

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** : Friday, the 30th day of September, 2011.
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, 2011, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To elect a Director in place of Shri S. S. Dawra who retires by rotation and being eligible offers himself for re-appointment.
3. To elect a Director in place of Shri. Kanwarjit Singh 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 an Ordinary RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, as amended from time to time, and subject to such approvals/ sanctions as may be required, Shri Avinash Sharma be and is hereby reappointed as Executive Director of the Company for a period of 5 Years w.e.f 01.10.2011 on the following terms and conditions:

- | | | |
|--------------------------------|---|--|
| (A) Basic Salary | : | Rs.1,00,000/- per month |
| HRA @ 35% of basic salary | : | Rs.35,000/- per month plus Accommodation |
| Conveyance Reimbursement | : | Company's Car Expenses at actual as per Company's Rule |
| Medical Reimbursement | : | As per the rules of the Company |
| Contribution to Provident Fund | : | @12% of basic salary. |
| Gratuity | : | Not exceeding half months basic salary for each completed year of service, subject to Gratuity Act. |
| Earned leave | : | As per Company's Rule (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.

(B) Commission

5% of net profit inclusive of remuneration mentioned in (A) above. For the purpose of calculation of said commission of 5% on net profit, 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 of 1st October, 2008.

RESOLVED FURTHER THAT in the event of losses or inadequate profits in any financial year during the term of office of Shri. Avinash Sharma as Executive Director, the aforesaid salary and all other benefits, remuneration and other perquisites mentioned at (A) above, be paid to the appointee as minimum

remuneration subject to the ceiling laid down in schedule XIII to the Companies Act, 1956 as amended/modified or enacted from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all steps and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and proper to give effect to the aforesaid resolution.”

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 Ms. Priya Garg who was appointed as Additional Director w.e.f. 01.01.2011 and in respect of whom the company has received notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

By order of the Board of Directors
for SAB INDUSTRIES LIMITED

Place : Chandigarh
Dated : 20th August, 2011

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 21.09.2011 to 26.09.2011 (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 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 Avinash Sharma is a B.E. (Civil) by profession. He has a very wide and rich experience of over 20 years in Civil and Engineering Works. Your directors are of the opinion that the Company shall be benefited tremendously from his rich experience and expertise.

Your Directors therefore recommend the appointment of Shri Avinash Sharma as Executive Director for five years w.e.f. 01.10.2011. The above may be treated as an abstract of the terms and notice of interest under Section 302 of the Companies Act, 1956.

None of the Directors except Shri Avinash Sharma is interested in the proposed resolution.

ITEM No. 6

Your Directors have appointed Ms Priya Garg as Additional Director and she holds the office of the Company until the conclusion of this Annual General Meeting. The Company has received notice from a member under Section 257 of the Companies Act, 1956 proposing the name of Ms Priya Garg for her appointment as a Director alongwith requisite payment of Rs.500/-.

Ms. Priya Garg is a high rank holder graduate engineer and is looking after the affairs of the group companies. In view of her knowledge, experience and contribution in the working of the Company, the appointment of Ms. Priya Garg as Director is considered to be in best interest of the Company. The Board of Directors recommends her appointment for your approval as a special resolution.

None of the Directors of the company except Shri R K Garg, Chairman and Ms. Priya Garg are deemed to be concerned or interested in the proposed resolution

By order of the Board of Directors
for SAB INDUSTRIES LIMITED

Place : Chandigarh

H.K. SINGHAL

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, 2011.

FINANCIAL HIGHLIGHTS

	(Rs.in Lacs)	
	<u>31.03.2011</u>	<u>31.03.2010</u>
Turnover and Other Income	1828.15	2101.72
Operating Profit	384.97	251.19
Financial Expenses	111.03	72.19
Depreciation	67.78	66.29
Net Profit/ (Loss) before Income Tax	206.16	112.71
Profit after Tax	14.29	81.22

OPERATIONS AND FUTURE OUTLOOK

Due to recession in the Real Estate business, gross income of the Company has decreased to Rs.1828.15 lacs during the year under review as against Rs.2101.72 lacs during the previous year. The gross profit was higher at Rs.384.97 lacs as against Rs.251.19 lacs, as also the net profit before tax increased to Rs.206.16 lacs as against Rs.112.71 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.

ALLOTMENT OF WARRANTS

On 30.03.2011, the Company has allotted 3,23,072 optionally convertible warrants with a option to convert each warrants into one equity share of Rs.10/- at a price of Rs.260/- per equity share to the applicants within a period of one years, subject to receipt of full payment before conversion..

DEMATERILISATION

Effective from 09/05/2011, dematerialization of shares has been permitted by National Securities Depository

Limited (NSDL) and has allotted ISIN No. INE137M01017.

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

During the year, Ms Priya Garg has been appointed as Executive Director of the Company for three years w.e.f. 01.01.2011.

Shri S S Dawra and Shri Kanwarjit Singh, 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 business commitments, your Company has decided not to declare any dividend for the year 2010-11.

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 fresh deposits of Rs.75.00 lac from the public during the year within the meaning of the provisions of Section 58-A of the Companies Act, 1956. Deposits of Rs.100.00 lacs were brought forward from previous year. 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:

	31.03.2011	31.03.2010
- Earnings	Nil	Nil
- Outgo	Rs. 123.43 Lacs	383.73 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.60,00,000/- and above per annum if employed for full year, or a salary of Rs.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 OF DIRECTORS

Place : Chandigarh
Dated : 30.05.2011

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 9 Directors with a Non-Executive Chairman. Of the Nine 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) Seven 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 31.05.10, 05.04.10, 14.08.10, 23.09.10, 15.11.10, 25.01.11 and 25.02.11.
- (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 2010-11		Whether attended last AGM held on 30th September, 2010	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	7	7	No	5	2	1	Nil
Shri Avinash Sharma	Executive Director	7	6	No	Nil	3	1	Nil
Shri Ram K Gupta	Non-Executive Independent Director	7	4	No	Nil	3	Nil	1
Shri Sanjay Garg	Non-Executive Director	7	7	Yes	Nil	2	Nil	1
Shri Vijay G Kalantri	Non-Executive Independent Director	7	—	No	4	9	Nil	4
Shri Kanwarjit Singh	Non-Executive Independent Director	7	2	—	—	—	—	—
Shri S.S. Dawra	Non-Executive Independent Director	7	3	—	—	—	—	2
Shri H.K. Singhal	Non-Executive Director	7	7	Yes	Nil	6	Nil	7
Ms. Priya Garg	Executive Director	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 S S Dawra and Shri Kanwarjit Singh, retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

BRIEF DESCRIPTION OF DIRECTORS RETIRING BY ROTATION:

Shri S S Dawra

Shri S S Dawra, Retired as Secretary Personnel, Govt. of India. He holds Directorships in the following other Companies:

Name of Company/Firms As a Director	Nature of interest
HDIL Ltd. Steel Strips Infrastructures Ltd.	Director Director

Shri S S Dawra is also Member/ Chairman of the following Committees of Board of other Companies:

Name of Company	Name of Committee	Designation (Member or Chairman)
HDIL	Audit Committee	Member

Shri Kanwarjit Singh

Kanwarjit Singh, Retired as Secretary Member Engineering, Railway Board & Ex. Officio Secretary Govt. of India.

He does not hold any Directorships/ Membership in other Companies.

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	
		Held	Attended
Sh. S.S. Dawra	Chairman	4	3
Sh. Ram K Gupta	Member	4	4
Sh. Kanwarjit Singh	Member	4	2
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	
		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 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 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, 2011

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

Designation	: Executive Director
Last appointed on	: 01.10.2008
Term	: Three Years
Salary	: Rs. 1,00,000/- per month
House Rent Allowance	: 35% of Basic Salary

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.

(B) Ms. Priya Garg is Whole Time Director of the Company. Her particulars and details of remuneration paid are as under:

Designation	: Executive Director
Last appointed on	: 01.01.2011
Term	: Three Years
Basic Salary	: Rs. 2,50,000/- per month
	comprising of basic salary, House Rent Allowance and other allowances and perks.

Commission:

5% 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.

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)

(B) Detail of Sitting fee paid to the Directors for attending the Board Meetings / Committee Meetings held during 01.04.2010 to 31.03.2011

NAME OF DIRECTOR	SITTING FEE (in Rs.)
Shri R.K. Garg	25,000
Shri Ram K Gupta	28,000
Shri Kanwarjit Singh	14,000
Shri Sanjay Garg	25,000
Shri Vijay G. Kalantri	-
Shri H.K. Singhal	33,000
Shri S.S. Dawra	21,000

(VII) DETAIL OF SHARES OF THE Company HELD BY DIRECTORS AS ON 31ST MARCH, 2011.

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
Ms. Priya Garg	80008
Shri Avinash Sharma	Nil

(VIII) (i) GENERAL BODY MEETINGS

Date and venue of last few Annual General Meetings:

Date of last three AGMs	Venue	Special Resolution(s) passed
27.09.2008	Regd. Office of the Company at SCO 49-50, Sector 26, Madhya Marg, Chandigarh	Yes, increase in Authorised Capital
30.09.2009	-do-	Yes, Appointment of Executive Director
30.09.2010	-do-	Payment of remuneration and Commission to Shri R.K. Garg
25.03.2011 (EGM)	-do-	Issue of Optionally convertible warrants

During the year ended 31.03.2011, the company's shareholders have not passed any Special Resolution through postal ballot, as there was no such item which required to be passed 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 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 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, Ms. Priya Garg, Mr. Dheeraj Garg., Ms. Ute Mayr

(XII) MEANS OF COMMUNICATION

The quarterly and annual results are generally published in “The Business Standard and “Dainik Tribune” 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 of the Company will be held on 30th September, 2011 at the Registered Office of the Company.
- (ii) Financial Year : 1st April to 31st March
- (iii) Year Ending : March 31, 2011
- (iv) Financial Calendar : (tentative)
Results for quarter ending June 2011 -- 2nd week of Aug., 2011
Results for quarter ending Sept. 2011 -- 2nd week of Nov., 2011
Results for quarter ending Dec. 2011 -- 2nd week of Feb., 2012
Results for quarter ending March 2012 -- Last week of May, 2012
- (v) Book Closure date : 21-09-2011 to 26-09-2011.
- (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, 2011. However, on 30.03.2011, the Company has allotted 3,23,072 optionally convertible warrants with a option to convert each warrants into one equity share of Rs.10/- at a price of Rs.260/- per equity share to the applicants within a period of one years, subject to receipt of full payment before conversion.

(XVI) Distribution of Shareholding as on 31st March 2011.

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, 2011

PARTICULARS	NO. OF SHARES	(%)
Promoter & Persons Acting in concert	11183356	73.63
Bodies Corporate	3661293	24.11
Financial Institutions, Banks & Mutual funds	319019	2.10
General Public	24704	0.16
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) DEMATERIALISATION

Trading in Equity shares of our Company is permitted only in dematerialized form effective from 09.05.2011 as per the notification issued by the Securities and Exchange Board of India (SEBI). Our Company has signed agreement with National Securities Depository Limited (NSDL). The Company has appointed M/s Link Intime India Pvt. Limited, A-40, 2nd floor, Near Batra Banquet Hall, Naraina Industrial Area, Phase II, New Delhi 110 028, as common agency to look after dematerialization of shares as well as for physical transfer of shares.

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

(XIX) 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 : 30.05.2011

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 2011 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 : 30.05.2011

S.C. Dewan
Partner
M. 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, 2011 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 : 30.05.2011

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 : 30.05.2011

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 2011, and also the Profit & Loss Account and the Cash Flow Statement 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 and Cash Flow Statement referred to in this report are in agreement with the

books of accounts.

- iv) In our opinion, the Balance Sheet and Profit & Loss Account and the Cash Flow Statement 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 31.03.2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2011 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, 2011, 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 : 30th May, 2011

S.C. Dewan
Partner
M. 15678

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 not granted or taken any loans, secured or unsecured to/from companies, firm or other parties covered in the registers maintained under Section 301 of Companies Act.1956.
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 (l) 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, 2011 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 : 30th May, 2011

S.C. Dewan
Partner
M. 15678

BALANCE SHEET
AS ON 31ST MARCH, 2011

PARTICULARS	SCHEDULE	AS ON 31.03.2011 (Rs.)	AS ON 31.03.2010 (Rs.)
SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	1	19,38,83,210	15,18,83,720
Reserves & Surplus	2	11,63,25,125	10,80,97,959
		31,02,08,335	25,99,81,679
Loan Funds			
Secured Loans	3	24,47,16,988	22,68,47,805
Unsecured Loans	4	1,75,00,000	1,00,00,000
		26,22,16,988	23,68,47,805
		57,24,25,323	49,68,29,484
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	22,82,82,121	21,69,74,637
Less : Depreciation		11,82,67,324	11,20,16,063
Net Block		11,00,14,797	10,49,58,574
Investments	6	15,56,89,633	15,44,00,277
Current Assets, Loans & Advances			
Inventories	7	2,16,53,000	1,87,95,000
Sundry Debtors		1,27,35,760	1,27,39,890
Cash and Bank Balances		3,06,59,099	2,03,39,201
Advance for Purchase of Land		4,14,56,876	3,34,56,876
Other Current Assets Loans & Advances		3,34,82,491	3,66,35,061
Commercial Properties under Development	8	35,93,82,169	35,89,28,724
		49,93,69,395	48,08,94,752
Less : Current Liabilities & Provisions	9	19,67,20,730	24,73,86,896
Net Current Assets		30,26,48,665	23,35,07,856
Deferred Tax Assets		40,72,228	39,62,777
		57,24,25,323	49,68,29,484

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 : 30th May, 2011

S.C. DEWAN
Partner

GURPREET KAUR
Company Secretary

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	SCHEDULE	AS ON 31.03.2011 (Rs.)	AS ON 31.03.2010 (Rs.)
INCOME			
Operative & Other Income	10	18,28,15,264	21,01,72,030
		<u>18,28,15,264</u>	<u>21,01,72,030</u>
EXPENDITURE			
Bandwidth, Dot Rent & Cable Net Expenses	11	31,36,981	36,50,270
Direct Cost	12	7,58,93,569	15,35,94,509
Employees Cost	13	1,55,94,730	1,05,85,293
Administration and other expenses	14	4,96,93,062	1,72,23,057
Financial charges	15	1,11,03,239	72,19,435
Depreciation	5	67,77,807	66,28,695
		<u>16,21,99,388</u>	<u>19,89,01,259</u>
Profit/(Loss) for the year		2,06,15,876	1,12,70,771
Provision for Taxation		64,40,000	35,25,000
Add : Deferred Tax Assets/Liability (-)		1,09,451	3,76,244
Profit after Tax and Before Extra Ordinary Items		<u>1,42,85,327</u>	<u>81,22,015</u>
Income Tax Paid/Adjusted for earlier years		60,58,161	-
Prior period adjustments		-	1,85,106
Profit for the year after tax carried to Reserve & Surplus		<u>82,27,166</u>	<u>79,36,909</u>
Earning per share - Basic and Diluted		0.54	0.52

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 : 30th May, 2011

S.C. DEWAN
Partner

GURPREET KAUR
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11	(Rs. in Lacs)	
		2010-11	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT/(LOSS) BEFORE TAX AND EXTRA-ORDINARY ITEMS	206.16		112.71
Adjustment For			
- Prior period adjustments	—		(1.85)
- Profit(-)/Loss(+) on Sale of Fixed Assets	(0.32)		(0.13)
- Depreciation	67.78		66.29
- Dividend Received	(12.96)		0.01
- Interest & other Financial Charges	111.03		72.19
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	371.70		249.22
Adjustment for Trade and other receivables	(48.43)	(344.66)	
Inventories	(33.11)	277.10	
Trade Payables	(506.66)	(386.59)	(454.15)
Cash Generated from Operations	(216.51)		(204.93)
Interest and other Financial Expenses paid	111.03	72.19	
Direct Taxes Paid/Adjusted	124.98	—	72.19
Cash Flow before Extra Ordinary Items	(452.52)		(277.12)
Cash Flow from Operating Activities	(452.52)		(277.12)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(119.77)		(20.05)
Sale of Fixed Assets	1.75		15.82
Purchase of Investments	(12.89)		—
Dividend Received	12.96		0.01
Net Cash from investing activities	(117.96)		(4.22)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share Application Money	419.99		300.00
Proceeds from Long Term Borrowings	106.16		300.00
Proceeds from Unsecured Loans	75.00		100.00
Proceeds from Short Term Borrowings	84.21		45.04
Repayment of Short Term Borrowings	(3.34)		(74.70)
Repayment of Long Term Borrowings	(8.34)		(41.31)
Repayment of Unsecured Loans	—		(352.31)
Net Cash received from Financing activities	673.68		(23.28)
Net Increase/(Decrease) in Cash and Cash Equivalents	103.20		(304.62)
Cash and Cash equivalents as at 01.04.2010 (Opening Balance)	203.40		508.02
Cash and Cash equivalents as at 31.03.2011 (Closing Balance)	306.59		203.40

For and on behalf of the Board

Place : Chandigarh
Dated : 30th May, 2011

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, 2011 and found the same in agreement therewith.

For S.C. Dewan & Co.
Chartered Accountants

Place : Chandigarh
Dated : 30th May, 2011

S.C. Dewan
Partner

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 1 : SHARE CAPITAL

PARTICULARS	AS ON 31.03.2011 (Rs.)	AS ON 31.03.2010 (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	<u>15,18,83,720</u>	<u>15,18,83,720</u>
Application Money for Convertible Warrants (Share Warrants 3,23,073 Nos. @ 260/- amount received 50%) (Previous Year Nil)	<u>4,19,99,490</u>	<u>—</u>
TOTAL	<u>19,38,83,210</u>	<u>15,18,83,720</u>

*Each warrant shall be convertible into one equity share of Rs. 10/- each at a price of Rs. 260/- per equity share by 31.03.12, Subject to receipt of balance 50% payment from the allottees.

SCHEDULE - 2 : RESERVES & SURPLUS

1. General Reserve	7,01,46,426	7,01,46,426
Add : Amount trfd from Profit & Loss A/c	<u>2,00,00,000</u>	<u>9,01,46,426</u>
2. Profit & Loss A/c		
As per Last Balance Sheet	3,79,51,533	3,00,14,624
Add : Transferred from Profit & Loss A/c	<u>82,27,166</u>	<u>79,36,909</u>
	4,61,78,699	3,79,51,533
Less : Amount transferred to General Reserve A/c	<u>2,00,00,000</u>	<u>2,61,78,699</u>
	<u>2,61,78,699</u>	<u>11,63,25,125</u>
	<u>11,63,25,125</u>	<u>10,80,97,959</u>

SCHEDULE - 3 : SECURED LOANS

(A) WORKING CAPITAL FROM BANKS :	73,59,209	71,07,900
(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, 5 bigha 16 bishwa and 7 bigha 16 bishwa situated at Village Ajjipur, 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 HDFC BANK	4,06,15,521	3,00,00,000
(Secured against Mortgage of properties of Directors and Associate Concerns)		
(C) VEHICLES/EQUIPMENTS LOANS FROM BANKS	1,17,09,744	35,39,791
(Secured against hypothecation of respective vehicles/ equipments and counter guarantees of the Company)		
(D) SHORT TERM DEBT	41,70,422	45,04,081
(Secured against the letter of comforges issued by banks)		
(E) OTHERS		
1. Secured by Bank Guarantees (From Customers)	2,07,28,290	1,84,68,419
2. Secured against security furnished by Company/ Associate Companies/third party and against Security Bonds	<u>16,01,33,802</u>	<u>16,32,27,614</u>
	<u>24,47,16,988</u>	<u>22,68,47,805</u>

SCHEDULE - 4 : UNSECURED LOANS

PARTICULARS	AS ON 31.03.2011 (Rs.)	AS ON 31.03.2010 (Rs.)
Fixed Deposit	1,75,00,000	1,00,00,000
TOTAL	1,75,00,000	1,00,00,000

SCHEDULE - 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.10 (Rs.)	Additions during the year (Rs.)	Sales/ adjustments during the year (Rs.)	As at 31.03.11 (Rs.)	As at 01.04.10 (Rs.)	During the period (Rs.)	Sales/ adjustments during the period (Rs.)	As at 31.03.2011 (Rs.)	As at 31.03.2011 (Rs.)	As at 31.03.2010 (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	64,60,773	1,00,314	—	65,61,087	6,20,848	7,21,162
4. Tractor & Trolley	2,98,678	—	—	2,98,678	2,95,555	937	—	2,96,492	2,186	3,123
5. JCB Machine	17,20,486	—	—	17,20,486	13,54,252	1,09,870	—	14,64,122	2,56,364	3,66,234
6. Soil Compactor	18,65,198	—	—	18,65,198	14,54,540	1,23,197	—	15,77,737	2,87,461	4,10,658
7. Batching Plant	10,22,180	—	—	10,22,180	7,39,293	84,866	—	8,24,159	1,98,021	2,82,888
8. Concrete Pump	16,50,000	16,50,000	—	33,00,000	18,986	9,69,386	—	9,88,372	23,11,628	16,31,014
9. Vibrators	49,504	62,700	—	1,12,204	203	57,824	—	58,027	54,177	49,301
10. Office Equipments	14,57,755	—	—	14,57,755	11,18,270	61,447	—	11,79,717	2,78,038	3,39,485
11. Furniture & Fixtures	37,50,749	—	—	37,50,749	26,07,009	2,07,017	—	28,14,026	9,36,723	11,43,740
12. Vehicles	3,42,44,367	7,54,433	6,69,932	3,43,28,868	2,43,71,356	26,61,795	5,26,548	2,65,06,603	78,22,265	98,73,011
13. Television	53,440	—	—	53,440	47,218	1,126	—	48,344	5,096	6,222
14. Air Conditioners	10,35,303	—	—	10,35,303	8,57,559	24,724	—	8,82,283	1,53,020	1,77,744
15. Generators	86,299	—	—	86,299	78,509	1,084	—	79,593	6,706	7,790
16. Computers	14,67,780	—	—	14,67,780	13,47,106	48,270	—	13,95,376	72,404	1,20,674
17. Tubewell	18,65,327	—	—	18,65,327	7,42,774	1,56,193	—	8,98,640	9,66,687	11,22,880
18. Agricultural Equipments	4,55,022	—	—	4,55,022	3,21,874	18,521	—	3,40,395	1,14,627	1,33,148
19. Laboratory Equipments	5,73,328	46,004	—	6,19,332	3,21,919	37,216	—	3,59,135	2,60,197	2,51,409
20. Steel Shuttering	51,55,580	91,01,831	—	1,42,57,411	28,12,275	12,74,602	—	40,86,877	1,01,70,534	23,43,304
TOTAL (A)	14,63,82,195	1,16,14,968	6,69,932	15,73,27,231	4,49,49,144	59,38,388	5,26,548	5,03,60,984	10,69,66,247	10,14,33,051
B) Infotech Division										
1. Plant, Machinery & Equip.	14,89,965	—	—	14,89,965	6,97,970	70,773	—	7,68,743	7,21,222	7,91,995
2. Electrical Installation	9,53,621	76,400	—	10,30,021	6,40,795	45,386	—	6,86,181	3,43,840	3,12,826
3. Furniture & Equipments	73,98,380	—	—	73,98,380	62,50,391	4,68,317	—	67,18,708	6,79,674	11,47,991
4. Data Processing Equip.	6,07,50,475	2,86,045	—	6,10,36,520	5,94,77,763	2,54,945	—	5,97,32,708	13,03,812	12,72,712
TOTAL (B)	7,05,92,441	3,62,445	—	7,09,54,886	6,70,66,919	8,39,421	—	6,79,06,340	30,48,548	35,25,524
TOTAL (A + B)	21,69,74,636	1,19,77,413	6,69,932	22,82,82,121	11,20,16,063	67,77,809	5,26,548	11,82,67,324	11,00,14,797	10,49,58,575
PREVIOUS YEAR	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

SCHEDULE - 6 : INVESTMENTS

PARTICULARS	AS ON 31.03.2011 (Rs.)	AS ON 31.03.2010 (Rs.)
INVESTMENT IN SHARES		
QUOTED & VALUED AT COST 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 35) equity shares of Rs. 10/- each of M/s Asian Hotels (East) Limited	—	—
10,000 fully paid (Previous Year Nil) equity shares of Rs. 10/- each of M/s Punjab & Sind Bank	12,89,356	—
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
	9,10,66,880	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
	15,56,89,633	15,44,00,277
Aggregate Market value of Quoted Investments	41,59,56,995	23,06,67,218

SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES

PARTICULARS	AS ON 31.03.2011 (Rs.)	AS ON 31.03.2010 (Rs.)
(A) CURRENT ASSETS		
Inventories		
(As valued and certified by the Management)		
WORK IN PROGRESS	2,16,53,000	1,87,95,000
SUB-TOTAL	2,16,53,000	1,87,95,000
Sundry Debtors (Unsecured, Considered Goods, Unless otherwise stated)		
— Outstanding for a period exceeding six months	1,08,95,817	1,10,94,256
— Others	18,39,943	16,45,634
SUB-TOTAL	1,27,35,760	1,27,39,890
Cash & Bank Balances		
Cash in hand (including site imprest)	2,66,923	78,301
Cheques in Hand	16,11,552	4,35,857
Balances with Scheduled Banks		
— In Current Accounts	93,19,971	22,68,570
— Fixed Deposits		
- Under lien with Banks as Margin Money	1,92,60,653	1,73,56,473
- Under lien with PWD, Uttarakhand, Dehradun	2,00,000	2,00,000
SUB-TOTAL	3,06,59,099	2,03,39,201
(B) LOANS AND ADVANCES		
(Unsecured considered Good, unless otherwise stated)		
Advances recoverable		
- From Suppliers/Petty Contractors	13,31,475	94,99,424
- Advances for purchase of land	4,14,56,876	3,34,56,876
- From others	1,90,62,485	59,52,681
	6,18,50,836	4,89,08,981
- Less: Provision for Doubtful Advances	22,90,000	22,90,000
	5,95,60,836	4,66,18,981
Security Deposit	95,14,949	1,08,39,957
Interest accrued but not due	4,81,300	5,24,461
Prepaid Expenses	3,84,293	3,71,811
Income Tax deducted at sources	41,50,264	1,08,89,002
Withheld by Clients	8,47,725	8,47,725
SUB-TOTAL	7,49,39,367	7,00,91,937
TOTAL	13,99,87,226	12,19,66,028

SCHEDULE - 8 : COMMERCIAL PROPERTY UNDER DEVELOPMENT

PARTICULARS	AS ON 31.03.2011 (Rs.)	AS ON 31.03.2010 (Rs.)
A) HOUSING PROJECT AT SSL TOWER, DERABASSI		
1. LAND		
Cost of Land including Registration and Other Charges	22,57,84,131	27,04,81,490
Less : Cost of Land sold during the year	—	4,46,97,359
	<u>22,57,84,131</u>	<u>22,57,84,131</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>23,30,96,831</u>
3. MISC. EXPENDITURE PENDING ALLOCATION TO ABOVE COMMERCIAL PROPERTY		
Direct Cost - Opening Balance	7,67,25,747	
Add : Addition during the year	<u>51,077</u>	7,67,25,747
Adminsitration and Other Expenses (O/B)	49,25,887	
Add : Addition during the year	<u>2,74,139</u>	49,25,887
Employee Cost (O/B)	82,61,036	
Add : Addition during the year	<u>1,27,979</u>	82,61,036
Selling & Advertisement Expenses (O/B)	46,77,483	
Add : Addition during the year	<u>—</u>	46,77,483
Interest and bank charges (O/B)	2,93,79,381	
Add : Addition during the year	<u>250</u>	2,93,79,381
Depreciation	<u>18,62,359</u>	<u>18,62,359</u>
	<u>12,62,85,338</u>	<u>12,58,31,893</u>
TOTAL A	<u>35,93,82,169</u>	<u>35,89,28,724</u>

SCHEDULE - 9 : CURRENT LIABILITIES & PROVISIONS

PARTICULARS	AS ON 31.03.2011 (Rs.)	AS ON 31.03.2010 (Rs.)
A. CURRENT LIABILITIES		
Sundry Creditors	28,10,427	69,73,020
Advances from Customers	9,94,80,421	10,30,48,501
Other Liabilities		
— Statutory dues	8,49,277	14,71,001
— Liability for Employees Retirement Benefit	18,83,456	18,88,584
— Cheques issued but not presented — for payments	67,33,983	4,36,78,116
— Security expenses payable	31,31,356	34,82,356
— Other Expenses payable	35,23,943	21,15,154
— Security Deposit	3,45,91,125	2,71,75,286
— Other Liabilities	3,01,30,454	4,21,77,006
	8,08,43,594	
SUB-TOTAL	18,31,34,442	23,20,09,024
B. PROVISIONS		
Provision for Sales Tax	10,44,288	16,50,872
Provision for Bank Guarantee	61,02,000	61,02,000
Provision for Taxation	64,40,000	76,25,000
	1,35,86,288	1,53,77,872
SUB-TOTAL	1,35,86,288	1,53,77,872
TOTAL	19,67,20,730	24,73,86,896

SCHEDULE - 10 : OPERATIVE & OTHER INCOME

GROSS SALES			
Sales ISP	66,73,612		72,02,135
Sales Trading - Network equipments	11,01,131		4,61,344
		77,74,743	
Gross Work done		10,87,57,296	7,13,94,947
Trading Sale (Cement)		1,23,17,120	4,48,12,200
Sale of Land/Property in Stock		2,62,58,200	5,18,12,100
Increase/(Decrease) in Work in Progress			
	2010-11	2009-10	
- Opening	1,87,95,000	1,55,89,000	
- Closing	2,16,53,000	1,87,95,000	
		28,58,000	32,06,000
Profit on sale of assets		31,616	10,788
Interest Received		14,13,464	20,28,818
Insurance Claim		86,593	62,888
Miscellaneous Income		2,99,584	69,88,104
Income from share in J.V.		1,60,19,209	1,47,35,544
Unclaimed Balances written off		1,45,810	25,70,090
Agriculture Income		55,58,099	48,85,630
Dividend Received		12,95,530	1,442
	TOTAL	18,28,15,264	21,01,72,030

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

Bandwidth Expenses	28,52,432	34,96,475
Dot Rent Expenses	2,84,549	1,53,795
	TOTAL	31,36,981
		36,50,270

SCHEDULE - 12 : DIRECT COST

PARTICULARS	AS ON 31.03.2011 (Rs.)	AS ON 31.03.2010 (Rs.)
Opening Stock of Building Materials and Net Working Equipments/Materials	—	20,32,622
Add : Purchases during the year :		
- Building Material	4,32,02,097	7,14,10,572
- Trading Purchases	1,13,25,274	4,06,34,624
- Land transferred from commercial property	—	4,46,97,359
- Purchase of Property in Stock	<u>1,37,53,090</u>	—
	<u>6,82,80,461</u>	<u>15,87,75,177</u>
Less:		
Sale/Material issued to Sub-Contractors	1,46,73,303	2,69,88,938
Closing Stocks of Building Materials and Net Working Equipment/Materials	<u>—</u>	<u>—</u>
	<u>1,46,73,303</u>	<u>13,17,86,239</u>
Sales Tax Paid	2,52,085	21,71,773
Freight & Cartage	5,73,924	31,836
Hire Charges of Machinery	12,79,661	5,00,000
Labour & Wages	<u>2,01,80,741</u>	<u>1,91,04,661</u>
TOTAL	<u>7,58,93,569</u>	<u>15,35,94,509</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	1,44,58,849	1,00,53,063
Bonus	1,09,697	65,635
Contribution to Provident Funds & Other Funds	3,08,006	2,32,290
Welfare Expenses	<u>7,18,178</u>	<u>2,34,305</u>
TOTAL	<u>1,55,94,730</u>	<u>1,05,85,293</u>

SCHEDULE - 14 : ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	AS ON	AS ON
	31.03.2011 (Rs.)	31.03.2010 (Rs.)
Travelling Expenses - Foreign		
- Directors	—	—
- Others	1,40,145	1,56,694
Travelling Expenses - Inland		
- Directors	2,51,581	2,86,360
- Others	9,92,458	6,32,867
Printing & Stationery	3,24,298	2,41,383
Postage, Telegram & Telephone	5,46,546	4,26,405
Advertisement & Publicity	1,50,704	1,94,287
Vehicles Repairs & Maintenance	15,73,153	3,30,716
Repairs & Maintenances	3,31,751	8,00,846
Insurance	7,00,128	6,49,900
Audit Fee	5,51,500	5,51,500
Legal & Professional Charges	29,20,495	38,17,110
Directors' Sitting Fee	1,44,000	1,35,000
Rates & Taxes	3,41,730	98,575
Newspapers & Periodicals	4,305	4,915
Office Maintenance Exp.	7,20,206	62,700
Subscription & Membership Fees	10,230	650
Provision for Bad and Doubtful Advance	—	22,90,000
Claims	9,99,413	—
Rent	56,01,055	22,63,938
Electricity & Water Charges	3,10,043	4,49,374
Business Promotion	7,534	8,320
Loss on Purchase of Property in Stock	3,00,00,000	—
Tender Expenses	1,19,625	99,000
Agriculture Expenses	26,40,286	27,97,538
Debit balances written off	60,438	1,01,839
Other Miscellaneous Expenses	2,51,438	8,23,140
TOTAL	4,96,93,062	1,72,23,057

SCHEDULE - 15 : FINANCIAL & OTHER EXPENSES

Interest and Bank Charges	1,11,03,239	72,19,435
TOTAL	1,11,03,239	72,19,435

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, 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)

Vibrators, Welding Set, Mixers

70%

Batching Plant, Tractor Trolley,

30%

JCB Machine & Soil Compactor

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 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.

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 31.03.2011	AS ON 31.03.2010
Counter Guarantees issued by the Company against Bank Guarantees/FLC	742.77	866.42

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 31.03.2011. 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 had received the following amounts in earlier years against the claims :

- FROM DELHI DEVELOPMENT AUTHORITY	16.29 LACS
- FROM U.P.STATE GOVERNMENT	170.66 LACS
- FROM PB.PWD HOSHIARPUR	12.14 LACS
- FROM PB. PWD LUDHIANA	25.93 LACS
- FROM H.P.S.E.B. SHIMLA	100.13 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 were considered as 'Secured Loans' instead of income as per the policy of the Company. However, securities from

U.P.State Government and Delhi Development Authority against the claims of Rs.14.64 lac and 16.28 lac respectively were released during the year, and, accordingly, the funds received against these claims in earlier years have been credited to Profit & Loss Account during the year. The balance amount of Rs.294.22 lac is shown as 'Secured Loan' as at 31.03.2011.

The company have also received Rs.1307.12 lacs from M/S Sotlej 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 as Joint Venture and 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. The outstanding balance received from SCL stands at 1307.12 lac for above cases as on 31.03.2011. M/S Sotlej Constructions Ltd has further received sums though Court, free of any security, during the year, with our company's share at Rs.160.19 in the Joint Venture. This amount has been directly credited to Profit & Loss Account being free of any security.

12. SEGMENT REPORT

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

S.No. Particulars	31.03.2011	31.03.2010
		(Rs. in lacs)
1 SEGMENT REVENUES		
a) Construction Division	1296.11	1009.99
b) Real Estates Division	262.58	518.12
c) Investments (in shares)	12.96	0.01
d) Agriculture	55.58	48.86
e) Infotech Division	77.75	76.63
f) Trading Division	123.17	448.12
TOTAL	1828.15	2101.73
2. SEGMENT RESULTS		
Profit/(Loss)		
(Before tax and interest from each segment)		
a) Construction Division	453.31	55.79
b) Real Estates Division	(175.00)	71.15
c) Investments (in shares)	12.96	0.01
d) Agriculture	29.18	20.88
e) Infotech Division	(8.71)	10.29
f) Trading Division	5.45	26.78
TOTAL	317.19	184.90
Less : Interest & Financial Charges	111.03	72.19
TOTAL PROFIT BEFORE TAX	206.16	112.71

(Rs. in lacs)

S.No. Particulars

31.03.2011

31.03.2010

Provision for Taxation	64.40	35.25
Provision for Deferred Tax (Assets)Liability	(1.09)	(3.76)
Income Tax Paid/Adj. for earlier years	60.58	—
Prior Period Adjustments	—	1.85
Net Profit/(Loss)	82.27	79.37

3. CAPITAL EMPLOYED

(Segment assets - Segment liabilities)

a) Construction Division	647.34	314.05
b) Real Estates Division	2628.60	2669.08
c) Investments (in shares)	1556.90	1544.00
d) Agriculture	737.54	737.54
e) Infotech Division	31.95	41.03
f) Trading Division	(15.78)	(19.12)
g) Unallocable assets less liabilities	(352.13)	(498.73)
TOTAL	5234.42	4787.85

13. 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.

14. 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.109451/- for the year under consideration. The total Deferred Tax Assets stands at Rs.4072228/- as on 31.03.11. 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 31.03.11 (Net of land) (As per Income Tax Act.)	Rs. 3,95,46,198.00
W.D.V as on 31.03.11 (Net of land) (As per books)	Rs. <u>2,75,65,533.00</u>
Depreciation excess claimed in books	Rs. 1,19,80,665.00
Deferred tax assets till 31.03.11	Rs. 40,72,228.00
Deferred tax till 31.03.10	Rs. <u>39,62,777.00</u>
Deferred tax assets for current year	Rs. <u>1,09,451.00</u>

15. EARNINGS PER SHARE (EPS)

Basic/Diluted Earnings per share

	Current Year	(Rs. In lacs) <u>Previous Year</u>
Profit/(Loss) after tax as per Profit & Loss A/c	82.27	79.37
No of equity shares	15188372	15188372
Earnings per share (Rs.) (basic & diluted)	0.54	0.52

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

16. DETAIL OF PROVISIONS AS PER AS-29

	Income Tax & Fringe Benefit Tax	Others
Balance as at April 1, 2010	76.25	77.53
Provision made during the year	64.40	—
Provision written off/Paid back during the period	76.25	6.07
Balance as at 31st March 2011	<u>64.40</u>	<u>71.46</u>

17. Managerial Remuneration

Profit & Loss Account includes remuneration paid to Executive Director as under :

	Current Year	(Rs. in lacs) <u>Previous Year</u>
Salary	16.50	12.00
Perquisites	9.61	6.70
Contribution towards PF	1.98	1.44
Commission on Profits	2.10	—
TOTAL	<u>30.19</u>	<u>20.14</u>

18. 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 and Chairman of the Company.

	Current Year ended 31.03.2011	Previous Year ended 31.03.2010
Profit as per Profit and Loss A/c	82,27,166	N.A.
Add: Depreciation as per Profit and Loss A/c	67,77,807	N.A.
Chairman's Remuneration	2,09,696	N.A.
Sitting Fee	1,44,000	N.A.
Income Tax for the Year	64,40,000	N.A.
Income Tax paid/adjusted for earlier years	60,58,161	N.A.
Total	<u>2,78,56,830</u>	N.A.
Less: Depreciation calculated for Managerial Remuneration	67,77,807	N.A.
Deferred Tax Assets	1,09,450	N.A.
Available Profit	2,09,69,563	N.A.
Commission/Remuneration	2,09,696	N.A.

However, commission is not payable to Sh. Avinash Sharma, Executive Director and Ms. Priya Garg, Executive Director in view of the terms of their appointment and remuneration has been paid to them 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
Lease Rent Paid against shared accommodation	—	—	57.00	57.00	48.00
Lease Rent Received against shared accommodation	—	—	14.40	14.40	40.80
Lease line/cable net	—	—	18.44	18.44	22.73
Electricity and Water Charges paid	—	—	0.73	0.73	0.82
Electricity and Water Charges received	—	—	0.58	0.58	0.78
Dividend Received	—	—	12.94	12.94	—
FINANCE					
1. Loan received	—	—	—	—	24.35
Loan Repaid	—	—	74.45	74.45	376.67
Outstanding at the end of the year	—	—	—	—	74.45
2. Management contract (salaries)	—	30.19	—	30.19	20.14

Note :

- Key Management Personal : Sh. R.K. Garg, Chairman, Ms. Priya Garg, Executive Director, 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 31.12.2010 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 had been incorporated. A sum of US \$ 611028 (equivalent to Rs.263.16 lacs) had been invested as Share Capital till 31.03.2011, and has been shown in the Schedule of Investments. However, latest Balance Sheet as on 20.03.2011 is not attached as it is under preparation.

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

QUANTITATIVE DATA	Qty. (Bags) 31.03.2011	Qty. (Bags) 31.03.2010
Opening Stock of Trading goods	—	488
Purchase during the year	92,720	314460
Sales during the year	92,720	314460
Own Consumptions	—	488
Closing Stock	—	—

23. Expenditure in Foreign Currency

Particulars	As on 31.03.2011		As on 31.03.2010	
	Amount (Rs. in lacs)	Amount in Foreign Currency	Amount (Rs. in lacs)	Amount in Foreign Currency
Travelling (Staff/Others)	0.59	1250 (USD)	1.50	1173 (EURO)
Purchases	122.84	265787 (USD)	382.23	795021 (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 : 30th May, 2011

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="31-03-2011"/>		

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="Nil"/>	Private Placement	<input type="text" value="Nil"/>

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

Total Liabilities	<input type="text" value="5724.25"/>	Total Assets	<input type="text" value="5724.25"/>
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Sources of Funds

Paid-up Capital	<input type="text" value="1518.84"/>	Reserves & Surplus	<input type="text" value="1163.25"/>
Share application money for Convertible Warrants	<input type="text" value="419.99"/>	Unsecured Loans	<input type="text" value="175.00"/>
Secured Loans	<input type="text" value="2447.17"/>	Deferred Tax Liability	<input type="text" value="—"/>

Application of Funds

Net Fixed Assets	<input type="text" value="1100.15"/>	Investments	<input type="text" value="1556.90"/>
Net Current Assets	<input type="text" value="3026.48"/>	Misc. Expenditure	<input type="text" value="—"/>
Deferred Tax Liability	<input type="text" value="40.72"/>		

IV. Performance of Company (Rs. in lacs)

Turnover and other Income	<input type="text" value="1828.15"/>	Total Expenditure	<input type="text" value="1621.99"/>
Profit Before Tax	<input type="text" value="206.16"/>	Profit After Tax	<input type="text" value="82.27"/>
Earning per share	<input type="text" value="0.54"/>	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

GURPREET KAUR
Company Secretary

PLACE : Chandigarh
DATED : 30th May, 2011

S.C. DEWAN
Partner

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 : 20.03.2011
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, 2011. :
 - (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, 2011. :
 - (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, 2011.
 - (a) No. of shares acquired : None
 - (b) Material changes between the end of the subsidiary's financial year ended and year on 31st March, 2011. :
 - (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. :

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 : 30th May, 2011

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. : Munak International Trading Corporation, Mauritius
2. The financial year of the subsidiary Company ended on / will end on : 31.12.2010
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. :
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, 2010 : 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, 2011 : 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, 2011
 - (a) No. of shares acquired : NIL
 - (b) Material changes between the end of the subsidiary's financial year ended on 31st March, 2011
 - (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. :

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 : 30th May, 2011

S.C. DEWAN
Partner

GURPREET KAUR
Company Secretary

Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered E- mail addresses of shareholders. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. Keeping in view the underlying theme and the circular issued by MCA, we proposed to send all documents, to be sent to shareholders like General Meeting notices(including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc., henceforth to the shareholders in Electronic form, to the E-mail Address provided by them and made available to us. The physical copies of the Annual Report will also be available at our Corporate Office in Chandigarh for inspection during office hours. In case you desire to receive the above mentioned documents in physical forms, you are requested to send an E- mail to ssl_ssg@glide.net.in. Please note that you will be entitled to receive free of cost a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto including the Profit & Loss Account and Auditors' Report, upon receipt of a requisition from you, any time, as a member of the Company. Members who hold shares in physical form and have not registered their E-mail address so far are requested to register their E-mail addresses with the Company.

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 Friday, the 30th day of
September, 2011 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 of2011.



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 Friday, the 30th day of September, 2011 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)