



SABIL/AGM/2017/1532,  
October 05, 2017

## SAB INDUSTRIES LIMITED

Regd. & Corporate Office :

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

Tel : +91-172-2792385 / 2793112

Fax : +91-172-2794834 / 2790887

Website : [www.sabindustries.in](http://www.sabindustries.in)

CIN : L00000CH1983PLC031318

THE DY. MANAGER  
DEPTT. OF CORPORATE SERVICES  
BOMBAY STOCK EXCHANGE LIMITED  
PHIROZE JEEJEEBHOY TOWERS,  
DALAL STREET, MUMBAI - 400 001.

**Scrip Code: 539112**

Reg : ANNUAL REPORT 2016-17

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report for the financial year 2016-17, duly approved and adopted in the 33<sup>rd</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September 2017 at its Regd. Office.

Kindly take the same on your records.

Thanking you,

Yours faithfully,  
for SAB INDUSTRIES LIMITED

(GURPREET KAUR)  
COMPANY SECRETARY

Encl.: As above

# Annual Report

## 2016-17



SAB Industries Limited

# CORPORATE Information

## BOARD OF DIRECTORS

Sh. R. K. Garg	<i>Chairman</i>
Sh. H. K. Singhal	<i>Director</i>
Sh. Sanjay Garg	<i>Director</i>
Smt. Tejinder Kaur	<i>Director</i>
Sh. Kanwarjit Singh	<i>Director</i>
Sh. S. S. Virdi	<i>Director</i>
Smt. Manju Lakhanpal	<i>Director</i>
Sh. Avinash Sharma	<i>Executive Director</i>

## COMPANY SECRETARY

Ms. Gurpreet Kaur

## AUDITORS

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

## BANKERS

Allahabad Bank  
State Bank of India  
HDFC Bank Limited  
ICICI Bank Limited

## REGD. OFFICE

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

## Contents

Notice	1
Director's Report	5
Corporate Governance Report	18
Auditors' Report	24
Balance Sheet	27
Profit & Loss Account	28
Cash Flow Statement	29
Notes	30
Notes on Accounts	40
Proxy Form	45

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

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

**NOTICE**

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

Day & Date : Thursday, 28th day of September, 2017  
Time : 4.00 P. M..  
Venue : Regd. Office of the Company at S.C.O.49-50,  
Sector- 26, Madhya Marg, Chandigarh.

to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2017 and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. Rajinder Kumar Garg (DIN: 00034827), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors of the Company and to fix their remuneration in this regard to consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s AKR and Associates, Chartered Accountants (Firm's Registration No. 021179N), be and are hereby appointed as Auditors of the Company in place of the retiring auditors M/s S.C. Dewan and Company, Chartered Accountants (FRN:000934N), to hold office for a period of five consecutive years, from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS**

4. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("ACT") and the Rules made there under read with Schedule IV to the Act, as amended from time to time and SEBI (LODR) Regulations, 2015, **Shri Kanwarjit Singh (DIN:02116031)**, Director has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.05.2017 to 29.05.2022, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force) and in partial modification of the resolution passed in Annual General Meeting held on September 30, 2013, approval of the Company be and is hereby accorded for revision in remuneration and perquisites/ benefits of Shri Avinash Sharma, Executive Director of the Company (DIN:02371722) from April 01, 2016 for the unexpired period of his term as under:

- (A) **Basic Salary:** Rs.3,25,000/- per month w.e.f. 01/04/2016 House Accommodation: Rent free unfurnished accommodation Medical Reimbursement: Reimbursement of Medical Bills up to one months' basic salary in a year, or up to three months' salary in a period of three years. 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 accumulated as per Company rules may be encashed at the end of the tenure, including extension in tenure, if any).
- Chauffeur Driven Car and Telephone at the residence for official use (the private use of Car and Telephone shall be billed by the Company to the appointee).
  - All payments are subject to TDS as per Income Tax Act, 1961.
- (B) Commission: 5% of net profit as calculated under the provisions of Companies Act, 2013 inclusive of remuneration mentioned in (A) above.

**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 remuneration/ perquisites, mentioned at (A) above, be paid to the appointee as minimum remuneration subject to the ceiling laid down in Schedule V to the Companies Act, 2013, as amended from time to time.

**RESOLVED FURTHER THAT** all other terms & conditions of appointment of Shri Avinash Sharma, as approved by the shareholders at the Annual General Meeting held on September 30, 2013, shall remain unchanged."

BY Order of the Board of Directors

Place: Chandigarh  
Date: 14.08.2017

AVINASH SHARMA  
Executive Director  
DIN-02371722

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and rules made thereunder, relating to the Special business to be transacted at the Meeting is annexed hereto. The relevant details of Directors seeking appointment/re-appointment at this Annual General Meeting of the company are also annexed.

2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy so appointed need not be a member of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.**

A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company

3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The members are requested to bring duly filled attendance slip alongwith their copy of Annual Report at the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **22.09.2017 to 28.09.2017** (both days inclusive).
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company or Registrar and Share Transfer Agent.
8. Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 are being sent by the permitted mode.
9. **Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with Registrar and Share Transfer Agents of the Company/ Depository Participant (s), for receiving all communication including Annual Report . Notices, Circulars, etc from the Company electronically.**
10. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
11. The Company is maintaining the "INVESTORS SERVICE CELL" at its Head Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
12. Members having any queries relating to Annual Report are requested to send their queries at least seven days before the date of the Meeting.

### 13. **Voting through electronic means**

- A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository (Services) India Limited (CDSL).
- B. Central Depository Services (India) Limited [CDSL] has launched '**m-Voting**', a mobile app for e-Voting which enables smart phone users to cast their vote on company resolutions by using their mobile phones. **m-Voting** can also be used for voting at the AGM/EGM venue. The **m-Voting** app can be downloaded from [Google Play Store](https://play.google.com/store/apps/details?id=com.evotingindia) for Android based phones, while the app for iPhone and Windows Phone can be downloaded from the IOS App Store and Windows Phone Store, respectively.

### **Steps for e-voting**

- (i) **The voting period begins on September 25, 2017 at 9.00 a.m. and will end on September 27, 2017 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as **on 21st September, 2017 (cut-off date)**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The members are requested to note that once vote on a resolution is cast electronically, he shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on shareholders
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then

your existing password is to be used.

- (viii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

**PAN\*** Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Sequence number which is printed on the attendance slip in the PAN field.
- In case the Sequence number is less than 8 digit enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For example, if your name is Ramesh Kumar with Sequence number 1 then enter RA00000001 in the PAN field.

**Dividend Bank Details OR Date of Birth (DOB)** Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.

If both details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field. as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.

- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the EVSN for the relevant company name on which you choose to vote i.e. SAB Industries Limited".

- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xix) **Note for Non-Individual Shareholders and Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a compliance user using admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 21st September 2017 may follow the same instructions as mentioned above for e-Voting.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (xx) The Board of Directors has appointed Mr. S.K. Sikka, Practicing Company Secretary (ICSI Membership No. FCS- 4241 and CP No.3582) to scrutinize the e-voting process in a fair and transparent manner.

- (xxi) The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- (xxii) The Results shall be declared on or after the AGM of the Company within two days. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange.

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

BY Order of the Board of Directors

AVINASH SHARMA  
Executive Director  
DIN-02371722

Place: Chandigarh  
Date : 14.08.2017

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

##### **ITEM No. 3**

This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

M/s S.C. Dewan and Company, Chartered Accountants (FRN:000934N) were re-appointed as the Auditors of the Company at the Annual General Meeting (AGM) of the Company held on September 30, 2014 for a term of three years to hold office till the conclusion of this AGM.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the above, M/s S. C. Dewan and Company, Chartered Accountants can continue as the Auditors of the Company only up to the conclusion of this Annual General Meeting ('AGM'), having completed their term as per the provisions of Section 139 of the Act.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on May 30, 2017, proposed the appointment of M/s AKR and Associates, Chartered Accountants (FRN: 021179N) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act).

M/s AKR and Associates have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the ordinary resolution mentioned at Item No. 3 of the accompanying Notice for approval of the members. None of the Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution.

##### **ITEM NO. 4**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Shri Kanwarjit Singh (DIN: 02116031), as Additional Director of the Company w.e.f. 30/05/2017. In accordance with the provisions of Section 161 of the Companies Act, 2013, Shri Kanwarjit Singh, shall hold office upto the date of forthcoming Annual General Meeting of the Company and is eligible to be appointed as an Independent Director for a term upto five years. The Company has received notice under Section 160 of the Companies Act, 2013 from the member signifying his candidature as an Independent Director of the Company.

The Board of Directors has recommended the appointment of Shri Kanwarjit Singh, as Independent Director with effect from 30.05.2017 to 29.05.2022.

The Company has received a declaration from Shri Kanwarjit Singh that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Shri Kanwarjit Singh, fulfills the conditions specified in the Act and Rules framed thereunder and SEBI (LODR) Regulations, 2015 for appointment as independent Director and he is independent of the Management. Shri Kanwarjit Singh (DIN:02116031), is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and he has given his consent to act as Director.

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

Shri Kanwarjit Singh, an eminent Civil Engineer, retired as Secretary Member Engineering, Railway Board, and Ex Officio Secretary to Govt. of India. His vast experience and knowledge will bring added value to the Company. He is also qualified to be appointed as an Independent Director under the provisions of the Companies Act, 2013.

The Board recommends the ordinary resolution mentioned at Item No. 4 of the accompanying Notice for approval of the members. None of the Directors or Key Managerial Personnel of the Company or their respective relatives except Shri Kanwarjit Singh are concerned or interested (financially or otherwise), in this resolution.

##### **ITEM NO. 5**

Shri Avinash Sharma was appointed as Executive Director of the Company w.e.f. 01.10.2008 and his appointment has been renewed from time to time with last reappointment on 01/04/2013 for the period of five years duly approved by the shareholders in their meeting held on 30/09/2013. The Board of Directors at their meeting held on August 12, 2016, on recommendation of Nomination and Remuneration Committee, revised the compensation structure of Shri Avinash Sharma as mentioned in the resolution, commensurate with his responsibilities in line with remuneration policy for the senior management of the Company. Except as stated in the resolution, the other terms and conditions of his appointment, as approved by the shareholders at the AGM held on September 30, 2013, remain unchanged. Proposed increase in remuneration is suitably within the limits provided under Schedule V of Companies Act, 2013.

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. He is also a Director on the Board of Malwa Chemtex Udyog Limited, SAB Udyog Limited and Bharatnet Technology Limited. Your directors are of the opinion that the Company shall be benefited tremendously from his rich experience and expertise.

The Board recommends the special resolution mentioned at Item No. 5 of the accompanying Notice for approval of the members.

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



**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 2017.

**FINANCIAL HIGHLIGHTS**

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Turnover and Other Income				
- Turnover	1933.24	4329.50	1933.24	4329.50
- Other Income	567.53	137.76	567.53	137.76
Operating Profit	449.95	871.72	-	-
Financial Expenses	158.01	137.62	158.01	137.62
Depreciation	23.55	22.64	23.55	22.64
Net Profit from ordinary operations	268.39	711.46	268.39	711.46
Prior period Adjustments	(251.44)	88.67	(251.44)	88.67
Net profit before tax	519.82	622.79	519.82	622.79
Tax Expense	62.93	145.85	62.93	145.85
Profit after Tax	456.89	476.94	459.93	425.90

**OPERATIONS AND FUTURE OUTLOOK**

During the year under consideration, the turnover of the Company was at Rs.1933.24 lakhs which is lower as compared to a turnover of Rs.4329.50 lakhs during the previous year due to delay in procuring new job contracts. The Company earned a net profit of Rs.456.89 lakhs during the year as against Rs.476.94 lakhs during the previous year.

The Central Government has taken new initiatives, such as Invest India, Start Up India, "100 smart cities" initiative, implementation of Goods and Service Tax (GST) and Real Estate Regulation and Development Act, 2016 (RERA) during the last two years to give a boost to the Real Estate, Construction and Infrastructure Sector. In addition Govt. is giving major thrust on road and railways. Tax benefits are being introduced to bring in FDI and Local investments in the sector. These initiatives are giving a thrust to the Construction Sector.

The Company has been awarded new jobs worth Rs.57.88 crore approx. by Government Departments. Out of the above jobs worth Rs.12.12 crore approx. were under progress till 31.03.2017 and the balance work is to be executed during the current year. The Company has also submitted fresh tenders which will also substantiate the turnover.

**SEGMENT REPORT**

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

The Infotech Division of the Company undertakes activities of an Internet Service Provider in Punjab Telecom Circle including Punjab, Chandigarh, Panchkula and parts of Haryana and Himachal Pradesh.

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

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

**FINANCIAL STATUS**

There is no change in the 'Issued and Subscribed Capital' of Rs.15,18,83,720, divided into 1,51,88,372 equity shares of Rs.10/-

each, during the year. There are no equity shares with differential rights or sweat equity or ESOP or scheme of purchase of Company shares by employees or their trustees.

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

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

**CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE**

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

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

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

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

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

**DIVIDEND**

Keeping in view the business commitments, your Company has decided not to declare any dividend for the year 2016-17.

**FIXED DEPOSITS**

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

**CORPORATE GOVERNANCE REPORT- DISCLOSURE REQUIREMENTS**

The Company continuously strives to attain high levels of corporate performance, accountability, transparency, responsibility and fairness in all aspects of its operations. Transparency in all dealings and providing better services without compromising in any way on integrity and regulatory compliances have been the basic objectives of corporate governance in the Company. The Corporate Governance practices followed by the Company are enclosed as Annexure to this report. **(Annexure-6)**

**EXTRACT OF THE ANNUAL RETURN**

The extract of the annual return as provided under Section 92(3) of the Act, is attached in Form No. MGT-9, which forms part of the Boards' Report. **(Annexure-4)**

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- in the preparation of the annual accounts for the year ending 31st March 2017, the applicable accounting standards had been followed along with proper explanation relating to



material departures;

- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the Directors had laid down internal financial control to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

## **DIRECTORS**

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

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

- Pursuant to the provisions of Section 149 of the Act, Smt. Tejinder Kaur was appointed as Independent Director at the Annual General Meeting of the Company held on 30th September, 2016. The terms and conditions of appointment of Independent Director are as per Schedule IV of the Act. She has submitted a declaration that she meets the criteria of Independence as provided in Section 149(6) of the Act and there has been no change in the circumstance which could affect her status as Independent Director during the year.
- Shri Kanwarjit Singh, being an Independent Director, vacated office on 13.02.2017 pursuant to section 167(b) of Companies Act, 2013. However, keeping in view his vast and varied experience, he was re-appointed as Additional Independent Director of the Company by the Board in its meeting held on 30.05.2017.

As per the provisions of Companies Act, 2013, Shri R K Garg (DIN-00034827), Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment

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

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

### **C) Formal Annual Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance and that of the Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India

("SEBI") under SEBI (LODR) Regulations, 2015.

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

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

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

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

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

During the year under review, 5 Board Meetings were held, one each on 18<sup>th</sup> April 2016, 14<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 12<sup>th</sup> November 2016 and 13<sup>th</sup> February 2017.

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

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

## **AUDIT COMMITTEE**

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

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

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

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

There are no cases reported during the year.

## **NOMINATION AND REMUNERATION COMMITTEE**

The committee has been constituted to review and recommend compensation payable to the whole-time directors including Chairman and senior management of the Company. The committee reviews the overall compensation structure and policies of the Company with a view to attract, retain and motivate employees, reviewing compensation levels of the Company vis-à-vis other Companies and industry in general.

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

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

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

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

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

Disclosures as required under accounting standards (AS-18) have been made in the financial statements of the Company, enclosed with this report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Board's report as **Annexure-5**.

**BUSINESS RISK MANAGEMENT**

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

**AUDITORS**

M/s S.C. Dewan & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of Annual General Meeting to be held in the calendar year 2017 (subject to ratification of their appointment at every AGM).

Pursuant to provisions of Section 139 of the Companies Act, 2013, M/s S.C. Dewan & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting of the Company.

Board in its meeting held on 30.05.2017 proposed the appointment of M/s AKR & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold the office from the conclusion of forthcoming Annual General Meeting till the conclusion of Annual General Meeting to be held in the calendar year 2022 subject to the approval of members.

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

The Auditors' Report and Secretarial Auditors' Report do not contain any qualifications, reservations or adverse remarks. Report of Secretarial Auditors is attached as an annexure which forms part of this report. **(Annexure-2)**

**LISTING OF SHARES**

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

**DEMATERIALISATION**

The equity shares of your Company are to be compulsorily traded in dematerialized form. As on 31.03.2017, a total of 15101450 equity shares, representing 99.43% of equity share capital have been dematerialized.

**INSURANCE**

All the assets of the Company have been adequately insured.

**PERSONNEL AND RELATED DISCLOSURES**

The information required under Section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is enclosed with this report. **(Annexure-3)**

**INDUSTRIAL RELATIONS**

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

**HEALTH, SAFETY AND ENVIRONMENT PROTECTION**

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

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

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

During the financial year 2016-17, the Company has not received any complaint on sexual harassment and hence no complaints remain pending as on 31<sup>st</sup> March, 2017.

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

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

**ACKNOWLEDGEMENT**

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

For and on behalf of  
BOARD OF DIRECTORS

Place: Chandigarh  
Date: 30.05.2017

H.K. SINGHAL AVINASH SHARMA  
Director Executive Director  
DIN-00044328 DIN-02371722

## ANNEXURE-1

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A: Subsidiaries - Not Applicable

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	SAB UDYOG LIMITED
1. Latest audited Balance Sheet Date	31/03/2017
2. Shares of Associate or Joint Ventures held by the Company on the year end	
No. of Shares	5368630
Amount of Investment in Associates or Joint Venture	28775857
Extent of Holding (in percentage)	40.99
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	256502316
6. Profit or Loss for the year	742726
Considered in Consolidation	304464
Not Considered in Consolidation	438262

Note.: Other than the above there are no associates or joint venture which has been liquidated or sold during the year.

## ANNEXURE-2

**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAB Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of SAB Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2017 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (6) Apprentices Act, 1961
- (7) Employment Exchange (Compulsory Notification of Vacancies Act, 1959)
- (8) Industrial Employment (Standing Orders) Act, 1956
- (9) Minimum Wages Act, 1948
- (10) Payment of Bonus Act, 1965
- (11) Payment of Wages Act, 1936
- (12) Motor Vehicle Act, 1988
- (13) The Water (Prevention & Control of Pollution) Act, 1974
- (14) The Water (Prevention & Control of Pollution) Cess Act, 1977
- (15) The Central Excise Act, 1944
- (16) Employees' State Insurance Act, 1948
- (17) Employees' Provident Fund & Misc. Provisions Act, 1952
- (18) Central Sales Tax Act, 1956 & Punjab VAT Act, 2005
- (19) Air (Prevention & Control of Pollution) Act, 1981
- (20) Payment of Gratuity Act, 1972
- (21) Indian Electricity Act, 1910 & Rules 1956
- (22) Hazardous Waste (Management & Handling) Rules 1989 under EP Act, 1986
- (23) Industrial Development & Regulation Act, 1951
- (24) Contract Labour Regulation & Abolition Act, 1971

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

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

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

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

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

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

Place: Chandigarh  
Date: 30.05.2017

Sushil K Sikka  
Company Secretary  
FCS 4241  
CP 3582

To,  
The Members

**SAB INDUSTRIES LIMITED**

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

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

Place: Chandigarh  
Date: 30.05.2017

Sushil K Sikka  
Company Secretary  
FCS 4241  
CP 3582

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

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

	Ratio to Median Remuneration
<b>Non Executive Directors</b>	
Shri R.K. Garg	0.34
Smt. Manju Lakhanpal	0.51
Smt. Tejinder Kaur	0.25
Shri S.S. Virdi	0.51
Shri H.K. Singhal	0.51
Shri Sanjay Garg	0.34

### Whole Time Director

Shri Avinash Sharma	20.22
---------------------	-------

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

Director, Chief Executive Officer, Chief Financial Officer, Company Secretary      %age increase in Remuneration over previous year

Shri Avinash Sharma - Whole Time Director	27.10%
---	--------

Sh. Bhagwan Singh Negi - Chief Financial Officer	7.53%
--	-------

Ms Gurpreet Kaur - Company Secretary	12.85%
--------------------------------------	--------

- (iii) The percentage increase/decrease in the median remuneration of employees in the financial year 2016-17.

The percentage increase in medium remuneration of employees is 3.39%

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

The number of permanent employees on the roll of company as of 31st March 2017 was 27.

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average annual increase during the year was around 25.47% and the average increase in managerial remuneration was 22.63%.

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

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

## STATEMENT PURSUANT TO SECTION 197 OF COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014 FOR THE YEAR ENDED 31ST MARCH, 2017

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

Name of Employee	Designation	Educational Qualification	Age	Remuneration (Rs in lacs)	Date of commencement of Employment	% of shares held	Relative Director
Sh. Avinash Sharma	Executive Director	B.E (Civil)	58	47.83	27.03.2008	Nil	NA
Sh. Anil Kumar Singla	General Manager	B.E (Civil)	53	18.33	08.08.1987	Nil	NA
Sh. R D Sharma	Project Manager	Diploma(Civil)	49	10.55	22.02.2010	Nil	NA
Sh. Om Prakash	Project Manager	Diploma(Civil)	42	10.49	01.09.2004	Nil	NA
Smt. Gurpreet Kaur	Company Secretary	B.Com ,CS	38	7.93	19.06.2002	Nil	NA
Sh. Bhagwan Singh Negi	Chief Financial Officer	B.Com	54	7.11	11.11.1989	Nil	NA
Sh. Satnam Singh	Manager	B.Tech	41	6.31	01.09.2005	Nil	NA
Sh. Ram Singh	Accountant	Matric	47	4.21	01.01.2005	Nil	NA
Sh. Surjit Singh	Accountant	B.Com	39	4.03	21.07.2006	Nil	NA
Sh. Vishal Mishra	Accountant	M.Com	41	4.04	18.12.2006	Nil	NA

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

i. CIN	L00000CH1983PLC031318
ii. Registration Date	16/02/1983
iii. Name of the Company	SAB INDUSTRIES LIMITED
iv. Category/Sub-category of the Company	PUBLIC LIMITED
v. Address of the Registered office & contact details	SCO 49-50, SECTOR 26, MADHYAMARG, CHANDIGARH-160019. TEL: +91-0172-2792385, 2793112 FAX: +91-0172-2794834
vi. Whether listed company	LISTED COMPANY
vii. Name, Address & contact details of the Registrar & Transfer Agent, if any	M/S LINK INTIME INDIA PVT. LIMITED A-44, COMMUNITY CENTRE, 2ND FLOOR, NEAR PVR, NARAINA INDUSTRIAL AREA, PH-1, NEW DELHI 110028. PH.: 011-41410592-94

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction and Engineering, Real Estate, Information Technology and Trading	9972	100%

**III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES -**

- (i) The company is not having any holding, subsidiary or Joint Venture Company.  
(ii) Particulars of Associate Company are as under:

S.No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	SAB Udyog Limited	U65921CH1989PLC009584	Associate	40.99	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	5208344	-	5208344	34.29	5208344	-	5208344	34.29	-
b) Central Govt	-	-	-	-	-	-	-	-	
c) State Govt(s)									
d) Bodies Corp.	5975012	-	5975012	39.34	5975012	-	5975012	39.34	
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	11183356	-	11183356	73.63	11183356	-	11183356	73.63	-



<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	17401	34802	52203	0.34	17401	34802	52203	0.34	-
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	17401	34802	52203	0.34	17401	34802	52203	0.34	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	3764600	18501	3783101	24.91	3804600	18501	3823101	25.17	0.26
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs2 lakh	2445	33859	36304	0.24	45332	33619	78951	0.52	0.28
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	133408	-	133408	0.88	50761	-	50761	0.33	(0.55)
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies- D R									
<b>Sub-total (B)(2):-</b>	3900453	52360	3952813	26.03	3900693	86922	3987615	26.25	0.01
Total Public Shareholding (B)=(B)(1)+(B)(2)	3917854	87162	4005016	26.37	3918094	86922	4005016	26.37	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	15101140	87232	15188372	100.00	15101450	86922	15188372	100.00	-

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Shri R K Garg	3404020	22.41	-	3404020	22.41	-	-
2	Shri R K Garg & Sons (HUF)	80000	0.53	-	80000	0.53	-	-
3	Smt. Sunena Garg	336508	2.22	-	336508	2.22	-	-
4	Shri Dheeraj Garg	1307808	8.61	-	1307808	8.61	-	-
5	Ms. Priya Garg	80008	0.53	-	80008	0.53	-	-
6	Steel Strips Industries Ltd.	805172	5.30	-	805172	5.30	-	-
7	Steel Strips Holding Pvt. Ltd.	1200060	7.90	-	1200060	7.90	-	-
8	Steel Strips Fin. Pvt. Ltd.	1200060	7.90	-	1200060	7.90	-	-
9	S S Credits Pvt. Ltd.	9000	0.06	-	9000	0.06	-	-
10	Munak Financiers Pvt. Ltd.	1560720	10.28	-	1560720	10.28	-	-
11	Munak Investments Pvt. Ltd.	1200000	7.90	-	1200000	7.90	-	-
		11183356	73.63	-	11183356	73.63	-	-

(I) **Change in Promoters' Shareholding (please specify, if there is no change)**  
There is no change during the year.

(ii) **Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Top 10 Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Bloomen Flora Ltd.	1336438	8.80	1336438	8.80
2.	Steel Strips Wheels Invt. Ltd.	1214630	8.00	1214630	8.00
3.	Priya Tools Pvt. Ltd.	1214632	8.00	1254632	8.26
4.	ICICI Bank Limited	52203	0.34	52203	0.34
5.	Rahul Anantrai Mehta	-	-	25761	0.17
6.	Arwa Umesh	-	-	25000	0.16
7.	Amrex Marketing Pvt. Ltd.	17401	0.11	17401	0.11
8.	Manoj Kumar M	-	-	10000	0.07
9.	BP Equities Pvt. Ltd.	-	-	10000	0.07
10.	Arcadia Share and Stock Brokers Private Limited	-	-	4208	0.03

\* The shares of the Company are traded on a daily basis and hence the date wise increase/ decrease in shareholding is not indicated.

## (v) Shareholding of Directors and Key Managerial Personnel:

SN	Folio/Beneficiary Account No.	Name of the Share Holder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
					No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	IN300476-10368502	Sh. R K Garg	01.04.2016	At the beginning of the year	3404020	22.41	3404020	22.41
			31.03.2017	At the end of the year	3404020	22.41	3404020	22.41
2.	IN303028 52224288	Sh. Avinash Sharma	01.04.2016	At the beginning of the year	50	0.00	50	0.00
			31.03.2017	At the end of the year	50	0.00	50	0.00
3.	IN301774 12825514	Sh. Sanjay Garg	01.04.2016	At the beginning of the year	50	0.00	50	0.00
			31.03.2017	At the end of the year	50	0.00	50	0.00
4.	IN300206-10205235	Sh. H K Singhal	01.04.2016	At the beginning of the year	70	0.00	70	0.00
			31.03.2017	At the end of the year	70	0.00	70	0.00

## V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1965.70	-	-	1965.70
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	1965.70	-	-	1965.70
<b>Change in Indebtedness during the financial year</b>				
* Addition	360.37	-	-	360.37
* Reduction	455.51	-	-	455.51
<b>Net Change</b>	(95.14)	-	-	(95.14)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1870.56	-	-	1870.56
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	1870.56	-	-	1870.56

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration		
		Shri Avinash Sharma (WTD)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,00,000	39,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,83,134	8,83,134
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option	-	
3	Sweat Equity	-	
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify (Sitting Fee)	-	
	Total (A)	47,83,134	47,83,134
	Ceiling as per the Act	5 % of Net Profit of the Company/as per Schedule V of the Companies Act.	

**B. REMUNERATION TO OTHER DIRECTORS**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Sh. S S Virdi	Sh. Kanwarjit Singh	Smt. Manju Lakhanpal	Smt. Tejinder Kaur	
1	Independent Directors					
	Fee for attending board/ committee meetings	1,20,000	-	1,20,000	60,000	3,00,000
	Commission					
	Others, please specify					
	Total (1)	1,20,000	-	1,20,000	60,000	3,00,000
2	Other Non-Executive Directors	Sh. R K Garg	Sh. H K Singhal	Sh. Sanjay Garg		
	Fee for attending board/ committee meetings	80,000	1,20,000	80,000		2,80,000
	Commission					
	Others, please specify					
	Total (2)	80,000	1,20,000	80,000		2,80,000
	Total (B)=(1+2)					5,80,000
	Total Managerial Remuneration					Nil
	Overall Ceiling as per the Act.	Not Applicable as only sitting fees paid				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S.No.	Particulars of Remuneration	Key Managerial Personnel	
		CS (Ms. Gurpreet Kaur)	CFO (Mr. Bhagwan Singh Negi)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,93,200	7,11,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	others, specify	-	-
5	Others, please specify	-	-
	Total	7,93,200	7,11,000

## MANAGEMENT DISCUSSION AND ANALYSIS

## MACRO ECONOMIC REVIEW

Many new initiatives taken by the Government in the form of Make-in-India, Invest India, Start Up India, Government's "100 smart cities" initiative and e-biz Mission Mode Project under the national e-governance plan are facilitating investment and ease of doing business in the country. The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth; it is also a bold new experiment in the governance of India's cooperative federalism.

The two largest denomination notes, Rs.500 and Rs.1000 - together comprising 86 per cent of all the cash in circulation - were "demonetized" with immediate effect, ceasing to be legal tender except for a few specified purposes, on November 8, 2016.

Demonetization has had short-term costs in the form of slow growth but holds the potential for long-term benefits. Long-term benefits include reduced corruption, greater digitalization of the economy, increased flows of financial savings, and greater formalization of the economy, all of which could eventually lead to higher GDP growth, better tax compliance and greater tax revenues. Over the medium run, the implementation of the Goods and Services Tax (GST), follow-up to demonetization, and enacting other structural reforms should take the economy towards its potential real GDP growth of 8 per cent to 10 per cent.

**A. OPPORTUNITIES AND STRENGTHS**

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

During the year 2016-17, the Company earned revenue of Rs.25 crore approx, and expect to do better during the current year.

**B. FINANCIAL PERFORMANCE**

During the year under review, there is no change in capital of the Company. The Reserves and Surplus of the Company have gone up from Rs.3923.67 lakhs to Rs.4380.56 lakhs in 2016-17. The Company's net worth also increased from Rs.5442.51 lakhs to Rs.5899.40 lakhs, on account of internal generation of profits.

**C. OPERATIONAL PERFORMANCE**

There has been a decline in the Revenue from operations of the Company from Rs.4329.49 lakhs to Rs.1933.23 lakhs. The other income of the Company increased from Rs.137.75 lakhs to Rs.567.53 lakhs. Other income comprises of dividend income, interest on bank deposits, agriculture receipts and miscellaneous. The Company's operations during the year under review have resulted in a net profit of Rs.456.89 lacs as against Rs.476.95 lacs in the previous year resulting in partial decline in net profits of the Company.

**D. INTERNAL CONTROL SYSTEM**

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

**E. RISKS AND CONCERNS**

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

The risk management process broadly consists of identification, assessment, mitigation, prioritization and monitoring of risks.

The ERM process allows the company to:

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

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

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

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

**Cautionary Statement:**

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

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

Place: Chandigarh  
Date: 30.05.2017

**AVINASH SHARMA**  
Executive Director

**H.K. SINGHAL**  
Director



**REPORT ON CORPORATE GOVERNANCE**

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

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

**BOARD OF DIRECTORS**

- i. As on March 31, 2017, the Company has eight Directors including a Non-Executive Chairman. Of the eight Directors, seven are Non-executive Directors of which, four are Independent Directors. The composition of the Board is in conformity with Regulation 17(1) of SEBI (LODR) Regulations, 2015
- ii. During the year under review, 5 Board Meetings were held, one each on 18<sup>th</sup> April 2016, 14<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 12<sup>th</sup> November 2016 and 13<sup>th</sup> February 2017 and the gap between two meetings did not exceed one hundred twenty days. The necessary quorum was present for all the meetings.
- iii. None of the Directors on the Board held Directorships in more than ten Public Companies. Further, none of them is a member of more than ten Committees or Chairman of more than five Committees across all the Public Companies in which he was a Director. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2017 have been made by the Directors.
- iv. Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149 of the Act.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Companies as on March 31, 2017 are given below. Other Directorships do not include Directorships of Private Limited Companies, Section 8 Companies and of Companies incorporated outside India. Chairmanships/ Memberships of Board Committees include only Audit Committee and Stakeholders' Relationship Committee.

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

Name of Director and Designation	Category	No. of Board meetings held during the year 2016-17		Whether attended last AGM held on 30 <sup>th</sup> September, 2016	No. of Directorships in other Public Companies		No. of Committee positions held in other public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Sh. R.K.Garg, Chairman DIN 00034827	Non-Executive - Non Independent Director. Chairman	5	5	No	3	2	-	-
Sh. Avinash Sharma DIN 02371722	Executive Director	5	5	No	-	3	-	-
Sh. S S Virdi DIN 00035408	Non-Executive - Independent Director	5	4	Yes	-	3	4	1
Sh. Sanjay Garg DIN 00030956	Non-Executive - Non Independent Director	5	5	No	-	2	1	-
*Sh. Kanwarjit Singh DIN 02116031	Non-Executive - Independent Director	5	0	No	-	-	-	-
**Smt. Tejinder Kaur DIN 00512377	Non-Executive - Independent Director	4	3	No	-	2	-	1
Sh.H.K. Singhal DIN 00044328	Non-Executive - Non Independent Director	5	5	Yes	-	6	-	7
Smt. Manju Lakhanpal DIN 07130592	Non-Executive - Independent Director	5	4	-	-	3	-	3

- \* Shri Kanwarjit Singh, being an Independent Director vacated office on 13.02.2017 pursuant to Section 167(b) of the Companies Act, 2013
- \*\* Smt. Tejinder Kaur was appointed as Independent Director at the Annual General Meeting of the Company held on 30.09.2016.
- vi. During the year, a separate meeting of the Independent Directors was held inter-alia to review the performance of Non-independent Directors and the Board as a whole. The Company has adopted a familiarization programme for the Independent Directors, which has been displayed on the website of the Company.
- vii. The Board periodically reviews compliance reports of all laws applicable to the Company and steps are taken the instances of non-compliance, if any.

#### **COMMITTEES OF DIRECTORS**

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

#### **AUDIT & COMPLIANCE COMMITTEE**

The Audit & Compliance Committee comprises of four Non-executive Directors, Shri S S Viridi, Shri Kanwarjit Singh, Smt Manju Lakhanpal and Shri H K Singhal. During the year, the committee held four meetings, one each on 14<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 12<sup>th</sup> November 2016 and 13<sup>th</sup> February 2017.

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

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

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

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

#### **REMUNERATION POLICY**

The Company's Remuneration Policy is driven by the success and performance of the individual employees and the Company. Through its compensation programme, the company endeavor to attract, retain, develop and motivate high performance workforce. The company pays remuneration by way of salary, benefits, perks, perquisite and allowances to its employees.

#### **REMUNERATION OF DIRECTORS**

-Designation	Shri Avinash Sharma
-Last appointed on	Executive Director
-Term	01/04/2013
- Salary	Five years
- Commission	Rs.3,25,000/- per month
	Rent free unfurnished accommodation
	(Modified by the Board w.e.f. 01.04.2016 for the remaining period)
	5% of net profit as calculated under the provisions of Companies Act, 2013 inclusive of remuneration mentioned above.

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 bills up to one months' basic salary in a year, or upto three months' salary in a period of three years;
- 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 accumulated as per Company rules may be encashed at the end of the tenure, including extension in tenure, if any.);
- Telephone at residence (private use of the telephone shall be billed by the Company to the appointee)
- Conveyance Reimbursement: Company's Car Expenses at actual as per Company's Rule.

The remuneration is in conformity with Schedule V of the Companies Act, 2013. Other non-executive Directors are paid sitting fee of Rs.20000/- for each Meeting of the Board, and Rs.10000/- for each Meeting of the Audit Committee attended by them. The Company also reimburses the out of pocket expenses incurred by the Directors for attending meetings.

**EMPLOYEES STOCK OPTION (ESOP)**

The Company does not have any employee stock option scheme.

**DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE DIRECTORS AS ON 31ST MARCH 2017**

NAME	NO OF SHARES
SH. R. K GARG	3404020
SH. H K SINGHAL	70
SH. SANJAY GARG	50
SH. AVINASH SHARMA	50

**SECRETARIAL COMMITTEE**

The Secretarial Committee approves and monitors transfers, transmission, splitting and consolidation of shares of the company. The Secretarial Committee is comprised of Shri Avinash Sharma, Executive Director and Shri H.K. Singhal, Director. The Secretarial Committee of the company meets as often as required. The Committee met three times during the year.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

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

**GENERAL BODY MEETINGS**

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

Nature of Meetings	Day	Date	Time	Venue
AGM	Friday	30.09.2016	10:30 a.m.	At Regd Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh.
AGM	Wednesday	30.09.2015	10:30 a.m.	Same as above
AGM	Tuesday	30.09.2014	4.30 p.m.	Same as above

No special resolutions were put through Postal Ballot during last year, as there was no such item, which required to be passed through Postal Ballot. The Company did not have any outstanding GDRs/ADRs as at 31<sup>st</sup> March 2017.

**DISCLOSURES:**

- The transactions with the Companies, where the Directors of the Company were interested, were in the normal course of business and there were no materially significant related party transactions that might have had potential conflict with the interest of the Company at large. The Policy on dealing with Related Party Transactions as approved by the Board is posted on the website of the Company.
- The Company has framed a Whistle Blower Policy, details of which are available on the Company's website.
- Shri R K Garg is also the Chairman of Steel Strips Wheels Ltd., Steel Strips Infrastructures Ltd. Steel Strips Ltd., Managing Director of Indian Acrylics Ltd. and Director of Indlon Chemicals Ltd., SAB Developers Pvt. Ltd.  
The group headed by Shri R K Garg & Family members, namely Shri R K Garg & Sons (HUF), Smt. Sunena Garg, Ms. Priya Garg and Shri Dheeraj Garg comprises of the following companies:  
Indian Acrylics Ltd., SAB Industries Ltd., Steel Strips Wheels Ltd., Steel Strips Ltd., Steel Strips Infrastructures Ltd., Steel Strips Industries Ltd., Indlon Chemicals Ltd., SAB Developers Pvt. Ltd., Malwa Chemtex Udyog Ltd., S.S. Credits Pvt. Ltd., S.J. Mercantile Pvt. Ltd., Indian Acrylics Investments Ltd., Malwa Holdings Pvt. Ltd., Steel Strips Mercantile Pvt. Ltd., Steel Strips Financiers Pvt. Ltd., Steel Strips Holdings Pvt. Ltd., Munak International Pvt. Ltd., Munak Financiers Pvt. Ltd., Munak Investments Pvt. Ltd., S.A.B. Udyog Ltd., Chandigarh Developers Pvt. Ltd. and DHG Marketing Pvt. Ltd.
- There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last three years.

**INSIDER TRADING**

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

**MEANS OF COMMUNICATION**
**Quarterly Results:**

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

**GENERAL SHAREHOLDER INFORMATION**

Annual General Meeting: 28th day of September 2017 at 4.00 P.M.  
at Regd. Office of the Company.

**FINANCIAL CALENDER (Tentative)**

Results for quarter ending June 2017 -	Second week of Aug., 2017
Results for quarter ending Sept. 2017 -	Second week of Nov., 2017
Results for quarter ending Dec. 2017 -	Second week of Feb., 2018
Results for quarter ending March 2018 -	Last week of May, 2018
Date of Book Closure:	22.09.2017 to 28.09.2017
Dividend Payment Date:	Not Applicable
Scrip Code on BSE:	539112

**Distribution of shareholding as on 31st March 2017**

Share holding of		Shareholders		Share Amount	
Face Value of Rs. 10/-	Face Value of Rs. 10/-	Number	%age to Total	In Rs.	%age to Total
1	To 500	503	93.49	362430	0.24
501	To 1000	6	1.12	47060	0.03
1001	To 2000	5	0.93	67960	0.04
2001	To 3000	-	-	-	-
3001	To 4000	1	0.19	39900	0.03
4001	To 5000	2	0.37	83160	0.06
5001	To 10000	3	0.56	290000	0.19
10001	and Above	16	3.34	150993210	99.41
		536	100.00	151883720	100.00

**Shareholding Pattern as on 31st March, 2017**

S.NO.	PARTICULARS	NO. OF SHARES	(%)
1.	Promoter & Persons Acting in Concert	11183356	73.63
2.	Bodies Corporate	3841469	25.29
3.	Financial Institutions, Banks & Mutual Funds	17401	0.11
4.	General Public	146146	0.97
	TOTAL SHAREHOLDING	15188372	100.00

**STOCK MARKET DATA**

(RS./ PER SHARE)					
BOMBAY STOCK EXCHANGE					
MONTH	MONTH'S HIGH	MONTH'S LOW	NO. OF SHARES	NO. OF TRADES	NET TURNOVER (RS.)
August-16	13.12	13.12	60	1	787
September-16	15.17	13.77	651	3	9034
November-16	15.90	15.90	10	1	159
December-16	18.30	16.65	86510	35	1441216
January-17	23.75	19.20	1851	11	40274
February-17	29.25	24.90	61270	36	1689798
March-17	17.75	29.25	10062	6	294312

**DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The Company's script forms part of the "Compulsory demat segment" for all investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) through the Registrar M/s Link Intime India Pvt. Limited, 44, Community Centre, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase I, Near PVR Naraina, New Delhi 110028. Phone: +911141410592-94, Fax: +911141410591, Email: delhi@linkintime.co.in

The Company has also appointed them as Common Agency to look after dematerialization of shares as well as for physical transfer of shares. Members are requested to address all their correspondence to the Registrar at the above address. As on 31.03.2017, 15101450 (99.43%) equity shares of the Company were held in demat form and the balance 86922 (0.57%) equity shares are held in physical form. Demat ISIN Number allotted to the Company by NSDL for equity shares is **INE137M01017**.

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

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

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

**ADDRESS FOR CORRESPONDENCE & REGISTERED OFFICE:**

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

**On behalf of Board of Directors**

Place: Chandigarh  
Date: 30 May, 2017

**AVINASH SHARMA**  
Executive Director  
DIN-02371722

**H.K. SINGHAL**  
Director  
DIN-00044328

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

Name of Director (DIN)	Shri R K Garg (DIN-00034827)	Shri Kanwarjit Singh (DIN-02116031)
Date of Birth	18.08.1943	14.11.1943
Date of first Appointment	30.06.1989	29.03.2008
Qualification Experience in	Shri R K Garg, a qualified F.I.E and an eminent industrialist, is Promoter and Chairman of the Company. He has wide and varied experience in business development operations and has made significant contribution to the progress of the Company.	Sh. Kanwarjit Singh, Retired as Secretary Member Engineering, Railway Board & Ex. Officio Secretary Govt. of India
List of companies in which outside Directorships held (excluding Private Ltd./Foreign Companies)	-Steel Strips Wheels Ltd. -Steel Strips Ltd. -Steel Strips Infrastructures Ltd. -Indian Acrylics Ltd. -Indlon Chemicals Ltd.	Nil
Chairman/ Member of the Committee of Board of Directors of the Company includes only Audit Committee and Stakeholders Relationship Committee	Nil.	Nil.
Chairman/ Member of the Committee of Directors of other Companies in which he is a Director includes only Audit Committee and Stakeholders Relationship Committee	Nil	Nil
No. of shares held in the Company	3404020 equity shares	Nil
Relationship with other Director/Key Managerial Personal	Nil	Nil

For other details, such as, Number of meetings of the Board attended during the financial year, Remuneration last drawn, Remuneration proposed to be paid, Terms and Conditions of Appointment /re-appointment, please Refer to the Board's Report, MGT-9, Corporate Governance Report and the Notice alongwith Explanatory Statement

**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, 2017 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: 30.05.2017

Avinash Sharma  
Executive Director

---

**CERTIFICATE OF CORPORATE GOVERNANCE**

We have examined the Company's compliance of conditions of Corporate Governance by SAB Industries Limited for the year ended on 31st March 2017 as stipulated in Schedule V of SEBI (LODR) Regulations, 2015.

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

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

For S C DEWAN & CO.  
CHARTERED ACCOUNTANTS  
(Regn. No. 000934N)

S C DEWAN  
Partner  
M.No. 015678

Place: Chandigarh  
Dated: 30th May 2017

---

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

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

- a. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or 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: 30.05.2017

**B. S. NEGI**  
Chief Financial Officer

**AVINASH SHARMA**  
Executive Director



## INDEPENDENT AUDITORS' REPORT

To  
Board of Directors of **SAB INDUSTRIES LIMITED**

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SAB INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March 2017**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

1. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

2. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
3. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March 2017**, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. on the basis of the written representations received from the directors as on **31st March 2017** and taken on record by the Board of Directors, none of the directors is disqualified as on **31st March 2017** from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**;
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
    - iv. the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 which are in accordance with the books of accounts maintained by the company.

**For S. C. Dewan & Co.**  
**Chartered Accountants**  
**ICAI FRN.: 000934N**

**CA S.C. Dewan**  
**(Partner)**

**Membership No.: 015678**

Place : Chandigarh  
Dated : 30th May, 2017

**Annexure A to the Independent Auditors' Report of even date to the members of SAB INDUSTRIES LIMITED on the financial statements for the year ended 31st March, 2017.**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the said Order are not applicable to the company.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, , service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial

statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government or debenture holders.

- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. Monies raised by way of term loans were applied for the purposes for which those are raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud /material fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.C. Dewan & Co**  
**Chartered Accountants**  
**ICAI FRN No.: 000934N**

**CA S.C.Dewan**  
**(Partner)**  
**Membership No.: 015678**

Place : Chandigarh  
Dated : 30th May, 2017

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SAB INDUSTRIES LIMITED for the year ended 31st March, 2017****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of **SAB INDUSTRIES LIMITED**

We have audited the internal financial controls over financial reporting of **SAB INDUSTRIES LIMITED** ("the Company") as of March 31<sup>st</sup>, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of **SAB INDUSTRIES LIMITED**, which comprise the Balance Sheet as at March 31<sup>st</sup>, 2017, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 30<sup>th</sup> May 2017 expressed an unqualified opinion.

**For S.C. Dewan & Co**  
**Chartered Accountants**  
**ICAI FRN.: 000934N**

Place : Chandigarh  
Dated : 30th May, 2017

**CA S.C.Dewan**  
**(Partner)**  
**Membership No.: 015678**

**BALANCE SHEET**  
**as at 31st March, 2017**

PARTICULARS	NOTE No.	As On 31.03.2017 (₹)	As On 31.03.2016 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders's Funds</b>	1		
(a) Share Capital		15,18,83,720	15,18,83,720
(b) Reserve and Surplus		43,80,56,309	39,23,67,329
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>	2		
(a) Long-term borrowings		16,06,57,843	18,10,60,873
(b) Other Long term liabilities		5,23,38,980	4,84,59,441
(c) Long term provisions		2,12,17,320	2,12,14,176
<b>(4) Current Liabilities</b>	3		
(a) Short-term borrowings		1,61,70,088	4,18,09,197
(b) Trade payables		52,41,811	65,05,214
(c) Other current liabilities		15,05,89,159	12,18,12,935
(d) Short term provisions		2,10,00,911	3,17,57,302
<b>TOTAL</b>		<b>1,01,71,56,141</b>	<b>99,68,70,187</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	4		
Gross Block		33,74,60,588	33,01,89,340
<b>Less :Depreciation</b>		<b>13,67,28,452</b>	<b>13,54,65,104</b>
Net Block		20,07,32,136	19,47,24,236
(b) Non-current investments		12,65,37,743	12,79,24,217
(c) Deferred tax assets (net)	14	24,61,475	31,04,769
(d) Long Term Loans and Advances		1,25,00,000	1,25,00,000
<b>(2) Current assets</b>	5		
(a) Inventories		38,49,46,219	38,54,19,943
(b) Trade receivables		3,487	12,98,137
(c) Cash and Bank Balances		5,16,53,114	2,97,52,925
(d) Short-term loans and advances		17,29,22,185	17,81,11,727
(e) Other current assets		6,53,99,782	6,40,34,233
<b>TOTAL</b>		<b>1,01,71,56,141</b>	<b>99,68,70,187</b>
<b>Significant Accounting Policies</b>			
<b>Notes on Financial Statements</b>	1 to 15	-	-

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed.

	For S.C. Dewan & Co. Chartered Accountants	AVINASH SHARMA Executive Director	TEJINDER KAUR MANJU LAKHANPAL
Place: Chandigarh	S.C. DEWAN		S. S. VIRDI
Dated :30.05.2017	PARTNER	GURPREET KAUR	H. K. SINGHAL
	Membership No.015678	Company Secretary	SANJAY GARG
			Directors

**STATEMENT OF PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31st MARCH, 2017**

PARTICULARS	NOTE NO.	As On 31.03.2017 (₹)	As On 31.03.2016 (₹)
i Revenue from operations	6	19,33,23,869	43,29,49,701
II. Other Income	7	5,67,52,734	1,37,75,695
<b>III. Total Revenue (I +II)</b>		<b>25,00,76,603</b>	<b>44,67,25,396</b>
IV. EXPENSES :			
Cost of materials consumed	8	10,21,09,796	13,41,63,079
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work in-progress and Stock-in-Trade	9	10,05,000	(85,00,000)
Employee benefit expense	10	2,20,64,392	1,97,53,510
Financial costs	11	1,58,01,132	1,37,61,953
Depreciation and amortization expense	4 (a)	23,52,610	22,63,786
Other expenses	12	7,99,05,014	21,41,36,926
<b>Total Expenses</b>		<b>22,32,37,944</b>	<b>37,55,79,254</b>
V. Profit /Loss (-) before exceptional and extraordinary items and tax(III - IV)		<b>2,68,38,659</b>	<b>7,11,46,142</b>
VI. Extraordinary Items	13		
Prior period adjustments/ (Income tax paid/adjusted)		<b>(2,51,43,615)</b>	<b>88,66,922</b>
VII. Profit before tax (VII - VIII)		<b>5,19,82,274</b>	<b>6,22,79,220</b>
VIII. Tax expense:			
(1) Current tax		<b>56,50,000</b>	<b>1,40,00,000</b>
(2) Deferred tax Liability / (Assets)	14	<b>6,43,294</b>	<b>5,84,673</b>
<b>IX. Profit(Loss) for the period from continuing operations</b>		<b>4,56,88,980</b>	<b>4,76,94,547</b>
EARNING PER SHARE - BASIC AND DILUTED (Face Value of ₹10/- per share)		<b>3.01</b>	<b>3.14</b>
Significant Accounting Policies Notes on Financial Statements	1 to 15		

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed.

	For S.C. Dewan & Co. Chartered Accountants	AVINASH SHARMA Executive Director	TEJINDER KAUR MANJU LAKHANPAL S. S. VIRDI H. K. SINGHAL SANJAY GARG Directors
Place: Chandigarh Dated :30.05.2017	S.C. DEWAN PARTNER Membership No.015678	GURPREET KAUR Company Secretary	

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017</b>		<b>2016-17</b>	<b>2015-16</b>
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>NET PROFIT/(LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS</b>	<b>2,68,38,659</b>	<b>7,11,46,142</b>
	ADJUSTMENT FOR :		
	PROFIT(-)/LOSS(+) ON SALE OF FIXED ASSETS	(2,36,000)	-
	DEPRECIATION	23,52,610	22,63,786
	DIVIDEND RECEIVED	(20,04,492)	(46,09,562)
	INTEREST & OTHER FINANCIAL CHARGES	1,58,01,132	1,37,61,953
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES</b>	<b>4,27,51,909</b>	<b>8,25,62,319</b>
	ADJUSTMENT FOR TRADE AND		
	OTHER RECEIVABLES	51,18,643	(5,74,34,594)
	INVENTORIES	4,73,724	(22,01,668)
	TRADE PAYABLES	3,79,21,995	1,37,34,289
	<b>CASH GENERATED FROM OPERATIONS</b>	<b>8,62,66,271</b>	<b>3,66,60,346</b>
	INTEREST AND OTHER FINANCIAL EXPENSES PAID	1,58,01,132	1,37,61,953
	DIRECT TAXES PAID/ADJUSTED	(1,94,93,615)	3,66,28,875
	<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>899,58,754</b>	<b>31,471</b>
	EXTRA ORDINARY ITEMS	-	-
	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>8,99,58,754</b>	<b>31,471</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	PURCHASE OF FIXED ASSETS	(83,60,510)	(53,51,947)
	SALE OF FIXED ASSETS	2,36,000	-
	PURCHASE OF INVESTMENTS	-	(35,28,564)
	SALE OF INVESTMENTS	13,86,474	-
	DIVIDEND RECEIVED	20,04,492	46,09,562
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(47,33,544)</b>	<b>(42,70,949)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	PROCEEDS FROM LONG TERM BORROWINGS	(3,60,23,402)	-
	REPAYMENT OF SECURED LOANS	2,73,01,619	3,16,46,960
	PROCEEDS FROM SHORT TERM BORROWINGS	-	5,22,23,176
	REPAYMENT OF UNSECURED LOANS	-	2,15,00,000
	<b>NET CASH RECEIVED FROM FINANCING ACTIVITIES</b>	<b>(6,33,25,021)</b>	<b>(9,23,784)</b>
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,19,00,189	(51,63,262)
	CASH AND CASH EQUIVALENTS AS AT 01.04.2016/01.04.2015	2,97,52,925	3,49,16,187
	(OPENING BALANCE)		
	CASH AND CASH EQUIVALENTS AS AT 31.03.2017/31.03.2016	5,16,53,114	2,97,52,925
	(CLOSING BALANCE)		

Place : Chandigarh  
Dated : 30.05.2017

**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, 2017 and found the same in agreement therewith.

For and on behalf of the Board

**AVINASH SHARMA**  
Executive Director

**TEJINDER KAUR**  
MANJU LAKHANPAL

**S. S. VIRDI**  
**H. K. SINGHAL**  
**SANJAY GARG**  
Directors

**GURPREET KAUR**  
Company Secretary

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

Place : Chandigarh  
Dated : 30.05.2017

**S.C. DEWAN**  
**PARTNER**  
**Membership No.015678**



PARTICULARS	As On 31.03.2017 (₹)	As On 31.03.2016 (₹)
-------------	----------------------------	----------------------------

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE '1' : SHAREHOLDERS' FUND

## (a) Share Capital

## AUTHORISED CAPITAL

2,00,00,000 Equity shares of ₹ 10/- each	20,00,00,000	20,00,00,000
(PREVIOUS YEAR 20000000 Equity shares of ₹10/- each)		

## ISSUED, SUBSCRIBED &amp; PAID-UP

15188372 Equity shares (Previous year 15188372 shares) of ₹10/- each	15,18,83,720	15,18,83,720
---	--------------	--------------

<b>TOTAL</b>	<b>15,18,83,720</b>	<b>15,18,83,720</b>
--------------	---------------------	---------------------

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

Name of shareholders	AS ON 31.03.2017		AS ON 31.03.2016	
	No of shares	%age	No of shares	%age
SHRI R K GARG	34,04,020	22.41%	34,04,020	22.41%
SHRI DHEERAJ GARG	13,07,808	8.61%	13,07,808	8.61%
STEEL STRIPS INDUSTRIES LTD.	8,05,172	5.30%	8,05,172	5.30%
STEEL STRIPS HOLDING PVT. LTD.	12,00,060	7.90%	12,00,060	7.90%
STEEL STRIPS FIN. PVT. LTD.	12,00,060	7.90%	12,00,060	7.90%
MUNAK FINANCIERS PVT. LTD.	15,60,720	10.28%	15,60,720	10.28%
MUNAK INVESTMENTS PVT. LTD.	12,00,000	7.90%	12,00,000	7.90%
STEEL STRIPS WHEELS INVT. LTD.	12,14,630	8.00%	12,14,630	8.00%
PRIYA TOOLS PVT. LTD.	12,54,632	8.26%	12,14,632	8.00%
BLOOMEN FLORA LTD.	13,36,438	8.80%	13,36,438	8.80%

## (b) Reserve &amp; Surplus

	As on 31.03.2017	As on 31.03.2016
1. General Reserve	19,01,46,426	19,01,46,426
ADD : Amount transferred from Profit & Loss a/c	-	-
<b>Total (1)</b>	<b>19,01,46,426</b>	<b>19,01,46,426</b>
2. Capital Reserve	4,19,99,490	4,19,99,490
<b>Total (2)</b>	<b>4,19,99,490</b>	<b>4,19,99,490</b>
3. Profit & Loss A/C		
As per last Balance Sheet	16,02,21,413	11,25,26,866
Add : Profit for the year	4,56,88,980	4,76,94,547
	<b>20,59,10,393</b>	<b>16,02,21,413</b>
Less : Amount transferred to General Reserve a/c	-	-
<b>Total (3)</b>	<b>20,59,10,393</b>	<b>16,02,21,413</b>
<b>Total (1+2+3)</b>	<b>43,80,56,309</b>	<b>39,23,67,329</b>

**NOTE '2' : NON-CURRENT LIABILITIES****(a) Long-Term Borrowings**

PARTICULARS	As On 31.03.2017 ₹	As On 31.03.2017 ₹	As On 31.03.2016 ₹	As On 31.03.2016 ₹
<b>SECURED</b>	<b>Non-Current</b>	<b>Current</b>	<b>Non-Current</b>	<b>Current</b>
<b>FROM BANKS</b>				
<b>TERM LOAN FROM ALLAHABAD BANK</b>	<b>2,27,97,617</b>	<b>1,28,22,391</b>	<b>3,56,06,051</b>	<b>1,12,46,622</b>
(Secured against Equitable Mortgage of Project land measuring 32 Bighas 05 Biswas 17 Biswasi and building thereon situated at NH-22, Derabassi in the name of the company and further secured with collateral security by way of equitable mortgage of residential property 89/7, Panchkula of Sh.R.K.Garg, Chairman of the company)				
<b>VEHICLES/EQUIPMENTS LOANS FROM BANKS</b>	<b>5,26,241</b>	<b>44,85,463</b>	<b>14,40,952</b>	<b>42,62,063</b>
(Secured against hypothecation of respective vehicles/equipments and counter guarantees of the company)				
<b>OTHERS</b>				
1. Secured by Bank Guarantees (From Customers)	<b>1,32,28,071</b>	<b>90,90,000</b>	1,33,01,858	-
2. Secured against security furnished by Company/ Associate Companies/third party and against Security Bonds.	<b>12,41,05,914</b>	-	13,07,12,012	-
<b>TOTAL</b>	<b>16,06,57,843</b>	<b>263,97,854</b>	<b>18,10,60,873</b>	<b>1,55,08,685</b>

Note :

1. Term Loan from Allahabad Bank is secured against Equitable Mortgage of Project land measuring 32 Bighas 05 Biswas 17 Biswasi and Building thereon situated at NH- 22, Derabassi in the name of our company and further secured with collateral security by way of equitable mortgage of residential property, 89, Sector 7, Panchkula of Sh. R.K. Garg, Chairman of the Company.

Maturity Profile of Term Loan for the next four years is as below :

Particulars	1st Year	2nd Year	3rd Year	4th Year
Term Loan from Allahabad Bank (Current Year)	<b>1,46,17,776</b>	81,60,229	-	-
Term Loan from Allahabad Bank (Previous Year)	<b>1,28,24,361</b>	1,46,20,016	81,61,675	-

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

Maturity Profile of Vehicles/Equipments Loans for the next four years are as below :

Particulars	1st Year	2nd Year	3rd Year	4th Year
Vehicles/Equipments Loans from Banks (Current Year)	<b>5,26,241</b>	-	-	-
Vehicles/Equipments Loans from Banks (Previous Year)	<b>9,14,712</b>	5,26,241	-	-

During the year under consideration, the company have received ₹201.47 lacs against the award of Dental College Project, Shimla through Hon'ble Himachal Pradesh High Court out of the total amount of Rs.307.38 lacs deposited by the Department i.e Public Works Department, Himachal Pradesh. However, the ward still stands challenged and not has been decided by the Hon'ble High Court. The amount, as such, is disputed. Hence, the same has been considered under Long Term Borrowings. The same shall be considered as Income as and when the case is decided by the Hon'ble High Court finally. Besides, the company had received Rs.1307.12 lacs from M/S Sutej Constructions Ltd. (SCL), Manimajra, Chandigarh in previous years. SAB Industries Ltd (SABIL) have entered into Joint Venture agreements with SCL in connection with Arbitration cases of said company whereby SCL and SABIL shall share the amount of award received, if any, equally between them. The amounts so released in earlier years have been released against furnishing of security by way of mortgaging land/title deeds of lands both of SABIL and SCL and submission of surety bonds. As the cases are subjudice and claims have been released against submission of surety bonds/title deeds of lands, the amount received has been treated as "Secured Loan" only as having been released against the above said securities. The amount shall be treated as income as and when Surety Bonds/title deeds of land are released and cases are decided by the Court finally. However, during the year Sutej Constructions Ltd. against the claim to the tune of Rs.267.53 Lakh received by the company during the year 2005-06 has been released. As such, the same has been considered as Income during the year under consideration. The outstanding balance received from SCL stands at ₹ 1039.59 lacs for above cases as on 31.03.2017.

**SAB INDUSTRIES LIMITED**

<b>PARTICULARS</b>	<b>As On 31.03.2017 (₹)</b>	<b>As On 31.03.2016 (₹)</b>
--------------------	-------------------------------------	-------------------------------------

**(b) Other Long Term Liabilities**

<b>PARTICULARS</b>	<b>As On 31.03.2017</b>	<b>As On 31.03.2016</b>
-Liabilities for employees retirement benefits :		
- Gratuity	<b>42,47,861</b>	39,51,531
- Earned Leave	<b>14,70,817</b>	12,32,253
- Security Deposit	<b>4,66,20,302</b>	4,32,75,657
<b>TOTAL</b>	<b><u>5,23,38,980</u></b>	<b><u>4,84,59,441</u></b>

During the year the company has made provision for accrued liability on account of Gratuity and Leave encashment on the basis of actuarial valuation based on projected unit method as required by AS-15 (Revised 2005)

**(c) Long Term Provisions**

<b>Particulars</b>	<b>As On 31.03.2017</b>	<b>As On 31.03.2016</b>
Provision for Sales Tax	<b>10,44,288</b>	10,44,288
Provision for Bank Guarantees	<b>26,74,000</b>	26,74,000
Provision for Expenses	<b>1,74,99,032</b>	1,74,95,888
<b>TOTAL</b>	<b><u>2,12,17,320</u></b>	<b><u>2,12,14,176</u></b>

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

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

**CURRENT LIABILITIES****NOTE '3'****(a) Short-Term Borrowings**

<b>PARTICULARS</b>	<b>As On 31.03.2017</b>	<b>As on 31.03.2016</b>
<b>SECURED FROM BANKS</b>		
<b>Working Capital from Banks</b>	<b>4,42,652</b>	1,83,04,197

(Secured against Hypothecation of stocks, Book Debts and current assets of Construction Division and further secured with Collateral Security by way of Equitable Mortgage of Residential property 89/7 Panchkula of Sh.R.K.Garg, Chairman of the company and Pledge of five Lakh equity shares of Steel Strips Wheels Ltd. held by the company)

**UN-SECURED****Short Term Corporate Advances**

- Short term advances	<b>1,57,27,436</b>	2,35,05,000
<b>TOTAL</b>	<b><u>1,61,70,088</u></b>	<b><u>4,18,09,197</u></b>

PARTICULARS	As on 31.03.2017 (₹)	As on 31.03.2016 (₹)
<b>(b) Trade Payables</b>		
- Micro and Small Enterprises	2,13,044	2,91,760
- Others	50,28,767	62,13,454
<b>TOTAL</b>	<b>52,41,811</b>	<b>65,05,214</b>

The company has been reconciling the outstanding balances with Debtors and Creditors from time to time. However, some of the balances remain unreconciled as at the end of the year in the absence of confirmation from the other parties. Detail of amounts outstanding to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, based on available information with company is as under :-

Principal amount due and remaining unpaid	2,13,044	2,91,760
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
<b>TOTAL</b>	<b>2,13,044</b>	<b>2,91,760</b>

**(c) Other Current Liabilities**

- Current maturities of Long-term Debts (Refer Note No.2 )	2,63,97,854	1,55,08,685
- Statutory dues	13,81,977	15,56,835
- Advance from customers	11,93,94,235	9,19,75,085
- Cheques issued but not presented for payment	1,80,252	76,66,729
- Expenses payable	32,34,841	51,05,601
<b>TOTAL</b>	<b>15,05,89,159</b>	<b>12,18,12,935</b>

**(d) Short Term Provisions**

Provision for taxation	56,50,000	1,40,00,000
Provision for expenses	1,53,50,911	1,77,57,302
<b>TOTAL</b>	<b>2,10,00,911</b>	<b>3,17,57,302</b>

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

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1.4.2016	Additions During The year	Sales/ Adjustment During the year	As at 31.03.2017	As on 1.4.2016	During the period	Sale/ Adjustment During the period	As on 31.03.2017	As at 31.03.2017	As at 31.03.2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1. LAND	176717326	-	-	176717326	-	-	-	-	176717326	176717326
2. PLANT & EQUIPMENTS	35413605	2702982	-	38116587	24131336	1128729	-	25260065	12856522	11282269
3. FURNITURE & FIXTURE	5261747	1043980	-	6305727	3721699	292208	-	4013907	2291820	1540048
4. VEHICLES	33573033	155736	1089263	32639506	30246345	402837	1089259	29559923	3079583	3326688
5. OFFICE EQUIPMENT	5367216	314718	-	5681934	4622129	99675	-	4721804	960130	745087
6. AGRICULTURE EQUIPMENT	2805454	4114748	-	6920202	2672496	344793	-	3017289	3902913	132958
	259138381	8332164	1089263	266381282	65394005	2268242	1089259	66572988	199808294	193744376
<b>B) INFOTECH DIVISION</b>										
1. PLANT & EQUIPMENTS	63652576	28350	-	63680926	62884074	84365	-	62968439	712487	768502
2. FURNITURE & FIXTURE	7398380	-	-	7398380	7187025	-	-	7187025	211355	211357
<b>TOTAL (B) :</b>	<b>71050956</b>	<b>28350</b>	<b>-</b>	<b>71079306</b>	<b>70071099</b>	<b>84365</b>	<b>-</b>	<b>70155464</b>	<b>923842</b>	<b>979859</b>
<b>TOTAL (A+B+C)</b>	<b>330189337</b>	<b>8360514</b>	<b>1089263</b>	<b>337460588</b>	<b>135465104</b>	<b>2352607</b>	<b>1089259</b>	<b>136728452</b>	<b>200732136</b>	<b>194724236</b>
<b>PREVIOUS YEAR</b>	<b>324837394</b>	<b>5351947</b>	<b>-</b>	<b>330189340</b>	<b>133201318</b>	<b>2263786</b>	<b>-</b>	<b>135465104</b>	<b>194724236</b>	<b>191636075</b>

PARTICULARS	As On 31.03.2017 (₹)	As On 31.03.2016 (₹)
<b>(b)Non-Current Investments</b>		
<b>INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS QUOTED &amp; VALUED AT COST PRICE</b>		
13,24,187 (Previous Year 13,24,187) fully paid equity shares of ₹10/- each of M/s Steel Strips Wheels Limited	3,63,71,626	3,63,71,626
1,47,93,772 fully paid up equity shares of Indian Acrylics Ltd (Previous Year 1,47,93,772) of ₹10/- each	5,95,19,719	5,95,19,719
3900 fully paid (Previous year 3900) equity shares of ₹10/- each of M/s Steel Strips Infrastructures Limited (Formerly known as Steel Strips & Tubes Ltd)	12,671	12,671
6,85,934 (Previous year 6,85,934) fully paid equity shares of ₹10/- each of M/S Steel Strips Limited,	14,58,245	14,58,245
<b>INVESTMENT IN EQUITY INSTRUMENTS - OTHERS QUOTED &amp; VALUED AT COST PRICE</b>		
Nil (Previous Year 165) equity share of ₹10/- each of M/s Kamla Dials & Devises Limited	-	2,550
Nil (Previous year 105) equity shares of ₹10/- each of M/s Asian Hotels Limited	-	500
Nil (Previous year 10000) equity shares of ₹10/- each of M/s PUNJAB & SIND BANK	-	12,89,356
Nil Shares of BOICON (Previous Year 200) of ₹5/- each	-	44,545
Nil equity shares of Vallabh Steels Ltd (Previous Year 100) of ₹10/- each	-	2,820
37 Nos fully paid up equity shares of Consolidated Fibres & Chemicals Ltd (Previous Year 37) of ₹10/- each	64	64
Nil equity shares of Wheels India Ltd (Prev.Year 153) of ₹10/-each.	-	46,703
10000 Nos fully paid up equity shares of Vikas WSP Ltd (Previous year 10000 NOS ) of ₹1/- each.	3,99,561	3,99,561
<b>AGGREGATE AMOUNT OF THE QUOTED INVESTMENTS</b>	<b>9,77,61,886</b>	<b>9,91,48,360</b>
<b>INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS UNQUOTED &amp; VALUED AT COST</b>		
5368630 equity shares of ₹10/-each of M/S SAB Udyog Ltd (Previous year 5368630)	2,87,75,857	2,87,75,857
<b>AGGREGATE AMOUNT OF THE UN-QUOTED INVESTMENTS</b>	<b>2,87,75,857</b>	<b>2,87,75,857</b>
<b>AGGREGATE AMOUNT OF THE QUOTED &amp; UN-QUOTED INVESTMENTS</b>	<b>12,65,37,743</b>	<b>12,79,24,217</b>
Aggregate Market value of Quoted Investments **	1,33,52,74,068	61,91,48,161
** The quoted value of shares does not include the quoted value of shares of Steel Strips Ltd as these are not being quoted in the Stock Exchange.		
<b>(c) Long Term Loans and Advances</b>		
Corporate Loans (Un-Secured)	1,25,00,000	1,25,00,000
<b>TOTAL</b>	<b>1,25,00,000</b>	<b>1,25,00,000</b>

PARTICULARS	As On 31.03.2017 (₹)	As On 31.03.2016 (₹)
<b>NOTE '5' CURRENT ASSETS</b>		
<b>(a) Inventories</b>		
1. WORK IN PROGRESS	2,64,95,000	2,75,00,000
STOCK IN HAND	27,17,330	21,86,054
<b>Total 1.</b>	<b>2,92,12,330</b>	<b>2,96,86,054</b>
2. COMMERCIAL PROPERTY UNDER DEVELOPMENT (Land, Development expenses thereon (valued at cost) and Misc. Expenditure Pending Allocation to above commercial property)		
(a) Cost Of Land Including Registration	22,57,84,131	22,57,84,131
Less: Land acquired (950 sq. yards)	65,55,872	65,55,872
	<b>21,92,28,259</b>	<b>21,92,28,259</b>
(b) Development Expenses		
Fees & Taxes	31,25,878	31,25,878
(Land Dev. Fee)		
Architect/Other Fee	41,86,822	41,86,822
	<b>73,12,700</b>	<b>73,12,700</b>
	<b>22,65,40,959</b>	<b>22,65,40,959</b>
<b>(c) Misc. Expenditure Pending Allocation To Above Commercial Property</b>		
Direct Cost	7,79,93,808	7,79,93,808
Administration Expenses	59,01,744	59,01,744
Employee Cost	84,60,345	84,60,345
Selling & Advt. Exps	46,78,483	46,78,483
Interest And Bank charges	3,02,96,191	3,02,96,191
Depreciation	18,62,359	18,62,359
	<b>12,91,92,930</b>	<b>12,91,92,930</b>
Total 2.	<b>35,57,33,889</b>	<b>35,57,33,889</b>
Total 1+2	<b>38,49,46,219</b>	<b>38,54,19,943</b>
Stocks of building materials and stores and shuttering material are valued at cost. Inventory of Networking Equipments lying in the offices & godowns is valued at cost price. Work-in-progress is valued on proportionate basis where certified bills have been raised in the next year, and on the best estimate basis by the management where certified bills are not available		
Stocks of Buildings & Buildings under construction have been valued at cost.		
<b>(b) Trade Receivables</b>		
Outstanding for a period exceeding six months	92,10,345	92,10,345
Others	3487	12,98,137
	<b>92,13,832</b>	<b>1,05,08,482</b>
Less : Provision for bad and doubtful debts	92,10,345	92,10,345
<b>SUB - TOTAL</b>	<b>3,487</b>	<b>12,98,137</b>
<b>(c) Cash and Bank Balances</b>		
Balances With Banks in Current Accounts	2,47,45,490	17,43,038
Cheques/Drafts In Hand	62,98,944	-
Cash In Hand	1,75,656	51467
<b>Fixed Deposits</b>		
Under Lien With Banks As Margin Money	1,97,32,273	2,73,88,733
Under Lien With Government Departments	6,99,751	5,69,687
<b>TOTAL</b>	<b>5,16,53,114</b>	<b>2,97,52,925</b>

PARTICULARS	As On 31.03.2017 (₹)	As On 31.03.2016 (₹)
<b>(d) Short-Term Loans and Advances</b>		
LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD, UNLESS OTHERWISE STATED)		
A) Loans And Advances To Related Parties		
B) Others	-	-
Suppliers/Petty Contractors	1,40,01,840	1,39,86,597
Advances For Purchase Of Land	35,00,000	-
Claims Recoverables	15,23,97,092	16,27,05,879
Others (Un-secured)	30,23,253	14,19,251
	<u>17,29,22,185</u>	<u>17,81,11,727</u>
<b>TOTAL</b>	<u>17,29,22,185</u>	<u>17,81,11,727</u>
<b>(e) Other Current Assets</b>		
Security Deposit	3,81,02,650	3,55,79,706
Interest Accrued But Not Due	3,34,176	9,51,826
Gratuity/EL Funds with LIC	49,16,704	41,09,331
Prepaid Expenses	3,12,507	3,69,296
Amount recoverable in cash or kind	1,62,05,000	1,72,90,00
Income Tax deducted at sources	6,30,487	6,30,487
Advance Tax Deposited	48,98,258	51,03,587
<b>TOTAL</b>	<u>6,53,99,782</u>	<u>6,40,34,233</u>
<b>NOTE '6'</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sales Isp	60,52,956	74,84,390
Gross Work Done	18,72,70,913	42,54,65,311
<b>TOTAL</b>	<u>19,33,23,869</u>	<u>43,29,49,701</u>
<b>NOTE '7'</b>		
<b>REVENUE FROM OTHER INCOME</b>		
Profit on Sale of Assets	2,36,000	-
Profit on sale of investments	3,80,678	-
Interest received	1,66,93,348	54,42,918
Miscellaneous income	44,98,061	13,01,934
Income from share in J.V.	2,67,53,000	-
Agriculture receipts	61,87,155	24,21,281
Dividend received	20,04,492	46,09,562
<b>TOTAL</b>	<u>5,67,52,734</u>	<u>1,37,75,695</u>
<b>NOTE '8'</b>		
<b>Cost of Material Consumed</b>		
Opening Stock Of Building Materials And Net Working Equipments/Materials	21,86,054	-
Add : Purchases During the Year -		
- Purchase - Network Equipments	7,848	27,765
- Construction Material	10,26,33,224	14,74,19,245
	<u>10,48,27,126</u>	<u>14,74,47,010</u>
Less - Sale/Material Issued To Sub-Contractors	-	1,10,97,877
- Closing Stocks Of Materials and Networking Equipments/Materials	27,17,330	21,86,054
	<u>10,21,09,796</u>	<u>13,41,63,079</u>
<b>Total</b>	<u>10,21,09,796</u>	<u>13,41,63,079</u>

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

<b>PARTICULARS</b>	<b>As on 31.03.2017 (₹)</b>	<b>As on 31.03.2016 (₹)</b>
--------------------	-------------------------------------	-------------------------------------

**NOTE '9'**

**Change in Inventories of Finished Goods, Work in Progress and Stock in Trade**

Opening Work In Progress	<b>2,75,00,000</b>	1,90,00,000
Closing Work In Progress	<b>2,64,95,000</b>	2,75,00,000
<b>TOTAL</b>	<b>10,05,000</b>	(85,00,000)

**NOTE '10'**

**EMPLOYEE BENEFIT EXPENSES**

Salaries, Wages And Others Allowances ** Including Directors Remuneration	<b>1,99,64,383</b>	1,78,34,413
Bonus	<b>1,38,100</b>	1,89,200
Contribution To Provident Funds & Other Funds	<b>14,53,983</b>	11,56,477
Welfare Expenses	<b>5,07,926</b>	5,73,420
<b>TOTAL</b>	<b>2,20,64,392</b>	1,97,53,510

\*\* The detail of managerial remuneration paid to Directors is as under:

	<b>(₹ in lacs) Current Year</b>	<b>(₹ in lacs) Previous Year</b>
Salary	<b>39.00</b>	28.20
Perquisite	<b>8.83</b>	5.61
Contribution Towards PF	<b>4.68</b>	3.38
Commission on Profits	<b>0.00</b>	0.44
	<b>52.51</b>	<b>37.63</b>

The commission to Sh. Avinash Sharma, Executive Director, is not payable in view of the terms of his appointment and remuneration has been paid to him as per provisions of Companies Act, 2013

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

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

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

**a) Expenses recognised in Profit and Loss Account**

**(Amount in ₹)**

<b>Particulars</b>	<b>Earned Leave 2016-2017</b>	<b>Gratuity 2016-2017</b>	<b>Earned Leave 2015-2016</b>	<b>Gratuity 2015-2016</b>
Current service cost	<b>25,575</b>	<b>2,49,827</b>	11,482	3,42,574
Interest cost on benefit obligation	<b>16,435</b>	<b>68,017</b>	29,127	1,26,099
Net actuarial (gain)/ loss recognised in the period	<b>1,57,489</b>	<b>(1,42,101)</b>	(1,16,936)	(6,82,907)
Expected Returns on plan assets	-	-	-	-
Net benefit expenses recognised in the Profit and Loss a/c	<b>1,99,499</b>	<b>1,75,743</b>	(76,327)	(2,14,234)



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

Particulars	E/ Leave 2016-2017	Gratuity 2016-2017	E/ Leave 2015-2016	Gratuity 2015-2016
Present value of obligations as on 31.03.2017	(14,70,817)	(42,47,861)	(12,32,255)	39,51,530
Fair value of plan assets as on 31.03.2017	11,77,734	37,39,457	10,23,160	30,86,170
Funded status	(2,93,083)	(5,08,404)	(2,09,095)	(8,65,360)
Unrecognised actuarial (gain)/losses	-	-	-	-
Defined benefit obligation	-	-	-	-
Less: Unrecognised past service cost	-	-	-	-
Net asset/ (liability) recognised in the balance sheet	(2,93,083)	(5,08,404)	(2,09,095)	(8,65,360)

Note: The above plans are Funded.

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

Particulars	E/ Leave 2016-2017	Gratuity 2016-2017	Earned Leave 2015-2016	Gratuity 2015-2016
Opening defined benefit obligation	12,32,255	39,51,530	12,32,334	40,92,298
Interest cost	96,855	3,10,590	97,601	3,24,110
Past service cost	-	-	-	-
Current service cost	25,575	2,49,827	11,482	3,42,574
Benefit paid	-	-	-	(1,57,500)
Actuarial (gains)/ losses on obligation due to change in financial assumption	40,595	1,94,425	-	-
Actuarial (gains)/ losses on obligation due to experience	75,537	(4,58,511)	(1,09,162)	(6,49,952)
Closing defined benefit obligation	14,70,817	42,47,861	12,32,255	39,51,530

**d) Changes in the Fair Value of plan Assets**

Particulars	E/ Leave 2016-2017	Gratuity 2016-2017	Earned Leave 2015-2016	Gratuity 2015-2016
Fair Value of plan assets as at 1st April 2016	10,23,160	30,86,170	8,64,568	25,00,144
Acquisition adjustments-	-	-	-	-
Expected returns on plan assets	80,420	2,42,573	68,474	1,98,011
Contributions	1,15,511	5,32,699	82,344	5,12,560
Benefit paid	-	-	-	-
Actuarial (gains)/ losses on plan assets	(41,357)	(1,22,472)	7,774	32,955
Fair Value of plan assets as at 31st March 2017	11,77,734	37,38,970	10,23,160	30,86,170

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below: (Amount in ₹)

Particulars	2016-2017 (%)	2016-2017 (%)	2015-2016 (%)	2015-2016 (%)
Discount rate	7.39%	7.39%	7.86%	7.86%
Expected Increase in Compensation cost	7.00%	7.00%	7.00%	7.00%
Attrition	2.00%	2.00%	2.00%	2.00%
Mortality basis	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08) ultimate

Note:

The retirements age has been uniformly taken as 60 years.

The discount rates have been determined by reference to market yields as on 31st March 2017 on CG-Secs of currency term consistent with those of liability obligations.

	As on 31.03.2017 (₹)	As on 31.03.2016 (₹)
<b>NOTE '11' Financial Cost</b>		
Interest - Banks	74,86,718	97,95,379
- Others	-	2,98,909
Other Financial Charges	34,14,414	12,17,665
Security Charges	49,00,000	24,50,000
<b>TOTAL</b>	<b>1,58,01,132</b>	<b>1,37,61,953</b>

<b>PARTICULARS</b>	<b>As On 31.03.2017</b>	<b>As On 31.03.2016</b>
<b>NOTE '12' Other Expenses</b>		
(a) Direct Cost		
Labour & Wages	1,67,66,940	1,13,39,844
Payment to Contractor	2,18,77,865	3,63,14,546
Hire Charges Of Machinery	47,54,890	40,79,254
Running and Maintenance of Machinery	42,88,518	38,30,622
Bandwidth Expenses	25,33,043	25,09,294
<b>Total (a)</b>	<b>5,02,21,256</b>	<b>5,80,73,560</b>
(b) Selling and Distribution Expenses		
Business Promotion Exps	57,189	14,923
Commission on Sale	13,03,845	13,21,806
Advertisement & Publicity	64,965	17,55,054
Subscription & Membership Fees	41,408	15,960
<b>Total (b)</b>	<b>14,67,407</b>	<b>31,07,743</b>
(c) Establishment Expenses		
Travelling Expenses - Foreign		
- Directors	-	-
Travelling Expenses - Inland		
- Directors	5,59,697	6,58,113
- Others	12,09,387	8,63,063
Printing & Stationery	3,57,632	3,41,367
Postage, Telegram & Telephone	2,54,016	3,29,086
Vehicles Repairs & Maintenance	10,96,555	23,80,419
Repairs & Maintenance	81,684	34,085
Insurance	4,07,024	5,85,869
Auditors Remuneration	6,90,000	6,87,000
Legal & Professional Charges	16,44,400	57,15,815
Directors' Sitting Fee	5,80,000	3,54,000
Rates & Taxes	9,56,745	7,21,484
News Papers & periodicals	1,485	-
Office Maintenance Exp.	10,13,529	3,50,639
Donation	26,25,650	12,95,600
Rent	56,06,695	48,90,202
Electricity & Water Charges	3,98,571	3,67,308
Tender Expenses	1,36,013	4,49,603
Agriculture Expenses	81,78,000	14,11,331
Unrecoverable Balances Written Off	-	2,02,00,000
Loss on acquisition of Land	-	50,15,339
loss on sale of investments	7,83,746	-
Bad Debts	0	1,00,00,000
Security Guards Expenses	5,49,423	8,24,730
Service Tax Paid	3,51,950	8,80,072
Other Miscellaneous Expenses	7,34,149	46,00,498
<b>Total(c)</b>	<b>2,82,16,351</b>	<b>15,29,55,623</b>
<b>Total (a+b+c)</b>	<b>7,99,05,014</b>	<b>21,41,36,926</b>
1. The details of Audit Remuneration is as under:-	<b>Current year</b>	<b>Previous Year</b>
Statutory Audit Fee	6,90,000	6,87,000
Total	<b>6,90,000</b>	<b>6,87,000</b>
2. The company has incurred expenses under corporate social responsibilities under section 135 of the Companies Act, 2013 as under :		
- Expenses on charitable/Educational institution	25.50	9.70
- Expenses others	0.76	3.25
<b>Total</b>	<b>26.26</b>	<b>12.95</b>
<b>NOTE '13' Extraordinary Items</b>		
Prior period adjustments/ (Income Tax paid/adjusted)	(2,51,43,615)	88,66,922
	<b>(2,51,43,615)</b>	<b>88,66,922</b>

PARTICULARS	As On 31.03.2017	As On 31.03.2016
<b>NOTE '14' Deferred Tax</b>		
W.D.V. as per Income Tax Act.(Net of Land)	<b>3,16,01,418</b>	2,75,76,239
W.D.V. as per books (Net of Land)	<b>2,40,14,810</b>	1,80,06,910
Depreciation excess claimed in books	<b>75,86,608</b>	95,69,329
Deferred tax assets	<b>24,61,475</b>	31,04,769
Less : Provision already made	<b>31,04,769</b>	36,89,442
Provision for current year	<b>(6,43,294)</b>	(5,84,673)

In compliance with AS 22 on Accounting for the Taxes on Income, the company has recognised Deferred Tax Assets in its books as per detail given herein above. In the opinion of the management, considering the future profits of the company, it will be recovered in future.

**NOTE NO. 15 OF 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, 2013.

**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. Arbitration Claims/Escalation are accounted for as specified in AS 7 Para 13.

Construction scrap is accounted for on receipt basis.

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

**c) FIXED ASSETS**

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

**d) DEPRECIATION**

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

**e) INVENTORIES**

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

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

**f) RETIREMENT BENEFITS :**

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

**g) CONTRIBUTION TO PF AND PENSION SCHEME**

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

**h) INTEREST**

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

**i) VALUATION OF INVESTMENTS**

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

**j) FOREIGN CURRENCY FLUCTUATIONS/TRANSACTION IN FOREIGN CURRENCY**

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

**2. CONTINGENT LIABILITIES**

	<b>AS ON 31.03.2017</b> (₹ in lacs)	<b>AS ON 31.03.2016</b> (₹ in lacs)
Counter Guarantees issued by the company against Bank Guarantees	<b>1,499.74</b>	869.50
3. In the opinion of the Board, the current assets, loans & advances, if realised in the ordinary course of business, have the value on realization at least equal to the amount as stated in the Balance Sheet. The Stocks of building material, Raw material, finished goods and other consumable goods have been valued at cost and wastes have been valued at net realizable value and taken as certified by the Management. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.		
4. Figures have been rounded off to the nearest rupee.		
5. Previous year figures have been regrouped/rearranged wherever considered necessary to make them comparable with those of current year.		
6. The company has filed claims arising out of contractual disputes with various clients, which have not been accounted for in books of accounts. Similarly, there are counter claims filed against the Company by clients, which have also not been accounted for. It is difficult to quantify the same, as these are at different stages of adjudication. These shall be accounted for as and when these are accepted or on their final decision and/or on their final settlement.		
7. Sales Tax has been paid as per the Sales Tax returns filed. Any additional liability arising out of pending Assessments shall be provided for on the completion of Sale Tax Assessments.		
8. Notes 1 to 15 form an integral part of the Balance Sheet, Profit & Loss Account and Cash Flow Statement.		

**9. SEGMENT REPORT**

Segment wise revenue, results and capital employed for the year-ended 31.03.17 is as under:

	<b>AS ON 31.03.2017</b> (₹ in lacs)	<b>AS ON 31.03.2016</b> (₹ in lacs)
<b>1. SEGMENT REVENUES</b>		
a) Construction Division	<b>2,087.58</b>	4,317.59
b) Real Estates Division	-	-
c) Investments (in shares)	<b>20.04</b>	46.10
d) Agriculture	<b>61.87</b>	24.21
e) Infotech Division	<b>63.75</b>	79.36
f) Unallocated	<b>267.53</b>	0.00
<b>TOTAL</b>	<b>2,500.77</b>	4,467.26
<b>2. SEGMENT RESULTS</b>		
Profit/(Loss)		
(Before tax and interest from each segment)		
a) Construction Division	<b>158.93</b>	843.04
b) Real Estates Division	-	(50.15)
c) Investments (in shares)	<b>20.04</b>	46.10
d) Agriculture	<b>(19.91)</b>	10.10
e) Infotech Division	<b>(0.19)</b>	(0.01)
f) Unallocated	<b>267.53</b>	-
<b>TOTAL :</b>	<b>426.40</b>	849.08
Less: Interest & financial charges	<b>158.01</b>	137.62
<b>TOTAL PROFIT BEFORE TAX</b>	<b>268.39</b>	711.46
Provision for Taxation	<b>56.50</b>	140.00
Provision for Deferred Tax (Assets) Liability	<b>6.43</b>	5.85
Extraordinary Items		
Income from Termination of Agreement	-	-
Income Tax paid/adj. for earlier years		
Prior Period adjustments	<b>(251.43)</b>	88.67
<b>Net Profit/(Loss)</b>	<b>456.89</b>	476.94
<b>3 CAPITAL EMPLOYED</b>		
(Segment assets-Segment liabilities)		
a) Construction Division	<b>1,294.42</b>	1,053.32
b) Real Estates Division	<b>3,755.07</b>	3,736.72
c) Investments (in shares)	<b>1,198.34</b>	1,198.34
d) Agriculture	<b>707.61</b>	707.61
e) Infotech Division	<b>31.32</b>	34.66
f) Trading Division	<b>7.46</b>	7.46
g) Unallocable assets less liabilities	<b>730.05</b>	796.11
<b>TOTAL</b>	<b>7,724.27</b>	7,534.22

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

**10. EARNINGS PER SHARE (EPS)**

Basic/Diluted Earnings per share

	Current Year	(₹ in lacs) Previous Year
Profit/(Loss) after tax as per Profit & Loss A/C	456.89	476.95
No of equity shares	1,51,88,372	1,51,88,372
Earnings per share (Face value of ₹10/- each) (Basic & diluted)	3.01	3.14

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

**11. DETAIL OF PROVISIONS AS PERAS-29**

	Income Tax	Others
Balance as at April 1, 2016	140.00	533.66
Provision made during the year	56.50	5.38
Provision paid/adjusted/ written off/back during the period	140.00	24.06
Balance as at 31st March 2017	56.50	514.98

**12. Leases**

The company has leased facilities for rent payable under cancellable and non-cancellable operating leases arrangements with a lease term ranging from one to nine years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses recognized during the year amounts to ₹56.05 lacs (previous year ₹48.90 lacs). The future minimum lease payments in respect of the non-cancellable operating leases as at 31st March 2017 are:

S.No.Particulars	As at 31.03.17	(₹ in lacs) As at 31.03.16
a) not later than one year	58.24	40.26
b) later than one year but not later than five year	174.21	128.88
c) later than five year	-	27.23

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

**13. RELATED PARTY DISCLOSURES:**

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

Particulars	Subsidiaries Company	Key Management Personnel (KMP)	Enterprises/ Relative over which KMP is able to exercise significant influence	Total for this year	Total for previous year
Lease Rent Paid	--	--	41.43	36.50	30.75
Lease line/cable net charges received	--	--	8.38	8.38	11.86
Security charges paid	--	--	49.00	49.00	24.00
Vehicle Expenses Received	--	--	36.00	36.00	--
Dividend Received	--	--	19.86	19.86	46.00
Hire Charges Received	--	--	2.77	2.77	10.28
Donation	--	--	25.50	25.50	9.70
Management contract (salaries)	--	52.51	--	52.51	37.63

**FINANCE**

1. Advances received	--	--	293.28	293.28	281.72
Advances Re-paid	--	--	--	--	215.00
Outstanding at the end of the year	--	--	--	575.00	281.72
2. Loan paid	--	--	--	--	--
Loan received back	--	--	--	--	--
Outstanding at the end of the year	--	--	--	--	--

Note:

- Key management: Sh.R.K.Garg, Chairman, Sh.Avinash Sharma, Executive Director, Sh.H.K.Singhal, Director .
- Enterprises over which Key Management Personal (KMP) are able to exercise significant influence and with whom transactions have taken place during the year:
  - Indian Acrylics Limited
  - Steel Strips Wheels Limited
  - Steel Strips Infrastructures Limited
  - R. K. Garg & Sons (HUF)
  - Hans Raj Trust
- Relatives of the Key Management Personnel (with whom transactions have taken place) Ms Priya Garg is daughter of Sh.R.K.Garg, Chairman of the company.

**14. Detail of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:-**

	<b>SBNs</b>	<b>Other Denomination notes</b>	<b>Total</b>
Closing cash in hand on 8.11.2016	15,50,000	15,518	15,65,518
(+) Permitted receipts	0	26,60,542	26,60,542
(-) Permitted payments	1,92,500	21,39,268	23,31,768
(-) Amount deposited in the Bank	13,57,500	0	13,57,500
Closing cash in hand as on 31.12.2016	0	5,36,792	5,36,792

**15. ADDITIONAL INFORMATION PURSUANT TO PROVISIONS OF PARAGRAPHS 5(viii) OF PART II, SCHEDULE III, OF COMPANIES ACT, 2013**

	<b>Qty. 31.03.2017</b>	<b>Qty. 31.03.2016</b>
Opening Stock of Trading goods	-	-
Purchase during the year	-	-
Sales during the year	-	-
Own Consumption	-	--
Closing Stock	-	-

**16. Expenditure in Foreign Currency.**

<b>Particulars</b>	<b>As on 31.03.2017 (₹ in lacs)</b>	<b>Amount in foreign exchange</b>	<b>As on 31.03.2016 (₹ in lacs)</b>	<b>Amount in foreign exchange</b>
Traveling (Staff/Others)	-	-	-	-
<b>Earnings in Foreign exchange</b>				
Sale of Investment	-	-	-	-
Reimbursement of Expenses received	-	-	-	-

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed.

	<b>For S.C. Dewan &amp; Co.</b> Chartered Accountants	<b>AVINASH SHARMA</b> Executive Director	<b>TEJINDER KAUR</b> MANJU LAKHANPAL S. S. VIRDI H. K. SINGHAL SANJAY GARG Directors
<b>Place: Chandigarh</b> <b>Dated :30.05.2017</b>	<b>S.C. DEWAN</b> PARTNER Mmbership No.015678	<b>GURPREET KAUR</b> Company Secretary	

[illegible]

## Location Map of Annual General Meeting of SAB Industries Limited, Chandigarh



**FORM OF PROXY**

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

**SAB INDUSTRIES LIMITED**

(CIN:L00000CH1983PLC031318)

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

Fax: +91-172-2794834 Email: [ssl\\_ssg@glide.net.in](mailto:ssl_ssg@glide.net.in), Website: [www.sabindustries.in](http://www.sabindustries.in)

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

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

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

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the Annual General meeting of the Company, to be held on Thursday, the 28th day of September 2017, at 4.00 P.M. at S.C.O.49-50, Sector- 26, Madhya Marg, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:

**Sr. No. Resolution**

**Ordinary Business**

- Adoption of audited financial statements for the year ended March 31, 2017
- Re-appointment of Sh.Rajinder Kumar Garg, as a Director
- Appointment of Auditors M/s. AKR & Associates., Chartered Accountants

**Special Business**

- Appointment of Sh. Kanwarjit Singh, as Independent Director of the Company
- Ratification of Remuneration of Sh. Avinash Sharma, Executive Director

Affix  
Revenue  
Stamp

Signed this ..... day of September 2017.

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

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

**SAB INDUSTRIES LIMITED**

(CIN:L00000CH1983PLC031318)

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

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

**ATTENDANCE SLIP**

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

I, hereby record my presence at the Annual General Meeting of the Company held on Thursday, the 28th day of September 2017, at 4.00 P.M., at S.C.O.49-50, Sector- 26, Madhya Marg, Chandigarh

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

.....





## **SAB Industries Limited**

SCO. 49-50, Sector 26, Madhya Marg,  
Chandigarh-160019, India

Tel: +91-172-2793112, 2792385

Fax: +91-172-2794834, 2790887

