

SAB INDUSTRIES LIMITED

Regd. Office : SCO 49-50, Sector 26, Madhya Marg, Chandigarh-160 019

NOTICE

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

- Day & Date** : Thursday, the 30th day of September, 2010.
Time : 4.00 P.M.
Venue : Regd. Office of the Company at SCO 49-50,
Sector 26, Madhya Marg, Chandigarh-160 019

to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account and Cash Flow Statement for the year ended March 31, 2010, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To elect a Director in place of Shri H K Singhal who retires by rotation and being eligible offers himself for re-appointment.
3. To elect a Director in place of Shri. Sanjay Garg who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s S. C. Dewan & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT in accordance with the provisions contained in section 198, 309, 310, and other applicable provisions, if any, of the Companies Act, 1956 and the schedules thereto, and such other approvals, permissions, if any, as may be necessary, the Company hereby approves the payment of remuneration to Sh. R K Garg, Director and Chairman of the Company by way of commission for a period of 5 years from the financial year commencing 1st April, 2010, which shall not exceed 1% of the net profits of the company for each financial year or part thereof computed in the manner laid down under Section 349 of the Companies Act, 1956 so as not to exceed overall ceiling on remuneration laid down in Section 198 and 309 of the Companies Act, 1956”.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Board of Directors of the Company, be and is hereby authorized to take all actions and do all such deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

By order of the Board of Directors
for SAB INDUSTRIES LIMITED

Place : Chandigarh
Dated : 20th August, 2010

H.K. SINGHAL
Director

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a member of the Company. The proxy duly executed and properly stamped should reach the Company's Registered Office at least 48 hours before the time of the meeting. The Blank Proxy Form is enclosed herewith.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 21.09.2010 to 26.09.2010 (both days inclusive).
3. The Company is maintaining the "INVESTORS SERVICE CELL" at its Regd. Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
4. Members having any queries relating to Annual Report are requested to send their queries at Company's Regd. Office at least seven days before the date of the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM No. 5

Shri R K Garg, Chairman of the Company, is the promoter Director and Chairman of the Company. He is F.I.E. and has vast experience of more than 46 years. Shri R K Garg is the main guiding force behind the development and progress of the Company. Board of Directors observed that under the present economic scenario, highly concerted and vigorous efforts were required to be made to improve the efficiency and volumes in operations and his continued involvement was necessary to achieve the goals. In view of this, the Board of Directors recommends the payment of remuneration for your approval as a Special Resolution.

At present, he is Managing Director of Indian Acrylics Ltd and Chairman of Steel Strips Wheels Ltd. Steel Strips Ltd. and Steel Strips Infrastructures Ltd.

None of the Directors, except Shri R K Garg himself, is deemed to be interested in the proposed resolution.

By order of the Board of Directors
for SAB INDUSTRIES LIMITED

Place : Chandigarh
Dated : 20th August, 2010

H.K. SINGHAL
Director

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, 2010.

FINANCIAL HIGHLIGHTS

	(Rs.in Lacs)	
	<u>31.03.2010</u>	<u>31.03.2009</u>
Turnover and Other Income	2101.72	2721.37
Operating Profit	251.19	831.62
Financial Expenses	72.19	318.22
Depreciation	66.29	84.95
Net Profit/ (Loss) before Income Tax	112.71	428.45
Profit after Tax	81.22	387.16

OPERATIONS AND FUTURE OUTLOOK

Due to recession in the Real Estate business, gross income of the Company has decreased to Rs.2101.72 lacs during the year under review as against Rs.2721.37 lacs during the previous year. The gross profit was lower at Rs.251.19 lacs as against Rs.831.62 lacs, as also the net profit before tax declined to Rs.112.71lacs as against Rs.428.45 lacs. Your Company is making all efforts to strengthen its operations.

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 Uttranchal 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 include development and sale of Real Estate. The Company is already in the process of developing a Housing Complex at Derabassi, 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 COMPANY

As reported earlier, the Company has promoted a joint venture Company in Iran for manufacture of approximately 2000 tonnes and 2600 tonnes of Ammonia and Urea respectively together with their respective and related by- products. As per agreement, your Company will have 55% share in the Equity of the Company. The said Company has allotted 660 Equity Shares of Iranian Rials 85,00,000 each, till date, amounting to Rs.2,63,15,831, to your Company.

Another Wholly owned Subsidiary, Munak International Trading Corporation, Mauritius, established for trading activities, did not undertake any business during the year.

As required under Section 212 of the Companies Act, 1956, the Accounts and Statements of Munak International Trading Corporation and Lavan Chemical Company, Iran are attached and form a part of this report.

FINANCIAL STATUS

There is no change in the issued and subscribed capital of Rs.15,18,83,720 divided into 1,51,88,372 equity shares of Rs.10/- each.

DIRECTORS

Shri H K Singhal and Shri Sanjay Garg, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DIVIDEND

Keeping in view the expansion programmes to be undertaken by the Company in future. Your Company has decided not to declare any dividend during the year.

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

During the year ended March 31, 2010, your Company has accepted deposits Rs.100 lacs from the public within the meaning of the provisions of Section 58-A of the Companies Act, 1956. Also, there are no unpaid or unclaimed deposits of any previous years.

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 of the Company. The Auditors retire at the said meeting and, being eligible, have offered themselves for re-appointment. The company has received a certificate from them pursuant to Section 224 (IB) of the Companies Act, 1956, confirming their eligibility for reappointment.

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 Properties of the Company have been adequately insured.

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company is engaged in construction & engineering, InfoTech, Real Estate and Trading. Besides, the Company has also promoted a Joint Venture Company in Iran for setting up a project for the production of approximately 2000 tonnes and 2600 tonnes of Ammonia and Urea respectively, together with their respective and related By-products.

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>31.03.2010</u>	<u>31.03.2009</u>
- Earnings	Nil	Nil
- Outgo	Rs. 383.73 Lacs	726.27 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 Rs. 24,00,000/- and above per annum if employed for full year, or a salary of Rs. 2,00,000/- 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 OF DIRECTORS

Place : Chandigarh
Dated : 31.05.2010

H.K. Singhal Avinash Sharma
Director *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 29.05.09, 07.07.09, 31.07.09, 30.10.09 and 30.01.10.
- (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 2009-10		Whether attended last AGM held on 30th September, 2009	No. of Directorships in other Public Companies		No. of Committee positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri R.K.Garg, (Chairman)	Promoter — Non-Executive Director	5	5	No	3	2	1	Nil
Shri Avinash Sharma	Executive Director	5	5	No	Nil	Nil	Nil	Nil
Shri Ram K Gupta	Non-Executive Independent Director	5	2	No	Nil	3	Nil	1
Shri Sanjay Garg	Non-Executive Director	5	5	Yes	Nil	2	Nil	1
Shri Vijay G Kalantri	Non-Executive Independent Director	5	—	No	4	9	Nil	4
Shri Kanwarjit Singh	Non-Executive Independent Director	5	2	—	—	—	—	—
Shri S.S. Dawra	Non-Executive Independent Director	5	4	—	—	—	—	—
Shri H.K. Singhal	Non-Executive Director	5	5	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:

In accordance with the provisions of Companies Act, 1956, Shri H K Singhal and Shri Sanjay Garg, retire by rotation at the forthcoming Annual General Meeting and are eligible 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:

Name of Company	Nature of interest
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	Finance Director
HOLDING MORE THAN 2% SHARES	
Priya Tools Ltd.	

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

Name of Company	Name of Committee	Designation (Member or Chairman)
Indian Acrylics Ltd.	Secretarial Committee, Audit Committee, Sub-Committee, Remuneration Committee, and Investor Grievance Committee	Member
Steel Strips and Wheels Limited	Audit Committee, Remuneration Committee, Share Transfer Committee, Allotment Committee, Sub-Committee and Investor Grievance Committee	Member
Steel Strips Infrastructures Ltd.	Audit Committee, Share Transfer Committee, and Investor Grievance Committee	Member
Steel Strips Ltd.	Audit Committee, Share Transfer Committee, and Investor Grievance Committee	Member
SAB Industries Ltd.	Audit Committee, Share Transfer Committee, and 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:

Name of the Company	Nature of Interest
Steel Strips Limited	Executive Director
Steel Strips Infrastructures Ltd.	Executive Director

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

Name of Company	Name of Committee	Designation (Member or Chairman)
Steel Strips Infrastructures Ltd.	Share Transfer Committee	Member
Steel Strips Ltd.	Share Transfer Committee, and 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:

Name	Category	No. of Meetings held during the year 2009-10	
		Held	Attended
Sh. S.S. Dawra	Chairman	4	3
Sh. Ram K Gupta	Member	4	2
Sh. Kanwarjit Singh	Member	4	1
Shri 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	Category	No. of Meetings held during the year 2009-10	
		Held	Attended
Sh. H.K. Singhal	Non-Executive Director	1	1
Sh. Avinash Sharma	Executive Director	1	1

(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 to ensure expeditious share transfer undertaken by the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The committee consists of following members :

- Sh. S.S. Dwara - Non Executive, Independent Director
 Sh. Avinash Sharma - Executive Director
 Sh. H.K. Singhal - Non Executive Director

The Company addresses all complaints, suggestions and grievances expeditiously and replies are sent/ issues resolved usually with in 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 Office: S C O 49-50, Sector 26,
 Madhya Marg, Chandigarh.
 Telephone No. 0172- 2793112, 2792385
 E-mail : hksinghal@glide.net.in

(VI) DETAILS OF REMUNERATION FOR THE YEAR ENDED MARCH 31, 2010

- (A) Shri Avinash Sharma is Whole Time Director of the Company. His particulars and details of remuneration paid are as under:

Designation : Executive Director
 Date & Tenure : 01.10.2008
 of Appointment and for three years
 Basic Salary : Rs. 1,00,000/- per month
 House Rent Allowance : 35% of Basic Salary

Perquisites :

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)

All payments are subject to TDS as per Income Tax Act, 1961

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 the event of losses or inadequate profits in any financial year during the term of office of Sh. Avinash Sharma as Executive Director, the aforesaid salary and all other benefits and other remuneration/ perquisites shall be paid to the appointee as minimum remuneration subject to ceiling laid down in Schedule XIII of the Companies Act, 1956, as amended, modified or re-enacted from time to time.

- (B) Detail of Sitting fee paid to the Directors for attending the Board Meetings / Committee Meetings held during 01.04.2009 to 31.03.2010

NAME OF DIRECTOR	SITTING FEE (in Rs.)
Shri R.K. Garg	25,000
Shri Ram K Gupta	14,000
Shri Kanwarjit Singh	12,000
Shri Sanjay Garg	25,000
Shri Vijay G. Kalantri	-
Shri H.K. Singhal	33,000
Shri S.S. Dawra	26,000

(VII) DETAIL OF SHARES OF THE Company HELD BY DIRECTORS AS ON 31ST MARCH, 2010.

Name	No. of Shares
Shri R.K. Garg	3404020
Shri Ram K Gupta	Nil
Shri Kanwarjit Singh	Nil
Shri S.S. Dawra	Nil
Shri Sanjay Garg	Nil
Shri Vijay G. Kalantri	Nil
Shri H.K. Singhal	20

(VIII) (i) GENERAL BODY MEETINGS

Date and venue of last few Annual General Meetings:

Date of last three AGMs	Venue	Special Resolution(s) passed
29.09.2007	Regd Office of the Company at: Village Rampur Banjaran, Near Dhaula kuan, Distt. Sirmour (H.P)	None
27.09.2008	SCO 49-50, Sector 26, Madhya Marg, Chandigarh	Increase in Authorised Capital
30.09.2009	-do-	Yes, Appointment of Executive Director

No Extra Ordinary General Meeting of the shareholders was held during the year.

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 Sock 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 behaviour. 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 MRTTP 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, Smt. Sunena Garg, Ms. Priya Garg, Mr. Dheeraj Garg., Ms. Ute Mayr

(XII) MEANS OF COMMUNICATION

The quarterly and annual results are generally published in “Business Standard” and “Desh Sewak” and have also been submitted to the stock exchange 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
In the month of September, 2010 at the Registered Office of the Company.
- (ii) Financial Year : 1st April to 31st March
- (iii) Year Ending : March 31, 2010
- (iv) Financial Calendar : (tentative)
Results for quarter ending June 2010 -- Last week of July, 2010
Results for quarter ending Sept. 2010 -- Last week of Oct., 2010
Results for quarter ending Dec. 2010 -- Last week of Jan., 2011
Results for quarter ending March 2011 -- Last week of May, 2011
- (v) Book Closure date : Tentatively Last week of September, 2010.
- (vi) Listing on stock Exchange : The Ludhiana Stock Exchange Ltd. and the Delhi Stock Exchange Ltd.

(XIV) Share Transfer System

Shares of the Company are in physical form. 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/Warrants or any convertible instruments as at 31st March, 2010.

(XVI) Distribution of Shareholding.

Class-wise Distribution of Equity Shares as on 31st March, 2010:

Share holding of		Shareholders		Share Amount	
Face Value (Rs.)	Face Value (Rs.)	Number	%age to Total	in Rs.	%age to Total
10	To 5000	259	91.85	212240	0.14
5001	To 10000	3	1.06	19200	0.01
10001	To 20000	2	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
		282	100.00	151883720	100.00

Shareholding Pattern as on 31st March, 2010

PARTICULARS	NO. OF SHARES	(%)
Promoter & Persons Acting in concert	11183356	73.63
Bodies Corporate	3643892	23.99
Financial Institutions, Banks & Mutual funds	336420	2.21
General Public	24704	0.17
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) Address of Registered/Correspondence Office:

SAB Industries Ltd.
S.C.O. 49-50, Sector 26,
Madhya Marg,
Chandigarh-160019

On behalf of Board of Directors

Place : Chandigarh
Date : 31.05.2010

H.K. Singhal
Director

Avinash Sharma
Executive Director

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

We have examined the compliance of conditions of Corporate Governance by SAB Industries Limited for the year ended on 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of 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

Place : Chandigarh
Date : 31.05.2010

S.C. Dewan
Partner

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, 2010 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 : 31.05.2010

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 : 31.05.2010

Avinash Sharma
Executive Director

AUDITORS' REPORT

To the Shareholders

We have audited the attached Balance Sheet of M/S SAB Industries Ltd., as at 31st March 2010, and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to above, we state that:
 - i) We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.

- iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Sec 211 (3C) of the Companies Act, 1956.
- v) On the basis of written representations received from the Directors, as on 31.03.2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2010 from being appointed as Director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes given in Schedule 16 of "Notes on Accounts" give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010, and
 - b) In case of Profit & Loss Account, of the Profit for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For S.C. DEWAN & CO.
Chartered Accountants

Place : Chandigarh
Dated : 31st May, 2010

S.C. Dewan
Partner

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 of our report of even date:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us pursuant to a phased programme designed to cover all the fixed assets of the Company at regular intervals, the management has during the year, verified plant and machinery and no material discrepancies have been noticed in such verification as explained by the management. However, 2 nos vehicles have been disposed off during the year.
2. Physical verification of inventory has been conducted at reasonable intervals by the management. The procedures of Physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of business. The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification dealt with in the books of accounts. The stocks of Buildings, building materials, shares, trading stock and of work in progress have been physically verified during the year by the management. In the opinion of the management the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
3. The Company has taken unsecured loans from the companies, firm or other parties listed in the registers maintained under Section 301 of Companies Act.1956. Interest-free loans have been granted to companies, firms or other parties listed in the registers maintained under section 301, and to the companies under the same management. These loans are not prejudicial to the interest of the Company.
The employees, to whom loans or advances in the nature of loans have been given by the Company, are repaying the principal amount as stipulated.
4. In our opinion and according to the information and explanations given to us, there are internal control procedures commensurate with the size of the Company and nature of its business with regards to purchases of stores raw material including components, plant and machinery equipment and other assets and with regard to the sale of goods.
5. In our opinion and according to the in formations and explanations given to us, transactions of purchase of and materials, sale of goods, material and services, made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 have been made at prices which are reasonable having regard to prevailing market prices for such goods/services in the opinion of management.
6. The Company has accepted deposits during the year covered by section 58A of the Companies Act, 1956 and Companies (Acceptance of deposits) Rules, 1975.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. Maintenance of cost records as prescribed by the Central Government under clause (d) of sub section (I) of section 209 of the Act. are not applicable to Company.
9. According to the information and explanations given to us no undisputed amounts payable in respect of income tax, wealth tax, sales tax and custom duty were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
The Company is regular in depositing undisputed statutory dues including Income tax, Provident Fund, Wealth tax, sales tax, cess, custom duty and any other statutory dues with the appropriate authorities.
10. The Company has no accumulated losses/cash losses.
11. The Company has not defaulted in repayment of dues to the Financial Institutions, Banks or debenture holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund Company.
14. The Company is not running any Nidhi / Mutual Benefit Fund/Society.
15. The Company is not a Financing Company.
16. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
17. The term loans were applied for the purpose for which the loans were obtained, as per information available from the records of the Company.
18. The funds raised by the Company on short-term basis have not been used for long-term investment, nor the funds raised on long-term basis have been used for short-term investment as it appears from the examination of the records of the Company.
19. The Company has not issued any debentures upto date.
20. The Company has not raised any money by Public Issue during the year.
21. No fraud on or by the Company has been noticed or reported during the year.
22. We have not come across any personal expenses, which have been charged, to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.
23. The provisions of section 3(i)(o) of Sick Industries Companies (Special Provision) Act 1985 are not applicable to the Company as the Company is a Construction and Trading Company.

For S.C. DEWAN & CO.
Chartered Accountants

Place : Chandigarh
Dated : 31st May, 2010

S.C. Dewan
Partner

BALANCE SHEET
AS ON 31ST MARCH, 2010

PARTICULARS	SCHEDULE	AS ON 31.03.2010 (Rs.)	AS ON 31.03.2009 (Rs.)
SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	1	15,18,83,720	15,18,83,720
Reserves & Surplus	2	10,80,97,959	10,01,61,050
		<u>25,99,81,679</u>	<u>25,20,44,770</u>
Loan Funds			
Secured Loans	3	22,68,47,805	20,39,45,331
Unsecured Loans	4	1,00,00,000	4,26,76,680
		<u>23,68,47,805</u>	<u>24,66,22,011</u>
Total		<u>49,68,29,484</u>	<u>49,86,66,781</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	21,69,74,637	21,95,41,103
Less : Depreciation		11,20,16,063	10,83,87,556
Net Block		<u>10,49,58,574</u>	<u>11,11,53,547</u>
Investments	6	15,44,00,277	15,44,00,277
Current Assets, Loans & Advances			
Inventories		1,87,95,000	1,76,21,622
Sundry Debtors		1,27,39,890	1,20,81,956
Cash and Bank Balances		2,03,39,201	5,08,01,589
Advance for Purchase of Land		3,34,56,876	84,56,876
Other Current Assets Loans & Advances		3,66,35,061	2,78,27,330
Commercial Properties under Development	8	35,89,28,724	38,78,13,490
		<u>48,08,94,752</u>	<u>50,46,02,863</u>
Less : Current Liabilities & Provisions	9	24,73,86,896	27,50,76,439
Net Current Assets		<u>23,35,07,856</u>	<u>22,95,26,424</u>
Deferred Tax Assets		39,62,777	35,86,533
Total		<u>49,68,29,484</u>	<u>49,86,66,781</u>

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed.
for S.C. DEWAN & CO.
Chartered Accountants

H.K. SINGHAL
Director

AVINASH SHARMA
Executive Director

PLACE : Chandigarh
DATED : 31st May, 2010

S.C. DEWAN
Partner

GURPREET KAUR
Company Secretary

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010**

PARTICULARS	SCHEDULE	AS ON 31.03.2010 (Rs.)	AS ON 31.03.2009 (Rs.)
INCOME			
Operative & Other Income	10	21,01,72,030	27,21,36,908
		21,01,72,030	27,21,36,908
EXPENDITURE			
Bandwidth, Dot Rent & Cable Net Expenses	11	36,50,270	46,52,873
Direct Cost	12	15,35,94,509	15,15,67,976
Employees Cost	13	1,05,85,293	1,09,27,031
Administration and other expenses	14	1,72,23,057	2,18,29,125
Financial charges	15	72,19,435	3,18,22,472
Loss on Account of Fluctuation in Foreign Exchange		-	(2,589)
Depreciation	5	66,28,695	84,94,682
		19,89,01,259	22,92,91,570
Profit/(Loss) for the year		1,12,70,771	4,28,45,338
Provision for Taxation		35,25,000	41,00,000
Fringe Benefit Tax		-	5,86,993
Add : Deferred Tax (Assets)		3,76,244	5,57,476
Profit after Tax and Before Extra Ordinary Items		81,22,015	3,87,15,821
Prior period adjustments		1,85,106	88,34,301
Profit for the year after tax carried to balance sheet		79,36,909	2,98,81,520
Earning per share - Basic and Diluted		0.52	1.97

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed.
for S.C. DEWAN & CO.
Chartered Accountants

H.K. SINGHAL
Director

AVINASH SHARMA
Executive Director

PLACE : Chandigarh
DATED : 31st May, 2010

S.C. DEWAN
Partner

GURPREET KAUR
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-10	(Rs. in Lacs)	
		2009-10	2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT/(LOSS) BEFORE TAX AND EXTRA-ORDINARY ITEMS	112.71		428.46
Adjustment For			
- Prior period adjustments	(1.85)		(88.34)
- Profit(-)/Loss(+) on Sale of Fixed Assets	(0.13)		(53.80)
- Fixed Assets Written off	—		1.65
- Depreciation	66.29		84.95
- Dividend Received	0.01		(20.72)
- Interest & other Financial Charges	72.19		318.22
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	249.22		670.42
Adjustment for Trade and other receivables	(344.66)	857.77	
Inventories	277.10	(216.81)	
Trade Payables	(386.59)	1,246.47	1,887.43
Cash Generated from Operations	(204.93)		2,557.85
Interest and other Financial Expenses paid	72.19	318.22	
Direct Taxes Paid/Adjusted	—	32.87	351.09
Cash Flow before Extra Ordinary Items	(277.12)		2,206.76
Cash Flow from Operating Activities	(277.12)		2,206.76
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(20.05)		(17.81)
Sale of Fixed Assets	15.82		56.63
Dividend Received	0.01		20.72
Net Cash used in investing activities	(4.22)		59.54
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term Borrowings	300.00		60.71
Proceeds from Unsecured Loans	100.00		337.50
Proceeds from Short Term Borrowings	45.04		73.65
Repayment of Long Term Borrowings	(74.70)		(2,663.81)
Repayment of Long Term Borrowings	(41.31)		—
Repayment of Unsecured Loans	(352.31)		—
Net Cash received from Financing activities	(23.28)		(2,191.95)
Net Increase/(Decrease) in Cash and Cash Equivalents	(304.62)		74.35
Cash and Cash equivalents as at 01.04.2009/01.04.2008 (Opening Balance)	508.02		433.67
Cash and Cash equivalents as at 31.03.2010/31.03.2009 (Closing Balance)	203.40		508.02

For and on behalf of the Board

Place : Chandigarh
Dated : 31st May, 2010

H.K. SINGHAL
Director

AVINASH SHARMA
Executive Director

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, 2010 and found the same in agreement therewith.

For S.C. Dewan & Co.
Chartered Accountants

Place : Chandigarh
Dated : 31st May, 2010

S.C. Dewan
Partner

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 1 : SHARE CAPITAL

PARTICULARS	AS ON 31.03.2010 (Rs.)	AS ON 31.03.2009 (Rs.)
AUTHORISED		
2,00,00,000 Equity Shares of Rs. 10/- each (Previous Year 2,00,00,000 Equity Shares of Rs. 10/- each)	<u>20,00,00,000</u>	<u>20,00,00,000</u>
ISSUED, SUBSCRIBED & PAID UP		
1,51,88,372 Equity Shares (Previous Year 1,51,88,372 Shares) of Rs. 10/- each (of the above shares 1,13,91,279 shares are allotted as fully paid up shares by way of bonus shares)	<u>15,18,83,720</u>	<u>15,18,83,720</u>
TOTAL	<u>15,18,83,720</u>	<u>15,18,83,720</u>

SCHEDULE - 2 : RESERVES & SURPLUS

1. General Reserve	6,15,02,926	6,53,37,840
Add : Amount trfd from Foreign Project Reserve A/c	86,43,500	21,06,946
Amount trfd from Profit & Loss A/c	<u>—</u>	<u>7,00,00,000</u>
	7,01,46,426	<u>13,74,44,786</u>
Less : Amount adjusted towards issue of Bonus Shares	<u>—</u>	<u>7,59,41,860</u>
	7,01,46,426	<u>6,15,02,926</u>
2. Foreign Project Reserve Account	86,43,500	1,07,50,446
Less : Transferred to General Reserve	<u>86,43,500</u>	<u>21,06,946</u>
	<u>—</u>	<u>86,43,500</u>
3. Profit & Loss A/c		
As per Last Balance Sheet	3,00,14,624	7,01,33,104
Add : Transferred from Profit & Loss A/c	79,36,909	2,98,81,520
	<u>3,79,51,533</u>	<u>10,00,14,624</u>
Less : Amount transferred to General Reserve A/c	<u>—</u>	<u>7,00,00,000</u>
	3,79,51,533	<u>3,00,14,624</u>
	<u>10,80,97,959</u>	<u>10,01,61,050</u>

SCHEDULE - 3 : SECURED LOANS

(A) WORKING CAPITAL FROM BANKS :	71,07,900	96,30,156
(Working Capital is secured against hypothecation of stocks and book debts, further secured by way of Pledge of five lac equity shares of Steel Strips Wheels Ltd., equitable mortgage of immovable property admeasuring 6 bigha, 6 bishwa and 5 biswaisi situated at Village Ajijpur, Derabassi, Mohali in the name of SAB Udyog Ltd., equitable mortgage of land admeasuring 5 bigha 16 bishwa situated at Village Ajijpur, Derabassi, Mohali in the name of M/s SAB Udyog Ltd., Equitable mortgage of land admeasuring 7 bigha, 16 bishwa situated at Village 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) TERM LOAN FROM BANK	3,00,00,000	—
(Secured against Mortgage of properties of Directors and Associate Concerns)		
(C) VEHICLES/EQUIPMENTS LOANS FROM BANKS	35,39,791	84,88,017
(Secured against hypothecation of respective vehicles/ equipments and counter guarantees of the Company)		
(D) SHORT TERM DEBT	45,04,081	—
(Secured against the letter of comfortes issued by banks)		
(E) OTHERS		
1. Secured by Bank Guarantees (From Customers)	1,84,68,419	1,69,92,466
2. Secured against security furnished by Company/ Associate Companies/third party and against Security Bonds	16,32,27,614	16,88,34,692
	<u>22,68,47,805</u>	<u>20,39,45,331</u>

SCHEDULE - 4 : UNSECURED LOANS

PARTICULARS	AS ON 31.03.2010 (Rs.)	AS ON 31.03.2009 (Rs.)
Fixed Deposit	1,00,00,000	-
From Directors/Associate Concerns	-	1,08,00,000
TOTAL	1,00,00,000	1,08,00,000

SCHEDULE - 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.09 (Rs.)	Additions during the year (Rs.)	Sales/ adjustments during the year (Rs.)	As at 31.03.10 (Rs.)	As at 01.04.09 (Rs.)	During the period (Rs.)	Sales/ adjustments during the period (Rs.)	As at 31.03.2010 (Rs.)	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
(A) CONSTRUCTION DIVISION										
1. Agriculture Land	6,45,81,214	—	—	6,45,81,214	—	—	—	—	6,45,81,214	6,45,81,214
2. Land & Buildings	1,78,68,050	—	—	1,78,68,050	—	—	—	—	1,78,68,050	1,78,68,050
3. Plant & Machinery	71,81,935	—	—	71,81,935	61,51,704	3,09,069	—	64,60,773	7,21,162	10,30,231
4. Tractor & Trolley	2,98,678	—	—	2,98,678	2,94,216	1,339	—	2,95,555	3,123	4,462
5. JCB Machine	17,20,486	—	—	17,20,486	11,97,294	1,56,958	—	13,54,252	3,66,234	5,23,192
6. Soil Compactor	18,65,198	—	—	18,65,198	12,78,544	1,75,996	—	14,54,540	4,10,658	5,86,654
7. Batching Plant	10,22,180	—	—	10,22,180	6,18,055	1,21,238	—	7,39,293	2,82,888	4,04,125
8. Concrete Pump	—	16,50,000	—	16,50,000	—	18,986	—	18,986	16,31,014	—
9. Vibrators	—	49,504	—	49,504	—	203	—	203	49,301	—
10. Office Equipments	14,57,755	—	—	14,57,755	10,43,243	75,027	—	11,18,270	3,39,485	4,14,512
11. Furniture & Fixtures	37,50,749	—	—	37,50,749	23,54,241	2,52,768	—	26,07,009	11,43,740	13,96,508
12. Vehicles	3,88,15,767	—	45,71,400	3,42,44,367	2,33,73,555	39,97,989	30,00,188	2,43,71,356	98,73,011	1,54,42,212
13. Television	53,440	—	—	53,440	45,843	1,375	—	47,218	6,222	7,597
14. Air Conditioners	10,35,303	—	—	10,35,303	8,28,840	28,719	—	8,57,559	1,77,744	2,06,463
15. Generators	86,299	—	—	86,299	77,250	1,259	—	78,509	7,790	9,049
16. Computers	14,67,780	—	—	14,67,780	12,66,656	80,450	—	13,47,106	1,20,674	2,01,124
17. Tubewell	18,65,327	—	—	18,65,327	5,61,018	1,81,429	—	7,42,447	11,22,880	13,04,309
18. Agricultural Equipments	4,55,022	—	—	4,55,022	3,00,361	21,513	—	3,21,874	1,33,148	1,54,661
19. Laboratory Equipments	5,73,328	—	—	5,73,328	2,81,298	40,621	—	3,21,919	2,51,409	2,92,030
20. Steel Shuttering	51,55,580	—	—	51,55,580	24,33,656	3,78,620	—	28,12,276	23,43,304	27,21,924
TOTAL (A)	14,92,54,091	16,99,504	45,71,400	14,63,82,195	4,21,05,774	58,43,558	30,00,188	4,49,49,144	10,14,33,051	10,71,48,317
B) Infotech Division										
1. Plant, Machinery & Equip.	14,89,965	—	—	14,89,965	6,27,197	70,773	—	6,97,970	7,91,995	8,62,768
2. Electrical Installation	9,53,621	—	—	9,53,621	5,95,498	45,297	—	6,40,795	3,12,826	3,58,123
3. Furniture & Equipments	73,98,380	—	—	73,98,380	57,82,074	4,68,317	—	62,50,391	11,47,991	16,16,308
4. Data Processing Equip.	6,04,45,044	3,05,431	—	6,07,50,475	5,92,77,013	2,00,750	—	5,94,77,763	12,72,712	11,68,031
TOTAL (B)	7,02,87,010	3,05,431	—	7,05,92,441	6,62,81,782	7,85,137	—	6,70,66,919	35,25,524	40,05,230
TOTAL (A + B)	21,95,41,101	20,04,935	45,71,400	21,69,74,636	10,83,87,556	66,28,695	30,00,188	11,20,16,063	10,49,58,575	11,11,53,547
PREVIOUS YEAR	91,12,49,904	17,81,324	69,33,25,699	21,95,41,103	10,03,30,894	84,94,682	4,38,020	10,83,87,556	11,11,53,547	81,09,19,010

SCHEDULE - 6 : INVESTMENTS

PARTICULARS	AS ON 31.03.2010 (Rs.)	AS ON 31.03.2009 (Rs.)
INVESTMENT IN SHARES		
QUOTED & VALUED AT MARKET PRICE		
5,28,265 (Previous year 5,28,265) fully paid equity shares of Rs. 10/- each of M/s Steel Strips Limited	1,84,893	1,84,893
165 (Previous Year 165) fully paid equity shares of Rs. 10/- each of M/s Kamla Dials & Devices Limited	2,550	2,550
35 fully paid (Previous Year 70) equity shares of Rs. 10/- each of M/s Asian Hotels Limited	500	500
35 fully paid (Previous Year Nil) equity shares of Rs. 10/- each of M/s Asian Hotels (East) Limited	—	—
35 fully paid (Previous Year Nil) equity shares of Rs. 10/- each of M/s Asian Hotels (West) Limited	—	—
3900 fully paid (Previous Year 3900) equity shares of Rs. 10/- each of M/s Steel Strips & Tubes Limited	12,671	12,671
12,93,686 (Previous Year 12,93,686) fully paid equity shares of Rs. 10/- each of M/s Steel Strips Wheels Limited	2,99,63,059	2,99,63,059
1,47,93,772 fully paid-up equity shares of Indian Acrylics Ltd. (Previous year 1,47,93,772) of Rs. 10/- each.	5,95,19,719	5,95,19,719
200 shares of BOICON (Previous Year 100) of Rs. 10/- each.	44,545	44,545
100 Nos. fully paid up equity shares of Vallabh Steels Ltd. (Previous Year 100) of Rs. 10 each.	2,820	2,820
37 Nos. fully paid up equity shares of Consolidated Fibres & Chemicals Ltd. (Previous Year 37) of Rs. 10/- each	64	64
153 fully paid up equity shares of Wheels India Ltd. (Previous Year 153) of Rs. 10/- each	46,703	46,703
	8,97,77,524	8,97,77,524
UNQUOTED & VALUED AT COST		
9,07,640 equity shares of Rs. 10/- each of M/s Malwa Chemtex Udyog Ltd. (Previous Year 9,07,640 equity shares of Rs. 10/- each)	94,39,145	94,39,145
53,68,630 equity share of Rs. 10/- each of M/s SAB Udyog Ltd. (Previous Year 53,68,630)	2,87,75,857	2,87,75,857
INVESTMENT IN SUBSIDIARY COMPANIES AT COST		
1885 equity shares of US\$ 1/- each (Previous year 1885) of Munak International Trading Corp. Mauritius (a wholly owned subsidiary Company)	91,920	91,920
660 equity shares of Iranian Rials 85,00,000 each (Previous year 660) of Lavan Chemical Company - A subsidiary Company in JV in Iran where Company has 55% share (Total value of shares in USD 6,11,028)	2,63,15,831	2,63,15,831
	15,44,00,277	15,44,00,277
Aggregate Market value of Quoted Investments	23,06,67,218	7,43,00,830

SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES

PARTICULARS	AS ON 31.03.2010 (Rs.)	AS ON 31.03.2009 (Rs.)
(A) CURRENT ASSETS		
Inventories		
(As valued and certified by the Management)		
Stock of Building Materials, Export Material Scrap and Networking Equipments	—	20,32,622
WORK IN PROGRESS	<u>1,87,95,000</u>	<u>1,55,89,000</u>
SUB-TOTAL	<u>1,87,95,000</u>	<u>1,76,21,622</u>
Sundry Debtors (Unsecured, Considered Goods, Unless otherwise stated)		
— Outstanding for a period exceeding six months	1,10,94,256	72,000
— Others	<u>16,45,634</u>	<u>1,20,09,956</u>
SUB-TOTAL	<u>1,27,39,890</u>	<u>1,20,81,956</u>
Cash & Bank Balances		
Cash in hand (including site imprest)	78,301	1,04,481
Cheques in Hand	<u>4,35,857</u>	<u>2,25,23,979</u>
Balances with Scheduled Banks		
— In Current Accounts	22,68,570	90,67,101
— Fixed Deposits		
- Under lien with Banks as Margin Money	1,73,56,473	1,89,06,028
- Under lien with PWD, Uttarakhand, Dehradun	<u>2,00,000</u>	<u>2,00,000</u>
SUB-TOTAL	<u>2,03,39,201</u>	<u>5,08,01,589</u>
(B) LOANS AND ADVANCES		
(Unsecured considered Good, unless otherwise stated)		
Advances recoverable		
- From Suppliers/Petty Contractors	94,99,424	21,11,081
- Advances for purchase of land	3,34,56,876	84,56,876
- From others	<u>59,52,681</u>	<u>94,99,800</u>
	4,89,08,981	—
- Less: Provision for Doubtful Advances	<u>22,90,000</u>	—
	4,66,18,981	—
	<u>4,66,18,981</u>	<u>2,00,67,757</u>
Security Deposit	1,08,39,957	85,04,701
Interest accrued but not due	5,24,461	3,80,422
Prepaid Expenses	3,71,811	5,13,836
Income Tax deducted at sources	1,08,89,002	59,69,765
Withheld by Clients	<u>8,47,725</u>	<u>8,47,725</u>
SUB-TOTAL	<u>7,00,91,937</u>	<u>3,62,84,206</u>
TOTAL	<u>12,19,66,028</u>	<u>11,67,89,373</u>

SCHEDULE - 8 : COMMERCIAL PROPERTY UNDER DEVELOPMENT

PARTICULARS	AS ON 31.03.2010 (Rs.)	AS ON 31.03.2009 (Rs.)
A) HOUSING PROJECT AT SSL TOWER, DERABASSI		
1. LAND		
Cost of Land including Registration and Other Charges	27,04,81,490	27,43,11,500
Less : Cost of Land sold during the year	4,46,97,359	38,30,010
	<u>22,57,84,131</u>	<u>27,04,81,490</u>
2. DEVELOPMENT EXPENSES		
Fees & Taxes (Land development fee)	31,25,878	31,25,878
Architect Fee - Opening Balance	41,86,822	
Add : Addition during the year	<u>—</u>	41,86,822
	<u>41,86,822</u>	<u>41,86,822</u>
	<u>73,12,700</u>	<u>73,12,700</u>
	<u>23,30,96,831</u>	<u>27,77,94,190</u>
3. MISC. EXPENDITURE PENDING ALLOCATION TO ABOVE COMMERCIAL PROPERTY		
Direct Cost - Opening Balance	6,39,19,532	
Add : Addition during the year	1,28,06,215	6,39,19,532
Adminsitration and Other Expenses (O/B)	38,87,045	
Add : Addition during the year	10,38,842	38,87,045
Employee Cost (O/B)	63,02,505	
Add : Addition during the year	19,58,531	63,02,505
Selling & Advertisement Expenses (O/B)	46,69,579	
Add : Addition during the year	7,904	46,69,579
Interest and bank charges (O/B)	2,93,78,280	
Add : Addition during the year	1,101	2,93,78,280
Depreciation	18,62,359	18,62,359
	<u>12,58,31,893</u>	<u>11,00,19,300</u>
TOTAL A	<u>35,89,28,724</u>	<u>38,78,13,490</u>

SCHEDULE - 9 : CURRENT LIABILITIES & PROVISIONS

PARTICULARS	AS ON 31.03.2010 (Rs.)	AS ON 31.03.2009 (Rs.)
A. CURRENT LIABILITIES		
Sundry Creditors	69,73,020	2,82,49,291
Advances from Customers	10,30,48,501	10,19,69,469
Advance against sale of land	—	1,09,23,400
Other Liabilities		
— Statutory dues	14,71,001	24,45,245
— Liability for Employees Retirement Benefit	18,88,584	7,31,683
— Cheques issued but not presented	4,36,78,116	6,35,86,140
— for payments		
— Security expenses payable	34,82,356	34,82,356
— Other Expenses payable	21,15,154	74,28,865
— Security Deposit	2,71,75,286	1,82,44,704
— Other Liabilities	4,21,77,006	5,95,79,966
	<u>12,19,87,503</u>	
SUB-TOTAL	<u>23,20,09,024</u>	<u>29,66,41,119</u>
B. PROVISIONS		
Provision for Sales Tax	16,50,872	—
Provision for Bank Guarantee	61,02,000	61,02,000
Provision for Taxation	76,25,000	41,00,000
Provision for Fringe Benefit Tax	—	1,10,000
	<u>1,53,77,872</u>	<u>1,03,12,000</u>
SUB-TOTAL	<u>1,53,77,872</u>	<u>1,03,12,000</u>
TOTAL	<u>24,73,86,896</u>	<u>30,69,53,119</u>

SCHEDULE - 10 : OPERATIVE & OTHER INCOME

GROSS SALES			
Sales ISP	72,02,135		1,29,32,919
Sales Trading - Network equipments	4,61,344	76,63,479	10,71,716
Gross Work done		7,13,94,947	15,82,92,277
Trading Sale (Cement)		4,48,12,200	7,29,72,971
Sale of Land		5,18,12,100	44,40,000
Increase/(Decrease) in Work in Progress			
	<u>2009-10</u>	<u>2008-09</u>	
- Opening	1,55,89,000	1,07,95,000	
- Closing	1,87,95,000	1,55,89,000	
		32,06,000	47,94,000
Profit on sale of assets		10,788	—
Interest Received		20,28,818	21,10,373
Insurance Claim		62,888	4,33,020
Miscellaneous Income		2,17,23,648	2,82,932
Excess Provision Written Off		—	33,19,370
Unclaimed Balances written off		25,70,090	4,69,845
Agriculture Income		48,85,630	20,21,293
Dividend Received		1,442	20,71,154
Profit on Sale of Assets		—	54,25,038
TOTAL		<u>21,01,72,030</u>	<u>27,06,36,908</u>

SCHEDULE - 11 : BAND WIDTH, DOT RENT AND CABLE NET EXPENSES

Bandwidth Expenses	34,96,475	39,43,720
Dot Rent Expenses	1,53,795	7,09,153
TOTAL	<u>36,50,270</u>	<u>46,52,873</u>

SCHEDULE - 12 : DIRECT COST

PARTICULARS	AS ON 31.03.2010 (Rs.)	AS ON 31.03.2009 (Rs.)
Opening Stock of Building Materials and Net Working Equipments/Materials	20,32,622	1,13,080
Add : Purchases during the year :		
- Building Material	7,14,10,572	7,82,65,869
- Trading Purchases	4,06,34,624	7,17,17,539
- Land transferred from commercial property under development	4,46,97,359	38,30,010
- Buildings transferred from commercial property under development	—	19,00,000
	<u>15,67,42,555</u>	
	<u>15,87,75,177</u>	15,58,26,498
Sale/Material issued to Sub-Contractors	2,69,88,938	2,43,07,040
Material used for Housing Project	—	39,01,911
Closing Stocks of Building Materials and Net Working Equipment/Materials	—	20,32,622
	<u>13,17,86,239</u>	12,55,84,925
Sales Tax Paid	21,71,773	88,507
Consultancy Charges	—	4,66,854
Freight & Cartage	31,836	12,54,585
Hire Charges of Machinery	5,00,000	—
Labour & Wages	1,91,04,661	2,41,73,105
TOTAL	<u>15,35,94,509</u>	<u>15,15,67,976</u>

Note : Building Material consumed and Labour & Wages includes payments made to Sub-Contractors for work done by them

SCHEDULE - 13 : EMPLOYEE COST

Salaries, Wages and Others Allowances including Directors Remuneration	1,00,53,063	1,02,01,274
Bonus	65,635	80,830
Contribution to Provident Funds & Other Funds	2,32,290	3,86,344
Welfare Expenses	2,34,305	2,58,583
TOTAL	<u>1,05,85,293</u>	<u>1,09,27,031</u>

SCHEDULE - 14 : ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	AS ON	AS ON
	31.03.2010 (Rs.)	31.03.2009 (Rs.)
Travelling Expenses - Foreign		
- Directors	—	18,55,026
- Others	1,56,694	16,43,716
Travelling Expenses - Inland		
- Directors	2,86,360	6,67,020
- Others	6,32,867	11,86,219
Printing & Stationery	2,41,383	5,58,795
Postage, Telegram & Telephone	4,26,405	6,24,660
Advertisement & Publicity	1,94,287	5,03,210
Vehicles Repairs & Maintenance	3,30,716	4,93,078
Other Repairs & Maintenances	8,00,846	5,50,122
Insurance	6,49,900	10,41,239
Audit Fee	5,51,500	5,61,800
Legal & Professional Charges	38,17,110	20,80,075
Directors' Sitting Fee	1,35,000	1,34,000
Rates & Taxes	98,575	7,70,540
Newspapers & Periodicals	4,915	33,662
Office Maintenance Exp.	62,700	17,110
Subscription & Membership Fees	650	4,700
Provision for Bad and Doubtful Advance	22,90,000	—
Rent	22,63,938	20,65,391
Electricity & Water Charges	4,49,374	5,30,998
Business Promotion	8,320	96,280
Tender Expenses	99,000	1,78,600
Agriculture Expenses	27,97,538	13,97,528
Debit balances written off	1,01,839	25,68,118
Bad Debts Written off	—	1,64,428
Fixed Assets Written off	—	45,324
Other Miscellaneous Expenses	8,23,140	5,57,486
TOTAL	1,72,23,057	2,03,29,125

SCHEDULE - 15 : FINANCIAL & OTHER EXPENSES

Interest and Bank Charges	72,19,435	3,18,22,472
TOTAL	72,19,435	3,18,22,472

SCHEDULE - 16 : 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 on receipt basis.

Export Incentives, if any, shall be accounted 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)
Vibrators, Welding Set, Mixers	70%
Batching Plant, Tractor Trolley, JCB Machine & Soil Compactor	30%
Steel Shutterings	95%

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

i) Stocks of building materials and stores and shuttering material are valued at cost.

Inventory of Net Working Equipments lying in the offices & godowns are 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.

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

f) Retirement Benefits :

Gratuity and earned leave encashment has 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**

(Rs. in lacs)

	AS ON 31.03.2010	AS ON 31.03.2009
a) Counter Guarantees issued by the Company against Bank Guarantees/FLC	866.42	875.06

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. Sundry creditors include a sum of Rs. Nil (Previous year Rs.Nil) due to Micro and Small Undertakings, which are outstanding for more than 45 days as at 31.03.2010. This information is required to be disclosed under the Micro, Small and Medium Enterprises development Act 2006, as determined to the extent the parties have been identified on the basis of information with the Company.

7. 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 received/paid.

8. Sales Tax have 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 Assessment.

9. Schedules 1 to 16 form an integral part of the Balance Sheet, Profit & Loss Account and Cash Flow Statement.

10. Work done has been taken on the basis of bills certified by the Clients and includes the arbitration awards received during the year. Work in Progress has been taken on the basis of best estimates by the Management.

11. The Company has received the following amounts in earlier years against the claims :

- FROM DELHI DEVELOPMENT AUTHORITY	16.28 LACS
- FROM U.P.STATE GOVERNMENT	185.18 LACS
- FROM PB.PWD HOSHIARPUR	12.14 LACS
- FROM PB. PWD LUDHIANA	25.93 LACS
- FROM H.P.S.E.B. SHIMLA	85.62 LACS
TOTAL	<u>325.15 LACS</u>

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 have been considered as 'Secured Loans' instead of income as per the policy of the Company.

During the year Company have received Rs.1451099/- from HPSEB, Shimla through Hon'ble Himachal High Court, Shimla on account of arbitration claim in Gaj Hydel Project. Since the party has gone in appeals against these cases and the matter is sub-judice in the Hon'ble High Court, the amount has been considered as Secured Loan.

12. The Company have also received Rs.1377.70 lacs from M/S Sutej Constructions Ltd (SCL), Manimajra, Chandigarh in previous years. The Company has entered into agreements with the said Company to the effect that our Company (SABIL) shall process, initiate and look after the Arbitration cases of said Company and shall also incur all legal expenses while processing the said Arbitration cases. Against this, 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 case is decided by the Court finally. However, during the year, Company have received Rs.76,76,367/- from Sutej Constructions Ltd on account of our share in case of SCL VS State of Punjab (SYL), which has been considered as income as the SLP of SYL has been dismissed by the Hon'ble Supreme Court. Similarly an amount of Rs.70,58,177/- received from Sutej Constructions Ltd in the year 2001-02 on account of our share of claim from Haryana Power Generation Corporation Ltd (HPGCL), Yamunanagar, earlier considered as Secured Loans has also been treated as income as SLP of Haryana Power Generation Corporation Ltd (HPGCL) has also been dismissed by the Apex Court.

13. SEGMENT REPORT

Segment wise revenue, results and capital employed for the year ended 31.03.2010 is as under :

S.No. Particulars	31.03.2010	(Rs. in lacs) 31.03.2009
1 SEGMENT REVENUES		
a) Construction Division	977.92	1626.28
b) Real Estates Division	518.12	74.90
c) Investments (in shares)	0.01	20.72
d) Agriculture	48.86	76.34
e) Infotech Division	76.63	143.11
f) Trading Division	448.12	733.96
TOTAL	2069.66	2675.31
2. SEGMENT RESULTS		
Profit/(Loss)		
(Before tax and interest from each segment)		
a) Construction Division	55.79	590.95
b) Real Estates Division	71.15	17.60
c) Investments (in shares)	0.01	20.72
d) Agriculture	20.88	60.49
e) Infotech Division	10.29	33.76
f) Trading Division	26.78	23.16
TOTAL	184.90	746.68
Less : Interest & Financial Charges	72.19	318.22
TOTAL PROFIT BEFORE TAX	112.71	428.46

S.No. Particulars	(Rs. in lacs)	
	31.03.2010	31.03.2009
Provision for Taxation	35.25	41.00
Provision for Deferred Tax (Assets)Liability	(3.76)	(5.57)
Provision for FBT	—	5.87
Prior Period Adjustments	1.85	88.34
Net Profit/(Loss)	<u>79.37</u>	<u>298.82</u>
3. CAPITAL EMPLOYED		
(Segment assets - Segment liabilities)		
a) Construction Division	110.95	(74.96)
b) Real Estates Division	2669.08	2797.25
c) Investments (in shares)	1544.00	1544.00
d) Agriculture	737.54	737.54
e) Infotech Division	41.03	34.95
f) Trading Division	25.92	(35.99)
g) Unallocable assets less liabilities	(529.10)	(529.10)
TOTAL	<u>4599.42</u>	<u>4473.69</u>

14. 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 Export Division 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 and Export Trading have also been identified as separate activities of the Company. The Trading Division introduced during the previous year wherein 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.

15. In compliance with AS 22 issued by ICAI on Accounting for the Taxes on Income, the Company has recognised Deferred Tax Assets amounting to Rs.376244/- for the year under consideration. The total Deferred Tax Assets stands at Rs. 3962777/- as on 31.03.10. In the opinion of the management, considering the future profits of the Company, it will be recovered in future.

Deferred Tax Calculation :

W.D.V. as on 31.03.10 (As per Income Tax Act.)	Rs. 3,41,67,967.00
W.D.V as on 31.03.10 (As per books)	Rs. 2,25,09,311.00
Depreciation excess claimed in books	Rs. 1,16,58,656.00
Deferred tax assets till 31.03.10	Rs. 39,62,777.00
Deferred tax till 31.03.09	Rs. 35,86,533.00
Deferred tax assets for current year	<u>Rs. 3,76,244.00</u>

16. EARNINGS PER SHARE (EPS)

	<u>Current Year</u>	<u>Previous Year</u>
Basic/Diluted Earnings per share		(Rs.In lacs)
Profit/(Loss) after tax as per Profit & Loss A/c	79.37	298.82
No of equity shares	15188372	15188372
Earnings per share (Rs.) (basic & diluted)	0.52	1.97
Note : Diluted Earnings per share is not applicable as the same is non-dilutive.		

17. DETAIL OF PROVISIONS AS PER AS-29

	Income Tax & Fringe Benefit Tax	Others
Balance as at April 1, 2009	42.10	61.02
Provision made during the year	35.25	16.51
Provision written off/back during the period	1.10	—
Balance as at 31st March 2010	<u>76.25</u>	<u>77.53</u>

18. Managerial Remuneration

	<u>Current Year</u>	<u>Previous Year</u>
Profit & Loss Account includes remuneration paid to Executive Director as under :		(Rs. in lacs)
Salary	12.00	10.20
Perquisites	4.20	3.85
Contribution towards PF	1.44	0.97
TOTAL	<u>17.64</u>	<u>15.02</u>

Note : Computation of net profit in accordance with section 349 of the Companies Act, 1956 has not been enumerated, as no commission is payable and remuneration has been paid as per provisions of schedule XIII of the Companies Act, 1956.

19. 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 :- (Rs. in lacs)

Particulars	Subsidiaries Company	Key Management Personal (KMP)	Enterprise over which KMP is able to exercise significant influence	Total for this year	Total for previous year
Sale of goods/Work Done	—	—	—	—	14.82
Lease Rent Paid	—	48.00	—	48.00	48.00
Lease Rent Received	—	40.80	—	40.80	40.80
Lease line/cable net	—	—	22.73	22.73	35.57
Reimbursement of Electricity and Water Charges Paid	—	—	0.82	0.82	—
Reimbursement of Electricity and Water Charges Paid	—	—	0.78	0.78	—
Dividend Received	—	—	—	—	20.70
Reimbursement of Exps. recovered	—	—	—	—	4.04
FINANCE					
1. Loan Recovered/Adjusted	—	—	—	—	514.15
3. Loan received	—	—	24.35	24.35	337.50
Loan Repaid	—	—	376.67	376.67	—
Outstanding at the end of the year	—	—	74.45	74.45	426.77
3. Advance given	—	—	—	—	44.52
Recovered/Adjusted	—	—	—	—	—
Outstanding at the end of the year	—	—	—	—	—
4. Management contract (salaries)	—	17.64	—	17.64	15.02
7. Amounts written off(-) or written back (+) in the period in respect of debts due from or to related parties.	—	—	—	—	—

Note :

- Key Management Personal : 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.
 - Steel Strips Infrastructures Ltd.
 - R.K.Garg & Sons (HUF)
 - SAB Udyog Ltd.
 - Munak Financers (P) Ltd.
 - Steel Strips Industries Ltd.
 - Steel Strips Financers (P) Ltd.
 - Steel Strips Holdings (P) Ltd.
 - Munak Investment (P) Ltd.
- Relatives of the Key Management Personnel (with whom transactions have taken place) Mrs Sunena Garg is related to Sh.R.K.Garg (wife of Sh.R.K.Garg), Sh.R.K.Garg himself is Chairman of the Company, Also Sh R.K.Garg is Karta of R.K.Garg & Sons (HUF) Sh. Dheeraj Garg is son of Sh.R.K.Garg.
- The Company incorporated a GBC-II category Wholly Owned Subsidiary (WOS) Company, under the name and style of Munak International Trading Corporation in Mauritius. The Company has been allotted 1885 shares of US\$ 1/- each and the same has been shown in the schedule of Investments. The Company has not undertaken any business so far. The latest copy of Balance Sheet of WOS as at 31.12.2009 is attached.
- During the year 2004-05 the Company had entered into a joint venture, in Iran, with i) NPC International (a Company incorporated in London, England), ii) Arak Petrochemicals Co. Iran and iii) Bank Melli Iran Investments Co., Iran, for setting up a gas based fertilizer plant for which a subsidiary Company under the name and style of LAVAN CHEMICAL CO. IRAN has been incorporated. A sum of US \$ 611028 (equivalent to Rs.263.16 lacs) had been invested as Share Capital till 31.03.2010, and has been shown in the Schedule of Investments. However, latest Balance Sheet as on 20.03.2010 is not attached as it is under preparation.

25. ADDITIONAL INFORMATION PURSUANT TO PROVISIONS OF PARAGRAPHS 3, 4C AND 4D OF PART II, SCHEDULE VI, OF COMPANIES ACT, 1956

QUANTITATIVE DATA	Qty.(Bags) 31.03.2010	Qty.(Bags) 31.03.2009
Opening Stock of Trading goods	488	379
Purchase during the year	314460	463649
Sales during the year	314460	42635
Own Consumptions	488	18075
Transit Loss	—	2820
Closing Stock	—	488

26. Expenditure in Foreign Currency

Particulars	As on 31.03.2010		As on 31.03.2009	
	Amount (Rs. in lacs)	Amount in Foreign Currency	Amount (Rs. in lacs)	Amount in Foreign Currency
Travelling (Directors)	—	—	2.54 6.26	3000 (GBP) 13400 (USD)
Travelling (Staff/Others)	1.50	1173 (EURO)	7.95 0.52	17628 (USD) 600 (GBP)
Consultancy/Commission	—	—	0.26 4.32 5.26	600 (USD) 10500 (AUD) 6187 (GBP)
Purchases	382.23	795021.27 (USD)	699.16	1549091 (USD)

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed.
for S.C. DEWAN & CO.
Chartered Accountants

H.K. SINGHAL
Director

AVINASH SHARMA
Executive Director

PLACE : Chandigarh
DATED : 31st May, 2010

S.C. DEWAN
Partner

GURPREET KAUR
Company Secretary

Additional Information as required under Part IV of Schedule VI of the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	<input type="text" value="L00000CH1983PLC031318"/>	State Code	<input type="text" value="53"/>
Balance Sheet Date	<input type="text" value="31-03-2010"/>		

II. Capital Raised during the year (Rs. in Lacs)

Public Issue	<input type="text" value="Nil"/>	Rights Issue	<input type="text" value="Nil"/>
Bonus Issue	<input type="text" value="759.42"/>	Private Placement	<input type="text" value="Nil"/>

III. Position of Mobilization and Deployment of Funds (Rs. in lacs)

Total Liabilities	<input type="text" value="5042.74"/>	Total Assets	<input type="text" value="5042.74"/>
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Sources of Funds

Paid-up Capital	<input type="text" value="1518.84"/>	Reserves & Surplus	<input type="text" value="1080.98"/>
Share application money	<input type="text" value="—"/>	Unsecured Loans	<input type="text" value="174.44"/>
Secured Loans	<input type="text" value="2268.48"/>	Deferred Tax Liability	<input type="text" value="—"/>

Application of Funds

Net Fixed Assets	<input type="text" value="1049.59"/>	Investments	<input type="text" value="1544.00"/>
Net Current Assets	<input type="text" value="2409.52"/>	Misc. Expenditure	<input type="text" value="—"/>
Deferred Tax Liability	<input type="text" value="39.63"/>		

IV. Performance of Company (Rs. in lacs)

Turnover	<input type="text" value="1904.17"/>	Total Expenditure	<input type="text" value="1791.46"/>
Profit Before Tax	<input type="text" value="112.71"/>	Profit After Tax	<input type="text" value="79.37"/>
Earning per share	<input type="text" value="0.52"/>	Dividend (%)	<input type="text" value="—"/>

V. Generic Names of Three Principal Products of Company (as per monetary terms)

- Not applicable as ours is a construction Company.

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed.
for S.C. DEWAN & CO.
Chartered Accountants

H.K. SINGHAL
Director

AVINASH SHARMA
Executive Director

PLACE : Chandigarh
DATED : 31st May, 2010

S.C. DEWAN
Partner

GURPREET KAUR
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY Company.

1. Name of the Subsidiary Co. : LAVAN CHEMICAL COMPANY, IRAN
2. The financial year of the subsidiary Company ended on / will end on : 20.03.2010
3. Holding Company's interest : Subsidiary by virtue of Section 4(1)(b)(ii) of the Companies Act, 1956.
4. No. of shares in the subsidiary Company held by SAB Industries Limited. Along with its nominees at the above date. : 660 Equity Shares of 85,00,000 Rials each (equivalent to approximately US\$ 1000 each).
5. The net aggregate amount of Profit/(Loss) of the subsidiary Company so far as it concerns the members of SAB Industries Limited
 - (i) Not dealt with the accounts of SAB Industries Limited amounted to
 - (a) for subsidiary's financial year ended on 20th March, 2010. :
 - (b) for the previous financial years of the subsidiary. : As the project of the subsidiary Company is under implementation, there were no operations during the financial year.
 - (ii) Dealt with in the accounts of SAB Industries Limited
 - (a) for subsidiary's financial year ended on 31st March, 2010. :
 - (b) for the previous financial years of the subsidiary since it became subsidiary. :
6. Changes in the interest of SAB Industries Ltd. between the end of the subsidiary's financial year and 31st March, 2010.
 - (a) No. of shares acquired : None
 - (b) Material changes between the end of the subsidiary's financial year ended and year on 31st March, 2010. :
 - (i) Fixed Assets (net addition) :
 - (ii) Investments :
 - (iii) Money lent by subsidiary : None
 - (iv) Money borrowed by the subsidiary Company other than for meeting current liabilities. :

Place : Chandigarh
Dated : 31st May, 2010

H.K. SINGHAL
Director

AVINASH SHARMA
Executive Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY Company.

1. Name of the Subsidiary Co. : Munak International Trading Corporation, Mauritius
2. The financial year of the subsidiary Company ended on / will end on : 31.12.2009
3. Holding Company's interest : Subsidiary by virtue of Section 4(1)(b)(ii) of the Companies Act, 1956.
4. No. of shares in the subsidiary Company held by SAB Industries Limited. Along with its nominees at the above date. :
5. The net aggregate amount of Profit/(Loss) of the subsidiary Company so far as it concerns the members of SAB Industries Limited
 - (i) Not dealt with the accounts of SAB Industries Limited amounted to
 - (a) for subsidiary's financial year ended on 31st December, 2009 : NIL
 - (b) for the previous financial years of the subsidiary. : Loss of US \$ 4524
 - (ii) Dealt with in the accounts of SAB Industries Limited
 - (a) for subsidiary's financial year ended on 31st March, 2010 : N.A.
 - (b) for the previous financial years of the subsidiary since it became subsidiary. : N.A.
6. Changes in the interest of SAB Industries Ltd. between the end of the subsidiary's financial year and 31st March, 2010
 - (a) No. of shares acquired : NIL
 - (b) Material changes between the end of the subsidiary's financial year ended on 31st March, 2010 :
 - (i) Fixed Assets (net addition) :
 - (ii) Investments : None
 - (iii) Money lent by subsidiary :
 - (iv) Money borrowed by the subsidiary Company other than for meeting current liabilities. :

Place : Chandigarh
Dated : 31st May, 2010

H.K. SINGHAL
Director

AVINASH SHARMA
Executive Director

SAB INDUSTRIES LIMITED

Regd. Office : S.C.O. 49-50, Sector 26, Madhya Marg, Chandigarh-160 019
(In case the Member is unable to be present in person at the meeting this form may be used)

PROXY FORM

I/We
ofbeing a member/members of

SAB Industries Limited hereby appoint Mr./Mrs./Miss
ofas my/our proxy to attend and to vote for me/us

and on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 30th day of September, 2010 at 4.00 P.M. at Company's Registered Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh and at any adjournment thereof.

Signed thisday of2010.



Regd. Folio No.Signature

NOTE :

- 1. The proxy must be deposited at the Regd. Office of the Company at least 48 hours before the time for holding the Meeting.
- 2. A proxy need not be a member of the Company.

SAB INDUSTRIES LIMITED

Regd. Office : S.C.O. 49-50, Sector 26, Madhya Marg, Chandigarh-160 019

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Name of the Member

Registered Folio No

(IN BLOCK LETTERS)

Name of the Proxy (IN BLOCK LETTERS)

[To be filled in case the Proxy attends instead of the member(s)]

I hereby record my presence at the ANNUAL GENERAL MEETING held on Thursday, the 30th day of September, 2010 at 4.00 P.M. at Company's Regd. Office SCO 49-50, Sector 26, Madhya Marg, Chandigarh-160 019.

Members's/Proxy Signature
(To be signed at the time of handing over this slip)