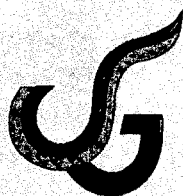
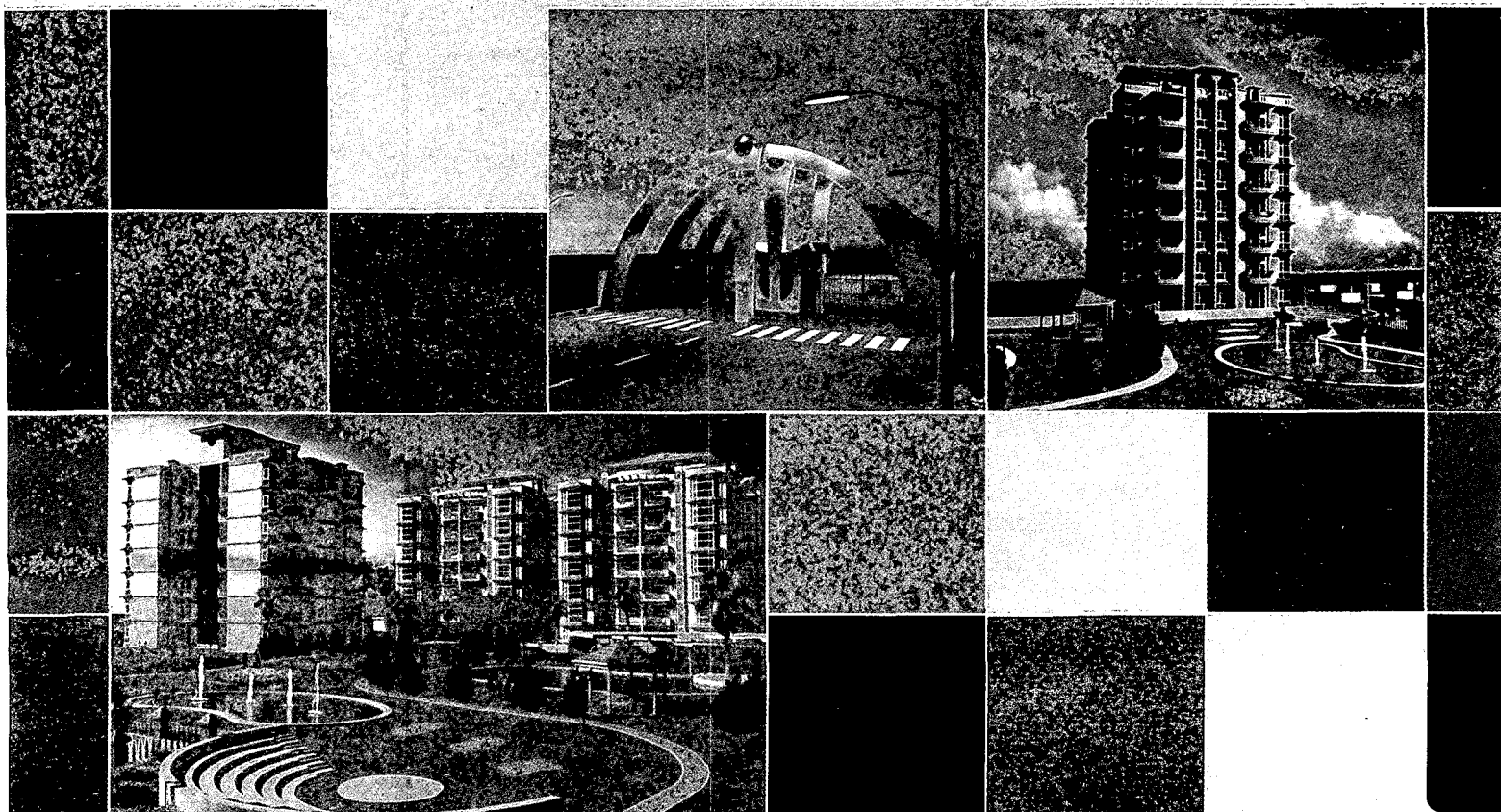


Annual Report 2008-09



SAB Industries Limited

CORPORATE

Information

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Ms. Gurpreet Kaur

AUDITORS

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

BANKERS

State Bank of Indore
State Bank of India
HDFC Bank Limited
Punjab National Bank

REGD. OFFICE

SCO 49-50,
Sector 26, Madhya Marg,
Chandigarh-160 019

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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 : Wednesday, the 30th day of September, 2009.

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, 2009, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To elect a Director in place of Shri Vijay G Kalantri who retires by rotation and being eligible offers himself for re-appointment.
3. To elect a Director in place of Shri. Ram K. Gupta 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 appointed as Executive Director of the Company for a period of 3 Years w.e.f 01.10.2008 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."

By order of the Board of Directors
for SAB INDUSTRIES LIMITED

Place : Chandigarh
Dated : 20th August, 2009

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 21.09.2009 to 26.09.2009 (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 opinion that the Company shall be benefited tremendously from his rich experience and expertise.

Your Directors therefore recommended the appointment of Shri Avinash Sharma as Executive Director for three years w.e.f. 01.10.2008.

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

By order of the Board of Directors
for SAB INDUSTRIES LIMITED

Place : Chandigarh
Dated : 20th August, 2009

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, 2009.

FINANCIAL HIGHLIGHTS

	(Rs.in Lacs)	
	31.03.2009	31.03.2008
Turnover and Other Income	2721.37	2596.45
Operating Profit	831.62	849.67
Financial Expenses	318.22	622.45
Depreciation	84.95	105.25
Net Profit/ (Loss) before Income Tax	428.45	121.97
Profit after Tax	387.16	86.44

OPERATIONS AND FUTURE OUTLOOK

Despite recession in the Real Estate business, gross income of the Company has increased to Rs.2721.37 lacs during the year under review as against Rs.2596.45 lacs during the previous year. Though, the gross profit was marginally lower at Rs.831.62 lacs as against Rs.849.67 lacs, the net profit before tax was higher at Rs.428.45 lacs as against Rs.121.97 lacs. Your Company is making all efforts to strengthen its operations.

During the year, the Company decided to state the investments in quoted shares and Agricultural Lands & Buildings at cost, instead of market price. As a result of this, Revaluation Reserve amounting to Rs.90,23,83,289/-, created by revaluation in earlier years, has been reversed. However, this has no effect on the profits of the Company.

SEGMENT REPORT

Your Company has a number of activities in its fold. Its primary business activities include Construction and Engineering, Real Estate, Information Technology and Trading. The Company is registered with various Government Bodies like Uttaranchal PWD (B&R), HP PWD (B&R), Haryana PWD (B&R) and PUDA as class-1 contractors. This segment has the largest share of revenue and profits in the performance of the Company. The civil construction segment is equipped

with latest plant and equipment. 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 BONUS EQUITY SHARES

On 31.01.2009, the Company has allotted 75,94,186 Equity Shares of Rs.10/- each as Bonus Shares to the existing shareholders of the Company. Consequently, the issued and paid up capital of your Company has increased to Rs.15,18,83,720 divided into 1,51,88,372 equity shares of Rs.10/- each.

DIRECTORS

During the year, Shri Avinash Sharma has been appointed as Executive Director of the Company w.e.f. 01.10.2008 in place of Shri L B Gupta who resigned. Your Directors place on record their appreciation of the valuable guidance and support provided by Shri L B Gupta during his association with the Company as Executive Director.

Shri Vijay G Kalantri and Shri Ram K Gupta, 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, 2009, your Company has not accepted any deposits 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. was 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 has been seeing a substantial growth 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:

	31.03.2009	31.03.2008
- Earnings	Nil	9.74 Lacs
- Outgo	Rs.726.27 Lacs	127.11 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 : 07.07.2009

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 right from the beginning. 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 28.05.08, 30.06.08, 31.07.08, 31.10.08 and 31.01.09.
- (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.

Name of Director and Designation	Category	No. of Board meetings held during the year 2008-09		Whether attended last AGM held on 27th September, 2008	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	Nil	Nil
Shri L.B. Gupta**	Executive Director	4	4	Yes	Nil	Nil	Nil	Nil
Shri Avinash Sharma*	Executive Director	1	1	No	Nil	Nil	Nil	Nil
Shri Ram K Gupta	Non-Executive Independent Director	5	4	No	Nil	3	Nil	1
Shri Sanjay Garg	Non-Executive Director	5	4	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	2	—	—	—	—	—
Shri H.K. Singhal	Non-Executive Director	5	5	Yes	Nil	6	Nil	7

* Sh. Avinash Sharma has been appointed as additional director w.e.f 01.10.2008.

** Sh. L.B. Gupta has resigned as a director w.e.f. 30.11.2008

- (i) 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.
- (ii) 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.

(iii) Directors retiring by rotation and being considered for reappointment:

In accordance with the provisions of Companies Act, 1956, Shri Vijay G Kalantri and Shri Ram K Gupta, retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

BRIEF DESCRIPTION OF DIRECTORS RETIRING BY ROTATION:

Shri Vijay G Kalantri

Sh. Vijay G Kalantri is a leading industrialist with vast experience in the field of management, power projects and ports. He is the President of All India Association of Industries (AIAI), Indian Council of Foreign Trade (ICOFT) and Indo Polish Chamber of Commerce and Industry. He has been the president of All India Manufacturer's Organisation (AIMO) & Association of Machinery Merchants Textile Stores of India (AMMTSM). He is a Director of the Company since 30.12.2005.

Shri Vijay G Kalantri holds Directorships in the following other Companies:

Name of Company	Nature of interest
Balaji Infra Projects Ltd.	Chairman & Mg. Director
Dighi Port Ltd.	Chairman & Mg. Director
Dighi Rails Infrastructure Ltd.	Chairman & Mg. Director
Dighi Project Development Co. Ltd.	Chairman & Mg. Director
Metropolitan Traders Pvt. Ltd.	Director
Hindustan Housing Finance & Dev. Corp. Ltd.	Director
Sovereign Diamonds Ltd.	Director
VIP Industries Ltd.	Director
Man Industries (I) Ltd.	Director
Vindiyachal Hydro Power Ltd.	Director
Gannon Dunkerley & Co. Ltd.	Director
Shree Ram Urban Infrastructure Ltd.	Director
SAB Industries Ltd.	Director
Zicom Electronic Security Systems Ltd.	Director
Courier Publications Pvt. Ltd.	Director
S Kumars Nationwide (P) Ltd.	Director
All India Association of Industries	President
Indian Council of Foreign Trade	President
Indo-Polish Chamber of Commerce & Industry	President
Indo-Mauritius Chamber of Commerce & Industry	President
World Trade Centre	Vice Chairman
Federation of Indian Chambers of Commerce & Industry	Managing Committee Member

Sh. Vijay G Kalantri does not hold any share in the Company. Vijay G Kalantri is also member/ chairman of the following Committees of Board of other Companies:

Name of Company	Name of Committee	Designation (Member or Chairman)
VIP Industries Ltd.	Audit Committee, Investors Grievances & Share Transfer Committee	Member
Zicom Electronic Security Systems Limited	Audit Committee	Member
S. Kumar Nationwide Ltd.	Audit Committee	Member
Shree Ram Urban Infrastructure Ltd.	Audit Committee	Member

Shri Ram K Gupta

Sh. Ram K Gupta, is a Retired Banker and a well qualified and experienced professional.

Sh. Ram K Gupta holds Directorships in the following Companies:

Name of the Company	Nature of Interest
Noida Medicare Centre Ltd.	Director
Kool Breweries Ltd.	Director
Industrial Cable India Ltd.	Director

He is a member of Audit Committee of our Company and Noida Medicare Centre Ltd. Sh. Ram K Gupta does not hold any share in the Company.

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 2008-09	
		Held	Attended
Sh. S.S. Dawra	Chairman	4	2
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 2008-09	
		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, 2009

- (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 01.04.2008 to 31.03.2009

NAME OF DIRECTOR	SITTING FEE (in Rs.)
Shri R.K. Garg	20,000
Shri Ram K Gupta	28,000
Shri Kanwarjit Singh	14,000
Shri Sanjay Garg	20,000
Shri Vijay G. Kalantri	-
Shri H.K. Singhal	33,000
Shri S.S. Dawra	14,000

(VII) DETAIL OF SHARES OF THE COMPANY HELD BY DIRECTORS AS ON 31ST MARCH, 2009.

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
30.09.2006	Regd Office of the Company at: Village Rampur Banjaran, Near Dhaura kuan, Distt. Sirmour (H.P)	None
29.09.2007 27.09.2008	-do- SCO 49-50, Sector 26, Madhya Marg, Chandigarh	None Increase in Authorised Capital to Rs. 20 Crore.

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 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 RELATED PARTIES.

Following named Companies and individuals constitute the related parties:

GROUP COMPANIES:

Indian Acrylics Ltd., SAB Industries Ltd., Steel Strips Wheels Ltd., Steel Strips Ltd., Steel Strips Infrastructures Ltd., Steel Strips

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

INDIVIDUALS:

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 Pioneer 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
In the month of September, 2008 at the Registered Office of the Company.
- (ii) Financial Year : 1st April to 31st March
- (iii) Year Ending : March 31, 2009
- (iv) Financial Calendar : (tentative)
Results for quarter ending June 2009 -- Last week of July, 2009
Results for quarter ending Sept. 2009 -- Last week of Oct., 2009
Results for quarter ending Dec. 2009 -- Last week of Jan., 2010
Results for quarter ending March 2010 -- Last week of June, 2010
- (v) Book Closure date : Tentatively Last week of September, 2009
- (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, 2009.

(XVI) Distribution of Shareholding.

Class-wise Distribution of Equity Shares as on 31st March, 2009 :

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, 2009

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 : 07.07.2009

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 2009 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 : 07.07.2009

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, 2009 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 : 07.07.2009

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 : 07.07.2009

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 2009, 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 31.03.2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2009 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 17 of "Notes on Accounts" **with special reference to Note no.12 of the Notes on Accounts, regarding stating of investments in quoted shares and Agricultural Lands and Buildings, at cost**, 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, 2009, 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 : 7th July, 2009

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. No fixed assets 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 informations 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 not 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, 2009 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 : 7th July, 2009

S.C. Dewan
Partner

BALANCE SHEET

AS ON 31ST MARCH, 2009

PARTICULARS	SCHEDULE	AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (Rs.)
SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	1	15,18,83,720	7,59,41,860
Reserves & Surplus	2	10,01,61,050	1,04,86,04,679
		25,20,44,770	1,12,45,46,539
Loan Funds			
Secured Loans	3	20,39,45,331	45,68,90,826
Unsecured Loans	4	4,26,76,680	89,26,680
		24,66,22,011	46,58,17,506
Total		49,86,66,781	1,59,03,64,045
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	21,95,41,103	91,12,49,904
Less : Depreciation		10,83,87,556	10,03,30,894
Net Block		11,11,53,547	81,09,19,010
Investments	6	15,44,00,277	36,41,79,174
Current Assets, Loans & Advances			
Inventories	7	1,76,21,622	1,09,08,080
Sundry Debtors		1,20,81,956	1,47,47,181
Cash and Bank Balances		5,08,01,589	4,33,67,071
Advance for Purchase of Land		84,56,876	2,84,56,876
Other Current Assets Loans & Advances		2,78,27,330	9,09,40,412
Commercial Properties under Development	8	38,78,13,490	37,28,46,190
		50,46,02,863	56,12,65,810
Less : Current Liabilities & Provisions	9	27,50,76,439	14,90,29,006
Net Current Assets		22,95,26,424	41,22,36,804
Deferred Tax Assets		35,86,533	30,29,057
Total		49,86,66,781	1,59,03,64,045

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 : 7th July, 2009

S.C. DEWAN
Partner

GURPREET KAUR
Company Secretary

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	SCHEDULE	AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (Rs.)
INCOME			
Operative & Other Income	10	27,21,36,908	25,96,44,914
		27,21,36,908	25,96,44,914
EXPENDITURE			
Bandwidth, Dot Rent &			
Cable Net Expenses	11	46,52,873	36,39,977
Direct Cost	12	15,15,67,976	13,98,16,055
Employees Cost	13	1,09,27,031	1,20,37,328
Administration and other expenses	14	2,18,29,125	1,88,15,007
Financial charges	15	3,18,22,472	6,22,45,251
Loss on Account of Fluctuation in		(2,589)	84,370
Foreign Exchange			
Depreciation	5	84,94,682	1,05,24,853
		22,92,91,570	24,74,47,702
Profit/(Loss) for the year		4,28,45,338	1,21,97,212
Provision for Taxation		41,00,000	50,00,000
Fringe Benefit Tax		5,86,993	6,56,395
Add : Deferred Tax (Assets)		5,57,476	21,03,667
Profit after Tax and Before Extra Ordinary Items		3,87,15,821	86,44,484
Prior period adjustments		88,34,301	33,93,669
Profit for the year after tax carried to balance sheet		2,98,81,520	1,20,38,153
Earning per share - Basic and Diluted		1.97	1.59

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 : 7th July, 2009

S.C. DEWAN
Partner

GURPREET KAUR
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009(Rs. in Lacs)

	2008-09	2007-08
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX AND EXTRA-ORDINARY ITEMS	428.46	121.97
Adjustment For		
- Prior period adjustments	(88.34)	—
- Profit(-)/Loss(+) on Sale of Fixed Assets	(53.80)	(0.17)
- Fixed Assets Written off	1.65	—
- Depreciation	84.95	105.25
- Dividend Received	(20.72)	(20.72)
- Interest & other Financial Charges	318.22	622.45
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	670.42	828.78
Adjustment for Trade and other receivables	857.77	1,287.12
Inventories	(216.81)	(13.47)
Trade Payables	1,246.47	(6.33)
Cash Generated from Operations	2,557.85	2,096.10
Interest and other Financial Expenses paid	318.22	622.45
Direct Taxes Paid/Adjusted	32.87	22.62
Cash Flow before Extra Ordinary Items	2,206.76	1,451.03
Cash Flow from Operating Activities	2,206.76	1,451.03
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(17.81)	(36.16)
Sale of Fixed Assets	56.63	0.73
Investments in Subsidiary Company/JV.	—	(82.29)
Dividend Received	20.72	20.72
Net Cash used in investing activities	59.54	(97.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	60.71	60.14
Proceeds from Unsecured Loans	337.50	36.27
Proceeds from Short Term Borrowings	73.65	(423.00)
Repayment of Long Term Borrowings	(2,663.81)	—
Repayment of Unsecured Loans	—	(888.95)
Net Cash received from Financing activities	(2,191.95)	(1,215.54)
Net Increase/(Decrease) in Cash and Cash Equivalents	74.35	138.49
Cash and Cash equivalents as at 01.04.2008/01.04.2007 (Opening Balance)	433.67	295.18
Cash and Cash equivalents as at 31.03.2009/31.03.2008 (Closing Balance)	508.02	433.67

For and on behalf of the Board

Place : Chandigarh
Dated : 7th July, 2009

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, 2009 and found the same in agreement therewith.

For S.C. Dewan & Co.
Chartered Accountants

Place : Chandigarh
Dated : 7th July, 2009

S.C. Dewan
Partner

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 1 : SHARE CAPITAL

PARTICULARS	AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (Rs.)
AUTHORISED		
2,00,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,00,00,000 Equity Shares of Rs. 10/- each)	<u>20,00,00,000</u>	<u>10,00,00,000</u>
ISSUED, SUBSCRIBED & PAID UP		
1,51,88,372 Equity Shares (Previous Year 75,94,186 Shares) of Rs. 10/- each (of the above shares 11,39,12,790 shares are allotted as fully paid up shares by way of bonus shares)	<u>15,18,83,720</u>	<u>7,59,41,860</u>
TOTAL	<u>15,18,83,720</u>	<u>7,59,41,860</u>

SCHEDULE - 2 : RESERVES & SURPLUS

1. General Reserve	<u>6,53,37,840</u>	6,53,37,840
Add : Amount trfd from Foreign Project Reserve A/c	<u>21,06,946</u>	
Amount trfd from Profit & Loss A/c	<u>7,00,00,000</u>	
	<u>13,74,44,786</u>	
Less : Amount adjusted towards issue of Bonus Shares	<u>7,59,41,860</u>	<u>6,15,02,926</u>
2. Capital Revaluation Reserve		
Opening Balance	<u>9023,83,289</u>	9,11,31,742
Less : Re-valuation of Investments Reversed	<u>9023,83,289</u>	8,93,413
		<u>9,02,38,328</u>
3. Foreign Project Reserve Account	<u>1,07,50,446</u>	
Less : Transferred to General Reserve	<u>21,06,946</u>	<u>10,75,044</u>
		<u>97,84,71,575</u>
4. Profit & Loss A/c		
As per Last Balance Sheet	<u>7,01,33,104</u>	5,80,94,951
Add : Transferred from Profit & Loss A/c	<u>2,98,81,520</u>	<u>1,20,38,153</u>
	<u>10,00,14,624</u>	
Less : Amount transferred to General Reserve A/c	<u>7,00,00,000</u>	<u>7,01,33,104</u>
	<u>3,00,14,624</u>	<u>1,04,86,04,679</u>
	<u>10,01,61,050</u>	

SCHEDULE - 3 : SECURED LOANS

(A) WORKING CAPITAL FROM BANKS :	<u>96,30,156</u>	18,65,58,436
(Part of the Working Capital is secured against hypothecation of stocks & Book debts and further secured by way of Pledge of five lac equity shares of STEEL STRIPS WHEELS LTD as Collateral Security and personal guarantee of Sh. R.K. Garg, Chairman of the company. Balance Working capital is secured against Primary Security of Land measuring 8.12 acres at Derabassi & proposed SSL Highway Towers to be built thereon and further secured by way of Collateral Security of immovable property of Smt. Sunena Garg w/o Sh. R.K. Garg and personal Guarantees of Sh. R.K. Garg, Promoter Director, Smt. Sunena Garg and Sh.Dheeraj Garg)		
(B) TERM LOAN FROM BANK	—	7,50,00,000
(Secured against Primary Security of Land measuring 111 bigha 13 biswa at Village Sarsini & 18 bigha 15 biswa located at Village Sitarpur on Ambala - Chandigarh Highway, under Tehsil Derabassi, Distt. Patiala).		
(C) VEHICLES/EQUIPMENTS LOANS FROM BANKS	<u>84,88,017</u>	1,55,75,801
(Secured against hypothecation of respective vehicles/ equipments and counter guarantees of the company)		
(D) OTHERS		
1. Secured by Bank Guarantees (From Customers) Companies/third party and against Security Bonds	<u>1,69,92,466</u>	<u>1,34,68,419</u>
2. Secured against security furnished by Company/ Associate Companies/third party and against Security Bonds	<u>16,88,34,692</u>	<u>16,62,88,170</u>
	<u>20,39,45,331</u>	<u>45,68,90,826</u>

SCHEDULE - 4 : UNSECURED LOANS

PARTICULARS	AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (Rs.)
From Directors/Associate Concerns	4,26,76,680	89,26,680
TOTAL	4,26,76,680	89,26,680

SCHEDULE - 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.08 (Rs.)	Additions during the year (Rs.)	Sales/ adjustments during the year (Rs.)	As at 31.03.09 (Rs.)	As at 01.04.08 (Rs.)	During the period (Rs.)	Sales/ adjustments during the period (Rs.)	As at 31.03.2009 (Rs.)	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
(A) CONSTRUCTION DIVISION										
1. Agriculture Land	66,07,91,617	—	59,62,10,403	6,45,81,214	—	—	—	—	6,45,81,214	66,07,91,617
2. Land & Buildings	11,44,50,000	—	9,65,81,950	1,78,68,050	—	—	—	—	1,78,68,050	11,44,50,000
3. Plant & Machinery	71,81,935	—	—	71,81,935	57,10,177	4,41,527	—	61,51,704	10,30,231	14,71,758
4. Tractor & Trolley	2,98,678	—	—	2,98,678	2,932,303	1,913	—	2,94,216	4,462	6,375
5. JCB Machine	17,20,486	—	—	17,20,486	9,73,069	2,24,225	—	11,97,294	5,23,192	7,47,417
6. Soil Compactor	18,65,198	—	—	18,65,198	10,27,121	2,51,423	—	12,78,544	5,86,654	8,38,077
7. Batching Plant	10,22,180	—	—	10,22,180	4,44,858	1,73,197	—	6,18,055	4,04,125	5,77,322
8. Office Equipments	14,19,755	38,000	—	14,57,755	9,49,737	93,506	—	10,43,243	4,14,512	4,70,018
9. Furniture & Fixtures	37,50,749	—	—	37,50,749	20,45,611	3,08,630	—	23,54,241	13,96,508	17,05,138
10. Vehicles	3,86,24,849	7,24,264	5,33,346	3,88,15,767	1,83,89,844	54,21,731	4,38,020	2,33,73,555	1,54,42,212	2,02,35,004
11. Television	53,440	—	—	53,440	44,164	1,679	—	45,843	7,597	9,276
12. Air Conditioners	10,35,303	—	—	10,35,303	7,95,481	33,359	—	8,28,840	2,06,463	2,39,822
13. Generators	86,299	—	—	86,299	75,788	1,462	—	77,250	9,049	10,511
14. Computers	13,70,280	97,500	—	14,67,780	11,52,546	1,14,110	—	12,66,656	2,01,124	2,17,734
15. Tubewell	17,12,627	1,52,700	—	18,66,327	3,53,181	2,07,837	—	5,61,018	13,04,309	13,59,446
16. Agricultural Equipments	4,49,122	5,900	—	4,55,022	2,75,652	24,709	—	3,00,361	1,54,661	1,73,470
17. Laboratory Equipments	5,73,328	—	—	5,73,328	2,34,113	47,185	—	2,81,298	2,92,030	3,39,215
18. Steel Shuttering	51,55,580	—	—	51,55,580	19,93,861	4,39,795	—	24,33,656	27,21,924	31,61,719
TOTAL (A)	84,15,61,426	10,18,364	69,33,25,699	14,92,54,091	3,47,57,506	77,86,288	4,38,020	4,21,05,774	10,71,48,317	80,68,03,920
B) Infotech Division										
1. Plant, Machinery & Equip.	14,89,965	—	—	14,89,965	5,56,424	70,773	—	6,27,197	8,62,768	9,33,541
2. Electrical Installation	9,53,621	—	—	9,53,621	5,50,201	45,297	—	5,95,498	3,58,123	4,03,420
3. Furniture & Equipments	73,98,380	—	—	73,98,380	53,13,757	4,68,317	—	57,82,074	16,16,308	20,84,623
4. Data Processing Equip.	5,96,82,084	7,62,960	—	6,04,45,044	5,91,53,006	1,24,007	—	5,92,77,013	11,68,031	20,84,623
TOTAL (B)	6,95,24,050	7,62,960	—	7,02,87,010	6,55,73,388	7,08,394	—	6,62,81,782	40,05,230	39,50,662
C) Capital Work-in-Progress										
1,64,428	—	—	1,64,428	—	—	—	—	—	—	1,64,428
TOTAL (A + B + C)	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
PREVIOUS YEAR	90,75,89,415	36,15,765	1,19,704	91,12,49,904	8,98,69,757	1,05,24,853	63,716	10,03,30,894	81,09,19,010	81,78,84,088

SCHEDULE - 6 : INVESTMENTS

PARTICULARS	AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (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	6,542
70 fully paid (Previous Year 70) equity shares of Rs. 10/- each of M/s Asian Hotels Limited	500	39,403
3900 fully paid (Previous Year 3900) equity shares of Rs. 10/- each of M/s Steel Strips & Tubes Limited	12,671	64,155
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	22,63,95,050
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	7,27,85,358
200 shares of BOICON (Previous Year 100) of Rs. 10/- each.	44,545	43,065
100 Nos. fully paid up equity shares of Vallabh Steels Ltd. (Previous Year 100) of Rs. 10 each.	2,820	2500
37 Nos. fully paid up equity shares of Consolidated Fibres & Chemicals Ltd. (Previous Year 37) of Rs. 10/- each	64	58
153 fully paid up equity shares of Wheels India Ltd. (Previous Year 153) of Rs. 10/- each	46,730	35,397
	<u>8,97,77,524</u>	<u>29,95,56,421</u>
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 220) of Lavan Chemical Company - A subsidiary company in JV in Iran where company has 55% share (Total value of shares in USD 6,07,413)	2,63,15,831	2,63,15,831
	<u>15,44,00,277</u>	<u>36,41,79,174</u>
Aggregate Market value of Quoted Investments	7,43,00,830	29,95,56,421

SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES

PARTICULARS	AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (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	1,13,080
 WORK IN PROGRESS	 1,55,89,000	 1,07,95,000
SUB-TOTAL	1,76,21,622	1,09,08,080
 Sundry Debtors (Unsecured, Considered Goods, Unless otherwise stated)		
— Outstanding for a period exceeding six months	72,000	57,000
— Others	1,20,09,956	1,46,90,181
SUB-TOTAL	1,20,81,956	1,47,47,181
 Cash & Bank Balances		
Cash in hand (including site imprest)	1,04,481	1,38,360
Cheques in Hand	2,25,23,979	2,00,99,694
Balances with Scheduled Banks		
— In Current Accounts	90,67,101	20,81,510
— Fixed Deposits		
- Under lien with Banks as Margin Money	1,89,06,028	2,08,47,507
- Under lien with PWD, Uttarakhand, Dehradun	2,00,000	2,00,000
SUB-TOTAL	5,08,01,589	4,33,67,071
 (B) LOANS AND ADVANCES		
(Unsecured considered Good, unless otherwise stated)		
Advances recoverable		
- From Suppliers/Petty Contractors	21,11,081	18,74,608
- From others	94,99,800	1,64,40,263
- Expenses recoverable from Lavan Chemical Company (A subsidiary company in Joint Venture in Iran)	—	18,25,903
- Advances for Purchase of Land	84,56,876	2,84,56,876
	2,00,67,757	4,85,97,650
	2,00,67,757	4,85,97,650
Security Deposit	85,04,701	5,79,10,213
Interest accrued but not due	3,80,422	4,04,817
Prepaid Expenses	5,13,836	5,67,193
Income Tax deducted at sources	59,69,765	1,05,26,192
Withheld by Clients	8,47,725	13,91,223
SUB-TOTAL	3,62,84,206	11,93,97,288
TOTAL	11,67,89,373	18,84,19,620

SCHEDULE - 8 : COMMERCIAL PROPERTY UNDER DEVELOPMENT

PARTICULARS		AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (Rs.)
A)	HOUSING AND COMMERCIAL COMPLEX AT SSL TOWER PROJECT, DERABASSI		
1.	LAND		
	Cost of Land including Registration and Other Charges	27,43,11,500	27,43,11,500
	Less : Cost of Land sold during the year	38,30,010	—
		<u>27,04,81,490</u>	<u>27,43,11,500</u>
2.	DEVELOPMENT EXPENSES		
	Fees & Taxes	31,25,878	31,25,878
	Architect Fee - Opening Balance	37,55,036	
	Add : Addition during the year	4,31,785	
		<u>41,86,822</u>	<u>37,55,036</u>
		<u>73,12,700</u>	<u>68,80,914</u>
		<u>27,77,94,190</u>	<u>28,11,92,414</u>
3.	MISC. EXPENDITURE PENDING ALLOCATION TO ABOVE COMMERCIAL PROPERTY		
	Direct Cost - Opening Balance	4,73,64,136	
	Add : Addition during the year	1,65,55,396	
		<u>6,39,19,532</u>	<u>4,73,64,131</u>
	Adminsitration and Other Expenses (O/B)	27,74,915	
	Add : Addition during the year	11,12,130	
		<u>38,87,045</u>	<u>27,74,915</u>
	Employee Cost (O/B)	42,38,872	
	Add : Addition during the year	20,63,633	
		<u>63,02,505</u>	<u>42,38,872</u>
	Selling & Advertisement Expenses (O/B)	41,40,175	
	Add : Addition during the year	5,29,404	
		<u>46,69,579</u>	<u>41,40,175</u>
	Interest and bank charges (O/B)	2,93,73,324	
	Add : Addition during the year	4,956	
		<u>2,93,7,280</u>	<u>2,93,73,324</u>
	Depreciation	18,62,359	18,62,359
		<u>11,00,19,300</u>	<u>8,97,53,776</u>
	TOTAL A	<u>38,78,13,490</u>	<u>37,09,46,190</u>
B)	COMMERCIAL PROPERTY/FLAT AT VASANT KUNJ, DELHI		
	Opening Balance	19,00,000	
	Add : Cost of Building sold during the year	19,00,000	
		<u>—</u>	<u>19,00,000</u>
	TOTAL B	<u>—</u>	<u>19,00,000</u>
	GRAND TOTAL	<u>38,78,13,490</u>	<u>37,28,46,190</u>

SCHEDULE - 9 : CURRENT LIABILITIES & PROVISIONS

PARTICULARS	AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (Rs.)
A. CURRENT LIABILITIES		
Sundry Creditors	4,48,67,007	3,12,25,703
Advances from Customers	10,19,69,469	4,30,53,353
Advance against sale of land	1,09,23,400	—
Other Liabilities		
— Statutory dues	24,45,245	16,99,125
— Liability for Employees Retirement Benefit	7,31,683	13,46,782
— Cheques issued but not presented for payments	6,35,86,140	2,00,00,000
— Security expenses payable	34,82,356	34,82,356
— Other Expenses payable	74,28,865	1,18,80,664
— Security Deposit	16,26,988	16,26,988
— Other Liabilities	2,77,03,286	2,36,11,972
	10,70,04,563	—
SUB-TOTAL	26,47,64,439	13,79,26,943
B. PROVISIONS		
Provision for Bank Guarantee	61,02,000	61,02,000
Provision for Taxation	41,00,000	50,00,000
Provision for Fringe Benefit Tax	1,10,000	—
SUB-TOTAL	1,03,12,000	1,11,02,063
TOTAL	27,50,76,439	14,90,29,006

SCHEDULE - 10 : OPERATIVE & OTHER INCOME

GROSS SALES			
Sales ISP	1,29,32,919		1,04,47,515
Sales Trading - Network equipments	10,71,716	1,40,04,635	4,16,410
Gross Work done		15,82,92,277	23,42,24,750
Consultancy and Engg. Services		—	19,00,000
Trading Sale (Cement)		7,29,72,971	1,47,22,450
Trading Export		—	36,35,687
Sale of Land		44,40,000	—
Increase/(Decrease) in Work in Progress			
	2008-09	2007-08	
- Opening	1,07,95,000	3,72,46,000	
- Closing	1,55,89,000	1,07,95,000	
		47,94,000	(2,64,51,000)
Interest Received		21,10,373	17,16,448
Insurance Claim		4,33,020	1,16,669
Miscellaneous Income		17,82,932	93,44,246
Excess Provision Written Off		33,19,370	1,673
Unclaimed Balances written off		4,69,845	4,49,500
Agriculture Income		20,21,293	41,42,953
Dividend Received		20,71,154	20,71,567
Profit on Sale of Assets		54,25,038	17,096
Expenses recovered on employee sent on deputation		—	28,88,950
TOTAL		27,21,36,908	25,96,44,914

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

Bandwidth Expenses	39,43,720	34,98,509
Dot Rent Expenses	7,09,153	1,41,468
TOTAL	46,52,873	36,39,977

SAB INDUSTRIES LIMITED**SCHEDULE - 12 : DIRECT COST**

PARTICULARS	AS ON	
	31.03.2009 (Rs.)	31.03.2008 (Rs.)
Opening Stock of Building Materials and Net Working Equipments/Materials	1,13,080	26,77,966
Add : Purchases during the year :		
- Building Material	7,82,65,869	7,25,47,130
- For Export	—	15,27,587
- Trading Purchases	7,17,17,539	1,15,85,026
• Land transferred from commercial property under development	38,30,010	—
- Buildings transferred from commercial property under development	19,00,000	—
	<u>15,57,13,418</u>	
	15,58,26,498	8,83,37,709
Sale/Material issued to Sub-Contractors	2,43,07,040	
Material used for Housing Project	39,01,911	
Closing Stocks of Building Materials and Net Working Equipment/Materials	<u>20,32,622</u>	<u>1,13,080</u>
	12,55,84,925	8,82,24,629
Sales Tax Paid	88,507	24,41,522
Consultancy Charges	4,66,854	4,39,701
Freight & Cartage	12,54,585	33,28,655
Hire Charges of Machinery	—	82,85,397
Labour & Wages	<u>2,41,73,105</u>	<u>3,70,96,151</u>
TOTAL	<u>15,15,67,976</u>	<u>13,98,16,055</u>

Note : Building Material consumed and Labour & Wages includes work done by Sub-Contractors.

SCHEDULE - 13 : EMPLOYEE COST

Salaries, Wages and Others Allowances including Directors Remuneration	1,02,01,274	1,04,80,521
Bonus	80,830	75,127
Contribution to Provident Funds & Other Funds	3,86,344	4,19,003
Welfare Expenses	2,58,583	10,62,677
TOTAL	<u>1,09,27,031</u>	<u>1,20,37,328</u>

SCHEDULE - 14 : ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (Rs.)
Travelling Expenses - Foreign		
- Directors	18,55,026	4,07,521
- Others	16,43,716	10,38,565
Travelling Expenses - Inland		
- Directors	6,67,020	1,30,727
- Others	11,86,219	10,24,212
Printing & Stationery	5,58,795	3,17,026
Postage, Telegram & Telephone	6,24,660	8,03,007
Advertisement & Publicity	5,03,210	4,59,776
Vehicles Repairs & Maintenance	19,93,078	12,84,114
Other Repairs & Maintenances	5,50,122	4,43,170
Insurance	10,41,239	9,83,551
Audit Fee	5,61,800	5,61,800
Legal & Professional Charges	20,80,075	30,69,779
Directors' Sitting Fee	1,34,000	1,62,000
Rates & Taxes	7,70,540	1,82,753
Newspapers & Periodicals	33,662	11,569
Office Maintenance Exp.	17,110	3,80,537
Subscription & Membership Fees	4,700	5,700
Rent	20,65,391	13,87,242
Electricity & Water Charges	5,30,998	6,26,576
Business Promotion	96,280	29,056
Bank Guarantee Invoked	—	34,28,000
Tender Expenses	1,78,600	1,81,448
Agriculture Expenses	13,97,528	15,12,291
Debit balances written off	25,68,118	8,086
Bad Debts Written off	1,64,428	—
Fixed Assets Written off	45,324	—
Other Miscellaneous Expenses	5,57,486	6,65,060
TOTAL	2,18,29,125	1,90,99,868

SCHEDULE - 15 : FINANCIAL & OTHER EXPENSES

Interest and Bank Charges	3,18,22,472	5,87,62,895
Security expenses	—	34,82,356
TOTAL	3,18,22,472	6,22,45,251

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,

30%

JCB Machine & Soil Compactor

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 31.03.2009	AS ON 31.03.2008
a) Counter Guarantees issued by the company against Bank Guarantees/FLC	875.06	963.11
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 31.03.2009.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	170.68 LACS	
- FROM PB.PWD HOSHIARPUR	12.14 LACS	
- FROM PB. PWD LUDHIANA	25.93 LACS	
- FROM H.P.S.E.B. SHIMLA	60.15 LACS	
TOTAL	285.18 LACS	

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.2546522/- 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.

SAB INDUSTRIES LIMITED

Besides above, the company have also received a sum of Rs.1377.70 lacs from M/S Sulej Constructions Ltd (SCL), Manimajra, Chandigarh in the 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.

12. Earlier, the quoted shares of the company were being stated at market price. However, it has been decided by the company that from this year onwards these shares shall be depicted at cost price only. Accordingly, reserves created on account of increase in the market value of the shares in earlier years have been reversed, and quoted shares have been shown at cost price only.

Simultaneously, it has also been decided that Agriculture Land and Land & Buildings, which had earlier been stated at market price, shall also be stated at cost price. Accordingly, reserves created on account of revaluation on these assets have been reversed and the said assets have been stated at cost price.

As a result of the above, revaluation reserve amounting to Rs.90,23,83,289/- created by revaluation in earlier years has been reversed. However, this has no effect on profits of the company.

13. As stated above, the quoted investments are now stated at cost. A provision for diminution in value is made only if the diminution seems to be of permanent nature. During the year under consideration, there was a fall in market prices of quoted shares as at 31.03.2009 due to general slump down in the stock market and it was not of permanent nature. Accordingly, no provision for the same has been made in the books of accounts, as the present value of these shares is still higher than cost.

14. SEGMENT REPORT

Segment wise revenue, results and capital employed for the year ended 31.03.2009 is as under :

		(Rs. in lacs)	
S.No.	Particulars	31.03.2009	31.03.2008
1	SEGMENT REVENUES		
	a) Construction Division	1626.28	2495.19
	b) Real Estates Division	74.90	—
	c) Investments (in shares)	20.72	20.72
	d) Agriculture	76.34	41.43
	e) Export/Trading Division	—	36.36
	f) Infotech Division	143.11	116.24
	g) Trading Division	733.96	150.92
	TOTAL	2675.31	2860.96
2.	SEGMENT RESULTS		
	Profit/(Loss)		
	(Before tax and interest from each segment)		
	a) Construction Division	590.95	635.88
	b) Real Estates Division	17.60	—
	c) Investments (in shares)	20.72	20.72
	d) Agriculture	60.49	26.31
	e) Export/Trading Division	—	20.63
	f) Infotech Division	33.76	24.50
	g) Trading Division	23.16	17.23
	TOTAL	746.68	745.27
	Less : Interest & Financial Charges	318.22	623.30
	TOTAL PROFIT BEFORE TAX	428.46	121.97

		(Rs. in lacs)	
S.No.	Particulars	31.03.2009	31.03.2008
	Provision for Taxation	41.00	50.00
	Provision for Deferred Tax (Assets) Liability	(5.57)	(21.03)
	Provision for FBT	5.87	6.56
	Prior Period adjustment of Deferred tax Liability	—	—
	Prior Period Adjustments	88.34	(33.94)
	Net Profit/(Loss)	298.82	120.38
3.	CAPITAL EMPLOYED		
	(Segment assets - Segment liabilities)		
a)	Construction Division	(74.96)	(29.09)
b)	Real Estates Division	2797.25	3492.09
c)	Investments (in shares)	1544.00	1544.00
d)	Agriculture	737.54	739.42
e)	Export/Trading Division	—	(0.41)
f)	Infotech Division	34.95	35.07
g)	Trading Division	(35.99)	(28.70)
h)	Unallocable assets less liabilities	(529.10)	882.40
	TOTAL	4473.69	6634.78

15. 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.
16. 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.557476/- for the year under consideration. The total Deferred Tax Assets stands at Rs.3586533/- as on 31.03.09. 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 31.03.09	Rs. 3,92,56,014.00
(As per Income Tax Act.)	
W.D.V as on 31.03.09 (As per books)	Rs. 2,87,04,283.00
Depreciation excess claimed in books	Rs. 1,05,51,731.00
Deferred tax assets till 31.03.09	Rs. 35,86,533.00
Deferred tax till 31.03.08	Rs. 30,29,057.00
Deferred tax assets for current year	Rs. 5,57,476.00

17. The company had started the implementation of Housing and Commercial Complex at Steel Strips Towers Project, Derabassi, in the year 2006-07. The company incurred a sum of Rs.38,78,13,490/- upto 31.03.2009 on the implementation of the project. The company had raised loans from Banks to implement the project. The market demand for this project at Derabassi remained sluggish since inception and during the year under audit also, the implementation of the project remained almost suspended. As such, in order to comply with AS-16 on borrowing cost, the interest amounting to Rs. 220.08 lac (Previous year 317.62 lac) on loans for the year ended 31.03.09 has been charged to Profit & Loss A/c instead of capitalizing the same on the Housing Project at Derabassi.

18. EARNINGS PER SHARE (EPS)

Basic/Diluted Earnings per share	(Rs. In lacs)	
	<u>Current Year</u>	<u>Previous Year</u>
Profit/(Loss) after tax as per Profit & Loss A/c	298.82	120.38
No of equity shares	15188372	7594186
Earnings per share (Rs.) (basic & diluted)	1.97	1.59
Note : Diluted Earnings per share is not applicable as the same is non-dilutive.		

19. DETAIL OF PROVISIONS AS PER AS-29

	Income Tax & Fringe Benefit Tax	Others
Balance as at April 1, 2008	56.56	61.02
Provision made during the year	42.10	—
Provision written off/back during the period	56.56	—
Balance as at 31st March 2009	42.10	61.02

20. Managerial Remuneration

Profit & Loss Account includes remuneration paid to Executive Director as under :	(Rs. in lacs)	
	<u>Current Year</u>	<u>Previous Year</u>
Salary	10.20	7.20
Perquisites	3.85	1.69
Contribution towards PF	0.97	0.43
TOTAL	15.02	9.32

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.

21. 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 Fixed Assets	—	—	—	—	1.56
Sale of goods/Work Done	—	—	14.82	14.82	783.95
Services Provided	—	—	—	—	19.00
Lease Rent Paid	—	48.00	—	48.00	30.00
Lease Rent Received	—	—	40.80	40.80	53.44
Security Expenses paid	—	—	—	—	34.82
Lease line/cable net	—	—	35.57	35.57	32.14
Lease Charges of Vehicles	—	—	15.00	15.00	15.00
Dividend received	—	—	20.70	20.70	20.70
Dividend Paid	—	—	—	—	69.59
Employee deputation/Exps. recovered	—	—	4.04	4.04	33.87
FINANCE					
1. Loan given					
Outstanding at the end of the year	—	—	—	—	514.15
2. Loan Recovered/Adjusted	—	—	514.15	514.15	82.85
3. Loan received	—	—	337.50	337.50	52.52
Outstanding at the end of the year	—	—	426.77	426.77	89.27
4. Advance given	—	—	44.52	44.52	656.71
Recovered/Adjusted					
Outstanding at the end of the year	—	—	—	—	44.52
5. Book Debts	—	—	—	—	6.12
6. Management contract (salaries)	—	15.02	—	15.02	9.32
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 Financiers (P) Ltd., Steel Strips Holdings (P) Ltd. and Munak Investments (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 31.12.2008 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 31.03.2009, and has been shown in the Schedule of Investments. However, latest Balance Sheet as on 20.03.2009 is not attached as it is under preparation.

SAB INDUSTRIES LIMITED

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) 31.03.2009	Qty.(Bags) 31.03.2009
Opening Stock of Trading goods	379	Nil
Purchase during the year	463649	100000
Sales during the year	442635	93106
Own Consumptions	18085	6455
Transit Loss	2820	60
Closing Stock	488	379

26. Expenditure in Foreign Currency	As on 31.03.2009		As on 31.03.2008	
Particulars	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)	3.81 5.22	9300 (USD) 9000 (EURO)
Travelling (Staff/Others)	7.95 0.52	17628 (USD) 600 (GBP)	4.24 0.62 1.43	10417 (USD) 2408 (EURO) 1597 (CND) 1755 (PONDS)
Consultancy/Commission	0.26 4.32 5.26	600 (USD) 10500 (AUD) 6187 (GBP)	Nil	Nil
Purchases	699.16	1549091 (USD)	4.71	11760 (USD)
Equity for Subsidiary Company	Nil	Nil	82.82	197900 (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 : 7th July, 2009

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.	L00000CH1983PLC031318	State Code	
Balance Sheet Date	31-03-2009		53

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

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	759.42	Private Placement	Nil

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

Total Liabilities	4986.67	Total Assets	4986.67
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Sources of Funds

Paid-up Capital	1518.84	Reserves & Surplus	1001.61
Share application money	—		
Secured Loans	2039.45	Unsecured Loans	426.77
		Deferred Tax Liability	—

Application of Funds

Net Fixed Assets	1111.54	Investments	1544.00
Net Current Assets	2295.26	Misc. Expenditure	—
Deferred Tax Liability	35.87		

IV. Performance of Company (Rs. in lacs)

Turnover	2497.10	Total Expenditure	2151.41
Profit Before Tax	345.69	Profit After Tax	298.82
Earning per share	Rs. 1.97	Dividend (%)	—

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 : 7th July, 2009

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 : 20.03.2009
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. : 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, 2009. :
 - (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, 2009. :
 - (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, 2009.
 - (a) No. of shares acquired : None
 - (b) Material changes between the end of the subsidiary's financial year ended and year on 31st March, 2009. :
 - (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 : 7th July, 2009

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 : 31.12.2008
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, 2008 : 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, 2009 : 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, 2009
 - (a) No. of shares acquired : NIL
 - (b) Material changes between the end of the subsidiary's financial year ended on 31st March, 2009
 - (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 : 7th July, 2009

H.K. SINGHAL
Director

AVINASH SHARMA
Executive Director

SAB INDUSTRIES LIMITED

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 Wednesday, the 30th day of
September, 2009 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 of2009.

Revenue
Stamp

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 Wednesday, the 30th day of September,
2009 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)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



SAB Industries Limited

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Chandigarh-160019, India
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