



STEEL STRIPS GROUP

SABIL/AGM/2019/  
September 2, 2019

## 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.

National Securities Depository Limited  
4<sup>th</sup> Floor, 'A' Wing, Trade World,  
Kamla Mills Compound, Senapati Bapat  
Marg, Lower Parel, Mumbai – 400013.

Central Depository Services (India) Ltd.  
Marathon Futurex, 25<sup>th</sup> Floor,  
NM Joshi Marg, Lower Parel (East),  
Mumbai 400 013.

### Scrip Code: 539112

Reg : 35<sup>TH</sup> AGM NOTICE AND ANNUAL REPORT 2018-19

Dear Sir/ Madam,

Further to our letter dated 22.08.2019, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith copy of the Annual General Meeting Notice and draft Annual Report of the Company for the financial year 2018-19 to be held on 28<sup>th</sup> September 2019 at Regd. Office of the Company.

The said Annual Report and Notice of 35<sup>th</sup> Annual General Meeting has also been uploaded on the website of the Company i.e. [www.sabindustries.in](http://www.sabindustries.in).

Kindly take the same on your records.

Thanking you,  
Yours faithfully,  
for SAB INDUSTRIES LIMITED

  
(AUTHORISED SIGNATORY)

Encl.: As above

# Annual Report 2018-19



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>
Sh. S. K. Bansal	<i>Director</i>
Sh. Kanwarjit Singh	<i>Director</i>
Sh. S. S. Virdi	<i>Director</i>
Smt. Manju Lakhanpal	<i>Director</i>
Ms. Priya Garg	<i>Managing Director</i>

## COMPANY SECRETARY

Ms. Gurpreet Kaur

## AUDITORS

AKR & Associates  
Chartered Accountants  
SCO 51, 2nd Floor,  
Chandigarh Citi Centre, VIP Road,  
Zirakpur -140603

## BANKERS

Allahabad Bank  
HDFC Bank Limited

## REGD. OFFICE

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

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**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 35th Annual General Meeting of the shareholders of the Company shall be held as scheduled below:

Day & Date : Saturday, 28th day of September, 2019  
Time : 3.00 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 Audited Financial Statements of the Company for the year ended March 31, 2019 and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of **Sh. Humesh Kumar Singhal (DIN: 00044328)**, who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

3. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Special 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 Surinder Kumar Bansal (DIN 00165583)**, Director appointed as Additional Independent Director of the Company in the Board Meeting held on 30.05.2019 who shall hold office upto the date of forthcoming Annual General Meeting of the Company 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 as an Independent Director for a term of five years commencing from 30.05.2019 to 29.05.2024, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 & 161 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and the rules made there under, as amended from time to time and SEBI (LODR) Regulations, 2015, **Ms. Priya Garg, (DIN: 00034953)**, who is appointed by Board of Directors as an Additional Director of the Company w.e.f. 01/05/2019 and who shall hold office upto the date of Annual General Meeting of the Company, as per the recommendation of Nomination and Remuneration Committee be and is hereby appointed as Director of the Company.

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

"RESOLVED THAT in accordance with the provisions contained in Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said Act, as amended from time to time, the consent of the members of the Company is hereby accorded for appointment of **Ms. Priya Garg (DIN-00034953)** as Managing Director of the Company to look after new industrial projects for a period of five years w.e.f. 01/05/2019 on the following terms and conditions:

- a) SALARY: ₹.5,00,000/- per month (₹ Five Lakhs Only) comprising of basic salary, House Rent Allowance and other allowances and perks, if any.
- b) Contribution to the Provident Fund @12% of the Basic Salary;
- c) Reimbursement of Medical Bill up to one months' basic salary in a year, or upto three months' salary in a period of three years.
- d) Gratuity not exceeding half month's salary for each completed year of service, subject to the maximum as prescribed under the Gratuity Act.
- e) Earned leave as per Company rules (Unavailed Portion of the Earned leave accumulated as per Company rules may be encashed at the end of the tenure).
- f) 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)

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase, augment and/or enhance or vary the remuneration to be paid and provided from time to time to Ms. Priya Garg in accordance with the provisions of Companies Act, 2013, and/ or any statutory modifications or re-enactment thereof, and/ or the guidelines/ orders for managerial remuneration issued by the Govt. of India or other appropriate authority in that behalf as are in force and as amended from time to time, without any further reference to the Company/ Members in General Meeting.

RESOLVED FURTHER THAT in the event of losses or inadequate profits in any financial year during the term of office of Ms. Priya Garg as Managing Director, the aforesaid salary and all other benefits, remuneration and other perquisites mentioned at 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/ modified or enacted from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as a **Special 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 Surinder Singh Virdi (DIN:00035408)**, Director who was appointed as an Independent Director of the Company for a term of five years up to November 12, 2019 has submitted a declaration that he meets with the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby reappointed as an Independent Director, for a second term of five consecutive years commencing from 13.11.2019 to 12.11.2024, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution."

7. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Special 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, **Smt. Manju Lakhanpal (DIN:07130592)**, Director who was appointed as an Independent Director of the Company for a term of five years up to March 13, 2020 has submitted a declaration that she meets with the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby reappointed as an Independent Director, for a second term of five consecutive years commencing from 14.03.2020 to 13.03.2025, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution."

Place: Chandigarh  
Date: 14.08.2019

SANJAY GARG  
Director  
DIN-0003956

#### NOTES:

- 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.
- 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
- 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.
- The members are requested to bring duly filled attendance slip alongwith their copy of Annual Report at the Meeting.
- 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from **20.09.2019 to 28.09.2019** (both days inclusive).
- As per amendment in Regulation 40 of SEBI (LODR) Regulations, 2015, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
- Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 are being sent by the permitted mode.
- 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.**
- Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2018-19 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.
- The Company is maintaining the "INVESTORS SERVICE CELL" at its Head Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
- 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:

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).

**The instructions for shareholders voting electronically are as under:**

- (i) **The voting period begins on September 25, 2019 at 9.00 a.m. and will end on September 27, 2019 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on **20<sup>th</sup> September, 2019 (cut-off date)**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on shareholders
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com)
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha - numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot/ attendance slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>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.</li> <li>If both the 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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name <SAB INDUSTRIES LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the voting cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (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 Corporates.

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 a compliance User should be created using the admin login and password. The compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login 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. 20th September 2019 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) Proprietor of S.K. Sikka & Associates, as the Scrutinizer 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. 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 including register of shareholding of Directors and Key Managerial Personnel 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

Place: Chandigarh  
Date: 14.08.2019

SANJAY GARG  
Director  
DIN-00030956

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

#### **ITEM NO. 3**

The Board of Directors of the Company has appointed Shri Surinder Kumar Bansal (DIN 00165583) as Additional Independent Director of the Company w.e.f. 30/05/2019 in place of Smt. Tejinder Kaur who had resigned due to her pre-occupations. In accordance with the provisions of Section 161 of the Companies Act, 2013, Shri Surinder Kumar Bansal shall hold office upto the date of forthcoming Annual General Meeting of the Company and is eligible to be appointed as an Independent Director.

The Board of Directors of the Company ('the Board') at their meeting held on 30.05.2019 on the recommendation of the Nomination & Compensation Committee, recommended his appointment as Independent Director for the approval of the Members for the period of 5 years commencing from 30.05.2019 to 29.05.2024.

The Company has received a declaration from Shri Surinder Kumar Bansal that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Shri Surinder Kumar Bansal 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 Surinder Kumar Bansal 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.

Sh. Surinder Kumar Bansal is a Practicing Chartered Accountant. He possesses more than 40 years of experience in the areas of Corporate Finance, audit etc and has appropriate skills, experience and knowledge of management and other disciplines related to the Company's business. He is also qualified to be appointed as an Independent Director under the provisions of the Companies Act, 2013.

The Board recommends the special resolution mentioned at Item No. 3 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 Surinder Kumar Bansal are concerned or interested (financially or otherwise), in this resolution.

#### **ITEM NO. 4 & 5**

The Board of Directors of the Company had appointed Ms. Priya Garg as Additional Director & Managing Director of the Company w.e.f. 01/05/2019 subject to approval of Shareholders in place of Shri Avinash Sharma, Executive Director who had resigned due to his pre-occupations. In accordance with the provisions of Section 161 of the Companies Act, 2013, Ms. Priya Garg shall hold office upto the date of forthcoming Annual General Meeting of the Company and is eligible to be appointed as Director.

Ms. Priya Garg is a high rank-holder graduate Engineer from Thapar Institute of Engineering & Technology, Patiala. The Board of Directors of the Company ('the Board') at their meeting held on 30.05.2019 on the recommendation of the Nomination & Compensation Committee recommended her appointment as a Director on the Board and Managing Director of the Company for a period of five years w.e.f. 01.05.2019 to 30.04.2024 on terms and conditions as decided by the Board to look after new industrial projects to augment growth of the Company. In view of her vast knowledge and nature of her expertise, appointment of Ms. Priya Garg as Director was considered to be in best interest of the Company.

The Board recommends the special resolution mentioned at Item No. 4 & 5 of the accompanying Notice for approval of the members.

Shri R.K. Garg, Chairman would be deemed to be interested in her appointment as Director in the resolutions mentioned at Item No. 4 & 5 at the accompanying Notice being her father.

**The Additional information as required by Schedule V to the Act is given below:**

I. GENERAL INFORMATION		REMARKS	
(1)	Nature of Industry	Infrastructure & Real Estate	
(2)	Date or expected date of commencement of commercial production	incorporated on 16.02.1983	
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
(4)	Financial performance based on given indicators	The financial performance is given in the enclosed Balance Sheet and Profit & Loss Account of the Company.	
(5)	Export performance and net foreign exchange collaborations	Nil	
(6)	Foreign Investments or collaborators, if any	Nil	
II INFORMATION ABOUT THE APPOINTEE			
		Ms Priya Garg, Managing Director	
(1)	Background details		
(2)	Past remuneration	Salary	NA
		HRA	NA
		Perquisites/ Allowances	NA
		Commission	NA
(3)	Recognition or awards	Ms. Priya Garg is a high rank - holder graduate Engineer from Thapar Institute of Engineering & Technology, Patiala	
(4)	Job profile and his suitability	she is responsible to look after new industrial projects to augment growth of the Company	
(5)	Remuneration proposed	Proposed remuneration is for 5 years w.e.f. 01/05/2019. Details given in the resolution and explanatory statement of the accompanying notice.	
(6)	Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Remuneration package is commensurate with his competence and responsibility in the Company and also with remuneration paid by comparable companies for similar positions.	
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	She is related to Shri R.K. Garg, Chairman of the Company being his daughter.	
III Other Information:			
(1)	Reasons for loss or inadequate profits	- downtrend in real estate sector - Competitive Market	
(2)	Steps taken or proposed to be taken for improvement	The Company is pursuing strategies to augment profit by revenue growth through product innovations, and cost cutting/ value engineering in existing business.	
(3)	Expected increase in productivity and profits in measurable terms	The Company is expected to achieve adequate profits within the next 5 years.	
IV Disclosures			
Company is giving adequate disclosures in the Board of Directors report under the heading “Corporate Governance” attached to the financial statements.			

**ITEM No. 6 & 7**

Shri Surinder Singh Viridi (DIN:00035408) aged 77 years and Smt. Manju Lakhanpal (DIN:07130592), Director aged 72 years, were appointed as Non-Executive Independent Director of the Company under Section 149 & 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made thereunder, not subject to retirement by rotation, for a term of five years from 13.11.2014 to 12.11.2019 and 14.03.2015 to 13.03.2020 respectively.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders. The Directors has submitted a declaration that they meet the criteria of independence as provided in Section 149(6) of the Act, are independent of management and eligible for re-appointment as an Independent Director.

The Board of Directors of the Company ('the Board') at their meeting held on 14.08.2019 on the basis of report of performance evaluation and as per recommendation of the Nomination & Compensation Committee, recommended their reappointment for the approval of the Members.

The resolution seeks the approval of members for the re-appointment of Shri Surinder Singh Viridi (aged above 75 years) and Smt. Manju Lakhanpal as an Independent Director of the Company commencing from 13.11.2019 to 12.11.2024 & 14.03.2020 to 13.03.2025 respectively in terms of Section 149 and other applicable provisions of the Act and Rules made there under.

A brief justification for their Re-appointment as Non-Executive Independent Directors of the Company is as under:

Sh. Surinder Singh Viridi, is an Engineer (F.I.E.) by qualification and is a successful Industrialist for over three decades. He possesses appropriate skills, experience and knowledge of management and other disciplines related to the Company's business.

Smt. Manju Lakhanpal, is IRS Cadre and held various prestigious positions including Chief Commissioner, Income Tax. She possesses appropriate skills, experience and knowledge of management and other disciplines related to the Company's business.

The Board recommends the Resolution as set out in Item No. 6 & 7 as Special Resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives except Shri Surinder Singh Viridi and Smt. Manju Lakhanpal are in any way concerned or interested (financially or otherwise), in the resolutions mentioned at Item No's 6 & 7 at the accompanying Notice.



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

Name of Director (DIN)	<b>Ms. Priya Garg (DIN- 00034953)</b>	<b>Shri Surinder Kumar Bansal (DIN-00165583)</b>	<b>Shri Surinder Singh Viridi (DIN:00035408)</b>	<b>Shri Humesh Kumar Singhal (DIN:00044328)</b>	<b>Smt. Manju Lakhnarpal (DIN:07130592)</b>
Date of Birth	04/03/1970	15/05/1946	22/09/1942	12/01/1951	07/08/1947
Date of first Appointment	01/05/2019	30/05/2019	13/11/2014	21/02/2000	14/03/2015
Qualification/ Experience in Specific functional areas	Ms. Priya Garg is a high rank -holder graduate Engineer from Thapar Institute of Engineering & Technology, Patiala.	Sh. Surinder Kumar Bansal is a Practicing Chartered Accountant. He possesses more than 40 years of experience in the areas of Corporate Finance, audit etc and has appropriate skills, experience and knowledge of management and other disciplines related to the Company's business.	Sh. Surinder Singh Viridi, is an Engineer (F.I.E.) by qualification and is a successful Industrialist for over three decades. He possesses appropriate skills, experience and knowledge of management and other disciplines related to the Company's business	Sh. Humesh Kumar Singhal, a qualified Chartered Accountant, has more than 40 years of whole and varied experience in the area of Management and Corporate Finance.	Smt. Manju Lakhnarpal, is IRS Cadre and held various prestigious positions including Chief Commissioner, Income Tax. She possesses appropriate skills, experience and knowledge of management and other disciplines related to the Company's business.
List of Companies in which outside Directorships held (Excluding Private Limited/ Foreign Company)	Nil	Steel Strips Infrastructures Steel Strips Wheels Limited	Steel Strips Ltd. Steel Strips Infrastructures Ltd. Steel Strips Industries Ltd.	Steel Strips Ltd. Steel Strips Infrastructures Limited SAB Udyog Ltd. Malwa Chemtex Udyog Ltd. Indlon Chemicals Ltd.	Steel Strips Ltd. Steel Strips Infrastructures Limited Steel Strips Industries Ltd.
Chairman/ Member of the Committee of Board of Directors of the Company includes only Audit Committee and Stakeholders Relationship Committee	Nil	Nil	Chairman of Audit Committee & Stakeholders Relationship Committee of the Company	Member of Audit Committee and Stakeholder Relationship Committee of the Company	Member of Audit Committee and Stakeholder Relationship Committee of the Company
Chairman/ Member of the Committee of Directors of other Companies in which he is a Director includes only Audit Committee and Stakeholders Relationship Committee includes only Audit Committee and Stakeholders Relationship Committee	Nil	Chairman of Audit Committee and Stakeholders Relationship Committee of Steel Strips Wheels Limited	Chairman of Audit Committee of Steel Strips Infrastructures Ltd. and Steel Strips Ltd. and Chairman of Stakeholders Relationship Committee of Steel Strips Ltd., Member of Stakeholders Relationship Committee of Steel Strips Infrastructures Ltd. and Audit Committee of Steel Strips Industries Ltd.	Member of Audit Committee and Stakeholder Relationship Committee of Steel Strips Ltd. and Steel Strips Infrastructures Limited	Member of Audit Committee and Stakeholder Relationship Committee of Steel Strips Ltd. Member of Audit Committee and Chairman of Stakeholder Relationship Committee of Steel Strips Infrastructures Limited
No. of shares held in the Company	80008	Nil	Nil	70	Nil
Relationship with other Director/ Key Managerial Personnel	Daughter of Shri R.K. Garg, Chairman of the Company	Nil	Nil	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 attached Board's Report, MGT-9, Corporate Governance Report and the Notice alongwith Explanatory Statement.

**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 2019.

**FINANCIAL HIGHLIGHTS**

Particulars	(₹ in Lakhs)			
	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	2680.81	2933.78	2680.81	2933.78
Other Income	223.47	336.93	223.47	336.93
Total Revenue	2904.28	3270.71	2904.28	3270.71
Profit before Exceptional item, depreciation, interest & Tax (PBDIT)	287.73	350.37	(1039.68)	1349.67
Interest & other financial expenses	132.98	235.46	132.98	235.46
Depreciation and amortization expenses	50.15	45.30	50.15	45.30
Profit before Tax (PBT)	104.60	69.61	(1222.81)	1068.90
Tax Expenses - Current	13.25	6.00	13.25	6.00
- Deferred	(9.91)	23.25	(9.91)	23.25
Profit after Tax (PAT)	101.26	40.35	(1226.15)	1039.65
Other Comprehensive Income	(2634.79)	2057.59	(2634.80)	2057.59
Total Comprehensive Income for the period	(2533.53)	2097.94	(3860.95)	3097.24
Earnings per share -Basic	0.67	0.27	(8.07)	6.85
-Diluted	0.67	0.27	(8.07)	6.85

**Note:** The financial statements of the Company for the year ended 31st March, 2019, are prepared in accordance with Indian Accounting Standards (Ind AS).

**OPERATIONS AND FUTURE OUTLOOK**

During the year under review, the Revenue from Operations of the Company have decreased to ₹2680.81 lakhs from ₹2933.78 lakhs in the previous year. The Company has, however earned a net profit of ₹101.26 lakhs during the year as against ₹40.35 lakhs during the previous year. Company is continuously striving to strengthen its operations in near future.

The operations of the Company are likely to improve in the financial year 2019-20 as Government of India is to invest highly in the infrastructure sector i.e. highways, renewable energy and urban transport. The Government of India is taking many initiatives to boost the infrastructure sector and allocation has increased to ₹4.56 lakh crore (US\$ 63.20 billion) for the sector. Railways received the budgetary allocation of ₹66.77 billion (US\$ 9.25 billion). Also, ₹83,015.97 crores (US\$11.51 billion) allocated towards road transport and highway.

Company is in the process of reviving its real estate project i.e. SSL Highway Towers. The application of registration of this Real Estate Project measuring 25846.73 sq. Mtrs situated on NH-22, Ambala Chandigarh Road, Derabassi has been approved by Real Estate Regulatory Authority, Punjab (RERA). In accordance with provisions of The Real Estate (Regulation and Development) Act, 2016 Registration certificate has already been issued to the Company bearing No. PBRWERA-SAS79-PR0409 valid upto 30th September, 2023. The Company has been exploring means of finance to meet the future needs of the said project. Existing Projects worth ₹2347.43 lakhs were executed by the Company during the year. Remaining work on existing projects at the end of the year stood at ₹1582.25 lakhs approx. which are likely to get completed during the financial year 2019-20. The Company is also working on award of new contracts which are at different stages.

**1.5 MW Biogas Power Plant at Moonak**

SAB Industries Limited is setting up a 1.5 MW capacity biogas power and bio-fertilizer plant at Moonak, (Sangrur) Punjab with capital investment of ₹19 crore. using cow-dung, press mud and poultry litter based on bio-methanation technology under NRSE Policy 2012 (New and Renewable Sources of Energy) in technical collaboration with HRG Solution Germany who have wide experience in setting up similar projects in Europe as well as in India

The proposed project will qualify for generating electricity from non-

conventional energy sources defined under New & Renewable Sources of Energy (NRSE) Policy 2012. It is being promoted in line with Prime Minister Sh. Narendra Modi and Mahatma Gandhi's vision of Clean India under Swachh Bharat Abhiyan as it seeks to clean up Moonak village and adjoining areas and convert cow-dung, poultry litter and other waste into valuable electricity and fertilizer providing hygienic and healthy living conditions to its habitats. Using the Biogas of the Biogas plant as a fuel for power generation will avoid Greenhouse-Gas Emission of approx. 7,500 tons CO<sub>2</sub> per year, compared to power production by a coal based power plant, even without considering less logistical effort.

**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 ₹15,18,83,720, divided into 1,51,88,372 equity shares of ₹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 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 2018-19.

#### **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.

#### **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.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. in the preparation of the annual accounts for the year ending 31st March 2019, 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.

- Ms. Priya Garg has been appointed as the Managing Director w.e.f. 01.05.2019 subject to approval of shareholders at the Annual General Meeting of the Company in place of Sh. Avinash Sharma who resigned as Executive Director of the Company on 04.03.2019 due to his pre-occupations.
- Shri Surinder Kumar Bansal (DIN-00165583) has been appointed as Independent Director of the Company w.e.f. 30.05.2019 subject to approval of shareholders at the Annual General Meeting of the Company in place of Smt. Tejinder Kaur who resigned from Directorship of the Company on

14.02.2019 due to her pre-occupations.

- As per the provisions of Companies Act, 2013, Shri Humesh Kumar Singhal (DIN-00044328), 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, 4 Board Meetings were held, one each on 30th May 2018, 14th August 2018, 14th November 2018 and 14th February 2019.

#### **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 Directors out of which two are Independent Directors viz. Shri S S Virdi, Smt. Manju Lakhanpal 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. The Nomination & Remuneration Policy may be accessed on the website of the Company at <http://www.sabindustries.in>.

## **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 Indian Accounting Standards (Ind AS-24) 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.

## **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**

As per the Provisions of Section 139 of Companies Act, 2013, M/s AKR & Associates, 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 2022 (subject to ratification of their appointment at every AGM). The Company has received a certificate from them pursuant to Companies (Audit & Auditors) Rules 2014 read with Section 139 & 141 of the Companies Act, 2013, confirming their eligibility for reappointment, and that they were not disqualified for reappointment.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

## **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.

## **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 31.03.2019, a total of 15119256 equity shares, representing 99.54% 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.

## **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 2018-19, the Company has not received any complaint on sexual harassment and hence no complaints remain pending as on 31st March, 2019.

## **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

RAJINDER KUMAR GARG  
CHAIRMAN  
DIN:00034827

Place: Chandigarh  
Date: 30th May, 2019

## 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	31/03/2019
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	2,87,75,857
Extent of Holding (in percentage)	40.99
3. Description of how there is significant influence	Associate
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	63,92,62,123
6. Profit or Loss for the year	
Considered in Consolidation	(13,27,41,314)
Not Considered in Consolidation	(7,34,78,907)

Note.: 1. There were no subsidiaries which have been liquidated or sold during the year.,  
2. The Company is not having any Joint Venture Company.

## AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

for AKR & Associates  
Chartered Accountants  
(Registration No.021179N)

Place : Chandigarh  
Dated : 30.05.2019

Kailash Kumar  
Partner  
Membership No.505972

R. K. GARG  
Chairman

GURPREET KAUR  
Company Secretary

MANJU LAKHANPAL  
S. S. VIRDI  
SANJAY GARG  
Directors

**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

[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 compliance 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, 2019, 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, 2019 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, 2018.
  - (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. There is no changes in the composition of the Board of Directors took place during the period under review.

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: 17.05.2019

Sushil K Sikka  
Company Secretary  
FCS 4241  
CP 3582

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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: 17.05.2019

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                 | 0.25                         |
| Smt. Manju Lakhanpal           | 0.38                         |
| Smt. Tejinder Kaur             | 0.19                         |
| Shri S.S. Virdi                | 0.38                         |
| Shri H.K. Singhal              | 0.19                         |
| Shri Sanjay Garg               | 0.25                         |
| Shri Kanwarjit Singh           | 0.06                         |
| <b>Whole Time Director</b>     |                              |
| Shri Avinash Sharma            | 14.73                        |
- (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                                     | NIL  |
| Sh. Bhagwan Singh Negi - Chief Financial Officer                              | 3.56%  |
| Ms Gurpreet Kaur - Company Secretary  | 13.53%   |
- (iii) The percentage increase/decrease in the median remuneration of employees in the financial year 2018-19.  
The percentage increase in medium remuneration of employees is (7.63%)
- (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 2019 was 28.
- (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 (5.43%) and the average increase in managerial remuneration was nil.
- (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, 2019

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

Name of Employee	Designation	Educational Qualification	Age	Remuneration (P.A.) (₹ in Lakhs)	Date of Commencement of employment	No. of shares held	Relative Director
Sh. Avinash Sharma	Executive Director	B.E (Civil)	60	45.83	27.03.2008	50	NA
Sh. Rakesh Kumar Mittal	Sr. General Manager (Projects)	B.Tech.	51	36.60	04.12.2017	Nil	NA
Sh. Om Prakash	Project Manager	Diploma(Civil)	44	12.22	01.09.2004	Nil	NA
Sh. R D Sharma	Project Manager	Diploma(Civil)	51	11.44	22.02.2010	Nil	NA
Sh. Ashok Kumar	Manager	B.Sc.	46	10.68	27.08.2001	Nil	NA
Smt. Gurpreet Kaur	Company Secretary	B.Com, CS	42	9.57	19.06.2002	50	NA
Sh. Bhagwan Singh Negi	Chief Financial Officer	B.Com	56	8.83	11.11.1989	50	NA
Sh. Atul Sharma	Chartered Accountant	C.A.	35	8.10	21.07.2017	Nil	NA

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2019**

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, MADHYA MARG, 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 Noble Heights, 1st Floor, Plot No. NH-2, LSC C-1, Block NR, Savitri Market, Janakpuri NEW DELHI 110058. 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 2018]				No. of Shares held at the end of the year [As on 31 March 2019]				% 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	-	17401	0.11	17401	-	17401	0.11	
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	-	17401	0.11	17401	-	17401	0.11	
<b>2. Non-Institutions</b>									
a) Bodies Corp.	3825859	1100	3826959	25.20	3825625	1100	3826725	25.20	0.03
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs2 lakh	92640	33214	125854	0.83	93069	33019	126088	0.83	
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	-	34802	34802	0.23	-	34802	34802	0.23	
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies- D R									
<b>Sub-total (B)(2):-</b>	3918499	69116	3987615	26.25	3918694	68921	3987615	26.25	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3918499	69116	4005016	26.37	3936095	68921	4005016	26.37	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	15119256	69116	15188372	100.00	15119451	68921	15188372	100.00	

**(ii) Shareholding of Promoter**

S.No.	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	-	-

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

There is no change during the year.

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

SN	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.	1254632	8.26	1254632	8.26
4.	ICICI Bank Limited	52203	0.34	52203	0.34
5.	Amrex Marketing Pvt. Ltd.	17401	0.11	17401	0.11
6.	Manoj Kumar M	10000	0.07	10000	0.07
7.	ED Varkey	7039	0.05	5601	0.03
8.	Patel Induben Chimanbhai	-	-	4338	0.03
9.	Dipikaben Dineshbhai Patel	7039	0.05	3750	0.02
10.	Dineshkumar Chandulal Patel	6422	0.04	3652	0.02
11.	Patel Ushaben Dineshbhai	4775	0.03	3600	0.02

\* 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	01.04.2018	At the beginning of the year	3404020	22.41	3404020	22.41
			31.03.2019	At the end of the year	3404020	22.41	3404020	22.41
2.	IN303028 52224288	Sh. Avinash Sharma	01.04.2018	At the beginning of the year	50	-	50	-
			31.03.2019	At the end of the year	50	-	50	-
3.	IN301774 12825514	Sh. Sanjay Garg	01.04.2018	At the beginning of the year	50	-	50	-
			31.03.2019	At the end of the year	50	-	50	-
4.	IN300206-10205235	Sh. H K Singhal	01.04.2018	At the beginning of the year	70	-	70	-
			31.03.2019	At the end of the year	70	-	70	-

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2604.20	500	-	3104.20
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	2604.20	500	-	3104.20
<b>Change in Indebtedness during the financial year</b>				
* Addition	110.40	-	-	110.40
* Reduction	346.86	500	-	846.86
<b>Net Change</b>	(236.46)	(500)	-	(736.46)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	2367.74	-	-	2367.74

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

S.No.	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	39,78,629	39,78,629
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	7,04,357	7,04,357
	(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)	46,82,986	46,82,986
	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 Viridi	Sh. Kanwarjit Singh	Smt. Manju Lakhanpal	Smt. Tejinder Kaur	
1	Independent Directors					
	Fee for attending board / committee meetings	1,20,000	20,000	1,20,000	60,000	3,20,000
	Commission					
	Others, please specify					
	Total (1)	1,20,000	20,000	1,20,000	60,000	3,20,000
2	Other Non -Executive Directors	Sh. R K Garg	Sh. H K Singhal	Sh. Sanjay Garg		
	Fee for attending board / committee meetings	80,000	60,000	80,000		2,20,000
	Commission					
	Others, please specify					
	Total (2)	80,000	60,000	80,000		2,20,000
	Total (B)=(1+2)					5,40,000
	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**

SN	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	9,56,868	8,82,954
	(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	9,56,868	8,82,954

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019

## MANAGEMENT DISCUSSION AND ANALYSIS

## MACRO ECONOMIC REVIEW

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2018, India ranked 44th out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018. Foreign Direct Investment (FDI) received in Construction Development sector (townships, housing, built up infrastructure and construction development projects) from April 2000 to December 2018 stood at US\$ 24.91 billion, according to the Department of Industrial Policy and Promotion (DIPP). The logistics sector in India is growing at a CAGR of 10.5 per cent annually and is expected to reach US\$ 215 billion in 2020.

## Investments

India has a requirement of investment worth ₹50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country. India is witnessing significant interest from international investors in the infrastructure space. Some key investments in the sector are listed below.

- In 2018, infrastructure sector in India witnessed private equity and venture capital investments worth US\$ 1.97 billion.
- In June 2018, the Asian Infrastructure Investment Bank (AIIB) has announced US\$ 200 million investments into the National Investment & Infrastructure Fund (NIIF).
- Indian infrastructure sector witnessed 91 M&A deals worth US\$ 5.4 billion in 2017

## Govt. Initiatives for the Sector

The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport.

The Government of India is taking every possible initiative to boost the infrastructure sector. Announcements in Union Budget 2019-20:

- a) The Government of India has given a massive push to the infrastructure sector by allocating ₹ 4.56 lakh crore (US\$ 63.20 billion) for the sector.
- b) ₹83,015.97 crores (US\$11.51 billion) allocated towards road transport and highway.
- c) ₹19,000 Crores allocated for construction of roads in rural areas under gram Sadak Yojana Scheme.
- d) India and Japan have joined hands for infrastructure development in India's north-eastern states and are also setting up an India-Japan Coordination Forum for Development of North East to undertake strategic infrastructure projects in the northeast.

## 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. 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 2018-19, the Company earned revenue of ₹2904.28 lakhs, 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. Other Equity of the Company have decreased down from ₹16572.25 lakhs to ₹14038.72 lakhs in 2018-19 on account of diminution of valuation of equity instruments etc, through other comprehensive income.

## C. OPERATIONAL PERFORMANCE

There has been decline in the Revenue from operations of the Company from ₹2933.78 lakhs to ₹2608.81 lakhs as no new contracts were awarded to the Company during the year. The other income of the Company has declined from ₹336.93 lakhs to ₹223.47 lakhs. Other income comprises of Profit on sale of Assets, 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 ₹101.26 lakhs as against ₹40.35 lakhs in the previous year. This increase in net profits is on account of accounting of Gross work done which includes ₹331.62 lakhs which has been decided in favour 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: 30.05.2019

RAJINDER KUMAR GARG  
Chairman  
DIN: 00034827

## 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, 2019, the Company has six Directors including a Non-Executive Chairman. All the directors are Non-executive Directors of which, three are Independent Directors. Ms. Priya Garg has been appointed as Managing Director in place of Shri Avinash Sharma w.e.f. 01.05.2019 and Shri Surinder Kumar Bansal has been appointed as Independent Director in place of Smt. Tejinder Kaur w.e.f. 30.05.2019. The composition of Board is in conformity with Regulation 17(1) of SEBI(LODR) Regulations, 2015.
- ii. During the year under review, 4 Board Meetings were held, one each on 30th May 2018, 14th August 2018, 14th November 2018, and 14th February 2019 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, 2019 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, 2019 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 2018-19		Whether attended last AGM held on 28 <sup>th</sup> September, 2018	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	4	4	No	3	1	-	-
*Sh. Avinash Sharma DIN 02371722	Executive Director	4	3	No	-	-	-	-
Sh. S S Virdi DIN 00035408	Non-Executive - Independent Director	4	4	Yes	-	3	3	2
Sh. Sanjay Garg DIN 00030956	Non-Executive - Non Independent Director	4	4	Yes	-	6	-	1
Sh. Kanwarjit Singh DIN 02116031	Non-Executive - Independent Director	4	1	No	-	-	-	-
**Smt.Tejinder Kaur DIN 00512377	Non-Executive - Independent Director	3	3	No	-	2	-	1
Sh. H.K. Singhal DIN 00044328	Non-Executive - Non Independent Director	4	2	No	-	5	-	4
Smt. Manju Lakhanpal DIN 07130592	Non-Executive - Independent Director	4	4	No	-	3	1	2

\*Ms. Priya Garg has been appointed as the Managing Director w.e.f 01.05.2019 in place of Sh. Avinash Sharma who resigned as Executive Director of the Company on 04.03.2019 due to his pre-occupations.



**\*\*Shri Surinder Kumar Bansal (DIN-00165583) has been appointed as Independent Director of the Company w.e.f. 30.05.2019 in place of Smt. Tejinder Kaur who resigned from Directorship of the Company on 14.02.2019 due to her pre-occupations.**

- 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 three Non-executive Directors, Shri S S Viridi, Smt Manju Lakhanpal and Shri H K Singhal. During the year, the committee held four meetings, one each on 30th May 2018, 14th August 2018, 14th November 2018 and 14th February 2019.

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 two meetings.

#### **REMUNERATION OF DIRECTORS**

Ms. Priya Garg is appointed as Managing Director of the Company subject to following terms and conditions:-

	Priya Garg
-Designation	Managing Director
-Date of appointment	01.05.2019
-Term	Five years
-Salary	₹5,00,000/- per month Comprising of Basic salary and rent free allowance and other perks

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

- Contribution to Provident Fund @ 12% of basic salary;
- 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;
- 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 (unavailed portion of the earned leave accumulated as per Company rules may be encashed at the end of the tenure, including extension in tenure.).
- Chauffer 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)

The remuneration is in conformity with Schedule V of the Companies Act, 2013. Other Non-executive Directors are paid sitting fee of ₹20000/- for each Meeting of the Board, and ₹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.

**EMPLOYEE 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 2019**

NAME	NO OF SHARES
SH. R. K GARG	3404020
*Ms. PRIYA GARG	80008
SH. H K SINGHAL	70
SH. SANJAY GARG	50

\*Ms. Priya Garg is appointed as Managing Director of the Company w.e.f. 01.05.2019.

**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 Sanjay Garg and Shri H.K. Singhal, Directors of the Company. The Secretarial Committee of the company meets as often as required.

**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 Virdi 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	28.09.2018	4:00 p.m.	At Regd Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh.
AGM	Thursday	28.09.2017	4:00 p.m.	Same as above
AGM	Friday	30.09.2016	10:30 a.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 2019.

**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 Member 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: To be held on Saturday, 28th day of September 2019 at Regd. Office of the Company.

**FINANCIAL CALENDER (Tentative)**

Results for quarter ending June 2019	: Second week of Aug., 2019
Results for quarter ending Sept. 2019	: Second week of Nov., 2019
Results for quarter ending Dec. 2019	: Second week of Feb., 2020
Results for quarter ending March 2020	: Last week of May, 2020
Date of Book Closure	: 20.09.2019 to 28.09.2019
Dividend Payment Date	: Not Applicable
Scrip Code on BSE	: 539112

**Distribution of shareholding as on 31st March 2019**

Share holding of		Shareholders		Share Amount	
Face Value of ₹ 10/-	Face Value of ₹ 10/-	Number	%age to Total	In ₹	%age to Total
1	To 500	639	91.41	537020	0.35
501	To 1000	17	2.43	127390	0.08
1001	To 2000	15	2.14	220740	0.15
2001	To 3000	2	0.29	51680	0.03
3001	To 4000	5	0.72	171900	0.11
4001	To 5000	2	0.29	93380	0.06
5001	To 10000	3	0.43	246010	0.17
10001	and Above	16	2.29	150435600	99.05
		699	100.00	151883720	100.00

**Shareholding Pattern as on 31st March, 2019**

S.No.	Particulars	No. of Shares	(%)
1.	Promoter & Persons Acting in Concert	11183356	73.63
2.	Financial Institutions, Banks & Mutual Funds	17401	0.11
3.	Bodies Corporate	3826725	25.20
4.	General Public	160890	1.06
	Total Shareholding	15188372	100.00

**STOCK MARKET DATA**

(₹/ PER SHARE)					
BOMBAY STOCK EXCHANGE					
MONTH	MONTH'S HIGH	MONTH'S LOW	NO. OF SHARES	NO. OF TRADES	NET TURNOVER (₹)
April-18	60.10	52.55	1130	25	63570
May-18	63.10	52.20	2438	23	131605
June-18	52.00	47.15	207	6	10168
July-18	47.15	47.15	163	1	7685
August-18	66.30	47.15	838	19	51228
September-18	69.45	59.75	276	16	17420
October-18	59.75	59.75	1	1	59
November-18	59.75	59.75	1	1	59
December-18	70.00	59.75	14	14	905
January-19	73.50	60.10	6969	30	448722
February-19	72.00	71.90	203	5	14596
March-19	75.60	68.40	1061	11	72597

**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, Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi- 110058

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 31.03.2019, 15119256 (99.54%) equity shares of the Company were held in demat form and the 254 shareholders held shares in dematerialized 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: [gurpreet@sabindustries.in](mailto:gurpreet@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)

Place: Chandigarh  
Date: 30 May, 2019

On behalf of Board of Directors

**RAJINDER KUMAR GARG**  
Chairman  
DIN: 00034827

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Part C of Schedule V of LODR)

As required by Clause 10 (i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 inserted vide SEBI notification dated 9<sup>th</sup> May 2018, I certify that none of the Directors on the Board of SAB Industries Limited has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority for the year ended 31<sup>st</sup> March, 2019.

For S. K. SIKKA & ASSOCIATES  
Company Secretaries

Place: Chandigarh  
Date: 17.05.2019

(Sushil K. Sikka)  
Prop.  
FCS 4241  
CP 3582

**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, 2019 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: 30.05.2019

Sanjay Garg  
Director

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**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 2019 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 **AKR & Associates**  
Chartered Accountants  
Firm's Registration No.: 021179N

Place: Chandigarh  
Dated: 30th May 2019

**Kailash Kumar**  
Partner  
Membership No.: 505972

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**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 volative 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: 24.05.2019

**BHAGWAN SINGH NEGI**  
Chief Financial Officer

**SANJAY GARG**  
Director



## INDEPENDENT AUDITORS' REPORT

To  
The Members of **SAB INDUSTRIES LIMITED**

## Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of **SAB Industries Limited** ("the Company"), which comprise the Balance Sheet as at **31st March 2019**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Ind AS Financial Statements

2. 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 Ind AS financial statements, that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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, 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. 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 there under.
5. 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 Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 2019**, its profit, total comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. 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.
10. **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 Ind AS financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.;
  - e. on the basis of the written representations received from the directors as on **31st March 2019** and taken on record by the Board of Directors, none of the directors is disqualified as on **31st March 2019** 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **AKR & Associates**  
Chartered Accountants  
Firm's Registration No.: 021179N

Place : Chandigarh  
Date : 30th May 2019

**Kailash Kumar**  
Partner  
Membership No.: 505972

**Annexure A to the Independent Auditors' Report of even date to the members of SAB INDUSTRIES LIMITED on the Ind AS financial statements for the year ended 31st March, 2019.**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS 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) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties 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 between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the said Order are not applicable to the company.
- (iv) The Company has not granted any loan or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore, the provisions of clauses 3(iv) of the said Order are not applicable to the company.
- (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 belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, GST, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (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) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or bank or Government or to debenture-holders during the year.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Money raised by way of term loans were applied for the purposes for which those are raised.
- (x) No fraud on or by the Company has been noticed or reported during the period covered by our audit.
- (xi) The Company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) As the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the order are not applicable to the company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The detail of such related party transactions have been disclosed in the Ind AS Financial Statements as required under Indian accounting standards (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the company.

For **AKR & Associates**  
Chartered Accountants  
Firm's Registration No.: 021179N

**Kailash Kumar**  
Partner

Place : Chandigarh  
Date : 30th May 2019

Membership No.: 505972

**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, 2019.**
**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act.**

1. We have audited the internal financial controls over financial reporting of **SAB Industries Limited** ("the Company") as of 31st March 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

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

2. 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 (ICAI). 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 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 act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial control over financial reporting (the "Guidance Notes") and the standards on auditing deemed to be prescribed under section 143(10) of the act 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 ICAI. Those standards and the guidance notes require that we comply with ethical requirements and planned and performed the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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 system over financial reporting included obtaining an understanding of internal financial controls system over financial reporting, assessing the risks that material weakness exists, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk. The procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the Ind AS Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

**Meaning of Internal financial controls over financial reporting**

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of the company ; and (3.) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

**Inherent Limitation of Internal financial controls over financial reporting**

7. Because of the Inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management over-ride of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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**

8. In our opinion, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019 based on the internal financial controls 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.

**For AKR & Associates**  
Chartered Accountants  
Firm's Registration No.: 021179N

Place : Chandigarh  
Date : 30th May 2019

**Kailash Kumar**  
Partner  
Membership No.: 505972

**BALANCE SHEET AS AT 31st MARCH, 2019**

Particulars	Note No	As on 31.03.2019 (₹)	As on 31.03.2018 (₹)
<b>I. ASSETS</b>			
(1) <b>Non-current assets</b>	1		
(a) Property, plant and equipment		20,93,04,360	22,10,69,408
(b) Capital Work In Progress		3,62,65,425	3,34,53,501
(c) Financial Assets			
- Investments		1,28,98,65,453	1,64,61,70,661
- Loans		1,25,00,000	1,25,00,000
(d) Deferred tax assets (net)		(21,04,78,124)	(30,40,43,000)
<b>Total Non-current assets</b>		<b>1,33,74,57,114</b>	<b>1,60,91,50,570</b>
(2) <b>Current assets</b>	2		
(a) Inventories		38,28,92,835	43,25,36,831
(b) Financial Assets			
- Trade receivables		-	17,717
- Cash and Cash Equivalents		5,98,90,789	10,69,18,276
(c) Current Assets (Net)		11,74,97,636	7,57,87,350
(d) Other current assets		4,46,17,082	5,59,70,326
<b>Total Current assets</b>		<b>60,48,98,342</b>	<b>67,12,30,500</b>
<b>TOTAL ASSETS</b>		<b>1,94,23,55,456</b>	<b>2,28,03,81,070</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>	3		
(a) Share Capital		15,18,83,720	15,18,83,720
(b) Other Equity		1,40,38,71,733	1,65,72,25,184
<b>Total Equity</b>		<b>1,55,57,55,453</b>	<b>1,80,91,08,904</b>
<b>Liabilities</b>			
(1) <b>Non-Current Liabilities</b>	4		
(a) Financial Liabilities			
- Borrowing		20,09,17,480	19,08,61,553
(b) Provisions		92,12,765	92,36,132
(c) Other non current liabilities		3,73,85,267	4,01,99,636
<b>Total Non-Current Liabilities</b>		<b>24,75,15,512</b>	<b>24,02,97,321</b>
(2) <b>Current Liabilities</b>	5		
(a) Financial Liabilities			
- Borrowing		2,34,53,298	7,47,72,831
- Trade payables		55,78,491	2,49,83,434
(b) Other Financial liabilities		10,85,39,282	12,45,08,700
(c) Provisions		15,13,420	67,09,880
<b>Total Current Liabilities</b>		<b>13,90,84,491</b>	<b>23,09,74,845</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,94,23,55,456</b>	<b>2,28,03,81,070</b>

**Significant Accounting Policies Notes  
on Financial Statements**

**1 to 13**

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed

for AKR & Associates  
Chartered Accountants  
(Registration No.021179N)

R. K. GARG  
Chairman

Place : Chandigarh  
Dated : 30.05.2019

Kailash Kumar  
Partner  
Membership No.505972

GURPREET KAUR  
Company Secretary

MANJU LAKHANPAL  
S. S. VIRDI  
SANJAY GARG  
Directors

## STATEMENT OF PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2019

PARTICULARS	NOTE NO.	As on 31.03.2019 (₹)	As on 31.03.2018 (₹)
<b>I. Revenue from operations</b>	<b>6</b>	<b>26,80,81,157</b>	<b>29,33,77,968</b>
<b>II. Other Income</b>	<b>7</b>	<b>2,23,46,725</b>	<b>3,36,93,300</b>
<b>III. Total Revenue (I +II)</b>		<b>29,04,27,882</b>	<b>32,70,71,268</b>
<b>IV. Expenses</b>			
Cost of materials consumed	8	8,60,42,234	11,71,58,145
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work in-progress and Stock-in-Trade	9	4,96,85,000	(3,60,40,000)
Employee benefit expense	10	2,40,44,814	3,23,22,044
Financial costs	11	1,32,98,139	2,35,46,323
Depreciation and amortization expense	4 (a)	50,14,887	45,30,135
Other expenses	12	10,18,82,659	17,85,93,871
<b>Total Expenses</b>		<b>27,99,67,733</b>	<b>32,01,10,518</b>
<b>V. Profit /Loss (-) before tax</b>		<b>1,04,60,149</b>	<b>69,60,750</b>
<b>VI. Tax expense:</b>			
(1) Current tax		13,25,000	6,00,000
(2) Deferred tax Liability / (Assets)	13	(9,90,973)	23,25,367
<b>VII. Profit for the year</b>		<b>1,01,26,122</b>	<b>40,35,383</b>
<b>VIII. Other comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans		2,57,006	(6,69,673)
- Gain/(Loss) on Fair Valuation of Equity Instruments carried at at Fair Value through Profit		(35,63,10,483)	27,77,86,206
(ii) Income tax relating to items that will not be reclassified to profit or loss asset/(liability)		9,25,73,904	(7,13,57,507)
		<b>(26,34,79,573)</b>	<b>20,57,59,026</b>
<b>IX. Total comprehensive Income for the year (VII+VIII)</b>		<b>(25,33,53,451)</b>	<b>20,97,94,409</b>
Earning per share-basic and diluted (Face Value of ₹10/- per share)		0.67	0.27
Significant Accounting Policies Notes on Financial Statements	1 to 13		

## AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

for AKR & Associates  
Chartered Accountants  
(Registration No.021179N)

R. K. GARG  
Chairman

Place : Chandigarh  
Dated : 30.05.2019

Kailash Kumar  
Partner  
Membership No.505972

GURPREET KAUR  
Company Secretary

MANJU LAKHANPAL  
S. S. VIRDI  
SANJAY GARG  
Directors



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19 ₹	2017-18 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT/(LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS</b>	<b>1,04,60,149</b>	<b>69,60,750</b>
ADJUSTMENT FOR :		
PROFIT ON SALE OF FIXED ASSETS	(1,10,235)	-
LOSS ON SALE OF FIXED ASSETS	32,12,085	-
DEPRECIATION	50,14,887	45,30,135
DIVIDEND RECEIVED	(52,96,748)	(39,72,561)
INTEREST & OTHER FINANCIAL CHARGES	1,32,98,139	2,35,46,323
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES</b>	<b>2,65,78,277</b>	<b>3,10,64,647</b>
ADJUSTMENT FOR TRADE AND OTHER RECEIVABLES	(3,03,39,325)	10,65,50,061
INVENTORIES	4,96,43,996	(4,75,90,612)
TRADE PAYABLES	(1,10,27,875)	(6,31,38,258)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>3,48,55,073</b>	<b>2,68,85,838</b>
INTEREST AND OTHER FINANCIAL EXPENSES PAID	1,32,98,139	2,35,46,323
DIRECT TAXES PAID/ADJUSTED	13,15,000	6,00,000
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>2,02,41,934</b>	<b>27,39,515</b>
OTHER ADJUSTMENTS	(1,26,785)	(6,47,627)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,01,15,149</b>	<b>20,91,888</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS/CAPITAL WORK IN PROGRESS	(34,60,524)	(5,83,20,909)
SALE OF FIXED ASSETS	46,67,400	-
PURCHASE OF INVESTMENTS	-	(97,448)
SALE OF INVESTMENTS	-	3,99,561
DIVIDEND RECEIVED	52,96,748	39,72,561
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>65,03,624</b>	<b>(5,40,46,235)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
REPAYMENT OF LONG TERM BORROWING	2,23,26,727	4,86,16,765
REPAYMENT OF SHORT TERM BORROWING	5,13,19,533	2,43,30,179
		3,42,72,564
<b>NET CASH RECEIVED FROM FINANCING ACTIVITIES</b>	<b>7,36,46,260</b>	<b>10,72,19,508</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(4,70,27,487)	5,52,65,161
CASH AND CASH EQUIVALENTS AS AT 01.04.2018/01.04.2017 (OPENING BALANCE)	10,69,18,276	5,16,53,114
<b>CASH AND CASH EQUIVALENTS AS AT 31.03.2019/31.03.2018 (CLOSING BALANCE)</b>	<b>5,98,90,789</b>	<b>10,69,18,276</b>

For and on behalf of the Board

R. K. GARG  
CHAIRMANMANJU LAKHANPAL  
S. S. VIRDI  
SANJAY GARG  
DirectorsGURPREET KAUR  
Company SecretaryPlace : Chandigarh  
Dated : 30.05.2019**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, 2019 and found the same in agreement therewith.

**AKR & Associates**  
Chartered Accountants  
(Registration No.021179N)

Place : Chandigarh  
Dated : 30.05.2019

**Kailash Kumar**  
Partner  
Membership No.505972

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

				Amount
<b>A. Equity share capital</b>				
(a)	Balance at 01 April, 2017			15,18,83,720
(b)	Changes in equity share capital during the year			-
(c)	Balance at 31 March, 2018			15,18,83,720
(d)	Changes in equity share capital during the year			-
(e)	Balance at 31 March, 2019			15,18,83,720
<b>B. Other equity</b>				
PARTICULARS		Reserve and surplus		
		Capital Reserve	General Reserve	Retained earnings
(a)	Balance at 01 April, 2017	4,19,99,490	19,01,46,426	1,21,52,84,860
(i)	Profit / (Loss) for the year	-	-	40,35,383
(ii)	Intra Head Transfers	-	-	-
(iii)	Dividend Paid	-	-	-
(iv)	Dividend Distribution Tax	-	-	-
(v)	Other comprehensive income for the year, net of income tax	-	-	20,57,59,026
(b)	Total comprehensive income for the year ended 31 March, 2018	4,19,99,490	19,01,46,426	1,42,50,79,269
(vi)	Profit / (Loss) for the year	-	-	1,01,26,122
(vii)	Intra Head Transfers	-	-	-
(viii)	Dividend Paid	-	-	-
(ix)	Dividend Distribution Tax	-	-	-
(x)	Other comprehensive income for the year, net of income tax	-	-	(26,34,79,573)
(c)	Total comprehensive income for the year ended 31 March, 2019	4,19,99,490	19,01,46,426	1,17,17,25,818

See accompanying notes forming part of the financial statements  
In terms of our report attached.

FOR AKR & ASSOCIATES  
Chartered Accountants  
ICAI FRN: 021179N

CA. KAILASH KUMAR  
Partner  
Membership No: 505972

FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF SAB INDUSTRIES LTD

R. K. GARG  
Chairman  
GURPREET KAUR  
Company Secretary

MANJU LAKHANPAL  
S. S. VIRDI  
SANJAY GARG  
Directors

## NOTES OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

## NOTE 1. NON CURRENT ASSETS

## (a) Property, plant and equipment

Particulars	Land	Plant & Machinery	Furniture, Fixture & Equipments	Vehicles	Agriculture Equipments	Total
<b>Gross Block</b>						
As at 01 April, 2017	17,67,17,326	10,17,97,513	1,93,86,041	3,26,39,506	69,20,202	33,74,60,588
Additions	-	2,22,41,747	7,68,534	18,57,127	-	2,48,67,408
Additions under amalgamation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other adjustments*	-	-	-	-	-	-
As at 31 March, 2018	17,67,17,326	12,40,39,260	2,01,54,575	3,44,96,633	69,20,202	36,23,27,996
Additions	1,00,600	3,63,475	1,84,525	-	-	6,48,600
Additions on acquisition of subsidiaries	-	-	-	-	-	-
Disposals	2,03,458	1,06,02,353	57,850	30,79,437	-	1,39,43,098
Disposals on sale of subsidiary	-	-	-	-	-	-
Assets held for sale (refer note 5(xv))	-	-	-	-	-	-
Other adjustments*	-	-	-	-	-	-
As at 31 March, 2019	17,66,14,468	11,38,00,382	2,02,81,250	3,14,17,196	69,20,202	34,90,33,497
<b>Depreciation</b>						
At 01 April, 2017	-	8,82,28,504	1,59,22,736	2,95,59,923	30,17,289	13,67,28,452
Charge for the year	-	26,80,356	5,40,094	5,09,009	8,00,676	45,30,135
Additions under amalgamation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other adjustments*	-	-	-	-	-	-
As at 31 March, 2018	-	9,09,08,860	1,64,62,830	3,00,68,932	38,17,966	14,12,58,588
Charge for the year	-	30,57,120	6,08,163	5,48,928	8,00,676	50,14,887
Additions on acquisition	-	-	-	-	-	-
Disposals	-	34,91,708	9,353	30,43,277	-	65,44,338
Disposals on sale of subsidiary	-	-	-	-	-	-
Exchange translation adjustments	-	-	-	-	-	-
Other adjustments*	-	-	-	-	-	-
As at 31 March, 2019	-	9,04,74,272	1,70,61,640	2,75,74,583	46,18,642	13,97,29,136
<b>Net Block</b>						
As at 1 April, 2017	17,67,17,326	1,35,69,009	34,63,305	30,79,583	39,02,913	20,07,32,136
As at 31 March, 2018	17,67,17,326	3,31,30,400	36,91,745	44,27,701	31,02,236	22,10,69,408
As at 31 March, 2019	17,66,14,468	2,33,26,110	32,19,610	38,42,613	23,01,560	20,93,04,360

**(b)(i) Capital Work in Progress (BIO-Gas Project, Moonak, under Progress)**

<b>PARTICULARS</b>	<b>As on 31.03.2019</b>	<b>As on 31.03.2018</b>
<b>LAND</b>		
Cost Of Land Including Registration	1,96,56,230	1,96,56,230
<b>PLANT &amp; MACHINERY</b>		
(a) Plant & Machinery /Equipments Purchased (Incl advances)	54,404	54,404
(b) Purchase of Machinery/Others (Incl advances)	59,01,939	59,00,500
<b>PRE-OPERATIVE EXPENDITURES PENDING CAPITALIZATION</b>		
<b>Direct Cost:</b>		
- Material Cost	11,50,111	10,17,496
- Labour wages	2,26,266	1,74,674
- Hire Charges/Machinery Running & Maint	2,90,025	1,38,875
<b>Fees and Taxes:</b>		
- Feasibility Report/Consultancy Fee-Others	5,17,500	5,17,500
- Soil Investigation Fee	51,750	51,750
- Land Survey	24,500	24,500
- Punjab Energy Development Authority(Registration charges)	9,50,000	0
- Map Fee Nagar Panchayat	51,270	0
- Legal Fee	1,15,120	54,000
- Architect Fee	3,54,000	3,54,000
Employee Cost	17,42,595	5,22,147
Administration Expenses	4,05,515	2,34,702
Finance Cost	23,551	2,074
<b>Total Capital Work-in-Progress</b>	<b>3,15,14,776</b>	<b>2,87,02,852</b>

**(b) (ii) Capital Work in Progress (Ethanol Project, under Progress)**

<b>PRE-OPERATIVE EXPENDITURES PENDING CAPITALIZATION</b>		
<b>Fees and Taxes:</b>		
- Feasibility Report/Consultancy Fee-Foreign	47,50,649	47,50,649
<b>Total (B(i)+(ii))</b>	<b>3,62,65,425</b>	<b>3,34,53,501</b>

**(c) Investments****INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS  
QUOTED & VALUED AT MARKET PRICE**

13,24,187 (Previous Year 13,24,187) fully paid equity shares of ₹10/- each of M/s Steel Strips Wheels Limited	1,14,32,36,846	1,41,01,92,946
1,47,93,772 fully paid up equity shares of Indian Acrylics Ltd (Previous Year 1,47,93,772) of ₹10/- each	11,62,79,048	20,56,33,431
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

**INVESTMENT IN EQUITY INSTRUMENTS - OTHERS QUOTED & VALUED AT COST PRICE**

37 Nos fully paid up equity shares of Consolidated Fibres & Chemicals Ltd (Previous Year 37) of ₹10/- each	64	64
Nil equity shares of Vikas WSP Ltd (Previous Year Nil)	-	-
<b>AGGREGATE AMOUNT OF THE QUOTED INVESTMENTS</b>	<b>1,26,09,86,874</b>	<b>1,61,72,97,356</b>

**INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS  
UNQUOTED & VALUED AT COST**

5900 equity shares (previous Year 5600) of ₹10/-each of Steel Strips Industries Ltd	1,02,722	97,448
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>2,88,78,579</b>	<b>2,88,73,305</b>
<b>AGGREGATE AMOUNT OF THE QUOTED &amp; UN-QUOTED INVESTMENTS</b>	<b>1,28,98,65,453</b>	<b>1,64,61,70,661</b>
Aggregate Market value of Quoted Investments	** 1,25,95,15,894	1,61,58,26,376

Note: 1. 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 Exchanges.

2. The company has adopted to measure investments in subsidiaries and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

PARTICULARS	As on 31.03.2019	As on 31.03.2018
<b>Loans</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>
<b>(d) Deferred Tax</b>		
W.D.V. as per Income Tax Act.(Net of Land)	3,70,66,905	4,48,80,656
W.D.V. as per books (Net of Land)	3,26,89,892	4,43,52,082
Depreciation excess claimed in books	43,77,013	5,28,574
Deferred tax assets	11,27,081	1,36,108
Less : Provision already made	1,36,108	24,61,475
Deferred Tax Assets/(Liability)	9,90,973	23,25,367
Add : Deferred Tax impact of OCI	(21,16,05,204)	(30,41,79,108)
Profit & Loss Impact	(21,04,78,123)	(30,40,43,000)

"In compliance with Ind AS 12 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 '2' CURRENT ASSETS

### (a) Inventories

PARTICULARS	As on 31.03.2019	As on 31.03.2018
1. WORK IN PROGRESS	1,28,50,000	6,25,35,000
2. STOCK IN HAND	7,92,000	1,08,57,000
<b>Total (1)</b>	<b>1,36,42,000</b>	<b>7,33,92,000</b>
3. 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. yard)	65,55,872	65,55,872
	21,92,28,259	21,92,28,259
(b) Development Expenses		
Fees & Taxes (Land Dev. Fee)	61,35,375	
Addition	-	61,35,375
Architect/Other Fee & Taxes	45,88,267	
Addition	7,30,000	45,88,267
	1,14,53,642	1,07,23,642
	23,06,81,901	22,99,51,901
(c) Misc. Expenditure Pending Allocation To Above Commercial Property		
Direct Cost	7,79,93,808	7,79,93,808
Addition	45,61,516	
Administration Expenses	59,01,744	
Addition	11,29,872	59,01,744
Employee Cost	84,60,345	
Addition	36,73,158	84,60,345
Selling & Advertisement. Expenses	46,78,483	
Addition	11,458	46,78,483
Interest And Bank charges	3,02,96,191	3,02,96,191
Depreciation	18,62,359	18,62,359
	13,85,68,934	12,91,92,930
<b>Total 2</b>	<b>36,92,50,835</b>	<b>35,91,44,831</b>
<b>Total 1+2</b>	<b>38,28,92,835</b>	<b>43,25,36,831</b>

**NOTE '2' (Continued)**

"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.

PARTICULARS	As on 31.03.2019	As on 31.03.2018
<b>2(b) Trade Receivable</b>		
- Outstanding for a period exceeding six months	92,10,345	92,10,345
- Others	-	17,717
	92,10,345	92,28,062
Less : Provision for bad and doubtful debts	92,10,345	92,10,345
<b>SUB - TOTAL</b>	-	17,717
<b>(c) Cash and cash equivalent</b>		
- Balances With Banks - In Current Accounts	15,55,572	67,46,083
- In Escrow Account	-	43,12,552
- Cheques/Drafts In Hand	4,50,00,000	7,41,41,662
- Cash In Hand	84,886	1,40,410
<b>Fixed Deposits</b>		
- Under Lien With Banks As Margin Money	1,25,50,580	2,08,77,818
- Under Lien With Government Departments	6,99,751	6,99,751
<b>TOTAL</b>	5,98,90,789	10,69,18,276
<b>(d) Loans</b>		
Loans and Advances (unsecured considered good, unless otherwise stated)		
<b>A) Loans And Advances To Related Parties</b>	-	-
<b>B) Others</b>		
- Suppliers/Petty Contractors	38,70,692	40,36,033
- Advances For Purchase Of Land	1,00,00,000	-
- Claims Recoverable	10,21,33,631	6,89,71,995
- Others (Un-secured)	14,93,313	27,79,322
<b>TOTAL</b>	11,74,97,636	7,57,87,130
<b>(e) Other Current Assets</b>		
Security Deposit	2,62,59,632	3,67,61,999
Interest Accrued But Not Due	2,50,984	3,47,328
Gratuity/EL Funds with LIC	19,54,793	51,92,868
Prepaid Expenses	1,17,386	3,67,715
<b>Amounts recoverable in cash or kind</b>		
Income Tax Deducted At Sources	60,06,375	57,64,910
Income Tax Refundable	63,19,060	6,30,487
GST Input credit available	37,08,852	69,05,019
<b>TOTAL</b>	4,46,17,082	5,59,70,326



PARTICULARS	As on 31.03.2019	As on 31.03.2018
<b>NOTE '3' EQUITY AND LIABILITIES</b>		
<b>(a) Share Capital</b>		
<b>AUTHORISED CAPITAL</b>		
200,00,000 Equity shares of ₹ 10/- each	20,00,00,000	20,00,00,000
(PREVIOUS YEAR 20000000 Equity shares of ₹ 10/- each		
<b>ISSUED, SUBSCRIBED &amp; PAID</b>		
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 31.03.2019		AS ON 31.03.2018	
	No of shares	%age	No of shares	%age
SHRI R K GARG	3404020	22.41%	3404020	22.41%
SHRI DHEERAJ GARG	1307808	8.61%	1307808	8.61%
STEEL STRIPS INDUSTRIES LTD.	805172	5.30%	805172	5.30%
STEEL STRIPS HOLDING PVT. LTD.	1200060	7.90%	1200060	7.90%
STEEL STRIPS FINANACIERS PVT. LTD.	1200060	7.90%	1200060	7.90%
MUNAK FINANCIERS PVT. LTD.	1560720	10.28%	1560720	10.28%
MUNAK INVESTMENTS PVT. LTD.	1200000	7.90%	1200000	7.90%
STEEL STRIPS WHEELS INVESTMENTS. LTD.	1214630	8.00%	1214630	8.00%
PRIYA TOOLS PVT. LTD.	1214632	8.00%	1214632	8.00%
BLOOMEN FLORA LTD.	1336438	8.80%	1336438	8.80%

**(b) Other Equity**

PARTICULARS	As on 31.03.2019	As on 31.03.2018
<b>1. General Reserve</b>	<b>19,01,46,426</b>	<b>19,01,46,426</b>
Add : Amount transferred from Profit & Loss a/c	-	-
<b>Total (1)</b>	<b>19,01,46,426</b>	<b>19,01,46,426</b>
<b>2. Capital Reserve</b>	<b>4,19,99,490</b>	<b>4,19,99,490</b>
<b>Total (2)</b>	<b>4,19,99,490</b>	<b>4,19,99,490</b>
<b>3. Profit &amp; Loss A/C</b>		
As per last Balance Sheet	1,42,50,79,268	1,21,52,84,860
Add : Profit for the year	(25,33,53,451)	20,97,94,409
<b>Total (3)</b>	<b>1,17,17,25,817</b>	<b>1,42,50,79,268</b>
<b>Total (1+2+3)</b>	<b>1,40,38,71,733</b>	<b>1,65,72,25,184</b>

**Note : '4' Non Current Liabilities****(a) Borrowing**

<b>PARTICULARS</b>	<b>As on 31.03.2019 Non-Current</b>	<b>As on 31.03.2019 Current</b>	<b>As on 31.03.2018 Non-Current</b>	<b>As on 31.03.2018 Current</b>
<b>SECURED</b>				
<b>FROM BANKS</b>				
<b>TERM LOAN FROM ALLAHABAD BANK</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.	-	79,78,992	80,62,198	1,46,29,177
<b>VEHICLES/EQUIPMENTS LOANS FROM BANKS</b>				
(Secured against hypothecation of respective vehicles/equipments and counter guarantees of the company)	10,98,987	44,24,067	72,49,048	62,38,465
<b>OTHERS</b>				
1. Secured by Bank Guarantees (From Customers)	1,32,28,071	-	-	2,39,18,071
2. Secured against security furnished by Company/ Associate Companies/third party and against Security Bonds	18,65,90,422	-	17,55,50,307	-
<b>TOTAL</b>	<b>20,09,17,480</b>	<b>1,24,03,059</b>	<b>19,08,61,553</b>	<b>4,47,85,713</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.

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

<b>Particulars</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>
Term Loan from Allahabad Bank (Current Year)	-	-	-
Term Loan from Allahabad Bank (Previous Year)	79,87,919	-	-

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 :

<b>Particulars</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>
Vehicles/Equipments Loans from Banks(Current Year)	44,24,067	8,69,641	-
Vehicles/Equipments Loans from Banks(Previous Year)	62,38,465	44,24,067	8,69,641

During the year under consideration, the company have received an amount of ₹110.40 lakhs against the award of Dental College, Shimla, through Hon'ble High Court of Himachal Pradesh. The same has been received against security. As such, the amount is disputed and hence has been considered under Long Term "Borrowing". The same shall be considered as Income as and when the case is decided by the Hon'ble High Court finally. The total disputed amount of company's awards under "Secured Loan" stands at ₹826.31 lakhs as on 31.03.2019.

Besides, the company had received ₹1307.12 lakhs from M/S Suttlej Constructions Ltd (SCL), Manimajra, Chandigarh in previous years. SAB Industries Ltd (SABIL) have entered into Joint Venture agreements with SCL in connection with Arbitration cases of said company whereby SCL and SABIL shall share the amount of award received, if any, equally between them. The amounts so released in earlier years have been released against furnishing of security by way of mortgaging land/title deeds of lands both of SABIL and SCL and submission of surety bonds. As the cases are subjudice and claims have been released against submission of surety bonds/title deeds of lands, the amount received has been treated as "Secured Loan" only as having been released against the above said securities. The amount shall be treated as Income as and when Surety Bonds/title deeds of land are released and cases are decided by the Court finally. The outstanding balance received from SCL stands at ₹1039.59 lakhs for above cases as on 31.03.2019.

<b>Particulars</b>	<b>As on 31.03.2019</b>	<b>As on 31.03.2018</b>
<b>(b) Provisions</b>		
Provision for Bank Guarantees	26,74,000	26,74,000
Provision for Expenses	65,38,765	65,62,132
<b>TOTAL</b>	<b>92,12,765</b>	<b>92,36,132</b>
<b>(c) Other Long Term Liabilities</b>		
- Liabilities for employees retirement benefits :		
- Gratuity	29,11,364	58,15,991
- Earned Leave	7,31,762	14,56,827
- Security Deposit	3,37,42,141	3,29,26,818
<b>TOTAL</b>	<b>3,73,85,267</b>	<b>4,01,99,636</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)

**NOTE '5'**  
**CURRENT LIABILITIES**  
**(a) Borrowings**

<b>PARTICULARS</b>	<b>As on 31.03.2019</b>	<b>As on 31.03.2018</b>
<b>SECURED</b>		
<b>FROM BANKS</b>		
(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 six lakhs equity shares of Steel Strips Wheels Ltd held by the company. Besides, personal guarantee of Sh R.K. Garg & Sh Dheeraj Garg has been given.	<b>2,34,53,298</b>	7,47,72,831
<b>UN-SECURED</b>		
Short Term Corporate Advances		
- From Others	-	5,00,00,000
<b>TOTAL</b>	<b>2,34,53,298</b>	<b>7,47,72,831</b>
<b>(b) Trade Payables</b>		
Trade Payables		
- Micro and Small Enterprises	<b>7,29,694</b>	14,67,827
- Others	<b>48,48,797</b>	2,35,15,607
<b>TOTAL</b>	<b>55,78,491</b>	<b>2,49,83,434</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 the company is as under :		
Principal amount due and remaining unpaid	<b>7,29,694</b>	14,67,827
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>7,29,694</b>	<b>14,67,827</b>
<b>(c) Other Financial Liabilities</b>		
- Current maturities of Long-term Debts (Refer Note No.2 )	<b>1,24,03,059</b>	4,47,85,713
- Statutory dues	<b>12,57,470</b>	21,57,117
- Advance from customers	<b>6,18,88,235</b>	6,18,94,235
- Cheques issued but not presented for payment	<b>2,10,78,891</b>	13,60,124
- Expenses payable	<b>1,19,11,627</b>	1,43,11,511
<b>TOTAL</b>	<b>10,85,39,282</b>	<b>12,45,08,700</b>
<b>(d) Provisions</b>		
Provision for taxation	<b>13,25,000</b>	6,00,000
Provision for Expenses	<b>1,88,420</b>	61,09,880
<b>TOTAL</b>	<b>15,13,420</b>	<b>67,09,880</b>
<b>NOTE '6' REVENUE FROM OPERATIONS</b>		
Sales Isp	<b>176,714</b>	29,22,116
Gross Work Done	<b>26,79,04,443</b>	29,04,55,852
<b>TOTAL</b>	<b>26,80,81,157</b>	<b>29,33,77,968</b>

Gross work done includes ₹331.62 lakhs against claims which have not been received as on 31.03.2019 but had been decreed in favour of the company and has been received in 24th April'2019. This is as per/covered under para 11 of the IND-AS-11.

**SAB INDUSTRIES LIMITED**

<b>PARTICULARS</b>	<b>As on 31.03.2019</b>	<b>As on 31.03.2018</b>
<b>Note '7' Other Income</b>		
Profit On Sale Of Assets	1,10,235	-
Interest Received	37,60,494	51,40,970
Miscellaneous Income	96,22,795	2,19,29,373
Agriculture Receipts	35,56,453	26,50,396
Dividend Received	52,96,748	39,72,561
<b>TOTAL</b>	<b>2,23,46,725</b>	<b>3,36,93,300</b>
<b>NOTE '8' Cost of Material Consumed</b>		
Opening Stock Of Building Materials And Net Working Equipments/Materials	1,08,57,000	27,17,330
Add : Purchases During The Year		
- Purchase - Network Equipments	-	-
- Construction Material	7,87,72,327	14,44,72,689
	8,96,29,327	14,71,90,019
Less - Sale/Material Issued To Sub-Contractors	27,95,093	1,91,74,874
Closing stock of Materials	7,92,000	1,08,57,000
<b>TOTAL</b>	<b>8,60,42,234</b>	<b>11,71,58,145</b>
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>NOTE '9' Change in Inventories of Finished Goods, Work in Progress and Stock in Trade</b>		
Opening Work in Progress	6,25,35,000	2,64,95,000
Closing Work In Progress	1,28,50,000	6,25,35,000
<b>TOTAL</b>	<b>4,96,85,000</b>	<b>(3,60,40,000)</b>
<b>NOTE '10' Employee Benefit Expenses</b>		
Salaries, Wages And Others Allowances **	2,14,97,543	2,88,80,939
Including Directors Remuneration		
Bonus	3,33,179	1,70,517
Contribution To Provident Funds & Other Funds	16,83,964	18,59,598
Welfare Expenses	5,30,128	14,10,990
<b>TOTAL</b>	<b>2,40,44,814</b>	<b>3,23,22,044</b>
** The detail of managerial remuneration paid to Directors is as under:		
	<b>Current Year</b>	(₹ in lakhs) <b>Previous Year</b>
Salary	39.79	39.00
Perquisite	6.13	6.70
Contribution Towards PF	4.77	4.68
Gratuity Paid	20.00	0.00
Leave Encashment	7.15	0.
	<b>77.84</b>	<b>50.38</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		
<b>NOTE '11' Financial Cost</b>		
Interest - Banks	49,08,427	75,61,061
- Others	65,82,938	79,81,127
Other Financial Charges	18,06,774	80,04,135
<b>TOTAL</b>	<b>1,32,98,139</b>	<b>2,35,46,323</b>

## SAB INDUSTRIES LIMITED

PARTICULARS	As on 31.03.2019	As on 31.03.2018
<b>NOTE '12'</b>		
<b>Other Expenses</b>		
<b>(a) Direct Cost</b>		
Labour & Wages	77,07,171	95,74,467
Payment to Contractor	3,53,53,318	9,05,30,454
Hire Charges Of Machinery	1,46,68,715	2,53,51,369
Running and Maintenance of Machinery	1,42,56,270	1,34,64,594
Bandwidth Expenses	5,19,017	10,47,065
<b>Total (a)</b>	<b>7,25,04,491</b>	<b>13,99,67,949</b>
<b>(b) Selling and Distribution Expenses</b>		
Business Promotion Expenses	24,563	1,67,046
Commission on Sale	-	3,28,244
Advertisement & Publicity	34,467	93,914
Subscription & Membership Fees	-	-
<b>Total (b)</b>	<b>59,030</b>	<b>5,89,204</b>
<b>(c) Establishment Expenses</b>		
Travelling Expenses - Foreign		
- Directors	-	-
- Others	-	-
Travelling Expenses - Inland		
- Directors	4,49,300	8,71,074
- Others	14,29,200	12,56,353
Printing & Stationery	3,13,015	3,86,491
Postage, Telegram & Telephone	2,34,801	3,26,355
Vehicles Repairs & Maintenance	27,06,502	20,03,955
Repairs & Maintenance	20,408	52,095
Insurance	10,91,602	8,17,799
Auditors Remuneration	6,10,000	6,00,000
Legal & Professional Charges	26,01,359	48,41,557
Directors' Sitting Fee	5,40,000	7,17,000
Rates & Taxes	19,75,001	15,04,341
Newspapers & Periodicals	7,670	1,077
Office Maintenance Exp.	1,70,005	4,01,266
Donation	23,00,000	74,25,358
Rent	61,15,875	69,30,675
Electricity & Water Charges	3,93,571	5,44,156
Tender Expenses	5,000	1,60,805
Agriculture Expenses	43,84,775	68,14,277
Loss on sale of Assets	32,12,085	-
Loss on sale of Investments	-	2,98,026
Security Guards Expenses	-	6,20,853
Service Tax Paid	-	1,42,289
Other Miscellaneous Expenses	7,58,969	13,20,916
<b>Total (c)</b>	<b>2,93,19,138</b>	<b>3,80,36,718</b>
<b>Total (a+b+c)</b>	<b>10,18,82,659</b>	<b>17,85,93,871</b>
1) The detail of Auditor Remuneration is as under :-		
	<b>Current Year</b>	<b>Previous Year</b>
Statutory Audit Fee	6,00,000	6,00,000
Consolidation Fee	10,000	-
<b>Total</b>	<b>6,10,000</b>	<b>6,00,000</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	23.00	72.80
- Expenses Others	-	1.45
<b>Total</b>	<b>23.00</b>	<b>74.25</b>



**NOTE NO. 13 OF NOTES ON ACCOUNTS****1. NATURE OF OPERATION**

SAB Industries Ltd ('the company') a public limited Company registered in India under the Companies Act 2013 (erstwhile Companies Act 1956). The Company is a leading construction company. Its Shares are listed in Bombay Stock Exchange.

**2. SIGNIFICANT ACCOUNTING POLICIES****a) BASIS OF PREPARATION**

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all the periods up to and including the year ended 31st March, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014

The Standalone financial statements have been prepared under the historical convention, on the accrual basis of accounting. The accounting policies have been applied consistently over all the periods presented in the Standalone financial statements.

The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

**b) REVENUE RECOGNITION: -****Work Done**

Work done is accounted for on the basis of certified bills. Arbitration Claims/Escalation are accounted for as specified in Ind AS 7 Para 13.

**Interest Income**

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

**Other Income**

Construction scrap is accounted for on receipt basis. Other income is accounted for as and when received.

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

**3. LEASING**

The company have 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 ₹ 61.16 lakhs (previous year ₹ 69.31 lakhs). The future minimum lease payments in respect of the non-cancellable operating leases as at 31st March 2019 are:

		(₹ in lakhs)	
S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
a)	not later than one year	44.80	52.33
b)	later than one year but not later than five year	63.53	108.33
c)	later than five year	-	-

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.

**4. ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents balances include cash in hand, fixed deposits, margin money deposits, earmarked balances with banks, other bank balances such as dividend accounts, which have restrictions on repatriation, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## 6. INVENTORIES

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.

## 7. FINANCIAL INSTRUMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Initial recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except trade receivables which are recognized at transaction price.

### Subsequent measurement

#### Non-derivative financial instruments

##### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (ii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

##### (iv) Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### Equity Share Capital

#### Equity shares

Equity shares issued by the Company are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity, net of any tax effects.

## 8. INVESTMENTS

The company has elected to measure its investments at fair value from the date of transition to Ind AS.

## 9. PROPERTY, PLANT AND EQUIPMENT (PPE)

Fixed assets are stated at original cost net of tax/duty credit availed, if any, less accumulated depreciation and cumulative impairment and those which have been revaluated are stated at the values determined by the valuers less accumulated depreciation and cumulative impairment. Cost of acquisition is inclusive of freight and other incidental expenses and interest on loan taken for the acquisition of qualifying assets up to the date of commissioning of assets.

Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the company and cost of the item can be measured reliably. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gain or losses arising from de-recognition of fixed assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, have been added to or deducted from the cost of the asset and shall be depreciated over the balance useful life of the asset.

Tangible Assets not ready for the intended use on the date of the balance Sheet are disclosed as "capital work in progress".

#### 10. DEPRECIATION :

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

#### 11. BORROWING COST

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized/inventorised as part of cost of such assets till such time the asset is ready for its intended use/or sale. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are expensed in the period in which they are incurred.

#### 12. PROVISION

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 13. CONTINGENT LIABILITIES

Contingent liabilities are disclosed when there is a possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

##### CONTINGENT LIABILITIES

	INR Lakhs	
	As on 31.03.2019	As on 31.03.2018
Counter Guarantees issued by the company against Bank Guarantees	719.29	1,619.00

#### 14. EMPLOYEE BENEFITS

##### Short-Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### Provident Fund & Employee State Insurance

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

##### Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in profit or loss.

## 15. SEGMENT REPORT

Segment wise revenue, results and capital employed for the year-ended 31.03.19 is as under:

(₹ in lakhs)

Sr.No.	Particulars	31.03.2019	31.03.2018
1.	<b>SEGMENT REVENUES</b>		
	a) Construction Division	2812.93	3173.76
	b) Real Estates Division	-	-
	c) Investments (in shares)	52.97	39.73
	d) Agriculture	35.56	26.50
	e) Infotech Division	2.82	30.71
	f) Unallocated	0.22	0.00
	<b>TOTAL</b>	<b>2904.28</b>	<b>3270.70</b>
2.	<b>SEGMENT RESULTS</b> Profit/(Loss) (Before tax and interest from each segment)		
	a) Construction Division	204.13	267.75
	b) Real Estates Division	-	-
	c) Investments (in shares)	52.97	39.73
	d) Agriculture	(8.29)	(41.64)
	e) Infotech Division	(11.23)	4.60
	f) Unallocated	-	-
	<b>TOTAL</b>	<b>237.58</b>	<b>270.44</b>
	<b>Less: Interest &amp; financial charges</b>	<b>132.98</b>	<b>235.06</b>
	<b>TOTAL PROFIT BEFORE TAX</b>	<b>104.60</b>	<b>35.38</b>
3.	<b>CAPITAL EMPLOYED</b> (Segment assets-Segment liabilities)		
	a) Construction Division	1681.10	1879.03
	b) Real Estates Division	3790.00	3789.31
	c) Investments (in shares)	1251.31	1198.34
	d) Agriculture	707.61	707.61
	e) Infotech Division	13.33	26.73
	f) Unallocable assets less liabilities	906.51	796.11
	<b>TOTAL</b>	<b>8349.86</b>	<b>8404.59</b>

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.

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

Basic/Diluted Earnings per share

(₹ in lakhs)

	Current Year	Previous Year
Profit/(Loss) after tax as per Profit & Loss A/C	101.26	40.35
No of equity shares	15188372	15188372
Earnings per share (Face value of ₹ 10/- each) (₹) (basic & diluted)	0.67	0.27

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

**17. RELATED PARTY DISCLOSURES:**

Detail of transactions entered into with Related Parties during the year as required by IndAS 24 on "Related Party Disclosures" issued by Institute of Chartered Accountants of India are as under:-

Particulars	Subsidiaries Company	Key Management Personal (KMP)	Enterprises/ Relatives over which KMP is able to exercise significant influence	Total for this year	Total for previous year
Lease Rent paid (Incl GST)	-	-	50.70	50.70	50.70
Lease line/cable net charges received	-	-	-	-	5.48
Security Charges paid	-	-	-	-	55.00
Vehicle Hire charges Received (Incl gst)	-	-	61.32	61.32	56.38
Dividend received	-	-	52.97	52.97	39.73
Donation	-	-	21.00	21.00	72.50
Interest paid	-	-	-	-	61.12
Management contract (salaries)	-	77.84		77.84	77.84

**Finance**

Particulars	Subsidiaries Company	Key Management Personal (KMP)	Enterprise over which KMP is able to exercise significant influence	Total for this year	Total for previous year
1. Advances received	-	-	-	-	-
Advances Re-paid	-	-	-	-	-
Outstanding at the end of the year	-	-	-	-	575.00
2. Loan paid	-	-	-	-	-
Loan Received back	-	-	-	-	-
Outstanding at the end of the year	-	-	-	-	-

- Key Management Personnel: Sh. R. K. Garg, Chairman, Sh. Avinash Sharma, Executive Director
- Enterprises over which Key Management Personal (KMP) are able to exercise significant influence and with whom transactions have taken place during the year:
  - Indian Acrylics Ltd.
  - Steel Strips Wheels Ltd.
  - Steel Strips Infrastructures Ltd.
  - R.K.Garg & Sons(HUF)
  - 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.



18. The company has taken the Group Gratuity and Group Leave encashment policies from LIC and entire premiums demanded by them for the year 2018-19 have been paid / provided for as per the requirements of IND AS – 19.

a) Expenses recognised in Profit and Loss Account

Particulars	Gratuity	Gratuity
	2018 -19	2017 -18
Current service cost	3,25,614	2,17,140
Interest cost on benefit obligation	1,58,759	37,571
Past service cost	-	11,97,012
Expected Returns on plan assets	-	-
Net benefit expenses recognised in the Profit and Loss a/c	4,84,373	14,51,723

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

Particulars	Gratuity	Gratuity
	2018 - 19	2017 -18
Present value of obligations at the end of period	(29,11,364)	(58,15,991)
Fair value of plan assets at the end of period	14,17,197	37,62,191
Funded status	(14,94,167)	(20,53,800)
Unrecognised actuarial (gain)/losses	-	-
Defined benefit obligation	-	-
Less: Unrecognised past service cost	-	-
Net asset/ (liability) recognised in the balance sheet	(14,94,167)	(20,53,800)

c) Change in the present value of Projected Benefit Obligation

Particulars	Gratuity	Gratuity
	2018 -19	2017-18
Opening defined benefit obligation	58,15,991	42,47,861
Interest cost	4,49,576	3,13,917
Past service cost	-	-
Current service cost	3,25,614	11,97,012
Liability transferred in Acquisition	-	-
Benefit paid	(35,04,106)	(8,44,368)
Actuarial (gains)/ losses on obligation due to change in financial assumptions	(16,028)	(115510)
Actuarial (gains) /losses on obligation due to experience	(1,59,683)	7,99,939
Closing defined benefit obligation	29,11,364	58,15,991

d) Changes in the fair value of Plan Assets

Particulars	Gratuity	Gratuity
	2018 - 19	2017-18
Fair Value of plan assets as at 1st April 2018	37,62,191	37,39,457
Interest Income	2,90,817	2,76,346
Expected returns on plan assets	81,295	14,756
Contributions	7,87,000	5,76,000
Benefit paid	(35,04,106)	(8,44,368)
Actuarial (gains)/ losses on plan assets	-	-
Fair Value of plan assets as at 31st March 2019	14,17,197	37,62,191

Particulars	2018-19	2017-18
	(%)	(%)
Expected Return on Plan Assets	7.79%	7.73%
Discount rate	7.79%	7.73%
Expected Increase in Compensation cost	7.00%	7.00%
Rate of employee Turnover	2.00%	2.00%
Mortality basis	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate

**18. Expenditure in Foreign Currency.****As on 31.03.2019****As on 31.03.2018**

Particulars	Amount (Rs. in lacs)	Amount In foreign currency	Amount (₹ in lacs)	Amount In foreign currency
Consultancy	--	--	47.50	Eur 55000
Traveling (Staff/Others)	--	--	1.28	EUR 736

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed

for AKR & Associates  
Chartered Accountants  
(Registration No.021179N)

Place : Chandigarh  
Dated : 30.05.2019

Kailash Kumar  
Partner  
Membership No.505972

R. K. GARG  
Chairman

GURPREET KAUR  
Company Secretary

MANJU LAKHANPAL  
S. S. VIRDI  
SANJAY GARG  
Directors

## FORM OF PROXY

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

## SAB INDUSTRIES 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, Website: 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 Saturday, the 28th day of September 2019, at 3.00 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, 2019
- Re-appointment of Sh. Humesh Kumar Singhal as a Director.

Affix  
Revenue  
Stamp

## Special Business

- Approval for Appointment of Sh. Surinder Kumar Bansal as Independent Director
- Approval for Appointment of Ms. Priya Garg as Director.
- Approval for Appointment of Ms. Priya Garg as Managing Director.
- Approval for Re-appointment of Sh. Surinder Singh Viridi, Independent Director
- Approval for Re-appointment of Smt. Manju Lakhanpal, Independent Director

Signed this ..... day of September 2019.

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, 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 Saturday, the 28th day of September 2019, at 3.00 P.M., at S.C.O.49-50, Sector- 26, Madhya Marg, Chandigarh

Member's/ Proxy's Signatures

[illegible]

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





## **SAB Industries Limited**

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

Tel: +91-172-2793112, 2792385

Fax: +91-172-2794834, 2790887

