           | 14,08,267           |
| - Cheques/Drafts In Hand  | 13,25,37,123        | 2,69,99,076         |
| - Cash In Hand  | 10,28,841           | 3,20,577            |
| <b>Fixed Deposits</b>   |                     |                     |
| - Under Lien With Banks As Margin Money                                 | 1,05,95,649         | 1,10,74,283         |
| - Under Lien With Government Departments                                | 2,52,905            | 9,02,824            |
| <b>TOTAL</b>  | <u>14,94,80,643</u> | <u>4,07,05,027</u>  |
| <b>(d) Loans</b>  |                     |                     |
| Loans and Advances (unsecured considered good, unless otherwise stated) |                     |                     |
| -suppliers/petty contractors  | 23,92,532           | 30,10,031           |
| -Advance for purchase of land   | -                   | -                   |
| -Claims recoverables  | 6,89,71,995         | 6,89,71,995         |
| -Others (un-secured)  | <u>85,59,164</u>    | <u>87,42,869</u>    |
|   | <u>7,99,23,691</u>  | <u>8,07,24,895</u>  |
| <b>(e) Other Current Assets</b>   |                     |                     |
| Security Deposit  | 60,04,662           | 1,14,42,128         |
| Interest Accrued But Not Due  | 2,99,919            | 3,28,547            |
| Gratuity/EL Funds with LIC  | 15,37,043           | 15,11,171           |
| Prepaid Expenses  | -                   | 539                 |
| <b>Amounts recoverable in cash or kind</b>                              |                     |                     |
| Income Tax Deducted At Sources  | 16,71,587           | 26,96,510           |
| Income Tax Refundable   | -                   | 46,22,079           |
| GST Input credit available  | 44,21,375           | 42,64,423           |
| <b>TOTAL</b>  | <u>1,39,34,586</u>  | <u>2,48,65,397</u>  |
| <b>NOTE '3' EQUITY AND LIABILITIES</b>                                  |                     |                     |
| <b>(a) Share Capital</b>  |                     |                     |
| <b>AUTHORISED CAPITAL</b>   |                     |                     |
| 200,00,000 Equity shares of ₹ 10/- each                                 | 20,00,00,000        | 20,00,00,000        |
| (PREVIOUS YEAR 20000000 Equity shares of ₹ 10/- each                    |                     |                     |
| <b>ISSUED, SUBSCRIBED &amp; PAID</b>                                    |                     |                     |
| 15188372 Equity shares (Previous year 15188372 shares) of ₹10/- each    | <u>15,18,83,720</u> | <u>15,18,83,720</u> |
| <b>TOTAL</b>  | <u>15,18,83,720</u> | <u>15,18,83,720</u> |

**DETAILS OF SHAREHOLDERS HOLDING 5% OR MORE SHARES IN THE COMPANY**

| Name of shareholders                  | AS ON 31.03.2021 |        | AS ON 31.03.2020 |        |
|---------------------------------------|------------------|--------|------------------|--------|
|                                       | No of shares     | %age   | No of shares     | %age   |
| SHRI R K GARG                         | 3404020          | 22.41% | 3404020          | 22.41% |
| SHRI DHEERAJ GARG                     | 1307808          | 8.61%  | 1307808          | 8.61%  |
| STEEL STRIPS INDUSTRIES LTD.          | 805172           | 5.30%  | 805172           | 5.30%  |
| STEEL STRIPS HOLDING PVT. LTD.        | 1200060          | 7.90%  | 1200060          | 7.90%  |
| STEEL STRIPS FINANCIERS PVT. LTD.     | 1200060          | 7.90%  | 1200060          | 7.90%  |
| MUNAK FINANCIERS PVT. LTD.            | 1560720          | 10.28% | 1560720          | 10.28% |
| MUNAK INVESTMENTS PVT. LTD.           | 1200000          | 7.90%  | 1200000          | 7.90%  |
| STEEL STRIPS WHEELS INVESTMENTS. LTD. | 1214630          | 8.00%  | 1214630          | 8.00%  |
| PRIYA TOOLS PVT. LTD.                 | 1254632          | 8.26%  | 1254632          | 8.26%  |
| BLOOMEN FLORA LTD.                    | 1336438          | 8.80%  | 1336438          | 8.80%  |

**(b) Other Equity**

| PARTICULARS                                     | As on<br>31.03.2021   | As on<br>31.03.2020 |
|---|-----------------------|---------------------|
| <b>1. General Reserve</b>                       | <b>19,01,46,426</b>   | 19,01,46,426        |
| Add : Amount transferred from Profit & Loss a/c | -                     | -                   |
| <b>Total (1)</b>                                | <b>19,01,46,426</b>   | 19,01,46,426        |
| <b>2. Capital Reserve</b>                       | <b>4,19,99,490</b>    | 4,19,99,490         |
| <b>Total (2)</b>                                | <b>4,19,99,490</b>    | 4,19,99,490         |
| <b>3. Profit &amp; Loss A/C</b>                 |                       |                     |
| As per last Balance Sheet                       | 71,47,10,968          | 1,17,17,25,817      |
| Add : Profit for the year                       | 33,34,20,463          | (45,70,14,849)      |
| <b>Total (3)</b>                                | <b>1,04,81,31,431</b> | 71,47,10,968        |
| <b>Total (1+2+3)</b>                            | <b>1,28,02,77,347</b> | 94,68,56,884        |

**Note : '4' Non Current Liabilities**

**(a) Borrowing**

| PARTICULARS  | As on<br>31.03.2021<br>Non-Current | As on<br>31.03.2021<br>Current | As on<br>31.03.2020<br>Non-Current | As on<br>31.03.2020<br>Current |
|--|------------------------------------|--------------------------------|------------------------------------|--------------------------------|
| <b>SECURED</b>   |                                    |                                |                                    |                                |
| <b>FROM BANKS</b>  |                                    |                                |                                    |                                |
| <b>CORPORATE LOAN</b>  |                                    |                                |                                    |                                |
| (Corporate loan from Clix Capital Services Pvt. Ltd., secured against exclusive charge on our residential property name SSL Highway Towers measuring 6.69 acre comprising land and towers and personal guarantee of promoter Sh. Dheeraj Garg) | 16,84,24,626                       | 9,97,22,207                    | -                                  | -                              |
| <b>VEHICLES/EQUIPMENTS LOANS FROM BANKS</b>  |                                    |                                |                                    |                                |
| (Secured against hypothecation of respective vehicles/ equipments and counter guarantees of the company)   | 7,13,615                           | 16,49,402                      | 26,49,361                          | 18,18,323                      |
| <b>OTHERS</b>  |                                    |                                |                                    |                                |
| 1. Secured by Bank Guarantees (From Customers)   | 1,32,28,071                        | -                              | 1,32,28,071                        | -                              |
| 2. Secured against security furnished by Company/ Associate Companies/third party and against Security Bonds   | 18,65,90,422                       | -                              | 18,65,90,422                       | -                              |
| <b>TOTAL</b>   | <b>36,89,56,734</b>                | <b>10,13,71,609</b>            | <b>20,24,67,854</b>                | <b>18,18,323</b>               |



**SAB INDUSTRIES LIMITED**

| Particulars   | As on<br>31.03.2021 | As on<br>31.03.2020 |
|---|---------------------|---------------------|
| <b>(b) Provisions</b>   |                     |                     |
| Provision for Bank Guarantees   | 26,74,000           | 26,74,000           |
| Provision for Expenses  | 65,38,765           | 94,16,615           |
| <b>TOTAL</b>  | <b>92,12,765</b>    | <b>1,20,90,615</b>  |
| <b>(c) Other Long Term Liabilities</b>  |                     |                     |
| - Liabilities for employees retirement benefits :   |                     |                     |
| - Gratuity  | 33,90,600           | 28,69,120           |
| - Earned Leave  | 12,62,114           | 9,33,342            |
| - Security Deposit  | 4,06,73,505         | 3,75,59,847         |
| <b>TOTAL</b>  | <b>4,53,26,219</b>  | <b>4,13,62,309</b>  |
| <b>NOTE '5' CURRENT LIABILITIES</b>   |                     |                     |
| <b>(a) Borrowings</b>   |                     |                     |
| <b>SECURED</b>  |                     |                     |
| <b>FROM BANKS</b>   |                     |                     |
|   | -                   | 2,46,66,240         |
| (Secured against Hypothecation of stocks, Book Debts and current assets of Construction Division and further secured with Collateral Security by way of Equitable Mortgage of Residential property 89/7 Panchkula of Sh.R.K.Garg, Chairman of the company and pledge of two lakhs (previous year six lakhs) equity shares of Steel Strips Wheels Ltd held by the company. |                     |                     |
| <b>UN-SECURED</b>   |                     |                     |
| Short Term Corporate Advances   |                     |                     |
| - From Others   | -                   | 5,00,00,000         |
| <b>TOTAL</b>  | <b>-</b>            | <b>7,46,66,240</b>  |
| <b>(b) Trade Payables</b>   |                     |                     |
| Trade Payables  |                     |                     |
| - Micro and Small Enterprises   | 3,66,991            | 17,12,876           |
| - Others  | 91,72,176           | 87,24,731           |
|   | <b>95,39,167</b>    | <b>1,04,37,607</b>  |
| <b>(c) Other Financial Liabilities</b>  |                     |                     |
| - Current maturities of Long-term Debts (Refer Note No.2 )  | 10,13,71,609        | 18,18,323           |
| - Statutory dues  | 24,02,785           | 9,39,304            |
| - Advance from customers  | 7,65,63,799         | 14,05,735           |
| - Advance against sale of land  | 2,75,00,000         | 1,50,00,000         |
| - Cheques issued but not presented for payment  | 10,00,000           | 8,21,97,626         |
| - Expenses payable  | 1,96,32,029         | 1,26,23,198         |
| <b>TOTAL</b>  | <b>22,84,70,222</b> | <b>11,39,84,186</b> |
| <b>(d) Provisions</b>   |                     |                     |
| Provision for taxation  | -                   | 52,00,000           |
| <b>TOTAL</b>  | <b>-</b>            | <b>52,00,000</b>    |
| <b>NOTE '6' REVENUE FROM OPERATIONS</b>   |                     |                     |
| Revenue from operations   | 1,24,33,634         | 9,97,65,621         |
| <b>TOTAL</b>  | <b>1,24,33,634</b>  | <b>9,97,65,621</b>  |
| <b>Note '7' Other Income</b>  |                     |                     |
| Profit On Sale Of land  | 56,23,292           | 3,35,32,308         |
| Profit On Sale Of Assets  | 90,239              | 1,65,377            |
| Interest Received   | 1,84,64,209         | 1,80,15,900         |
| Miscellaneous Income  | 18,30,000           | 62,81,784           |
| Agriculture Receipts  | 40,25,386           | 29,54,238           |
| Dividend Received   | -                   | 52,96,748           |
| <b>TOTAL</b>  | <b>3,00,33,126</b>  | <b>6,62,46,355</b>  |

**SAB INDUSTRIES LIMITED**

| PARTICULARS  | As on<br>31.03.2021       | As on<br>31.03.2020     |
|--|---------------------------|-------------------------|
| <b>NOTE '8' Cost of Material Consumed</b>  |                           |                         |
| Opening Stock Of Building Materials And Net Working Equipments/Materials                     | -                         | 7,92,000                |
| Add : Purchases During The Year  |                           |                         |
| - Purchase - Network Equipments  | -                         | -                       |
| - Construction Material  | <u>3,09,273</u>           | <u>65,06,251</u>        |
|  | <b>3,09,273</b>           | <b>72,98,251</b>        |
| Less - Sale/Material Issued To Sub-Contractors   | -                         | -                       |
| Closing stock of Materials   | -                         | -                       |
| <b>TOTAL</b>   | <u><b>3,09,273</b></u>    | <u><b>72,98,251</b></u> |
| <b>NOTE '9' Change in Inventories of Finished Goods, Work in Progress and Stock in Trade</b> |                           |                         |
| Opening Work in Progress   | -                         | 1,28,50,000             |
| Closing Work In Progress   | -                         | -                       |
| <b>TOTAL</b>   | <u>-</u>                  | <u>1,28,50,000</u>      |
| <b>NOTE '10' Employee Benefit Expenses</b>   |                           |                         |
| Salaries, Wages And Others Allowances **<br>Including Directors Remuneration                 | <b>1,43,12,971</b>        | 2,52,83,413             |
| Bonus  | <b>67,571</b>             | -                       |
| Contribution To Provident Funds & Other Funds  | <b>11,29,166</b>          | 16,73,349               |
| Welfare Expenses   | <b>43,372</b>             | 7,88,569                |
| <b>TOTAL</b>   | <u><b>1,55,53,080</b></u> | <u>2,77,45,331</u>      |
| ** The detail of managerial remuneration paid to Directors is as under:                      |                           |                         |
| <b>NOTE '11' Financial Cost</b>  |                           |                         |
| Interest- Banks  | <b>16,24,970</b>          | 34,32,164               |
| - Others   | <b>3,87,67,975</b>        | 58,03,331               |
| Other Financial Charges  | <b>14,74,712</b>          | 27,37,579               |
| <b>TOTAL</b>   | <u><b>4,18,67,657</b></u> | <u>1,19,73,074</u>      |
| <b>NOTE '12'</b>   |                           |                         |
| <b>Other Expenses</b>  |                           |                         |
| <b>(a) Direct Cost</b>   |                           |                         |
| Labour & Wages   | <b>2,58,417</b>           | 14,69,739               |
| Payment to Contractor  | -                         | 15,82,634               |
| Hire Charges Of Machinery  | -                         | 1,49,041                |
| Running and Maintenance of Machinery   | -                         | <b>6,09,187</b>         |
| <b>Total (a)</b>   | <u><b>2,58,417</b></u>    | <u>38,10,601</u>        |
| <b>(b) Selling and Distribution Expenses</b>   |                           |                         |
| Business Promotion Expenses  | -                         | -                       |
| Advertisement & Publicity  | <b>1,05,940</b>           | 46,051                  |
| <b>Total (b)</b>   | <u><b>1,05,940</b></u>    | <u>46,051</u>           |

| <b>PARTICULARS</b>                | <b>As on<br/>31.03.2021</b> | <b>As on<br/>31.03.2020</b> |
|-----------------------------------|-----------------------------|-----------------------------|
| <b>(c) Establishment Expenses</b> |                             |                             |
| Travelling Expenses - Foreign     |                             |                             |
| - Directors                       | -                           | -                           |
| - Others                          | -                           | -                           |
| Travelling Expenses - Inland      |                             |                             |
| - Directors                       | 7,038                       | 5,95,283                    |
| - Others                          | 2,43,297                    | 13,88,283                   |
| Printing & Stationery             | 1,32,597                    | 1,99,821                    |
| Postage, Telegram & Telephone     | 1,21,799                    | 4,44,633                    |
| Vehicles Repairs & Maintenance    | 3,60,995                    | 10,47,342                   |
| Insurance                         | 2,20,559                    | 5,30,165                    |
| Auditors Remuneration             | 6,10,000                    | 6,10,000                    |
| Legal & Professional Charges      | 39,75,845                   | 54,42,858                   |
| Directors' Sitting Fee            | 5,10,000                    | 5,70,000                    |
| Rates & Taxes                     | 3,84,195                    | 12,67,634                   |
| Newspapers & Periodicals          | -                           | 9,775                       |
| Office Maintenance Exp.           | 1,57,550                    | 14,31,901                   |
| Donation                          | -                           | 1,00,000                    |
| Rent                              | 3,00,000                    | 24,76,726                   |
| Electricity & Water Charges       | 36,460                      | 6,22,812                    |
| Agriculture Expenses              | 29,89,603                   | 22,37,110                   |
| Loss on sale of Assets            | -                           | 44,83,272                   |
| Loss on sale of land              | -                           | 2,47,92,485                 |
| Ethnol project abandoned          | -                           | 47,50,649                   |
| Service Tax Paid                  | -                           | 13,94,000                   |
| Other Miscellaneous Expenses      | 4,65,951                    | 6,67,422                    |
| <b>Total (c)</b>                  | <b>1,05,15,889</b>          | <b>5,50,62,556</b>          |
| <b>Total (a+b+c)</b>              | <b>1,08,80,246</b>          | <b>5,89,19,208</b>          |

**NOTE NO. 13 OF NOTES ON ACCOUNTS**

**1. NATURE OF OPERATION**

SAB Industries Ltd ("the company") a public limited Company registered in India under the Companies Act 2013 (Erstwhile Companies Act 1956). The Company is a leading construction company. Its Shares are listed in Bombay Stock Exchange.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) BASIS OF PREPARATION**

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all the periods up to and including the year ended 31st March, 2021, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014

The Standalone financial statements have been prepared under the historical convention, on the accrual basis of accounting. The accounting policies have been applied consistently over all the periods presented in the Standalone financial statements.

The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

**b) REVENUE RECOGNITION: -**

**Work Done**

Work done is accounted for on the basis of certified bills. Arbitration Claims/Escalation are accounted for as specified in Ind AS 7 Para 13.

**Interest Income**

Interest in respect of fixed deposits, margin money and Security deposits have been accounted for on accrual basis.

**Other Income**

Construction scrap is accounted for on receipt basis. Other income is accounted for as and when received.

Export Incentives, if any, are accounted for on receipt basis.

**3. LEASING**

The company have leased facilities for rent payable under cancellable and non-cancellable operating leases arrangements with a lease term ranging from one to nine years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses recognized during the year amounts to ₹ 3.00 lakhs (previous year ₹24.76 lakhs). The future minimum lease payments in respect of the non-cancellable operating leases as at 31st March 2021 are:

| S.No. Particulars                                   | As at 31.03.2021 | As at 31.03.2020 |
|---|------------------|------------------|
| a) not later than one year                          | 12.00            | 12.00            |
| b) later than one year but not later than five year | 8.50             | 20.50            |
| c) later than five year                             | -                | -                |

Presently the company don't have any non-cancellable/cancellable lease rent receivable agreements. As such, no income has been recognized for future nor any income received during the year.

**4. ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents balances include cash in hand, fixed deposits, margin money deposits, earmarked balances with banks, other bank balances such as dividend accounts, which have restrictions on repatriation, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**6. INVENTORIES**

Stocks of building materials and stores and shuttering material are valued at cost. Inventory of Networking Equipments lying in the offices & godowns is valued at cost price. Work-in-progress is valued on proportionate basis where certified bills have been raised in the next year, and on the best estimate basis by the management where certified bills are not available.

Stocks of Buildings & Buildings under construction have been valued at cost.

**7. FINANCIAL INSTRUMENT**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Initial recognition and measurement**

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except trade receivables which are recognized at transaction price.

**Subsequent measurement**

Non-derivative financial instruments

**(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

**(iv) Financial liabilities**

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Equity Share Capital**

**(i) Equity shares**

Equity shares issued by the Company are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity, net of any tax effects.

**8. INVESTMENTS**

The company has elected to measure its investments at fair value from the date of transition to Ind AS.

**9. PROPERTY, PLANT AND EQUIPMENT (PPE)**

Fixed assets are stated at original cost net of tax/duty credit availed, if any, less accumulated depreciation and cumulative impairment and those which have been revalued are stated at the values determined by the valuers less accumulated depreciation and cumulative impairment. Cost of acquisition is inclusive of freight and other incidental expenses and interest on loan taken for the acquisition of qualifying assets up to the date of commissioning of assets.

Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the company and cost of the item can be measured reliably. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gain or losses arising from de-recognition of fixed assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, have been added to or deducted from the cost of the asset and shall be depreciated over the balance useful life of the asset.

Tangible Assets not ready for the intended use on the date of the balance Sheet are disclosed as "capital work in progress".

**10. DEPRECIATION :**

The depreciation is calculated based on the useful life of the assets as specified in Schedule II of the Company's Act 2013 and is charged under SLM method.

**11. BORROWING COST**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized/inventorised as part of cost of such assets till such time the asset is ready for its intended use/or sale. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are expensed in the period in which they are incurred.

**12. PROVISION**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**13. CONTINGENT LIABILITIES**

Contingent liabilities are disclosed when there is a possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from part events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

**CONTINGENT LIABILITIES**

|  | As on 31.03.2021 | As on 31.03.2020 |
|--|------------------|------------------|
| Counter Guarantees issued by the company against Bank Guarantees | <b>497.20</b>    | 646.75           |

**14. EMPLOYEE BENEFITS**

**Short-Term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Provident Fund & Employee State Insurance**

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

**Gratuity**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in profit or loss.

**SEGMENT REPORT**

| Sr.No.                          | Particulars  | 31.03.2021      | 31.03.2020 |
|---------------------------------|--|-----------------|------------|
| <b>1.</b>                       | <b>SEGMENT REVENUES</b>                                      |                 |            |
|                                 | a) Construction Division                                     | 327.22          | 1241.20    |
|                                 | b) Real Estates Division                                     | -               | -          |
|                                 | c) Investments (in shares)                                   | -               | 52.97      |
|                                 | d) Agriculture   | 96.48           | 364.86     |
|                                 | e) Infotech Division   | 0.97            | 1.09       |
|                                 | f) Unallocated   | -               | -          |
|                                 | <b>TOTAL</b>   | <b>424.67</b>   | 1660.12    |
| <b>2.</b>                       | <b>SEGMENT RESULTS</b>                                       |                 |            |
|                                 | Profit/(Loss)<br>(Before tax and interest from each segment) |                 |            |
|                                 | a) Construction Division                                     | <b>59.36</b>    | 410.82     |
|                                 | b) Real Estates Division                                     | -               | -          |
|                                 | c) Investments (in shares)                                   | -               | 52.97      |
|                                 | d) Agriculture   | <b>66.59</b>    | 94.57      |
|                                 | e) Infotech Division   | -               | (2.70)     |
| f) Unallocated                  | -  | -               |            |
|                                 | <b>TOTAL</b>   | <b>120.45</b>   | 555.66     |
|                                 | <b>Less: interest &amp; financial charges</b>                | <b>418.68</b>   | 119.73     |
|                                 | <b>TOTAL PROFIT BEFORE TAX</b>                               | <b>(298.23)</b> | 435.93     |
| <b>3.</b>                       | <b>CAPITAL EMPLOYED</b>                                      |                 |            |
|                                 | (Segment assets-Segment liabilities)                         |                 |            |
|                                 | a) Construction Division                                     | <b>339.98</b>   | 768.73     |
|                                 | b) Real Estates Division                                     | <b>5164.09</b>  | 5036.07    |
|                                 | c) Investments (in shares)                                   | <b>1251.31</b>  | 1251.31    |
|                                 | d) Agriculture   | <b>707.61</b>   | 707.61     |
|                                 | e) Infotech Division   | <b>10.39</b>    | 10.63      |
| f) Unallocated less liabilities | <b>906.51</b>  | 906.51          |            |
|                                 | <b>TOTAL</b>   | <b>8379.89</b>  | 8680.86    |

The company has identified its business segments as its primary reporting format which comprises of Construction Division, Real Estate business, Infotech Division Investment business, Agriculture and Trading Division. The main business is Construction activities. Infotech Division, which has come into existence after merger of SAB Infotech Ltd into our company, deals basically in ISP business besides other allied activity related to this business. Real Estate business is linked to construction activities but has been identified as a separate activity in view of its different nature. Long term Investment in shares have also been treated as a separate activity. Agriculture activities have also been identified as separate activities of the company. The Construction Division Segment operates through a single geographical segment. Secondary/other segment disclosures have been made accordingly.

**EARNINGS PER SHARE (EPS)**

Basic/Diluted Earnings per share

(₹ in lacs)

|  | Current<br>Year | Previous<br>Year |
|--|-----------------|------------------|
| Profit/(Loss) after tax as per Profit & Loss A/C                   | (400.97)        | 395.00           |
| No of equity shares  | 15188372        | 15188372         |
| Earnings per share (Face value of ₹10/- each)<br>(basic & diluted) | (2.64 )         | 2.60             |

Note: Diluted Earnings per share is not applicable as the same is non-dilutive.

**16. RELATED PARTY DISCLOSURES:**

Detail of transactions entered into with Related Parties during the year as required by Accounting Standard-18 on "Related Party Disclosures" issued by Institute of Chartered Accountants of India are as under:-

| Particulars                              | Subsidiaries Company | Key Management Personal (KMP) | Enterprises/ Relatives over which KMP is able to exercise significant influence | Total for this year | Total for previous year |
|--|----------------------|-------------------------------|---|---------------------|-------------------------|
| Lease Rent paid (Incl GST)               | -                    | -                             | 3.54  | 3.54                | 28.44                   |
| Security Charges paid                    | -                    | -                             | -   | -                   | 20.00                   |
| Vehicle Hire charges Received (Incl gst) | -                    | -                             | 18.30   | 18.30               | 61.49                   |
| Dividend received                        | -                    | -                             | -   | -                   | 52.97                   |
| Donation given                           | -                    | -                             | -   | -                   | 1.00                    |
| Interest paid                            | -                    | -                             | 52.10   | 52.10               | 43.67                   |
| Management contract (salaries)           | -                    | 61.89                         | -   | 61.89               | 60.46                   |

**Finanace**

| Particulars                        | Subsidiaries Company | Key Management Personal (KMP) | Enterprise over which KMP is able to exercise significant influence | Total for this year | Total for previous year |
|------------------------------------|----------------------|-------------------------------|---|---------------------|-------------------------|
| 1. Advances received               | -                    | -                             | -   | -                   | -                       |
| Advances Re-paid                   | -                    | -                             | -   | -                   | -                       |
| Outstanding at the end of the year | -                    | -                             | -   | -                   | -                       |
| 2. Loan advancepaid                | -                    | -                             | -   | -                   | 603.00                  |
| Loan Received back                 | -                    | -                             | 365.76  | 365.76              | -                       |
| Outstanding at the end of the year | -                    | -                             | 237.24  | 237.24              | -                       |

Note:

- Key management Personnel: Ms Priya Garg, Managing Director; Sh. B. S. Negi CFO; Ms Gurpreet Kaur Company Secretary
- Enterprises over which Key Management Personal (KMP) are able to exercise significant influence and with whom transactions have taken place during the year:  
1. Indian Acrylics Ltd      2. Steel Strips Wheels Ltd
- Relatives of the Key Management Personnel (with whom transactions have taken place) Ms Priya Garg is daughter of Sh.R.K.Garg, Chairman of the company.
- The company has taken the Group Gratuity and Group Leave encashment policies from LIC and entire premiums demanded by them for the year 2020-21 have been paid / provided for as per the requirements of IND AS - 19.
  - Expenses recognised in Profit and Loss Account (Amount in ₹.)

| Particulars  | Gratuity | Gratuity |
|--|----------|----------|
|  | 2020 -21 | 2019-20  |
| Current service cost                                       | 5,13,766 | 3,83,481 |
| Interest cost on benefit obligation                        | 1,24,705 | 1,16,395 |
| Past service cost  | -        | -        |
| Expected Returns on plan assets                            | -        | -        |
| Net benefit expenses recognised in the Profit and Loss a/c | 6,38,471 | 4,99,876 |

**b) Details of amount to be recognised in the Balance Sheet**

| Particulars  | Gratuity           | Gratuity    |
|--|--------------------|-------------|
|  | 2020 - 21          | 2019-20     |
| Present value of obligations at the end of period      | <b>(33,90,600)</b> | (28,69,120) |
| Fair value of plan assets at the end of period         | <b>10,72,625</b>   | 10,59,174   |
| Funded status  | <b>(23,17,975)</b> | (18,09,946) |
| Unrecognised actuarial (gain)/losses                   | -                  | -           |
| Defined benefit obligation                             | -                  | -           |
| Less: Unrecognised past service cost                   | -                  | -           |
| Net asset/ (liability) recognised in the balance sheet | <b>(23,17,975)</b> | (18,09,946) |

Note The above plants are funded.

**c) Change in the present value of Projected Benefit Obligation**

| Particulars  | Gratuity          | Gratuity   |
|--|-------------------|------------|
|  | 2020 - 21         | 2019-20    |
| Opening defined benefit obligation   | <b>28,69,120</b>  | 29,11,364  |
| Interest cost  | <b>1,97,682</b>   | 2,26,795   |
| Past service cost  | -                 | -          |
| Current service cost   | <b>5,13,766</b>   | 3,83,481   |
| Liability transferred in Acquisition   | -                 | -          |
| Benefit paid   | <b>(49,615)</b>   | (4,47,462) |
| Actuarial (gains)/ losses on obligation due to change in financial assumptions | <b>5,720</b>      | 2,16,481   |
| Actuarial (gains) /losses on obligation due to experience                      | <b>(1,46,073)</b> | (4,21,539) |
| Closing defined benefit obligation   | <b>33,90,600</b>  | 28,69,120  |

**d) Changes in the fair value of Plan Assets**

| Particulars  | Gratuity         | Gratuity          |
|--|------------------|-------------------|
|  | 2020 - 21        | 2019-20           |
| Fair Value of plan assets as at 1st April 2018       | <b>10,59,154</b> | <b>14,17,197</b>  |
| Interest Income                                      | <b>72,977</b>    | <b>1,10,400</b>   |
| Expected returns on plan assets                      | <b>(19,911)</b>  | <b>(30961)</b>    |
| Contributions  | <b>10,000</b>    | <b>10,000</b>     |
| Benefit paid   | <b>(49,615)</b>  | <b>(4,47,462)</b> |
| Actuarial (gains)/ losses on plan assets             | -                | -                 |
| Fair Value of plan assets as at 31st March 2021/2021 | <b>10,72,625</b> | <b>10,59,174</b>  |

| Particulars                            | 2020 - 21   | 2019 - 20   |
|--|---|---|
|  | (%)   | (%)   |
| Expected Return on Plan Assets         | <b>6.89</b>   | 7.79  |
| Discount rate                          | <b>6.89</b>   | 7.79  |
| Expected Increase in Compensation cost | <b>7.00</b>   | 7.00  |
| Rate of employee Turnover              | <b>2.00</b>   | 2.00  |
| Mortality basis                        | Indian Assured Lives Mortality (2006 - 08) ultimate | Indian Assured Lives Mortality (2006 - 08) ultimate |



**18. Estimates of uncertainties relating to the global health pandemic from COVID-19**

The massive spread and outbreak of the virus "COVID-19" has impacted economic activities across the globe. The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organization with an adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on the movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operations of the Company manufacturing facilities got temporarily disrupted.

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information, the Company estimates that there is no significant impact on the carrying value of assets and liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**19. Expenditure and Earning in Foreign Currency. NIL****AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed

for AKR & Associates  
Chartered Accountants  
(Registration No.021179N)

Kailash Kumar  
Partner  
Membership No.505972

Place : Chandigarh  
Dated : 11.06.2021

R. K. GARG  
Chairman

BHAGWAN SINGH NEGI  
Chief Financial Officer

GURPREET KAUR  
Company Secretary

S.S. VIRDI  
MANJU LAKHANPAL  
H.K. SINGHAL  
SANJAY GARG  
Directors

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN ANNUAL GENERAL MEETING**

|   |   |   |
|---|---|---|
| Name of Director (DIN)  | Sh. Sanjay Garg (DIN: 00030956)   | Sh. Humesh Kumar Singhal (DIN: 00044328)  |
| Date of Birth   | 09/09/1968  | 12/01/1951  |
| Date of first Appointment   | 25/03/2006  | 30/11/1996  |
| Qualification/ Experience in Specific functional areas  | Shri Sanjay Garg, a Cost and Works Accountant and a Law Graduate, is a well qualified and experienced professional. He has held various Managerial/ Advisory positions                        | Shri Humesh Kumar Singhal, a qualified Chartered Accountant, has more than 42 years of whole and varied experience in the area of Management and Corporate Finance. |
| List of Companies in which outside Directorships held (Excluding Private Limited/ Foreign Company)  | Steel Strips Wheels Ltd.<br>Steel Strips Ltd.<br>Steel Strips Infrastructures Ltd.<br>SAB Udyog Ltd.<br>Malwa Chemtex Udyog Ltd.<br>Indian Acrylics Investments Ltd.<br>Indlon Chemicals Ltd. | Steel Strips Ltd.<br>Steel Strips Infrastructures Ltd.<br>SAB Udyog<br>Indlon Chemicals Ltd.  |
| Chairman/ Member of the Committee of Board of Directors of the Company includes only Audit Committee and Stakeholders Relationship Committee                      | Member of Stakeholders Relationship Committee of the Company  | Member of Audit Committee and Stakeholders Relationship Committee of the Company  |
| Chairman/ Member of the Committee of Directors of other Companies in which he is a Director includes only Audit Committee and Stakeholders Relationship Committee | Member of Stakeholders Relationship Committee of Steel Strips Ltd.  | Member of Audit Committee and Stakeholders Relationship Committee of Steel Strips Infrastructures Ltd. and Steel Strips Ltd.  |
| No. of shares held in the Company   | 50  | 70  |
| Relationship with other Director/ Key Managerial Personnel  | Nil   | Nil   |

For other details, such as, Number of meetings of the Board attended during the financial year, Remuneration last drawn, Remuneration proposed to be paid, Terms and Conditions of Appointment/ Re-appointment, please refer to the attached Board's Report, Corporate Governance Report and the Notice alongwith Explanatory Statement.



**FORM OF PROXY**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**SAB INDUSTRIES LIMITED**

(CIN:L00000CH1983PLC031318)

Regd. Office: at S.C.O.49-50, Sector- 26, Madhya Marg, Chandigarh. Phone: +91-172-2793112.,

Fax: +91-172-2794834 Email: ssl\_ssg@glide.net.in, Website: www.sabindustries.in

|                       |  |
|-----------------------|--|
| NAME OF THE MEMBER(S) |  |
| REGISTERED ADDRESS    |  |
| E-MAIL ID             |  |
| FOLIO NO /CLIENT ID   |  |
| DP ID                 |  |
| NO. OF SHARES HELD    |  |

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint:

|                     |             |  |
|---------------------|-------------|--|
| Name :              | Signatures: |  |
| Address:            |             |  |
| E-mail Id:          |             |  |
| Or failing him/ her |             |  |
| Name :              | Signatures: |  |
| Address:            |             |  |
| E-mail Id:          |             |  |
| Or failing him/ her |             |  |
| Name :              | Signatures: |  |
| Address:            |             |  |
| E-mail Id:          |             |  |

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the Annual General meeting of the Company, to be held on Thursday, the 30th day of September, 2021, at 3.30 P.M. at S.C.O.49-50, Sector- 26, Madhya Marg, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:

**Sr. No. Resolution**

**Ordinary Business**

- Adoption of Audited Financial Statements for the year ended March 31, 2021
- Re-appointment of Sh. Sanjay Garg (DIN 00030956) as a Director.

Affix  
Revenue  
Stamp

**Special Business**

- Change in designation of Shri Humesh Kumar Singhal (DIN 00044328), Non-executive Director of the Company as Independent Director.

Signed this ..... day of September 2021

Signature of shareholder..... Signature of Proxy holder(s) .....

**Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**SAB INDUSTRIES LIMITED**

(CIN:L00000CH1983PLC031318)

Regd. Office: at S.C.O.49-50, Sector- 26, Madhya Marg, Chandigarh. Phone: +91-172-2793112., Fax: +91-172-2794834

Email: ssl\_ssg@glide.net.in, Website: [www.sabindustries.in](http://www.sabindustries.in)

**ATTENDANCE SLIP**

|   |  |
|---|--|
| NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS) |  |
| FOLIO NO  |  |
| DP ID:  |  |
| CLIENT ID NO.                                   |  |
| NO. OF SHARES HELD                              |  |
| NAME OF PROXY (IN BLOCK LETTERS)                |  |

I, hereby record my presence at the Annual General Meeting of the Company held on Thursday, the 30th day of September 2021, at 3.30 P.M., at S.C.O.49-50, Sector- 26, Madhya Marg, Chandigarh

**Member's/ Proxy's Signatures**

.....



**SAB Industries Limited**

SCO. 49-50, Sector 26, Madhya Marg,  
Chandigarh-160019, India  
Tel: +91-172-2793112, 2792385  
Fax: +91-172-2794834, 2790887

