

ANNUAL REPORT

2013-14



SAB Industries Limited

CORPORATE

Information

BOARD OF DIRECTORS

Sh. R. K. Garg	<i>Chairman</i>
Sh. Avinash Sharma	<i>Executive Director</i>
Sh. H. K. Singhal	<i>Director</i>
Sh. Sanjay Garg	<i>Director</i>
Sh. Vijay G. Kalantri	<i>Director</i>
Sh. S. S. Dawra	<i>Director</i>
Sh. Kanwarjit Singh	<i>Director</i>

COMPANY SECRETARY

Ms. Gurpreet Kaur

AUDITORS

M/s. S.C. Dewan & Co.
Chartered Accountants,
SCO 90, 1st Floor,
Swastik Vihar,
Panchkula.

BANKERS

State Bank of India
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 : sabindustries.in
Phone: +91-172-2793112, FAX : 91-172-2794834

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SAB INDUSTRIES LTD
(CIN:L00000CH1983PLC031318)

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

NOTICE

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

Day & Date : Tuesday, 30th day of September, 2014
Time : 04.30 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 Financial Statements of the Company for the year ended March 31, 2014 including audited Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. Humesh Kumar Singhal (DIN: 00044328), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Sanjay Garg (DIN: 00030956), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and in this regard to consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s S. C. Dewan & Co., Chartered Accountants (Firm's Registration No. 000934N), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out of pocket expenses, traveling expenses, etc; as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

5. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary 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 Clause 49 of the Listing Agreement, **Sh. Shyam Sunder Dawra (DIN:00310987)**, a Non-Executive Director of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 to 30.09.2019, not liable to retire by rotation.”
6. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary 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 Clause 49 of the Listing Agreement, **Sh. Kanwarjit Singh (DIN:02116031)**, a Non-Executive Director of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 to 30.09.2019, not liable to retire by rotation.”
7. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary 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 Clause 49 of the Listing Agreement, **Sh. Vijay Goverdhandas Kalantri (DIN:00019510)**, a Non-Executive Director of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 to 30.09.2019, not liable to retire by rotation.”

8. To Consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:-**
“RESOLVED THAT Pursuant to the provisions of Section 180(1) (c) and other applicable provisions of the Companies Act, 2013, if any and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof) to borrow any sum or sums of money, from time to time, for the purpose of the business of the Company, from any Indian or Foreign Bank (s), Financial Institution (s) and/or any other Indian or foreign lending institutions or Persons, firms, bodies corporate, on such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company’s Banker in the ordinary course of Business), exceed the aggregate of the “Paid up” Capital of the Company and its free reserves not set apart, for any specific purpose, provided that the total amount upto which the money can be borrowed by the Board of Directors, shall not exceed the sum of Rs.300 Crores (Rupees Three hundred Crore only) at any time.
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:-**
“RESOLVED THAT Pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create mortgage/hypothecation/pledge and /or charge in addition to the existing mortgages/ hypothecations/pledges and/or charges/ created/to be created by the Company, in such form and manner and with such ranking and on such terms as the Board may determine in the interest of the company, on all or any of the movable and /or immovable properties of the company, both present and future and/or any other assets or properties, either tangible or intangible of the company and/or the whole of the undertaking(s) or any part of the undertaking(s) of the Company, in favour of lender (s), Agent (s) and Trustee (s) for securing the borrowings of the company availed/to be availed by the Company by way of loans, working capital facilities , debentures or any other securities or debt instrument or otherwise, in foreign currency or in Indian Currency, from any Indian or Foreign Bank (s), Financial Institution (s) and/or any other Indian or foreign lending institutions or Persons, firms, bodies corporate or any other lender, from time to time, upto the limits approved or as may be approved by the shareholders under Section 180 (1) (c) of the Act, along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs , expenses and any other money payable by the Company including any increase as result of devaluation/revaluation/fluctuation in the rate of exchange.
RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents/deeds writings/papers/agreements as may be required and do all such acts, deeds matters and things, as it may, in its absolute discretion deem necessary, proper or requisite.”
10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:-**
“RESOLVED that in accordance with the provisions of section 73 and section 76 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules prescribed thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the shareholders, be and is hereby, accorded to the Board of Directors of the Company to borrow money from public/shareholders by way of Fixed Deposits subject to compliance of all the conditions stated under section 73(2) and section 76 of the Act or any other applicable provisions of the Act, if any and subject to maximum limits provided under the Act read with the Companies (Acceptance of Deposits) Rules, 2014.
RESOLVED FURTHER that the Deposits accepted by the Company may be cumulative or non-cumulative as per the scheme framed/approved by the Company and carrying rates of interest for periods varying from one year to three years, which shall not exceed the maximum rate of interest prescribed by the Reserve Bank of India and as specified in the Circular in the form of advertisement inviting deposits to be approved by the Board of Directors of the Company.
RESOLVED FUTHER that the Board of Directors, be and are hereby, authorised to do all such acts, deeds and things as may be necessary to give effect to the above said resolution and to settle any question, difficulty or doubt that may arise in this regard.”

By order of the Board of Directors

Place: Chandigarh
Dated: 14.08.2014

H.K.SINGHAL
DIRECTOR
DIN-00044328

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. A 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 **22.09.2014 to 30.09.2014** (both days inclusive).
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company or Registrar and Share Transfer Agent.
8. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 are being sent by the permitted mode.
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, Circulars, etc from the Company electronically.**
10. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.sabindustries.in 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**
 - A. 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).

Steps for e-voting

- (i) **The voting period begins on September 24, 2014 at 9.00 a.m. and will end on September 26, 2014 at 6.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as **on 22nd August, 2014 (cut off date)**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The members are requested to note that once vote on a resolution is cast electronically, he shall not be allowed to change it subsequently.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on shareholders
- (iv) 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
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

- PAN* Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
 - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
- DOB# Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yy format.
- Dividend Bank Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Details#

#Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date** in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the name of the Company i.e. SAB Industries Limited/ "Electronic Voting Sequence Number".
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.

- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **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 Corporate.
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 they have to create a compliance user using admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.
The list of accounts should be mailed to 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.
The members are requested to keep their password confidential and can also use the same for all subsequent voting on CDSL platform.
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 under help section or write an email to helpdesk.evoting@cDSLindia.com.
- (xiv) The Board of Directors has appointed Mr. S.K.Sikka, Practicing Company Secretary to scrutinize the e-voting process in a fair and transparent manner.
- (xv) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xvi) 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 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 5 to 7**

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, appointed Shri Shyam Sunder Dawra, Shri Kanwarjit Singh and Shri Vijay Goverdhandas Kalantri as Independent Directors at various times. The period of office of these Directors was liable to determination by retirement of Director by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

As per the provisions of Section 149(4) of the Companies Act, 2013, (the ACT) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

To meet the recent modifications brought in by the Act and Listing Agreement, it is proposed to appoint Shri Shyam Sunder Dawra, Shri Kanwarjit Singh and Shri Vijay Goverdhandas Kalantri as Independent Directors of the Company with effect from 30.09.2014 upto 30.09.2019.

The notices in writing proposing their appointment/ re-appointment alongwith the deposit of requisite amount under Section 160 of the Act, have been received from the members of the Company. Their period of office shall not be liable to determination by retirement of directors by rotation and they shall not be counted in the total strength of the Board for determination by retirement of directors by rotation.

The Board of Directors have recommended the appointment of these Directors as Independent Directors with effect from 30.09.2014 upto 30.09.2019.

All these Directors, have given a declaration to the Board that they meet the criteria of independence as provided under section 149 (6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and Rules framed thereunder for appointment as independent Director and they are independent of the Management. These Directors are not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the registered office of the Company during normal business hours on any working days.

A brief profile and other details of the Independent Directors to be appointed, whose appointment is proposed at Item Nos. 5 to 7 of the accompanying Notice, have been given in the annexure attached. This statement may be regarded as disclosure under clause 49 of the listing Agreement also.

Shri Shyam Sunder Dawra, Shri Kanwarjit Singh and Shri Vijay Goverdhandas Kalantri are concerned or interested in the Resolutions mentioned at Item No. 5 to 7 of the accompanying Notice respectively relating to their own appointment. No other director, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolutions mentioned at Item No. 5 to 7 of the accompanying Notice.

The Board recommends the resolutions mentioned at Item No. 5 to 7 of the accompanying Notice.

Item No. 8 & 9

As per the provisions of Section 180 (1)(c) and 180 (1) (a) of the companies Act, 2013 which were notified on 12th September, 2013 and based on the clarification thereof issued by GOI, MCA vide General Circular No. 04/2014 dated 25th March, 2014, the Resolution passed u/s 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the new Act, for a period of one year from the date of notification of Section 180.

The Board of Directors of the your company has approved these items in the Board Meeting dated 14.08.2014 and recommends the resolutions mentioned at Item No. 8 & 9 of the accompanying Notice, for the approval of Shareholders of the company as **Special Resolutions**.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 8 & 9 of the accompanying Notice.

Item No. 10

Section 73(2) and Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, makes it mandatory for the Company to obtain approval of the shareholders before accepting any deposits from the shareholders/ public by way of Fixed Deposits. As the conditions and maximum limits for accepting deposits from the Shareholders/public has been laid down in the Companies (Acceptance of Deposits) Rules, 2014, approval of the shareholders by way of special resolution, is being obtained for accepting deposits from the shareholders/public after complying with all the conditions stated in Section 73(2)/ Section 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Pursuant to Section 76 read with Companies (Acceptance of Deposits) Rules, 2014, it is therefore necessary for the shareholders to pass a special resolution as set out at Item No. 10 of the Notice.

None of the Directors of the Company and /or Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise, in the resolution.

The Board recommends special resolution for the approval of the Members set out at Item no. 10.

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

Name of Director (DIN)	Sh. Shyam Sunder Dawra (DIN-00310987)	Sh. Kanwarjit Singh (DIN-02116031)	Sh. Vijay Goverdhandas Kalantri (DIN-00019510)	Shri Humesh Kumar Singhal (DIN-00044328)	Shri Sanjay Garg (DIN-00030956)
Date of Birth	11/10/1943	14/11/1943	05/01/1949	12/01/1951	09/09/1968
Date of first Appointment	21/04/2008	29/03/2008	30/12/2005	30/11/1996	25/03/2006
Qualification Experience in Specific functional areas	Sh. Shyam Sunder Dawra is an eminent IAS Officer of 1967 batch of Punjab Cadre and retired as secretary personnel, Govt. of India.	Sh. Kanwarjit Singh, is retired as Secretary Member Engineering, Railway Board & Ex. Officio Secretary Govt. of India.	Sh. Vijay Kalantri, is Government Commercial Diploma and Textile Diploma Holder from Sasmira. He is an industrialist and has over 40 years of experience in industry in textiles, leasing finance and infrastructure development. He is Chairman & Managing Director of Dighi Port Ltd., which is developing a Port/ SEZ in Maharashtra. He is the President of All India Association of Industries, Indian Council of Foreign Trade and Indo-Polish Chamber of Commerce & Industry. He is also the member of various prestigious Govt. Bodies/ Institutions.	Sh. Humesh Kumar Singhal, a qualified Chartered Accountant, has more than 40 years of wide and varied experience in the area of Management and Corporate Finance.	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.
List of companies in which outside Directorships held	- Steel Strips Infrastructures Ltd. - Housing Development And Infrastructure Limited - Ambience Private Limited - Sunlife Holdings Private Limited	Nil	Balaji Infra Projects Ltd Dighi Port Limited Dighi Rail Infrastructure Limited Dighi Project Development Company Limited V I P Industries Limited Gannon Dunkerley And Company Limited Vindhyachal Hydro Power Limited All India Association Of Industries Zicom Electronic Security Systems Limited Etc.	Steel Strips Infrastructures Ltd. Indlon Chemicals Ltd. Indian Acrylics Ltd. Steel Strips Ltd. SAB Udyog Ltd. Malwa Chemtex Udyog Ltd. etc.	Steel Strips Ltd Steel Strips Infrastructures Limited
Chairman/ Member of the Committee of Board of Directors of the Company	Chairman of Audit Committee	Member of Audit Committee	Nil	Audit Committee, Share Transfer Committee & Investor Grievance Committee	Nil
Chairman/ Member of the Committee of Directors of other Companies in which he is a Director	Nil	Nil	Nil	Audit Committee, and Investor Grievance Committee of Indian Acrylics Limited, Steel Strips Infrastructures Ltd. and Steel Strips Ltd.	Nil
No. of shares held in the Company	Nil	Nil	Nil	70	50

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 2014.

FINANCIAL HIGHLIGHTS

PARTICULARS	(₹ in Lacs)	
	2013-14	2012-13
Turnover and Other Income		
- Turnover	1004.66	1536.68
- Other Income	261.57	1729.75
Operating Profit	308.17	2358.03
Financial Expenses	208.76	155.23
Depreciation	40.55	46.00
Net Profit/(Loss) before Income Tax	58.86	2156.80
Prior period Adjustments	1.11	29.45
Tax Expense	20.78	431.80
Profit/ (Loss) after Tax	36.97	1695.55

OPERATIONS AND FUTURE OUTLOOK

During the year, the turnover of the Company was lower as ₹1004.66 lac as compared to a turnover of ₹1536.68 lac during the previous year mainly due to slowdown in Real Estate Business. The Company earned a net profit of ₹36.97 lac as against a net profit of ₹1695.55 lac during the previous year.

SEGMENT REPORT

Your Company has a number of activities in its fold. Its primary business activities include Construction and Engineering, Real Estate, Information Technology and Trading. The Company is registered with various Government Bodies like Uttaranchal PWD (B&R), HP PWD (B&R), Haryana PWD (B&R) and PUDA as class-1 contractors. This segment 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 Infotech Division of the Company undertakes activities of an Internet Service Provider in Punjab Telecom Circle including Punjab, Chandigarh, Panchkula and parts of Haryana and Himachal Pradesh.

The other important segment of activities of your Company is Development and Sale of Real Estate. The Company is already in the process of developing a Housing Complex on Ambala-Chandigarh National Highway, at Derabassi in Punjab.

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

SUBSIDIARY COMPANIES

There is no subsidiary Company reportable under Section 212 of the Companies Act, 1956.

DEMATERILISATION

Effective from 09/05/2011, dematerialization of shares has been permitted by National Securities Depository Limited (NSDL) and ISIN No. INE137M01017 has been allotted to the Company for this purpose. The company has also established its connectivity with Central Depository Services of India (CDSL) vide their letter No. CDSL/ISS/NMP/EQ/33286 of January 15, 2014. SEBI has also confirmed connectivity with both the Depositories vide their notification number CIR/MRD/DP/16/2014 dated May 16, 2014.

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.

DIRECTORS

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Shri S S Dawra, Shri Kanwarjit Singh, Shri Ram K Gupta and Shri Vijay G Kalantri as Independent Directors of the Company.

As per Section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public Company is required to have at least one third of the total number of Directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office for a term of five years at the forthcoming Annual General Meeting (AGM) of the Company.

As per the provisions of Companies Act, 2013, Shri Humesh Kumar Singhal and Shri Sanjay Garg, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

DIVIDEND

Keeping in view the business commitments, your Company has decided not to declare any dividend for the year 2013-14.

INTERNAL CONTROL SYSTEMS

The internal control systems and processes of your 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.

CORPORATE GOVERNANCE

A separate section on Corporate Governance forms part of the Directors' Report in pursuance to Clause 49 of the Listing Agreement with Stock Exchanges.

FIXED DEPOSITS

The Company has accepted deposits from the public within the meaning of the provisions of Section 58A of the Companies Act, 1956. There has not been any default in repayment of deposits or payment of interest thereon during the year. There are no unpaid or unclaimed deposits as at the end of the year.

AUDITORS

M/s S.C. Dewan & Co., Chartered Accountants were appointed as Statutory Auditors of the Company to hold office till the conclusion of the ensuing Annual General Meeting. The Auditors retire at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. They have confirmed their eligibility and willingness to accept office if re-appointed. 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 re-appointment, and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Regarding valuation of Investments in quoted shares and Agricultural Lands & Buildings, the same has been done at cost, instead of market price, to comply with the Accounting Standards.

INSURANCE

All the insurable Properties and Assets of the Company have been adequately insured.

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company is engaged in 'Construction & Engineering', InfoTech, Real Estate and Trading business.

Real Estate business is again picking up in the country. The Company is gearing up to seize this opportunity to grow. The Company has already launched a Housing Complex named "SSL HIGHWAY TOWERS" at Derabassi near Chandigarh. The business is expected to pick up in the near future.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors' confirm that :

- i) in preparation of the Balance Sheet and the Profit and Loss Account and Cash Flow

Statement of the Company, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.

- ii) the Directors have selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

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

- (a) The provisions of Section 217(1)(e) of the Companies Act, 1956 with regard to Conservation of Energy and Technology Absorption are not applicable as your Company is not engaged in any Industrial activities.
- (b) Foreign Exchange Earnings and Outgo:

	<u>31.03.2014</u>	<u>31.03.2013</u>
- Earnings	₹63.67 Lacs	₹1431.30 Lacs
- Outgo	₹4.87 Lacs	₹3.89 Lacs

PARTICULARS OF EMPLOYEES

Relations during the period under review continued to be peaceful and harmonious. There was no employee who was drawing a salary of ₹60,00,000/- and above per annum if employed for full year, or a salary of ₹5,00,000/- and above per month if employed for a part of the year.

ACKNOWLEDGMENTS

Your Directors would like to place on record their sincere appreciation for the wholehearted support and contributions made by all employees of the Company, Customers, Bankers and Government Authorities. The Directors also express their gratitude to the shareholders for their valuable and un-stinted support.

For and on behalf of Board,

Place : CHANDIGARH
Date : 30.05.2014

H.K.Singhal
Director

AVINASH SHARMA
Executive Director

CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

(I) **A brief statement on Company's philosophy on code of governance:**

SAB Industries Ltd. (SABIL) believes in practicing the principles of good corporate governance, disclosure and transparency in all its activities and processes. Towards this objective, SABIL has always focused on good corporate governance, which it considers as a key driver of sustainable corporate growth and long term value creation.

(II) **BOARD OF DIRECTORS**

Composition and category of Directors:

- (i) The Company's policy is to have appropriate mix of Executive and Non-Executive Directors to maintain the independence of the Board and to separate the Board functions of governance and management. At Present, the Board of Directors comprises of 8 Directors with a Non-Executive Chairman. Of the Eight Directors, 7 (i.e. 87.5%) are Non-Executive Directors, including 4 (i.e. 50%) Independent Directors. None of the Non-Executive/ Independent Directors has any material pecuniary relationship or transactions with the Company.
- (ii) Five Board Meetings were held during the year and gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are 25.05.13, 12.08.13, 06.11.13 and 14.02.14.
- (iii) The names and categories of the directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year and the number of Directorships and Committee chairmanships/ memberships held by them in other companies is given below. Other Directorships do not include directorships of private limited companies, foreign companies, and companies under Section 25 of the Companies Act. Chairmanships/ Memberships of Board Committees include only that of Audit and Shareholders/ Investors Grievance Committees.

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 2012-13		Whether attended last AGM held on 30th Sept., 2013	No. of Directorships in other Public companies		No. of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Sh. R.K.Garg, Chairman	Promoter Non Executive Director	4	4	No	3	3	1	Nil
Sh. Avinash Sharma	Executive Director	4	4	Yes	Nil	3	Nil	Nil
Sh. Ram K Gupta	Non Executive Independent Director	4	3	No	Nil	3	Nil	Nil
Sh. Sanjay Garg	Non Executive Director	4	3	Yes	Nil	2	Nil	1
Sh. Vijay G Kalantri	Non Executive Independent Director	4	-	No	3	15	Nil	5
Sh. Kanwarjit Singh	Non Executive Independent Director	4	1	No	-	-	-	-
Sh. S. S. Dawra	Non Executive Independent Director	4	3	No	-	2	1	1
Sh. H. K. Singhal	Non Executive Director	4	4	Yes	Nil	6	Nil	7

- (iv) None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company. The Company has not entered into any materially significant transactions with its Directors/ Management or relatives etc. affecting the interest of the Company at large, except in normal course of business.
- (v) During the year, information as mentioned in annexure 1A to Clause 49 of the listing agreement has been placed before the Board for its consideration.
- (vi) **Directors retiring by rotation and being considered for reappointment:**
As per the provisions of Companies Act, 2013, Shri Humesh Kumar Singhal and Shri Sanjay Garg, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

BRIEF DESCRIPTION OF DIRECTORS RETIRING BY ROTATION:**Shri H K Singhal**

Shri H K Singhal, a Chartered Accountant, has more than 30 years of experience in the area of corporate finance, banking, audit, treasury operations, internal management and management information systems. He has made significant contributions to the company's growth and implementation of investment plans and business strategies. Over the period he occupied several managerial and advisory positions. He holds directorship of various Companies and is a member of audit and other committees. He is the Wholetime Director of Indian Acrylics Limited, a group Company.

Shri H K Singhal holds Directorships in the following other Companies:

<u>Name of the Companies/ Firms</u>	<u>Nature of interest</u>
ASADIRECTOR	
Steel Strips Infrastructures Ltd.	Director
Indlon Chemicals Ltd.	Director
Steel Strips Wheels Ltd.	Director
S.A.B. Udyog Ltd.	Director
S J Mercantile Pvt. Ltd.	Director
Steel Strips Mercantile Pvt. Ltd.	Director
Malwa Holdings Pvt. Ltd.	Director
Munak Financiers Pvt. Ltd.	Director
Munak Investments Pvt. Ltd.	Director
SAB Developers Pvt. Ltd.	Director
Munak International Pvt. Ltd.	Director
Malwa Chemtex Udyog Ltd.	Director
Indian Acrylics Limited	Financial Advisor
HOLDING MORE THAN 2% SHARES	

Shri H K Singhal is also Member/ Chairman of the following Committees of Board of other Companies:

<u>Name of Company</u>	<u>Name of Committee</u>	<u>Designation (Member or Chairman)</u>
Indian Acrylics Ltd.	Secretarial Committee, Audit Committee, Sub-Committee, Remuneration Committee & Investor Grievance Committee	Member
Steel Strips & Wheels Ltd.	Audit Committee, Remuneration Committee, Share Transfer Committee, Allotment Committee, Sub-Committee & Investor Grievance Committee	Member
Steel Strips Infrastructures Ltd.	Audit Committee, Share Transfer Committee & Investor Grievance Committee	Member
Steel Strips Ltd.	Audit Committee, Share Transfer Committee & Investor Grievance Committee	Member
SAB Industries Ltd.	Audit Committee, Share Transfer Committee & Investor Grievance Committee	Member

Shri Sanjay Garg

Shri Sanjay Garg, a qualified Cost and Works Accountant and a Bachelor of Laws, is a well qualified and experienced professional and is associated with the Group since 1989 in various managerial and advisory positions.

Shri Sanjay Garg holds Directorships in the following Companies:

	<u>Name of the Company</u>	<u>Nature of Interest</u>
1.	Steel Strips Ltd.	Executive Director
2.	Steel Strips Infrastructures Ltd.	Executive Director

Shri Sanjay Garg is also Member/ Chairman of the following Committees of Board of other Companies:

<u>Name of Company</u>	<u>Name of Committee</u>	<u>Designation (Member or Chairman)</u>
Steel Strips Infrastructures Ltd.	Share Transfer Committee	Member
Steel Strips Ltd.	Share Transfer Committee & Investor Grievance Committee	Member

(III) AUDIT COMMITTEE

(i) The terms of reference of Audit Committee are as per relevant guidelines and legislations. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency and to review the adequacy of internal control systems and functions. During the year under review, four Meetings of the Committee were held.

(ii) The Composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

<u>Name</u>	<u>Category</u>	<u>No. of Meetings held during the year</u>	
		<u>Held</u>	<u>Attended</u>
1. Sh. S. S. Dawra	Chairman	4	3
2. Sh. Ram K Gupta	Member	4	3
3. Sh. Kanwarjit Singh	Member	4	1
4. Sh. H.K. Singhal	Member	4	4

(IV) SHARE TRANSFER COMMITTEE

The Share Transfer Committee approves and expedites the process of share transfers.

The committee consists of the following members:

Name	No. of Meetings held during the year	
	Held	Attended
1. Sh. H.K. Singhal, Non- Executive Director	None	NA
2. Sh. Avinash Sharma, Executive Director	None	NA

(V) INVESTORS GRIEVANCE COMMITTEE

(i) The company has constituted an Investor Grievance Committee of Directors to look into the redressal of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares after transfer, non-receipt of dividends and recommends measures for overall improvement in the quality of investor services.

The committee consists of following members:

1. Sh. S. S. Dawra - Non Executive, Independent Director.
2. Sh. Avinash Sharma - Executive Director
3. Sh. H K Singhal - Non Executive Director

The Company addresses all complaints, suggestions and grievances expeditiously and replies are sent/ issues resolved usually within 15 days unless there is a dispute or other legal constraint.

(ii) Name, Designation, Address & E-mail of Compliance Officer:

Sh. H. K. Singhal, Director
SAB INDUSTRIES LIMITED
Corporate & Regd. Office: S C O 49-50,
Sector 26,
Madhya Marg, Chandigarh-160019
Telephone No. 0172- 2793112, 2792385
E-mail : hksinghal@glide.net.in

(VI) DETAILS OF REMUNERATION PAID TO EXISTING DIRECTORS FOR THE YEAR ENDED MARCH 31, 2014

(A) Shri Avinash Sharma is Whole time director of the Company. His particulars and details of remuneration paid is as under:
Shri Avinash Sharma

- Designation : Executive Director
- Last appointed on : 01/04/2013
- Term : Five years
- Salary : ₹ 2,35,000/- per month
- Commission : Rent free unfurnished accommodation
- Commission : 5% of net profit inclusive of remuneration mentioned above. For the purpose of calculation, net profit shall exclude the profit generated/ to be generated by the sale of Land, by the sale of Investment in shares, dividend of investment in shares and due to any claim received/ to be received for the cases/ work done before 1st October 2008 or any other receivable against the work executed by the Company before the said date.

In addition to the above, the Executive Director shall also be eligible for the following perquisites, which shall not be included for computation of the ceiling as specified.

- Reimbursement of medical as per the rules of the Company;
- Contribution to Provident Fund @ 12% of basic salary;
- 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 (unused portion of the earned leave may be encashed at the end of the tenure, including extension in tenure, if any, subject to a maximum of 30 days leave);
- Telephone at residence (private use of the telephone shall be billed by the Company to the appointee)
- Conveyance Reimbursement: Company's Car Expenses at actual as per Company's Rule.

(B) Details of sitting fee paid to the Directors for attending the Board Meetings / Committee Meetings held during 01.04.2013 to 31.03.2014

<u>NAME OF DIRECTOR</u>	<u>SITTING FEE (In ₹)</u>
1. Shri R.K. Garg	20,000
2. Shri Ram K Gupta	21,000
3. Shri Kanwarjit Singh	7,000
4. Shri Sanjay Garg	15,000
5. Shri Vijay G. Kalantri	-
6. Shri H.K. Singhal	28,000
7. Shri S S Dawra	21,000

(VII) DETAIL OF SHARES OF THE COMPANY HELD BY DIRECTORS AS ON 31ST MARCH, 2014.

Name	No. of Shares
1. Shri R.K. Garg	3404020
2. Shri Ram K Gupta	Nil
3. Shri Kanwarjit Singh	Nil
4. Shri S S Dawra	Nil
5. Shri Sanjay Garg	50
6. Shri Vijay G. Kalantri	Nil
7. Shri H. K. Singhal	70
8. Shri Avinash Sharma	50

(VIII) (i) GENERAL BODY MEETINGS

Date and venue of last few General Meetings:

	Date	Venue	Special Resolution(s) passed
AGM	30.09.2011	Regd Office of the Regd Office of the Company at: SCO 49-50, Sector 26, Madhya Marg, Chandigarh.	Yes, Reappointment of Executive Director
AGM	29.09.2012	-do-	-
AGM	30.09.2013	-do-	Yes, Reappointment of Executive Director

The company's shareholders has not passed any Special Resolution through postal ballot.

ii) DISCLOSURES:

- (i) Details of transactions entered into with related parties, during the year under review have been given in notes forming part of accounts.
- (ii) The Company has been complying with the SEBI Regulations and Listing Agreement with Stock Exchanges on issues related to Capital Market.
- (iii) The Company has adopted a Whistle Blower policy and has established the necessary mechanism for employees to report concerns to the Audit Committee about unethical behaviors. No person has been denied access to the Audit Committee.

(IX) INSIDER TRADING

"Code of Conduct for Prevention of Insider Trading" pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, has been followed by the Company through out the year.

(X) CEO/CFO Certification

A certificate from Executive Director and General Manager (A/c) on the financial statements of the company was placed before the Board.

(XI) CONSTITUANTS OF GROUP.

Following named Companies and individuals and HUF constitute the Group as defined in the MRTP Act 1969:

GROUP COMPANIES:

Indian Acrylics 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.

INDIVIDUALS / HUF:

Sh. R K Garg & Sons (HUF), Sh. R.K. Garg, Smt. Sunena Garg and Ms. Priya Garg and Mr. Dheeraj Garg.

(XII) MEANS OF COMMUNICATION

The quarterly and annual results are generally published in "Business Standard/ Financial Express/ Jansatta" and have also been submitted to the stock exchanges as per the requirements of the Listing Agreements on which the Company's equity shares are listed to enable them to put them on their own web sites. These were also put up on Company's Website: www.sabindustries.in

(XIII) GENERAL SHAREHOLDER INFORMATION

- (i) Annual General Meeting
To be held on Tuesday, the 30th day of September, 2014 at the Registered Office of the Company.
- (ii) Financial Year : 1st April to 31st March
- (iii) Year Ending : March 31, 2014
- (iv) Financial Calendar: (tentative)
Results for quarter ending June 2014 -- Second week of Aug., 2014
Results for quarter ending Sept. 2014 -- Second week of Nov., 2014
Results for quarter ending Dec. 2014 -- Second week of Feb., 2015

Results for quarter ending March 2015 -- Last week of May, 2015

(v) Book Closure date: 22nd September 2014 to 30th September 2014.

(vi) Listing on Stock Exchange: The Ludhiana Stock Exchange Ltd. and the Delhi Stock Exchange Ltd.

(XIV) Share Transfer System

Transfer of shares is normally processed within 12-15 days from the date of receipt, if the documents are complete in all respects.

(XV) The company did not have any outstanding GDRs/ADRs as at 31st March, 2014.

(XVI) Distribution of shareholding as on 31st March 2014

Share holding of		Shareholders		Share Amount	
Face Value (₹)	Face Value (₹)	Number	%age to Total	In ₹	%age to Total
10	To 5000	490	91.85	219440	0.14
5001	To 10000	2	1.06	12000	0.01
10001	To 20000	3	0.71	24000	0.02
20001	To 30000	-	-	-	-
30001	To 40000	-	-	-	-
40001	To 50000	-	-	-	-
50001	To 100000	1	0.35	90000	0.06
100001	and Above	17	6.03	151538280	99.77
		513	100.00	151883720	100.00

Shareholding Pattern as on 31st March, 2014

S.No.	PARTICULARS	NO. OF SHARES	(%)
1.	Promoter & Persons Acting in Concert	11183356	73.63
2.	Bodies Corporate	3783101	24.91
3.	Financial Institutions, Banks & Mutual Funds	185611	1.22
4.	General Public	36304	0.24
	TOTAL SHAREHOLDING	15188372	100.00

(XVII) MARKET INFORMATION:

The Securities of the Company are not actively traded on the Stock Exchanges. As such, the market information on the company's Securities is not available.

(XVIII) 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) through the Registrar M/s Link Intime India Pvt. Limited, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR Naraina, New Delhi 110028.

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 with the Registrar at the above address.

As on 31.03.2014, 15101035 (99.42%) equity shares of the Company are held in demat form and the balance 87337 (0.58%) equity shares are held in physical form.

Demat ISIN Number allotted to the Company by NSDL for equity shares is INE137M01017.

(XIX) ADDRESS OF REGISTERED/ CORRESPONDENCE OFFICE:

The Company Secretary
 SAB Industries Ltd
 S.C.O. 49-50, Sector 26, Madhya Marg,
 Chandigarh-160019
 Email: ssl_ssg@glide.net.in
 Website: sabindustries.in

On behalf of Board of Directors

Place: Chandigarh
 Date: 30th May 2014

H.K.SINGHAL
 DIRECTOR

AVINASH SHARMA
 EXECUTIVE DIRECTOR

**AUDITORS' CERTIFICATE ON COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE
UNDER CLAUSE 49 OF THE LISTING AGREEMENT.
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 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 Clause 49 of the above mentioned Listing Agreement with the Stock Exchanges.

For S. C. Dewan & Co.
Chartered Accountants
(Regn. No. 000934N)

Place :Chandigarh
Date : 30th May 2014

S.C.DEWAN
PARTNER
No. 15678

**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, 2014 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: 30.05.2014

Avinash Sharma
Executive Director

CEO'S/CFO'S Certificate

TO WHOMSOEVER IT MAY CONCERN

In Compliance to clause 49 of the Listing Agreement, 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 violative 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: 30.05.2014

H K Singhal
Director

Avinash Sharma
Executive Director

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/S SAB INDUSTRIES LIMITED

We have audited the accompanying financial statements of SAB INDUSTRIES LIMITED, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (The Act.) read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.C. Dewan & Co.
Chartered Accountants
ICAI Firm Registration Number: 000934N

Place : Chandigarh
Date : 30th May 2014

per S.C.Dewan
Partner
Membership Number: 015678

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of SAB INDUSTRIES LIMITED on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, Physical verification of inventory of fixed assets has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification dealt with in the books of accounts.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. The Company has not granted or taken any loan, secured or unsecured loans to/ from Companies covered in the register maintained under section 301 of the Companies Act, 1956. The Provision of clause 4(iii) of Companies (Auditor's Report) order, 2003 are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets, payment for expenses and for the sale of goods and services. During the course of our audit; we have not observed any continuing failure to correct major weaknesses in internal control system.
5.
 - a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has accepted deposits from the public covered under section 58A and further as required under 58AA of the Companies Act, 1956, the company has not made any default in repayment of any such deposits or part thereof or any interest thereon.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. As per information & explanation given by the management and as per the nature of its business activities, the company is not required

to maintain the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.

9. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable.
 - b. The Company is regular in depositing undisputed statutory dues including, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
10. The Company has no accumulated losses at the end of financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi /mutual benefit fund / society. Therefore, the provisions of Clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities and other investments. The Company has maintained proper records of transactions and contracts in respect of shares, securities and other investments and timely entries have been made therein. All shares, securities and other investments have been held by the Company in its own name.
15. According to the information and explanation give to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. Based on the information and explanations given to us by the management, term loan were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
18. The Company has not made any preferential allotment of equity shares to a company covered in the Register maintained under Section 301 of the Companies Act, 1956 during the financial year.
19. The Company has not issued any Debentures to the public.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S.C. Dewan & Co.
Chartered Accountants
ICAI Firm Registration Number: 000934N

Place : Chandigarh
Date : 30th May 2014

S.C. Dewan
Partner
Membership No. : 015678

BALANCE SHEET
as at 31st March, 2014

PARTICULARS	NOTE NO.	As On 31.03.2014 (₹)	As On 31.03.2013 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders's Funds	1		
(a) Share Capital		15,18,83,720	15,18,83,720
(b) Reserve and Surplus		33,34,37,934	32,97,41,051
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities	2		
(a) Long-term borrowings		18,71,90,653	18,98,87,748
(b) Other Long term liabilities		3,61,75,438	3,67,56,254
(c) Long term provisions		2,28,75,484	2,35,89,014
(4) Current Liabilities	3		
(a) Short-term borrowings		-	6,70,477
(b) Trade payables		22,19,687	2,92,77,082
(c) Other current liabilities		14,92,65,993	12,27,09,409
(d) Short term provisions		19,00,000	4,29,37,537
TOTAL		88,49,48,909	92,74,52,292
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	4		
Gross Block		29,14,98,965	28,93,76,254
Less : Depreciation		12,91,87,288	12,51,32,368
Net Block		16,23,11,677	16,42,43,886
(b) Non-current investments		12,43,95,653	12,02,42,298
(c) Deferred tax assets (net)		36,53,323	38,31,774
(2) Current assets	5		
(a) Inventories		36,22,89,761	36,51,31,761
(b) Trade receivables		11,49,22,383	11,47,90,388
(c) Cash and Bank Balances		3,84,36,370	2,90,56,224
(d) Short-term loans and advances		7,12,22,569	7,69,20,831
(e) Other current assets		77,17,173	5,32,35,130
TOTAL		88,49,48,909	92,74,52,292
Significant Accounting Policies Notes on Financial Statements	1 to 14		

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

for S.C.Dewan & Co
Chartered Accountants
(Registration No.000934N)

AVINASH SHASRMA
Executive Director

Place : Chandigarh
Dated : 30.05.2014

S.C. DEWAN
Partner
Membership No.015678

GURPREET KAUR
Company Secretary

S. S. DAWRA
H K SINGHAL
Directors

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2014**

PARTICULARS	NOTE NO.	As On 31.03.2014 (₹)	As On 31.03.2013 (₹)
I. Revenue from operations	6	10,04,65,772	15,36,67,832
II. Other Income	7	2,61,57,027	17,29,75,527
III. Total Revenue (I +II)		12,66,22,799	32,66,43,359
IV. EXPENSES :			
Cost of materials consumed	8	80,22,747	85,85,500
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work in-progress and Stock-in-Trade	9	28,42,000	1,64,46,000
Employee benefit expense	10	1,70,44,355	1,67,34,136
Financial costs	11	2,08,75,558	1,55,22,980
Depreciation and amortization expense	4 (a)	40,54,918	46,00,530
Other expenses	12	6,78,96,853	4,90,73,962
Total Expenses		12,07,36,431	11,09,63,108
V. Profit /Loss (-) before exceptional and extraordinary items and tax(III - IV)		58,86,368	21,56,80,251
VI. Extraordinary Items		-	-
Prior period adjustments/ (Income tax paid/adjusted)		1,11,034	29,45,522
VII. Profit before tax (VII - VIII)		57,75,334	21,27,34,729
VIII. Tax expense:			
(1) Current tax		19,00,000	4,28,75,000
(2) Deferred tax Liability / (Assets)	13	1,78,451	3,04,608
IX. Profit(Loss) for the period from continuing operations		36,96,883	16,95,55,121
EARNING PER SHARE - BASIC AND DILUTED (Face Value of ₹10/- per share)		0.24	11.16

Significant Accounting Policies Notes on Financial Statements 1 to 14

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

for S.C.Dewan & Co
Chartered Accountants
(Registration No.000934N)

AVINASH SHASRMA
Executive Director

Place : Chandigarh
Dated : 30.05.2014

S.C. DEWAN
Partner
Membership No.015678

GURPREET KAUR
Company Secretary

S. S. DAWRA
H K SINGHAL
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014	(₹)	
	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS	58,86,368	21,56,80,251
ADJUSTMENT FOR :		
PROFIT(-)/LOSS(+) ON SALE OF FIXED ASSETS	-	(39,765)
DEPRECIATION	40,54,918	46,00,530
DIVIDEND RECEIVED	(19,87,108)	(19,73,293)
INTEREST & OTHER FINANCIAL CHARGES	2,08,75,558	1,55,22,980
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	2,88,29,736	23,37,90,703
ADJUSTMENT FOR TRADE AND		
OTHER RECEIVABLES	5,10,84,224	(19,10,42,244)
INVENTORIES	28,42,000	1,64,46,000
TRADE PAYABLES	(4,20,47,045)	3,42,48,499 (14,03,47,745)
CASH GENERATED FROM OPERATIONS	4,07,08,915	9,34,42,958
INTEREST AND OTHER FINANCIAL EXPENSES PAID	2,08,75,558	1,55,22,980
DIRECT TAXES PAID/ADJUSTED	20,11,034	4,58,20,522
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	1,78,22,323	3,20,99,456
INCOME TAX REFUND RECEIVED	-	-
CASH FLOW FROM OPERATING ACTIVITIES	1,78,22,323	3,20,99,456
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(21,22,710)	(12,92,085)
SALE OF FIXED ASSETS	-	1,10,700
PURCHASE OF INVESTMENETS	(41,53,355)	(3,99,561)
INVESTMENTS WRITTEN OFF	-	3,58,54,993
DIVIDEND RECEIVED	19,87,108	19,73,293
NET CASH FLOW FROM INVESTING ACTIVITIES	(42,88,957)	3,62,47,340
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM SHARE APPLICATION MONEY	-	-
PROCEEDS FROM LONG TERM BORROWINGS	15,17,256	-
PROCEEDS FROM UNSECURED LOANS	-	-
PROCEEDS FROM SHORT TERM BORROWINGS	-	-
REPAYMENT OF SHORT TERM BORROWINGS	6,70,477	(65,32,615)
REPAYMENT OF LONG TERM BORROWINGS	50,00,000	(6,31,06,046)
NET CASH RECEIVED FROM FINANCING ACTIVITIES	41,53,221	(6,96,38,661)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	93,80,145	(12,91,865)
CASH AND CASH EQUIVALENTS AS AT 01.04.2013/01.04.2012 (OPENING BALANCE)	2,90,56,225	3,03,48,090
CASH AND CASH EQUIVALENTS AS AT 31.03.2014/31.03.2013 (CLOSING BALANCE)	3,84,36,370	2,90,56,225

For and on behalf of the Board

AVINASH SHASRMA
Executive Director

Place : Chandigarh
Dated : 30.05.2014

GURPREET KAUR
Company Secretary

S. S. DAWRA
H K SINGHAL
Directors

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, 2014 and found the same in agreement therewith.

For S.C DEWAN & COMPANY
Chartered Accountants
(Registration No.000934N)

Place : Chandigarh
Dated : 30.05.2014

S.C.DEWAN
PARTNER
Membership No.015678

PARTICULARS	As On 31.03.2014 (₹)	As On 31.03.2013 (₹)
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDD 31ST MARCH, 2014

NOTE '1' : SHAREHOLDERS' FUND

(a) Share Capital

AUTHORISED CAPITAL

2,00,00,000 Equity shares of ₹ 10/- each (PREVIOUS YEAR 20000000 Equity shares of ₹10/- each)	20,00,00,000	20,00,00,000
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ISSUED, SUBSCRIBED & PAID-UP

15188372 Equity shares (Previous year 15188372 shares) of ₹10/- each	15,18,83,720	15,18,83,720
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TOTAL	<u>15,18,83,720</u>	<u>15,18,83,720</u>
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DETAILS OF SHAREHOLDERS HOLDING 5% OR MORE SHARES IN THE COMPANY

Name of shareholders	AS ON 31.03.2014		AS ON 31.03.2013	
	No of shares	%age	No of shares	%age
SHRI R K GARG	34,04,020	22.41%	34,04,020	22.41%
SHRI DHEERAJ GARG	13,07,808	8.61%	13,07,808	8.61%
STEEL STRIPS INDUSTRIES LTD.	8,05,172	5.30%	8,05,172	5.30%
STEEL STRIPS HOLDING PVT. LTD.	12,00,060	7.90%	12,00,060	7.90%
STEEL STRIPS FIN. PVT. LTD.	12,00,060	7.90%	12,00,060	7.90%
MUNAK FINANCIERS PVT. LTD.	15,60,720	10.28%	15,60,720	10.28%
MUNAK INVESTMENTS PVT. LTD.	12,00,000	7.90%	12,00,000	7.90%
STEEL STRIPS WHEELS INVT. LTD.	12,14,630	8.00%	12,14,630	8.00%
PRIYA TOOLS PVT. LTD.	12,14,632	8.00%	12,14,632	8.00%
BLOOMEN FLORA LTD.	13,36,438	8.80%	13,36,438	8.80%

(b) Reserve & Surplus

1.	General Reserve	19,01,46,426	9,01,46,426
	ADD : Amount transferred from Profit & Loss a/c	-	10,00,00,000
	Total (1)	<u>19,01,46,426</u>	<u>19,01,46,426</u>
2.	Capital Reserve	4,19,99,490	4,19,99,490
	Total (2)	<u>4,19,99,490</u>	<u>4,19,99,490</u>
3.	Profit & Loss A/C		
	As per last Balance Sheet	9,75,95,135	2,80,40,014
	Add : Profit for the year	36,96,883	16,95,55,121
		10,12,92,018	19,75,95,135
	Less : Amount transferred to General Reserve a/c	-	10,00,00,000
	Total (3)	<u>10,12,92,018</u>	<u>9,75,95,135</u>
	Total (1+2+3)	<u>33,34,37,934</u>	<u>32,97,41,051</u>

NOTE '2' : NON-CURRENT LIABILITIES

(a) Long-Term Borrowings

PARTICULARS	As On	As On	As On	As On
	31.03.2014	31.03.2014	31.03.2013	31.03.2013
	₹	₹	₹	₹
SECURED	Non-Current	Current	Non-Current	Current
FROM BANKS				
TERM LOAN FROM HDFC BANK				
(Secured against Mortgage of properties of Directors and Associate Concerns)	-	-	-	8,99,296
VEHICLES/EQUIPMENTS LOANS FROM BANKS				
(Secured against hypothecation of respective vehicles/equipments and counter guarantees of the company)	5,54,993	38,73,950	2,02,088	18,10,303
OTHERS				
1.Secured by Bank Guarantees (From Customers)	1,33,01,858	-	1,33,01,858	-
2.Secured against security furnished by Company/Associate**Companies/third party and against Security Bonds	16,01,33,802	-	16,01,33,802	-
UN-SECURED				
Fixed Deposits	1,32,00,000	55,50,000	1,62,50,000	75,00,000
From Directors/Associate concerns	-	-	-	-
TOTAL	18,71,90,653	94,23,950	18,98,87,748	1,02,09,599

Note : Vehicles/Equipments Loans from banks are secured against hypothecation of respective vehicles/equipments and counter guarantees of the company.

Maturity Profile of Vehicles/Equipments Loans are as below :

Particulars	1st Year	2nd Year	3rd Year	4th Year
Vehicles/Equipments Loans from Banks(Current Year)	3,87,075	1,67,918	-	-
Vehicles/Equipments Loans from Banks(Previous Year)	2,02,088	-	-	-

** The company had received the following amounts in earlier years against the claims :-

- FROM U.P.STATE GOVERNMENT	156.02
- FROM PB.PWD.HOSHIARPUR	12.14
- FROM PB.PWD.LUDHIANA	25.93
- FROM H.P.S.E.B.,SHIMLA	100.13
	294.22

Appeals have been filed against these awards and the matter is pending in the High Courts. In terms of the interim order of the High Courts, the Company has furnished securities of immovable properties situated at village Raisaina (Haryana) belonging to S.S. Credits Private Limited, S.A.Holdings Pvt. Ltd and Malwa Holding Pvt. Ltd and its own property situated at Banur.Distt. Mohali (Pb) besides undertaking by the company that these amounts shall be deposited back in the courts in case decisions go against the company in final verdicts. Surety bonds of associates companies have also been submitted. Accordingly, these amounts were considered as 'Secured Loans' instead of income as per the policy of the Company.

The company have also received ₹1307.12 lacs from M/S Sutej Constructions Ltd (SCL), Manimajra, Chandigarh in previous years.SAB Industries Ltd (SABIL) have entered into Joint Venture agreements with SCL in connection with Arbitration cases of said company whereby SCL and SABIL shall share the amount of award received, if any, equally between them. The amounts so released in earlier years have been released against furnishing of security by way of mortgaging land/title deeds of lands both of SABIL and SCL and submission of surety bonds. As the cases are subjudice and claims have been released against submission of surety bonds/title deeds of lands, the amount received has been treated as "Secured Loan" only as having been released against the above said securities. The amount shall be treated as Income as and when Surety Bonds/title deeds of land are released and cases are decided by the Court finally.The outstanding balance received from SCL stands at ₹1307.12 lac for above cases as on 31.03.2014.

(b) Other Long Term Liabilities

PARTICULARS	As On	As On
	31.03.2014	31.03.2013
- Liabilities for employees retirement benefits		
- Gratuity	31,35,737	24,41,609
- Earned Leave	10,18,816	7,52,198
- Security Deposit	3,20,20,885	3,35,62,447
TOTAL	3,61,75,438	3,67,56,254

(c) Long Term Provisions

Provision for Sales Tax	10,44,288	10,44,288
Provision for Bank Guarantee	26,74,000	26,74,000
Provision for Expenses	1,91,57,196	1,98,70,726
TOTAL	2,28,75,484	2,35,89,014

Note : 1. Sales Tax provision has been made in the year 2009-10 against demand raised by Sales Tax Deptt.,Haryana related to A.Y.1990-91 to 1993-94.

2. Provision for Bank Guarantees has been made against invoked BGs and 100% margin has been kept with State Bank of Patiala,Sector-17C,Chandigarh. Now the cases are pending in various courts.

SAB INDUSTRIES LIMITED

PARTICULARS	As On 31.03.2014 (₹)	As On 31.03.2013 (₹)
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NOTE '3' : CURRENT LIABILITIES
(a) Short-Term Borrowings
SECURED FROM BANKS

Working Capital from Banks	-	6,70,477
TOTAL	-	6,70,477

Note : Working Capital is secured against hypothecation of stocks & Book debts, further secured by way of Pledge of five lac equity shares of STEEL STRIPS WHEELS LTD ,equitable mortgage of immovable properties admeasuring 6 bigha,6 bishwa and 5 biswaisi, 5 bigha 16 bishwa & 7 bigha 16 bishwa situated at Vill-Ajijpur,Derabassi, Mohali in the name of M/S SAB Udyog Ltd as collateral Security and personal guarantee of Sh.R.K.Garg, Chairman of the company.

(b) Trade Payables
- Trade Payables*

- Micro and Small Enterprises	-	-
- Others	17,50,847	34,08,843
- Cheques issued but not preseted for payment	4,68,840	2,58,68,239
TOTAL	22,19,687	2,92,77,082

Debit and Credit Balances in the accounts of suppliers and others are subject to confirmation and reconciliations.

Detail of amounts outstanding to Micro and Small Enterprises as defined under Micro,Small and Medium Enterprises Development Act 2006, based on available information with the company is as under :

Principal amount due and remaining unpaid	--	--
Interest due on above and the unpaid interest	--	--
Interest paid	--	--
Payment made beyond the appointed day during the year	--	--
Interest due and payable for the period of delay	--	--
Interest accrued and remaining unpaid	--	--
Amount of further interest remaining due and payable in succeeding years	--	--
TOTAL	-	-

(c) Other Current Liabilities

- Current maturities of Long-term Debts (Refer Note No.2)	94,23,950	1,02,09,599
- Statutory dues	6,24,629	13,55,565
- Advance from customers	3,57,14,635	4,89,27,995
- Advances from others **	10,00,00,000	5,00,00,000
- Expenses payable	35,02,779	1,22,16,250
TOTAL	14,92,65,993	12,27,09,409

** The company has received an advance of ₹10.00 crores in pursuance to a MOU entered on its behalf and on behalf of associates companies with a developer against the land at Village Raisina, Gurgaon, Haryana.

(d) Short Term Provisions

- Provision for Expenses	-	62,537
- Provision for taxation	19,00,000	4,28,75,000
TOTAL	19,00,000	4,29,37,537

NOTE '4' : NON CURRENT ASSETS**(a) Fixed Assets****A) CONSTRUCTION DIVISION**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1.4.2013	Additions During The year	Sales/ Adjustment During the year	As at 31.03.2014	As on 1.4.2013	During the period	Sale/ Adjustment During the period	As on 31.03.2014	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1. LAND	14,46,09,841	-	-	14,46,09,841	-	-	-	-	14,46,09,841	14,46,09,841
2. PLANT & EQUIPMENTS	3,33,35,392	5,85,830	-	3,39,21,222	2,24,29,104	18,25,370	-	2,42,54,474	96,66,748	1,09,06,288
3. FURNITURE & FIXTURE	40,49,625	-	-	40,49,625	31,32,497	1,66,000	-	32,98,497	7,51,128	9,17,128
4. VEHICLES	3,14,10,121	13,36,350	-	3,27,46,471	2,66,37,179	14,38,563	-	28,0,75,742	46,70,729	47,72,942
5. OFFICE EQUIPMENT	50,16,387	2,00,530	-	52,16,917	37,83,699	2,37,368	-	40,21,067	11,95,850	12,32,688
TOTAL (A) :-	21,84,21,366	21,22,710	-	22,05,44,080	5,59,82,478	36,67,301	-	5,96,49,780	16,08,94,296	16,24,38,889

B) INFOTECH DIVISION

1. LAND	-	-	-	-	-	-	-	-	-	-
2. PLANT & EQUIPMENTS	6,35,56,506	-	-	6,35,56,506	6,19,62,866	3,87,617	-	6,23,50,483	12,06,023	15,93,640
3. FURNITURE & FIXTURE	73,98,380	-	-	73,98,380	71,87,025	-	-	71,87,025	2,11,357	2,11,357
TOTAL (B) :-	7,09,54,886	-	-	7,09,54,886	6,91,49,891	3,87,617	-	6,95,37,508	14,17,380	18,04,997
TOTAL (A+B)	28,93,76,256	21,22,710	-	29,14,98,965	12,51,32,369	40,54,918	-	12,91,87,288	16,23,11,677	16,42,43,886
PREVIOUS YEAR	28,92,46,173	12,92,085	11,62,002	28,93,76,254	12,16,22,905	46,00,530	10,91,067	12,51,32,368	16,42,43,886	16,76,23,265

1. Depreciation is provided for on Plant and Machinery on the basis of the life of the Machinery as specified by valuer appointed by the company in accordance with Section-205 (2) of the Companies Act, 1956 and/or on the basis of Techno Commercial evaluation made by the Company.

PARTICULARS	RATES APPLIED (WDV METHOD)
Vibrators, Welding Set, Mixers,	70%
Batching Plant, Tractor Trolley,	30%
JCB Machine & Soil Compactor	

2. Depreciation on Furniture and Fixtures, Vehicles and other equipments has been charged as per rates specified in schedule XIV of the Companies Act, 1956 as amended upto date on written down value method.

3. However, depreciation, in our "Infotech Division", on Plant & Machinery, Data Processing equipment, Furniture & Fixture and other assets is provided on single shift basis, straight-line method as per rates specified in Schedule XIV to the Companies Act, 1956 as amended upto date.

4. Land as stated above, includes Agriculture Land valuing ₹ 12, 67, 41, 791.

PARTICULARS

As On
31.03.2014
(₹)

As On
31.03.2013
(₹)

(B) Non-Current Investments**INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS****QUOTED & VALUED AT COST PRICE**

13,14,187 (Previous Year 12,93,686) fully paid equity shares of ₹10/- each of M/s Steel Strips Wheels Limited

3,28,43,062 2,99,63,059

1,47,93,772 fully paid up equity shares of Indian Acrylics Ltd (Previous Year 1,47,93,772) of ₹10/- each

5,95,19,719 5,95,19,719

SAB INDUSTRIES LIMITED

PARTICULARS	As On 31.03.2014 (₹)	As On 31.03.2013 (₹)
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
6,87,434 (Previous year 5,28,265) fully paid equity shares of ₹10/- each of M/S Steel Strips Limited, INVESTMENT IN EQUITY INSTRUMENTS - OTHERS QUOTED & VALUED AT COST PRICE	14,58,245	1,84,893
165 (Previous Year 165) fully paid equity share of ₹10/- each of M/s Kamla Dials & Devises Limited	2,550	2,550
105 fully paid (Previous year 105) equity shares of ₹10/- each of M/s Asian Hotels Limited	500	500
10000 fully paid (Previous year 10000) equity shares of ₹10/- each of M/s PUNJAB & SIND BANK	12,89,356	12,89,356
200 Shares of BOICON (Previous Year 200) of ₹10/- each	44,545	44,545
100 Nos fully paid up equity shares of Vallabh Steels Ltd (Previous Year 100) of ₹10/- each	2,820	2,820
37 Nos fully paid up equity shares of Consolidated Fibres & Chemicals Ltd (Previous Year 37) of ₹10/- each	64	64
153 fully paid up equity shares of Wheels India Ltd (Prev. Year 153) of ₹10/-each.	46,703	46,703
10000 Nos fully paid up equity shares (Previous year 10000 NOS) of Vikas WSP Ltd	3,99,561	3,99,561
AGGREGATE AMOUNT OF THE QUOTED INVESTMENTS	9,56,19,796	9,14,66,441
INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS UNQUOTED & VALUED AT COST		
5368630 equity shares of ₹10/-each of M/S SAB Udyog Ltd (Previous year 5368630)	2,87,75,857	2,87,75,857
AGGREGATE AMOUNT OF THE UN-QUOTED INVESTMENTS	2,87,75,857	2,87,75,857
AGGREGATE AMOUNT OF THE QUOTED & UN-QUOTED INVESTMENTS	12,43,95,653	12,02,42,298
Aggregate Market value of Quoted Investments	23,01,29,138	24,56,31,985

PARTICULARS	As On 31.03.2014 (₹)	As On 31.03.2013 (₹)
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NOTE '5' : CURRENT ASSETS

(a) Inventories

1.	WORK IN PROGRESS	-	28,42,000
	Total 1.	-	28,42,000
2.	COMMERCIAL PROPERTY UNDER DEVELOPMENT (Land, Development expenses thereon (valued at cost) and Misc. Expenditure Pending Allocation to above commercial property)		
	(a) Cost Of Land Including Registration And	22,57,84,131	22,57,84,131
	(b) Development Expenses		
	Fees & Taxes	31,25,878	31,25,878
	(Land Dev. Fee)		
	Architect/Other Fee	41,86,822	41,86,822
		73,12,700	73,12,700
		23,30,96,831	23,30,96,831
	(c) Misc. Expenditure Pending Allocation To Above Commercial Property		
	Direct Cost	7,79,93,808	7,79,93,808
	Administration Exps	59,01,744	59,01,744
	Employee Cost	84,60,345	84,60,345
	Selling & Advt. Exps	46,78,483	46,78,483
	Interest And Bank charges	3,02,96,191	3,02,96,191
	Depreciation	18,62,359	18,62,359
		12,91,92,930	12,91,92,930
	Total 2.	36,22,89,761	36,22,89,761
	Total 1+2	36,22,89,761	36,51,31,761

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.

(b) Trade Receivables

-	Outstanding for a period exceeding six months	11,92,10,345	11,92,10,345
-	Others	49,22,383	47,90,388
		12,41,32,728	12,40,00,733
	Less : Provision for bad and doubtful debts	92,10,345	92,10,345
	SUB - TOTAL	11,49,22,383	11,47,90,388

(c) Cash and Bank Balances

-	Balances With Banks	1,66,00,827	28,83,177
-	Cheques/Drafts In Hand	-	44,15,267
-	Cash In Hand	1,37,219	80,930
-	Others		
-	Under Lien With Banks As Margin Money	1,95,67,960	2,03,02,200
-	Under Lien With Pwd, Uttarakhand, Dehradun	12,97,864	2,49,650
-	Fixed Deposits- (kept agst Public Deposits maturing during the next financial year)	8,32,500	11,25,000
	TOTAL	3,84,36,370	2,90,56,224

PARTICULARS	As On 31.03.2014 (₹)	As On 31.03.2013 (₹)
(d) Short-Term Loans and Advances		
LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD, UNLESS OTHERWISE STATED)		
A) Loans And Advances To Related Parties	-	-
B) Others		
- Suppliers/Petty Contractors	22,980	2,86,348
- Advances For Purchase Of Land	2,02,00,000	1,00,00,000
- Others		
- Corporate Loans (Secured) (Secured by way of registered mortgage of land admeasuring 13 bigha in favour of the company)	2,35,41,313	2,00,00,000
- Corporate Loans (Un-Secured)	2,06,50,000	4,00,00,000
- Others (Un-secured)	68,08,276	66,34,483
	<u>7,12,22,569</u>	<u>7,69,20,831</u>
- Less : Provision For Doubtful Advances	-	-
TOTAL	<u>7,12,22,569</u>	<u>7,69,20,831</u>

(e) Other Current Assets

Security Deposit	45,46,102	81,44,043
Interest Accrued But Not Due	7,76,063	23,76,290
Prepaid Expenses	1,43,352	3,22,779
Income Tax Deducted At Sources **	16,32,458	17,86,560
Income Tax Refundable	6,19,198	6,05,458
Advance Tax Deposited	-	4,00,00,000
TOTAL	<u>77,17,173</u>	<u>5,32,35,130</u>

** The tax deducted at source during the year under consideration is to the tune of ₹16.32 lac. Out of ₹16.32 lac, TDS to the tune of ₹10.79 lac has already been updated in Form 26AS. As such, TDS to the tune of ₹5.53 lac is yet to be updated in Form 26AS/ TDS certificates are to be received yet.

NOTE '6' : REVENUE FROM OPERATIONS

Sales Isp	66,14,592	46,66,701
Gross Work Done	9,38,51,180	3,90,01,131
Income from Real Estate Business	-	11,00,00,000
TOTAL	<u>10,04,65,772</u>	<u>15,36,67,832</u>

NOTE '7' : REVENUE FROM OTHER INCOME

Profit On Sale Of Investments	-	15,56,87,547
Profit On Sale Of Assets	-	39,765
Interest Received	1,67,58,693	95,46,031
Miscellaneous Income	38,63,831	3,58,192
Agriculture Receipts	35,47,395	53,70,699
Dividend Received	19,87,108	19,73,293
TOTAL	<u>2,61,57,027</u>	<u>17,29,75,527</u>

PARTICULARS	As On 31.03.2014 (₹)	As On 31.03.2013 (₹)
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NOTE '8' : COST OF MATERIAL CONSUMED

Opening Stock Of Building Materials And Net Working Equipments/Materials	-	-
Add : Purchases During The Year -		
- Purchase - Network Equipments	28,328	1,09,907
- Building Material	79,94,419	1,10,75,999
- Purchase Of Property In Stock	-	-
	80,22,747	1,11,85,906
Less - Sale/Material Issued To Sub-Contractors	-	26,00,406
- Closing Stocks Of Building Materials and Networking Equipments/Materials	-	-
TOTAL	80,22,747	85,85,500

Note : Building Material purchased/ consumed includes cost of the material involved in the payments made to Sub-Contractors for work done by them wherever building material is involved in executing their work.

NOTE '9' : CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

- Opening Work In Progress	28,42,000	1,92,88,000
- Closing Work In Progress	-	28,42,000
TOTAL	28,42,000	1,64,46,000

NOTE '10' : EMPLOYEE BENEFIT EXPENSES

Salaries, Wages And Others Allowances ** Including Directors Remuneration	1,49,32,196	1,50,70,875
Bonus	1,67,500	1,69,991
Contribution To Provident Funds & Other Funds	9,93,270	7,17,201
Welfare Expenses	9,51,389	7,76,069
TOTAL	1,70,44,355	1,67,34,136

PARTICULARS	As On 31.03.2014 (₹)	As On 31.03.2013 (₹)
** The detail of managerial remuneration paid to Directors is as under:		
Salary	28.20	12.00
Perquisite	5.29	7.07
Contribution Towards PF	3.38	1.44
Commission on Profits	0.61	21.80
	37.48	42.31

The Computation of Net Profits in accordance with Section 198 read with Section 349 of Companies Act, 1956 is given hereunder for the purpose of calculation of commission payable to Sh.R.K.Garg, Director & Chairman of the company.

Profit as per Profit & Loss A/c	36,96,883	16,95,55,121
Add : Depreciation as per P&L A/c	40,54,918	46,00,530
Chairman's Remuneration	60,590	21,79,629
Sitting Fee	1,12,000	1,03,000
Income Tax for the year	19,00,000	4,28,75,000
Income Tax paid/adjusted for earlier years	1,11,034	29,45,522
Total :	99,35,425	22,22,58,802
Less : Depreciation calculated for Managerial Remuneration	40,54,918	46,00,530
Deferred Tax Assets(Liability)	(1,78,451)	(3,04,608)
Available Profits	60,58,958	21,79,62,880
Commission / Remuneration @1% of available profits	60,590	21,79,629

However, commission is not payable to Sh.Avinash Sharma, Executive Director in view of the terms of his appointment and remuneration has been paid to him as per provisions of schedule XIII of the Companies Act, 1956.

The Company has a defined benefit gratuity and Earned Leave plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. And accumulation of EL for Staff is upto 60 days.

The following tables summarize the components of net benefit expense recognised in the Profit and Loss Account and the amounts recognised in the balance sheet.

The Employee's gratuity fund scheme managed by SAB Industries Ltd Employees Group Gratuity Trust (Managed by LIC Of India) is a defined benefit plan. The Present Value of obligation is determined based on actuarial valuation using the projected unit credit method which recognises each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Net employee benefit expenses (recognised in Employee Cost)

Particulars	(Amount in ₹)			
	Earned Leave 2013-2014	Gratuity 2013-2014	Earned Leave 2012-13	Gratuity 2012-13
Current service cost	2,66,619	6,94,128	1,98,651	5,59,481
Interest cost on benefit obligation	-	-	-	-
Net actuarial (gain)/ loss recognised in the period	2,66,619	6,94,128	1,98,651	5,59,481
Expected Returns on plan assets	-	-	-	-
Net benefit expenses recognised in the Profit and Loss a/c	2,66,619	6,94,128	1,98,651	5,59,481

Balance Sheet

Details of Provision for gratuity

Particulars	Earned Leave		Gratuity	
	2013-2014	2013-2014	2012-13	2012-13
	₹	₹	₹	₹
Defined benefit obligation	10,18,816	31,35,737	7,52,197	24,41,609
Less: Unrecognised past service cost	7,52,197	24,41,609	5,53,546	18,82,128
Net asset/ (liability) recognised in the balance sheet	2,66,619	6,94,128	1,98,651	5,59,481

Note: The above plans are Funded.

Changes in present value of the defined benefit obligation are as follows:

Particulars	Earned Leave		Gratuity	
	2013-2014	2013-2014	2012-13	2012-13
	₹	₹	₹	₹
Opening defined benefit obligation	7,52,197	24,41,609	5,53,546	18,82,128
Interest cost	-	-	-	-
Past service cost	-	-	-	-
Current service cost	-	-	-	-
Benefit paid	-	-	-	-
Actuarial (gains)/ losses on obligation	2,66,619	6,94,128	1,98,651	5,59,481
Closing defined benefit obligation	10,18,816	31,35,737	7,52,197	24,41,609

**The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:
Amount in Rs.**

Particulars	2013-2014	2013-2014	2012-13	2012-13
	(%)	(%)	(%)	(%)
Discount rate	9.35%	9.35%	8.00%	8.00%
Expected Increase in Compensation cost	7.00%	7.00%	7.00%	7.00%
Attrition	2.00%	2.00%	2.00%	2.00%
Mortality basis	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate

Note:

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rates have been determined by reference to market yields as on 31st march 2014 on CG-Secs of currency and term consistent with those of liability obligations.

NOTE '11': FINANCIAL COST

Interest - Banks	10,37,980	33,91,690
- Others	1,84,90,813	1,03,88,969
Other Financial Charges	13,46,765	17,06,644
Fluctuation In Foreign Exchange	-	35,677
TOTAL	2,08,75,558	1,55,22,980

NOTE '12': OTHER EXPENSES

(a) <u>Direct Cost</u>		
Labour & Wages **	43,37,751	55,92,113
Payment to Contractor	2,97,49,592	-
Hire Charges Of Machinery	-	2,65,330
Bandwidth Expenses	31,12,577	16,85,060
Total (a)	3,71,99,920	75,42,503
(b) <u>Selling and Distribution Expenses</u>		
Business Promotion Exps	28,540	1,42,202
Commission on Sale	2,80,324	-
Advertisement & Publicity	46,912	61,393
Subscription & Membership Fees	-	41,591
Total (b)	3,55,776	2,45,186

PARTICULARS	As On 31.03.2014 (₹)	As On 31.03.2013 (₹)
(c) <u>Establishment Expenses</u>		
Travelling Expenses - Foreign		
- Directors	-	10,47,259
- Others	-	2,63,140
Travelling Expenses - Inland		
- Directors	3,96,134	7,13,819
- Others	12,66,438	6,92,803
Printing & Stationery	2,76,229	2,79,367
Postage, Telegram & Telephone	3,51,396	2,78,769
Vehicles Repairs & Maintenance	12,72,838	10,48,235
Repairs & Maintenance	66,717	86,658
Insurance	4,44,428	4,79,383
Auditors Remuneration	7,86,520	5,72,100
Legal & Professional Charges	71,85,060	53,90,646
Directors' Sitting Fee	1,12,000	1,03,000
Rates & Taxes	19,89,525	285,431
Newspapers & Periodicals	4,827	5,251
Office Maintenance Exp.	11,18,948	9,50,682
Donation	7,60,000	13,05,000
Rent	45,48,980	35,28,776
Electricity & Water Charges	3,10,633	4,46,163
Tender Expenses	54,349	6,260
Agriculture Expenses	42,89,132	46,56,850
Debit Balances Written Off	22,97,699	82,53,349
Provision for bad and doubtful debts	-	92,10,345
Security Guards Expenses	6,36,408	4,80,876
Service Tax Paid	19,37,023	6,87,739
Other Miscellaneous Expenses	2,35,873	5,14,372
Total (c)	3,03,41,157	4,12,86,273
Total (a+b+c)	6,78,96,853	4,90,73,962

Note : 1) Labour wages includes cost of labour involved in the payments made to Sub-Contractors for work done by them.

2) The details of Auditors Remuneration is as under.

PARTICULARS	Current Year (₹)	Previous Year (₹)
Statutory Audit Fee	5,61,800	4,49,440
Company Law Matters & Tax Audit	1,12,360	1,12,360
Certification Work	1,12,360	-
Amount related to previous year on account of Service Tax	-	10,300
	<u>7,86,520</u>	<u>5,72,100</u>

NOTE '13' : DEFERRED TAX

W.D.V. as per Income Tax Act. (Net of Land)	2,89,61,886	3,14,44,104
W.D.V. as per books (Net of Land)	1,77,01,836	1,96,34,045
Depreciation excess claimed in books	1,12,60,050	1,18,10,059
Deferred tax assets	36,53,323	38,31,774
Less : Provision already made	38,31,774	41,36,382
Provision for current year	(1,78,451)	(3,04,608)

In compliance with AS 22 issued by ICAI 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 NO. 14 : NOTES ON ACCOUNTS**1. SIGNIFICANT ACCOUNTING POLICIES****a) CONVENTION**

The Financial statements are prepared under the historical cost convention in accordance with the applicable Accounting standards and relevant presentational requirements of the Companies Act, 1956.

b) RECOGNITION OF INCOMES/EXPENDITURE: -

All revenue & expenses are accounted for on accrual basis.

Work done is accounted for on the basis of certified bills, and Escalation in the year of actual receipt including Arbitration Claims received/security released during the year.

Construction scrap is accounted for on receipt basis.

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

c) FIXED ASSETS

The Agriculture land has been stated at cost price. Other fixed assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of duties, taxes and other incidental expenses.

d) DEPRECIATION

Depreciation is provided for on Plant and Machinery on the basis of the life of the Machinery as specified by valuer appointed by the company in accordance with Section-205 (2) of the Companies Act, 1956 and/or on the basis of Techno Commercial evaluation made by the Company.

PARTICULARS	RATES APPLIED (WDV METHOD)
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Vibrators, Welding Set, Mixers,	70%
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Batching Plant, Tractor Trolley,	30%
----------------------------------	-----

JCB Machine & Soil Compactor	
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Depreciation on Furniture and Fixtures, Vehicles and other equipments has been charged as per rates specified in schedule XIV of the Companies Act, 1956 as amended upto date on written down value method.

However, depreciation, in our "Infotech Division", on Plant & Machinery, Data Processing equipment, Furniture & Fixture and other assets is provided on single shift basis, straight-line method as per rates specified in Schedule XIV to the Companies Act, 1956 as amended upto date.

e) INVENTORIES

1 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.

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

f) RETIREMENT BENEFITS :

Gratuity and earned leave encashment have been provided for in the Books of Accounts on actuarial valuation basis at the end of the year.

g) CONTRIBUTION TO PF AND PENSION SCHEME

Contribution to PF and Pension Scheme is made in accordance with the employees Provident Fund and Misc. Provision Act, 1952.

h) INTEREST

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

i) VALUATION OF INVESTMENTS

Long Term quoted and unquoted investments are stated at Cost as at the close of the year. Investments in subsidiary companies are also valued at cost. Income from Investments is accounted for when realized.

j) FOREIGN CURRENCY FLUCTUATIONS/TRANSACTION IN FOREIGN CURRENCY

Any income or expense on account of exchange difference is recognized in the Profit and Loss Account.

2. CONTINGENT LIABILITIES

	AS ON	AS ON
	<u>31.03.2014</u>	<u>31.03.2013</u>
	(₹in lacs)	(₹in lacs)
Counter Guarantees issued by the company against Bank Guarantees/FLC	538.41	549.06

3. In the opinion of the Board, the current assets, loans & advances, if realised in the ordinary course of business, have the value on realization at least equal to the amount as stated in the Balance Sheet. The Stocks of building material, Raw material, finished goods and other consumable goods have been valued at cost and wastes have been valued at net realizable value and taken as certified by the Management. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.

4. Figures have been rounded off to the nearest rupee.

5. Previous year figures have been regrouped /rearranged wherever considered necessary to make them comparable with those of current year.

6. The company has filed claims arising out of contractual disputes with various clients, which have not been accounted for in books of accounts. Similarly, there are counter claims filed against the Company by clients, which have also not been accounted for. It is difficult to quantify the same, as these are at different stages of adjudication. These shall be accounted for as and when they are accepted or on their final decision and/or on their final settlement.

7. Sales Tax has been paid as per the Sales Tax returns filed. Any additional liability arising out of pending Assessments shall be provided for on the completion of Sale Tax Assessments.

8. Schedules 1 to 14 form an integral part of the Balance Sheet, Profit & Loss Account and Cash Flow Statement.

9. SEGMENT REPORT

Segment wise revenue, results and capital employed for the year-ended 31.03.2014 is as under:

		(₹ in lacs)
Sr. No.	<u>Particulars</u>	<u>31.03.2014</u>
31.03.2013		
1	SEGMENT REVENUES	
	a) Construction Division	482.78
	b) Real Estates Division	1100.00
	c) Investments (in shares)	1576.6
	d) Agriculture	53.70
	e) Infotech Division	53.36
	f) Trading Division	-
	TOTAL	3,266.44

2. SEGMENT RESULTS

Profit/(Loss)	(₹ in lacs)	
(Before tax and interest from each segment)		
a) Construction Division	249.33	(335.87)
b) Real Estates Division	-	1,100.00
c) Investments (in shares)	19.87	1,576.60
d) Agriculture	(7.42)	(22.80)
e) Infotech Division	5.84	5.61
f) Trading Division	-	(11.50)
TOTAL :	267.62	2,312.04
Less: Interest & financial charges	208.76	155.23
TOTAL PROFIT BEFORE TAX	58.86	2,156.81
Provision for Taxation	19.00	428.75
Provision for Deferred Tax	1.78	3.05
(Assets) Liability		
Income Tax paid/adj. for earlier years	(0.83)	29.45
Prior Period adjustments	1.95	-
Net Profit/(Loss)	36.96	1,695.56

3. CAPITAL EMPLOYED

(Segment assets-Segment liabilities)		
a) Construction Division	(799.28)	(631.51)
b) Real Estates Division	4,350.59	4,165.04
c) Investments (in shares)	1,198.34	1,198.34
d) Agriculture	707.61	707.61
e) Infotech Division	32.53	29.04
f) Trading Division	7.46	7.46
g) Unallocable assets less liabilities	1,090.33	1,090.33
TOTAL	6,587.58	6,566.31

10. 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. Under Trading Division, cement from Pakistan is imported and is sold off in India. Fractionally, the imported cement is consumed in our own projects of construction activities / in Real Estate Business. The Construction Division Segment operates through a single geographical segment. Secondary/other segment disclosures have been made accordingly.

11. EARNINGS PER SHARE (EPS)

Basic/Diluted Earnings per share	(₹ in lacs)	
	Current Year	Previous Year
Profit/(Loss) after tax as per Profit & Loss A/C	36.97	1,695.55
No of equity shares	1,51,88,372	1,51,88,372
Earnings per share (Face value of ₹10/- each)	0.24	11.16

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

12. DETAIL OF PROVISIONS AS PER AS-29

	Income Tax	Others
Balance as at April 1, 2013	428.75	268.45
Provision made during the year	19.00	9.60
Provision paid/adjusted/ written off/back during the period	428.75	7.75
Balance as at 31st March 2014	19.00	270.30

13. Leases

The company has 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 ₹45.49 lacs (previous year ₹35.29 lacs). The future minimum lease payments in respect of the non-cancellable operating leases as at 31st March 2014 are:

S.No. Particulars	(₹ in lacs)	
	As at 31.03.14	As at 31.03.13
a) not later than one year	31.15	31.10
b) later than one year but not later than five year	120.00	52.50
C) later than five year	82.50	--

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 (received Rs.8.81 lacs in previous year)

14. 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)	Enterprise Relatives over which KMP is able to exercise significant influence	Total for this year	Total For previous year
Lease Rent Paid against shared accommodation	-	-	-	-	24.00
Lease Rent Received against shared accommodation	-	-	-	-	8.81
Lease Rent paid	-	-	34.64	34.64	7.50
Lease line/cable net charges received	-	-	11.81	11.81	15.95
Repair & Maint. Received	-	-	0.19	0.19	-
Electricity & Water Charges paid	-	-	-	-	0.53
Vehicle Expenses Received	-	-	0.24	0.24	0.24

Particulars	Subsidiaries Company	Key Management Personal (KMP)	Enterprise Relatives over which KMP is able to exercise significant influence	Total for this year	Total For previous year
Electricity & Water Charges received	-	-	-	-	0.04
Dividend received	-	-	19.41	19.41	19.41
Sale of Shares	-	-	-	-	150.10
Management contract (salaries)	-	37.48	-	37.48	42.31
Finance					
1. Loan received	-	-	-	-	-
Loan Re-paid	-	-	-	-	311.00
Outstanding at the end of the year	-	-	-	-	-

Note:

- Key management: Sh.R.K.Garg, Chairman, Sh.Avinash Sharma, Executive Director, Sh.H.K.Singhal, Director
- Enterprises over which Key Management Personal (KMP) are able to exercise significant influence and with whom transactions have taken place during the year:
 - Indian Acrylics Ltd
 - Steel Strips Wheels Ltd
- Relatives of the Key Management Personnel (with whom transactions have taken place) Sh.R.K.Garg himself is Chairman of the company and Ms Priya Garg who is daughter of Sh.R.K.Garg.
- ADDITIONAL INFORMATION PERSUANT TO PROVISIONS OF PARAGRAPHS 3, 4C AND 4D OF PART II, SCHEDULE VI, OF COMPANIES ACT, 1956

	Qty.(Bags) 31.03.2013		Qty.(Bags) 31.03.2012	
Opening Stock of Trading goods	--	--	--	--
Purchase during the year	--	--	--	--
Sales during the year	--	--	--	--
Own Consumptions	--	--	--	--
Closing Stock	--	--	--	--
16. Expenditure in Foreign Currency.	As on 31.03.2014		As on 31.03.2013	
Particulars	Amount (₹ in lacs)	Amount in foreign currency	Amount (₹ in lacs)	Amount in foreign currency
Traveling (Staff/Others)	4.87	EUR 6755.66	3.89	USD 7204

The said expenses were reimbursed by Parus International FZE, UAE, and are included in "Reimbursement of Expenses Received" (amounting to USD 102612) under "Earnings in Foreign Exchange". The expenditures, as such are not appearing under "Foreign Travelling" in Statement of Profit & Loss"

Earnings in Foreign exchange

Sale of Investment	--	--	1431.30	AED 9542000
Reimbursement of Expenses received	63.67	USD 102612	--	--

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

for S.C.Dewan & Co
Chartered Accountants
(Registration No.000934N)

AVINASH SHASRMA
Executive Director

Place : Chandigarh
Dated : 30.05.2014

S.C. DEWAN
Partner
Membership No.015678

GURPREET KAUR
Company Secretary

S. S. DAWRA
H K SINGHAL
Directors

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 LTD

(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: sabindustries.in

NAME OF THE MEMBER(S) _____
 REGISTERED ADDRESS _____
 EMAIL 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:

1. Name: _____
 Address: _____ Signatures: _____
 E-mail Id: _____
 Or failing him/her
2. Name: _____
 Address: _____ Signatures: _____
 E-mail Id: _____
 Or failing him/her
3. Name: _____
 Address: _____ Signatures: _____
 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 Tuesday, the 30th day of September 2014, at 4.30 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

1. Adoption of audited financial statements for the year ended March 31, 2014
2. Re-appointment of Sh. H K singhal, as a Director
3. Re-appointment of Sh. Sanay Garg, as a Director
4. Appointment of Auditors

Special Business

5. Appointment of Sh. S S Dawra, as Independent Director
6. Appointment of Sh. Kanwarjit Singh as independent Director
7. Appointment of Sh. V G Kalantri, as Independent Director
8. To authorize Board to borrow pursuant to section 180(1)(c)
9. To authorize Board to create mortgage pursuant to section 180(1)(a)
10. To accept Deposits U/s 73 and 76 of the Companies Act, 2013



Signed this day of September 2014.

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 LTD

(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: sabindustries.in

ATTENDANCE SLIP

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS) _____
 FOLIO NO. _____
 DP ID NO. _____
 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 Tuesday, the 30th day of September 2014, at 4.30 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

