

Annual Report 2019-20



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. D. P. Reddy	<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 36th Annual General Meeting of the shareholders of the Company shall be held as scheduled below:

Day & Date :Monday, 28th December, 2020

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, 2020 and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. Rajinder Kumar Garg (DIN: 00034827), who retires by rotation and being eligible, offers himself for re-appointment.

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 Deva Pampapathi Reddy, IAS (Retd.) (DIN 01939650), Director appointed as Additional Independent Director of the Company in the Board Meeting held on 10.02.2020 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 10.02.2020 to 09.02.2025, 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."

for and on behalf of Board of Directors

SANJAY GARG
Director
DIN-0003956

Place: Chandigarh

Date: 09-11-2020

Notes

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and rules made thereunder, relating to the Special business to be transacted at the Meeting is annexed hereto. The relevant details of Directors seeking appointment/ re-appointment at this Annual General Meeting of the company are also annexed.
2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy so appointed need not be a member of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.**

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

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company
3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The members are requested to bring duly filled attendance slip..
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **21-12-2020 to 28-12-2020**. (both days inclusive).
7. 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.
8. In compliance with MCA General Circular No. 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 relaxation has been provided to Companies regarding dispatch of physical copy of Annual Report to Shareholders due to Covid-19 pandemic. Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website and website of the Bombay Stock Exchange (BSE) for download.

9. **Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with Registrar and Share Transfer Agents of the Company/ Depository Participant (s), for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
10. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
11. The Company is maintaining the "INVESTORS SERVICE CELL" at its Head Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
12. Members having any queries relating to Annual Report are requested to send their queries at least seven days before the date of the Meeting.
13. **Voting through electronic means:**

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 December 25, 2020 at 9.00 a.m. and will end on December 27 2020 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as **on 21st December, 2020 (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
- (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
- (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 alphanumeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot/ attendance slip indicated in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both 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).

- (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 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.
- 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 and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **21st December 2020** 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 under help section or write an email to 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.

Place: Chandigarh

Date : 09.11.2020

By Order of the Board of Directors

SANJAY GARG

Director

DIN-0003095

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

ITEM No. 3

The Board of Directors of the Company had appointed Shri Deva Pampapathi Reddy, IAS (Retd.) (DIN 01939650), as Additional Independent Director of the Company w.e.f. 10/02/2020 in place of Shri Kanwarjit Singh who had resigned due to his preoccupations. In accordance with the provisions of Section 161 of the Companies Act, 2013, Shri Deva Pampapathi Reddy 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 10.02.2020 on the recommendation of the Nomination & Remuneration Committee, recommended his appointment as Independent Director for the approval of the Members for the period of 5 years commencing from 10.02.2020 to 09.02.2025.

The Company has received a declaration from Shri Deva Pampapathi Reddy that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Shri Deva Pampapathi Reddy 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 Deva Pampapathi Reddy is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and he has given his consent to act as Director. The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the registered office of the Company during normal business hours on any working days.

Shri Deva Pampapathi Reddy, IAS (Retd.) (DIN 01939650) is Chairman of Punjab State Food Commission 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 Deva Pampapathi Reddy are concerned or interested (financially or otherwise), in this resolution.

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting the Annual Report on Accounts for the Financial Year ending 31st March 2020.

FINANCIAL HIGHLIGHTS

Particulars	(₹ in Lakhs)			
	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	997.66	2680.81	997.66	2680.81
Other Income	662.46	223.47	662.46	223.47
Total Revenue	1660.12	2904.28	1660.12	2904.28
Profit before Exceptional item, depreciation, interest & Tax (PBDIT))	591.99	287.73	(1839.94)	(1039.68)
Interest & other financial expenses	119.73	132.98	119.73	132.98
Profit before Depreciation & Tax (PBDT)	472.26	154.75	(1959.67)	(1172.66)
Depreciation and amortization expenses	36.33	50.15	36.33	50.15
Profit before Tax (PBT)	435.93	104.60	(1996.00)	(1222.81)
Tax Expenses	52.00	13.25	52.00	13.25
- Current	(11.07)	(9.91)	(11.07)	(9.91)
- Deferred				
Profit after Tax (PAT)	395.00	101.26	(2036.93)	(1226.15)
Other Comprehensive Income	(4965.15)	(22634.79)	(7002.08)	(2634.80)
Total Comprehensive Income for the period	(4570.15)	(2533.53)	(7002.08)	(3860.95)
Earnings per share				
-Basic	2.60	0.67	(13.41)	(8.07)
-Diluted	2.60	0.67	(13.41)	(8.07)

Note: The financial statements of the Company for the year ended 31st March, 2020, 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 ₹997.66 lakhs from ₹2680.81 lakhs in the previous year. The Company has, however earned a net profit of ₹395.00 lakhs during the year as against ₹101.26 lakhs during the previous year. Company is continuously striving to strengthen its operations in near future. There has been increase in other comprehensive loss of ₹4965.15 lakhs as compared to ₹2634.79 lakhs on account of decline in fair value of Equity Instruments in which Investment is made by the Company on account of overall market scenario prevailed. Existing Projects in hand were executed by the Company during the year. Remaining work on single project at the end of the year stood at ₹35.34 lakhs approx. which is likely to get completed during the financial year 2020-21.

Your Company has revived its real estate project i.e. SSL Highway Towers measuring 25846.73 sq. Mtrs situated on NH-22, Ambala Chandigarh Road, Derabassi (Punjab), an industrial hub and Satellite City for Chandigarh (RERA approved Project vide Certificate No. PBRWERA-SAS79-PR0409 valid upto 30th September, 2023). The work on the project has been started and is expected to be completed as per time frame stipulated in RERA approved certificate. Company has been exploring means of finance to meet the future needs of the said project. Company has already incurred a sum of ₹4388.80 lakhs out of which amount of ₹696.29 lakhs was incurred during the year.

IMPACT OF COVID-19 PANDEMIC

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees. The Company is sensitive about the impact of the Pandemic, not only on the human life but on businesses and industrial activity across the globe, which will be realized only over next few months. The Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government and local bodies to ensure safety of workforce across all its sites and offices.

SCHEME OF AMALGAMATION

The proposed Scheme for Amalgamation of Steel Strips Limited (Transferor Company) with SAB Industries Ltd. (Transferee Company) has been approved by BSE vide its Observation Letter No. DCS/AMAL/BA/R37/1573/2019-20 dated 12th September, 2019. The Company has

also filed merger petition under Section 230 to Section 232 and other applicable rules and provisions under Companies Act, 2013 with National Company Law Tribunal (NCLT), Chandigarh Bench on 26th September 2019. NCLT vide its order dated June 12, 2020 has directed to convene meeting of shareholders at the Registered office of the Company on 30.08.2020 for their approval on the scheme.

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 ₹21 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 CO₂ per year, compared to power production by a coal based power plant, even without considering less logistical effort. Implementation agreement for this project has been signed with Punjab Energy Development Agency (PEDA). Power Purchase agreement has been signed with Punjab State Power Corporation Ltd. for evacuation of power produced in this plant. Land has been purchased for the project and change of land use permission has been granted. NOC from Punjab Pollution Control Board have also been obtained to implement this project. Advances for critical equipment have been paid for digesters, engine as well as gas cleaning supplies. Sanction of financial assistance from Commercial Banks is in advanced stage and will be completed shortly. Construction of digesters and delivery of equipment will then follow.

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 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 2019-20.

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:

- in the preparation of the annual accounts for the year ending 31st March 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the Directors had prepared the annual accounts on a going concern basis;
- 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
- 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.

- Shri D P Reddy (DIN-01939650) has been appointed as Independent Director of the Company for the period of five years w.e.f. 10.02.2020 subject to approval of shareholders at the Annual General Meeting of the Company in place of Shri Kanwarjit Singh who resigned from Directorship of the Company on 14.11.2019 due to his pre-occupations.
- As per the provisions of Companies Act, 2013, Shri Rajinder Kumar Garg (DIN-00034827), Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment

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

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

C) Formal Annual Evaluation

The Board of Directors has carried out an annual evaluation of its own performance and that of the Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under SEBI (LODR) Regulations, 2015.

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

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

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

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 5 Board Meetings were held, one each on 30th May 2019, 2nd July, 2019, 14th August 2019, 14th November 2019 and 10th February 2020.

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 five 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 31.03.2020, a total of 15119556 equity shares, representing 99.55% 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 2019-20, the Company has not received any complaint on sexual harassment and hence no complaints remain pending as on 31st March, 2020

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: 30.06.2020

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	31/03/2020
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	
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	(59,32,99,511)
6. Profit or Loss for the year	
Considered in Consolidation	(24,31,93,470)
Not Considered in Consolidation	(35,01,06,041)

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 : 30.06.2020

Kailash Kumar
Partner
Membership No.505972

R. K. GARG
Chairman
GURPREET KAUR
Company Secretary

S.S. VIRDI
MANJU LAKHANPAL
H.K. SINGHAL
SANJAY GARG
Directors

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,
The Members,
SAB INDUSTRIES LIMITED

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

Based on my verification of SAB Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March, 2020, 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, 2020 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, 2018 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- **Not applicable as there was no reportable event during the financial year under review;**

- (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- **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company as there was no reportable event during the financial year under review;**
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- **Not applicable as the Company as there was no reportable event during the financial year under review;**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as there was no reportable event during the financial year under review;**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **Not applicable as there was no reportable event during the financial year under review; and**
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (6) The Company has complied with the following laws applicable specifically to the Company;
- (a) Real Estate (Regulation and Development) Act, 2016

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 year, the Company has initiated the process of merger of Steel Strips Limited with it and filed the joint petition with National Company Law Tribunal, Chandigarh on 26.09.2019 for its approval.

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

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

Place: Chandigarh
Date: 30.06.2020

Sushil K Sikka
Company Secretary
FCS 4241
CP 3582

To
The Members

SAB INDUSTRIES LIMITED

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

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

Place: Chandigarh
Date: 30.06.2020

Sushil K Sikka
Company Secretary
FCS 4241

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 |
|--------------------------------|------------------------------|
| Non Executive Directors | |
| Shri R.K. Garg | 0.26 |
| Smt. Manju Lakhanpal | 0.36 |
| Shri S.S. Virdi | 0.31 |
| Shri H.K. Singhal | 0.28 |
| Shri Sanjay Garg | 0.26 |
| Whole Time Director | |
| Ms. Priya Garg | 13.95 |
- (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 |
|---|--|
| Sh. Bhagwan Singh Negi - Chief Financial Officer | Nil |
| Ms Gurpreet Kaur - Company Secretary | 0.01% |
- (iii) The percentage increase/decrease in the median remuneration of employees in the financial year 2019-20.
The percentage increase in medium remuneration of employees is (21.66%)
- (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 2020 was 21.
- (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 Nil 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, 2020.

-----Not Applicable-----

TOP TEN EMPLOYEES IN TERM OF REMUNERATION WITHDRAWN DURING THE YEAR

Name of Employee	Designation	Educational Qualification	Age	Remuneration (P.A.) (Rs in lacs)	Date of commencement of Employment	% of shares held	Relative Director
Ms. Priya Garg	M.D.	B.E (Civil)	50	53.98	01.05.2019	0.53	Daughter of Sh. R.K. Garg, Chairman
Shri Anil Kumar Singla	General Manager	B.E (Civil)	56	18.62	01.05.2019	Nil	NA
Sh. Rakesh Kumar Mittal	Sr. General Manager (Projects)	B.Tech (Civil)	52	18.39	04.12.2017	Nil	NA
Sh. Nirmal Singh Gorla	Project Manager	B.Tech (Civil)	48	14.46	16.04.2018	Nil	NA
Sh. Om Parkash	Civil Engineer	Diploma(Civil)	45	12.02	01.09.2004	Nil	NA
Ms. Gurpreet Kaur	Company Secretary	B.Com ,CS	41	9.70	19.06.2002	50	NA
Shri R.D. Sharma	Project Manager	Diploma(Civil)	52	9.04	22.02.2010	Nil	NA
Sh. Bhagwan Singh Negi	Chief Financial Officer	B.Com	57	8.68	11.11.1989	50	NA
Sh. Jatinder Singh	Sr. Electrical Engg	Diploma (Elect)	31	5.54	05.04.2019	Nil	NA
Shri Shahrukh Khan Alam Saifi	Civil Engg	B.Tech (Civil)	25	4.87	11.11.2019	Nil	NA

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

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 2019]				No. of Shares held at the end of the year [As on 31 March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(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									
Total shareholding of Promoter (A)	11183356	-	11183356	73.63	11183356	-	11183356	73.63	-

B. Public Shareholding									
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)									
Sub-total (B)(1):-	17401	-	17401	0.11	17401	-	17401	0.11	
2. Non-Institutions									
a) Bodies Corp.	3825625	1100	3826725	25.20	3822208	1100	3823308	25.17	-0.03
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	93069	33019	126088	0.83	93491	32914	126405	0.83	
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	-	34802	34802	0.23	-	34802	34802	0.23	
c) Others (specify)									
Non Resident Indians					200		200	0.00	
Overseas Corporate Bodies									
HUF					2900		2900	0.03	0.03
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies- D R									
Sub-total (B)(2):-	3918694	68921	3987615	26.25	3918799	68816	3987615	26.25	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3936095	668921	4005016	26.37	3936200	68816	4005016	26.37	
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	15119451	68921	15188372	100.00	15119556	68816	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):

S.No.	Top 10 Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Bloomen Flora Ltd.	1336438	8.80	1336438	8.80
2.	Steel Strips Wheels Invt. Ltd.	1214630	8.00	1214630	8.00
3.	Priya Tools Pvt. Ltd.	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.	Dipikaben Dineshbhai Patel	6799	0.04	6799	0.04
8.	Dineshkumar Chandulal Patel	6390	0.04	6390	0.04
9.	ED Varkey	5601	0.03	5601	0.03
10.	Patel Ushaben Dineshbhai	3049	0.02	3049	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:

S.No.	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	01.04.2019	At the beginning of the year	3404020	22.41	3404020	22.41
			31.03.2020	At the end of the year	3404020	22.41	3404020	22.41
2.	IN301774 12825514	Sh. Sanjay Garg	01.04.2019	At the beginning of the year	50	0.00	50	0.00
			31.03.2020	At the end of the year	50	0.00	50	0.00
3.	IN300206 10205235	Sh. H K Singhal	01.04.2019	At the beginning of the year	70	0.00	70	0.00
			31.03.2020	At the end of the year	70	0.00	70	0.00

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2367.74	-	-	2367.74
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	2367.74	-	-	2367.74
Change in Indebtedness during the financial year				
* Addition	59.13	500.00	-	559.13
* Reduction	137.34	-	-	137.34
Net Change	(78.21)	500.00	-	421.79
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	2289.53	500.00	-	2789.53

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

SN.	Particulars of Remuneration	Ms. Priya Garg (MD)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	53,98,387	53,98,387
	(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 (Sitting Fee)	-	-
	Total (A)	53,98,387	53,98,387
	Ceiling as per the Act	5 % of Net Profit of the Company/as per Schedule V of the Companies Act.	

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Sh. S S Virdi	Sh. Kanwarjit Singh	Smt. Manju Lakhanpal	Shri Surinder Kumar Bansal	
1	Independent Directors					
	Fee for attending board / committee meetings	1,20,000	-	1,40,000	-	2,60,000
	Commission					
	Others, please specify					
	Total (1)	1,20,000	-	1,40,000	-	2,60,000
2	Other Non-Executive Directors	Sh. R K Garg	Sh. H K Singhal	Sh. Sanjay Garg		
	Fee for attending board / committee meetings	1,00,000	1,10,000	1,00,000		3,10,000
	Commission					
	Others, please specify					
	Total (2)	1,00,000	1,10,000	1,00,000		3,10,000
	Total (B)=(1+2)					5,70,000
	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/WTM

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	9,70,167	8,68,007
	(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	9,70,167	8,68,007

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020

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. India ranked second in the 2019 Agility Emerging Markets Logistics Index. Foreign Direct Investment (FDI) in Construction Development sector (townships, housing, built up infrastructure and construction development projects) stood at US\$ 25.66 billion during April 2000 to March 2020, according to Department for Promotion of Industry and Internal Trade (DPIIT). 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. Large investment in infrastructure has seen momentum as overall PE (private equity)/VC (venture capital) investment touched an all-time high of US\$ 14.5 billion in 2019.

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 and is taking every possible initiative to boost the infrastructure sector. Announcements made in Union Budget 2020-21 are summarised below:

- In April 2020, the Government set a target of constructing roads worth ₹15 lakh crore (US\$ 212.80 billion) in the next two years.
- In May 2020, Border Roads Organisation (BRO) achieved major milestone by digging up a 440-metre long tunnel below the busy Chamba town on Rishikesh-Dharasu road Highway (NH 94).
- NHAI is expected to generate revenue of ₹one lakh crore (US\$ 14.31 billion) from toll and wayside amenities over the next five years.
- In the Union Budget 2020-21, the Government has given a massive push to the infrastructure sector by allocating ₹1,69,637 crore (US\$ 24.27 billion) to develop the transport infrastructure.
- Indian Railways has received an allocation of ₹72,216 crore (US\$ 10.33 billion) under Union Budget 2020-21.
- 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 2019-20, the Company earned revenue of ₹1660.12 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 ₹14038.72 lakhs to ₹9468.57 lakhs in 2019-20 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 ₹.2680.81 lakhs to ₹997.66 lakhs as Company is concentrating on real estate project and is not bidding for the new projects for the time being. The other income of the Company has increased from ₹223.47 lakhs to ₹662.46 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 ₹395.00 lakhs as against ₹101.26 lakhs in the previous year. This increase in net profits is on account of cost reductions & more profit involved in the Components of construction projects which were executed during the year under consideration as compared to last year.

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.

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:

Risk Type	Key Risks	Risk Impact	Risk Mitigation Strategy
Technical Risks	Incomplete Design	High	- Carrying out extensive due diligence during the project bid phase - Bidding for those works which are closely aligned with our core strengths
	Inadequate Specifications	High	- Carrying out exhaustive due diligence before and during the bid phase - Incorporating contingency for inadequate specifications in the price bids - Engaging with clients and their representatives on a regular basis
	Insufficient Resources of Construction Materials	Medium	- Strong and efficient resources planning, both at the corporate and project levels. - Strong management of vendors and subcontractors - Carrying out due diligence on vendors and sub-contractors before entering into agreements with them
Physical Risks	Equipment Damage/ Failure	Medium	- Own a sizeable equipment base, specifically those, which are frequently used in our operations thus reducing dependence on equipment vendors - Following a strict preventive and corrective maintenance schedule - Strong relationship with equipment vendors for renting equipment - Strong management of equipment vendors including rating their performance
	Labour Injuries	Low	- Strong implementation and monitoring of health and safety protocols to prevent injuries - Designated safety personnel at sites. - Periodical reporting on safety and health issues - Conducting training programs on health and safety issues
Construction Risks	Labour Productivity	Medium	- Ensure safe, clean and hygienic work environment at all work locations. - Strong track record in maintaining labour. - Regular monitoring and ensuring strong controls to ensure adherence to timelines and quality
	Theft	Low	- Strong monitoring and control to prevent theft - Penalizing defaulters without exception
Performance Risks	Achieving Required Quality	Medium	- Regular inspection of works and reporting to clients - Strong adherence to specifications and timelines - Constant engagement with clients and their representatives - Reliable Quality assurance programs
	Meeting Client Expectations	Medium	- Experienced workforce, Regular engagement with clients - Response mechanisms to address issues raised by clients and their representatives
Legal Risks	Claims, Disputes & Litigations	Medium	- Engagement with clients to capture and address litigious issues upfront - Proper and thorough documentation on each project from the pre bid stage - In-house Contracts and Claims team. - Legal firm onboard to handle pre-legal claims and/or litigations - Keeping ourselves abreast on regulatory issues

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: 30.06.2020

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, 2020, the Company has eight Directors including a Non-Executive Chairman. Of the eight, seven are Non-executive Directors of which, four are Independent Directors. The composition of Board is in conformity with Regulation 17(1) of SEBI (LODR) Regulations, 2015.
- ii. During the year under review, 5 Board Meetings were held, one each on 30th May 2019, 2nd July, 2019, 14th August 2019, 14th November 2019 and 10th February 2020 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, 2020 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, 2020 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 2019-20		Whether attended last AGM held on 28 th September, 2019	No. of Directorships in other Public Companies		No. of Committee positions held in other public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Sh. R.K. Garg, Chairman DIN 00034827	Non-Executive – Non Independent Director. Chairman	5	5	No	3	1	-	-
Ms. Priya Garg DIN-00034953	Executive Director- Managing Director	5	2	No	-	-	-	-
Sh. S S Virdi DIN 00035408	Non-Executive - Independent Director	5	4	Yes	-	4	3	2
Sh. Sanjay Garg DIN 00030956	Non-Executive - Non Independent Director	5	5	Yes	-	6	-	1
Sh. Kanwarjit Singh DIN 02116031	Non-Executive - Independent Director	4	0	No	-	-	-	-
Sh. Surinder Kumar Bansal DIN -00165583	Non-Executive - Independent Director	5	1	No	-	2	-	-
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	-	4	2	2
Shri Deva Pampapathi Reddy DIN No.-01939650	Non-Executive - Independent Director	1	-	No	-	1	-	-

- Shri Deva Pampapathi Reddy (DIN-01939650) has been appointed as Independent Director of the Company for the period of five years w.e.f. 10.02.2020 subject to approval of shareholders at the Annual General Meeting of the Company in place of Shri Kanwarjit Singh who resigned from Directorship of the Company on 14.11.2019 due to his pre-occupations.
- As per the provisions of Companies Act, 2013, Shri Rajinder Kumar Garg (DIN-00034827), Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment

- 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 five meetings, one each on 30th May 2019, 28th June, 2019, 12th August 2019, 14th November 2019 and 10th February 2020.

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 three 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.

EMPLOYEES STOCK OPTION (ESOP)

The Company does not have any employee stock option scheme.

DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE DIRECTORS AS ON 31ST MARCH 2020

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

SECRETARIAL COMMITTEE

The Secretarial Committee approves and monitors transfers, transmission, splitting and consolidation of shares of the company. The Secretarial Committee is comprised of Shri 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 Viridi as Chairman, Shri H K Singhal and Shri Sanjay Garg, as members. The Committee monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet, dividends, dematerialization of shares etc. The Company attends to most of the investor's grievances/ correspondence within a period of 10 days from the date of receipt, except in cases constrained by disputes or legal impediment.
- Details of Complaints received and redressed:

Opening Balance	Received during the year	Resolved during the year	Closing balance
Nil	1	1	Nil

GENERAL BODY MEETINGS

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

Nature of Meetings	Day	Date	Time	Venue
Court Convened General Meeting	Sunday	30.08.2020	10:00 a.m	At Regd. Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh
AGM	Saturday	28.09.2019	3:00 p.m.	Same as above
AGM	Friday	28.09.2018	4:00 p.m.	Same as above
AGM	Thursday	28.09.2017	4:00 p.m.	Same as above

No special resolutions were put through Postal Ballot during last year, as there was no such item, which required to be passed through Postal Ballot. The Company did not have any outstanding GDRs/ADRs as at 31st March 2020.

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 Shareholder of Indlon Chemicals Ltd. and 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 or before 30th September, 2020 at Regd. Office of the Company.

FINANCIAL CALENDER (Tentative)

Results for quarter ending June 2020	: Second week of Aug., 2020
Results for quarter ending Sept. 2020	: Second week of Nov., 2020
Results for quarter ending Dec. 2020	: Second week of Feb., 2020
Results for quarter ending March 2021	: Last week of May, 2021
Date of Book Closure	: Last week of September 2020
Dividend Payment Date	: Not Applicable
Scrip Code on BSE	: 539112

Distribution of shareholding as on 31st March 2020

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	647	91.51	538040	0.35
501	To 1000	17	2.41	126370	0.08
1001	To 2000	15	2.12	220740	0.15
2001	To 3000	2	0.28	51680	0.03
3001	To 4000	5	0.71	171900	0.11
4001	To 5000	2	0.28	93380	0.06
5001	To 10000	3	0.43	246010	0.17
10001	and Above	16	2.26	150435600	99.05
		707	100.00	151883720	100.00

Shareholding Pattern as on 31st March, 2020

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	3823308	25.17
4.	General Public	164307	1.09
	Total Shareholding	15188372	100.00

STOCK MARKET DATA

(RS./ PER SHARE)					
BOMBAY STOCK EXCHANGE					
MONTH	MONTH'S HIGH	MONTH'S LOW	NO. OF SHARES	NO. OF TRADES	NET TURNOVER (RS.)
April-19	65.00	61.75	4	3	254
August-19	60.80	60.80	100	1	6080
September-19	60.90	57.90	6	4	352
October-19	55.05	52.30	4	4	214
November-19	55.00	53.00	3	2	161
December-19	55.00	53.00	11	6	596
January-20	54.00	50.35	72	10	3672
February-20	52.00	52.00	11	3	572
March-20	54.00	51.50	21	5	1094

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 31.03.2020, 15119556 (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

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
Website : www.sabindustries.in

Place: Chandigarh
Date: 30.06.2020

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 9th 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 31st March, 2020.

For S. K. SIKKA & ASSOCIATES
Company Secretaries

Place: Chandigarh
Date: 30.06.2020

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, 2020 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: 30.06.2020

Sanjay Garg
Director
DIN-00030956

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 2020 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: 30.06.2020

Kailash Kumar
Partner
Membership No.: 505972

**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: 30.06.2020

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. Opinion**

We have audited the accompanying standalone financial statements of SAB INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Profit and Loss statement including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its loss, total comprehensive Loss, its cash flows and the changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there- under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

3. Emphasis of Matter

We draw attention to Note-18 of the Statement wherein the Company has disclosed its Assessment of the Covid-19 pandemic. As mentioned therein, the assessment of the Management does not indicate any material effect on the carrying value of its assets and liabilities of the Company on the reporting date or any adverse change in the ability of the Company to continue as a Going Concern. The assessment of the Management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

Our opinion is not modified in respect of this matter

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined that there are no key audit matters to be communicated in our report.

5. Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not

include the standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

7. Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order,

2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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 purposes 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 Balance Sheet, the Profit and Loss statement including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended 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

Kailash Kumar
Partner

Place : Chandigarh
Date : 30.06.2020

Membership No.: 505972
UDIN:20505972AAADG7211

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, 2020.

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:

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| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(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.</p> <p>(c) The title deeds of immovable properties are held in the name of the company.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(b) According to the information and explanations given</p> | <p>to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute</p> <p>(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.</p> <p>(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.</p> <p>(x) No fraud on or by the Company has been noticed or reported during the period covered by our audit.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> |
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For AKR & Associates
Chartered Accountants
Firm's Registration No.: 021179N

Kailash Kumar
Partner
Membership No.: 505972

Place : Chandigarh
Date : 30.06.2020

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, 2020.
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 2020

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 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 2020 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 : 30.06.2020

Kailash Kumar
Partner
Membership No.: 505972

BALANCE SHEET AS AT 31st MARCH, 2020

Particulars	Note No	As on 31.03.2020 (₹)	As on 31.03.2019 (₹)
I. ASSETS			
(1) Non-current assets	1		
(a) Property, plant and equipment		21,58,98,543	20,93,04,360
(b) Capital Work In Progress		3,35,70,167	3,62,65,425
(c) Financial Assets			
- Investments		60,18,07,440	1,28,98,65,453
- Loans		14,05,00,000	1,25,00,000
(d) Deferred tax assets (net)		(1,80,02,156)	(21,04,78,123)
Total Non-current assets		97,37,73,994	1,33,74,57,115
(2) Current assets	2		
(a) Inventories		43,88,80,102	38,28,92,835
(b) Financial Assets			
- Trade receivables		-	-
- Cash and Cash Equivalents		4,07,05,027	5,98,90,789
(c) Current Assets (Net)		8,07,24,895	11,74,97,636
(d) Other current assets		2,48,65,397	4,46,17,082
Total Current assets		58,51,75,421	60,48,98,342
TOTAL ASSETS		1,55,89,49,415	1,94,23,55,456
II. EQUITY AND LIABILITIES			
Equity	3		
(a) Share Capital		15,18,83,720	15,18,83,720
(b) Other Equity		94,68,56,884	1,40,38,71,733
Total Equity		1,09,87,40,604	1,55,57,55,453
Liabilities			
(1) Non-Current Liabilities	4		
(a) Financial Liabilities			
- Borrowing		20,24,67,854	20,09,17,480
(b) Provisions		1,20,90,615	92,12,765
(c) Other non current liabilities		4,13,62,309	3,73,85,267
Total Non-Current Liabilities		25,59,20,778	24,75,15,512
(2) Current Liabilities	5		
(a) Financial Liabilities			
- Borrowing		7,46,66,240	2,34,53,298
- Trade payables		1,04,37,607	55,78,491
(b) Other Financial liabilities		11,39,84,186	10,85,39,282
(c) Provisions		52,00,000	15,13,420
Total Current Liabilities		20,42,88,033	13,90,84,491
TOTAL EQUITY AND LIABILITIES		1,55,89,49,415	1,94,23,55,456

**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)

Place : Chandigarh
Dated : 30.06.2020

Kailash Kumar
Partner
Membership No.505972

R. K. GARG
Chairman

GURPREET KAUR
Company Secretary

S.S. VIRDI
MANJU LAKHANPAL
H.K. SINGHAL
SANJAY GARG
Directors

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2020

PARTICULARS	NOTE NO.	As on 31.03.2020 (₹)	As on 31.03.2019 (₹)
I. Revenue from operations	6	9,97,65,621	26,80,81,157
II. Other Income	7	6,62,46,355	2,23,46,725
III. Total Revenue (I +II)		16,60,11,976	29,04,27,882
IV. Expenses			
Cost of materials consumed	8	72,98,251	8,60,42,234
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work in-progress and Stock-in-Trade	9	1,28,50,000	4,96,85,000
Employee benefit expense	10	2,77,45,331	2,40,44,814
Financial costs	11	1,19,73,074	1,32,98,139
Depreciation and amortization expense	4 (a)	36,33,011	50,14,887
Other expenses	12	5,89,19,208	10,18,82,659
Total Expenses		12,24,18,875	27,99,67,733
V. Profit /Loss (-) before tax		4,35,93,101	1,04,60,149
VI. Tax expense:			
(1) Current tax		52,00,000	13,25,000
(2) Deferred tax Liability / (Assets)	13	(11,06,661)	(9,90,973)
VII. Profit for the year		3,94,99,762	1,01,26,122
VIII. Other comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans		1,74,097	2,57,006
- Gain/(Loss) on Fair Valuation of Equity Instruments carried at at Fair Value through Profit		(68,80,58,014)	(35,63,10,483)
(ii) Income tax relating to items that will not be reclassified to profit or loss asset/(liability)		19,13,69,306	9,25,73,904
		(49,65,14,611)	(26,34,79,573)
IX. Total comprehensive Income for the year (VII+VIII)		(45,70,14,849)	(25,33,53,451)
Earning per share-basic and diluted (Face Value of ₹10/- per share)		2.60	0.67
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)

Place : Chandigarh
Dated : 30.06.2020

Kailash Kumar
Partner
Membership No.505972

R. K. GARG
Chairman

GURPREET KAUR
Company Secretary

S.S. VIRDI
MANJU LAKHANPAL
H.K. SINGHAL
SANJAY GARG
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

	2019-20 ₹	2018-19 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS	4,35,93,101	1,04,60,149
ADJUSTMENT FOR :		
PROFIT ON SALE OF FIXED ASSETS	(3,36,97,685)	(1,10,235)
LOSS ON SALE OF FIXED ASSETS	2,92,75,757	32,12,085
DEPRECIATION	36,33,011	50,14,887
DIVIDEND RECEIVED	(52,96,748)	(52,96,748)
INTEREST & OTHER FINANCIAL CHANGES	1,19,73,074	1,32,98,139
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	4,94,80,510	2,65,78,277
ADJUSTMENT FOR TRADE AND OTHER RECEIVABLES	5,65,24,426	(3,03,39,325)
INVENTORIES	(5,59,87,267)	4,96,43,996
TRADE PAYABLES	3,14,30,228	(1,10,27,875)
CASH GENERATED FROM OPERATIONS	8,14,47,897	3,48,55,073
INTEREST AND OTHER FINANCIAL EXPENSES PAID	1,19,73,074	1,32,98,139
DIRECT TAXES PAID/ADJUSTED	52,00,000	13,15,000
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	6,42,74,823	2,02,41,934
OTHER ADJUSTMENTS	1,74,097	(1,26,785)
CASH FLOW FROM OPERATING ACTIVITIES	6,44,48,920	2,01,15,149
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS/CAPITAL WORK IN PROGRESS	(5,51,70,004)	(34,60,524)
SALE OF FIXED ASSETS	5,82,80,015	46,67,400
DIVIDEND RECEIVED	52,96,748	52,96,748
DEFERRRED REVENUE EXPENDITURE	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES	21,86,737	65,03,624
C. CASH FLOW FROM FINANCING ACTIVITIES		
REPAYMENT OF LONG TERM BORROWING	90,34,362	2,23,26,727
REPAYMENT OF SHORT TERM BORROWING	-	5,13,19,533
LOAN GIVEN	12,80,00,000	-
PROCEEDS FROM SHORT TERM BORROWINGS	5,12,12,942	2,29,07,173
NET CASH RECEIVED FROM FINANCING ACTIVITIES	(8,58,21,420)	7,36,46,260
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,91,85,763)	(4,70,27,487)
CASH AND CASH EQUIVALENTS AS AT 01.04.2019/01.04.2018 (OPENING BALANCE)	5,98,90,790	10,69,18,276
CASH AND CASH EQUIVALENTS AS AT 31.03.2020/31.03.2019 (CLOSING BALANCE)	4,07,05,027	5,98,90,790

For and on behalf of the Board

R. K. GARG
CHAIRMANS.S. VIRDI
MANJU LAKHANPAL
H.K. SINGHAL
SANJAY GARG
DirectorsGURPREET KAUR
Company SecretaryPlace : Chandigarh
Dated : 30.06.2020**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, 2020 and found the same in agreement therewith.

AKR & Associates
Chartered Accountants
(Registration No.021179N)Place : Chandigarh
Dated : 30.06.2020**Kailash Kumar**
Partner
Membership No.505972

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

				Amount
A. Equity share capital				
(a)	Balance at 01 April, 2018			15,18,83,720
(b)	Changes in equity share capital during the year			-
(c)	Balance at 31 March, 2019			15,18,83,720
(d)	Changes in equity share capital during the year			-
(e)	Balance at 31 March, 2020			15,18,83,720
B. Other equity				
PARTICULARS		Reserve and surplus		
		Capital Reserve	General Reserve	Retained earnings
(a)	Balance at 01 April, 2018	4,19,99,490	19,01,46,426	1,42,50,79,269
(i)	Profit / (Loss) for the year	-	-	1,01,26,122
(ii)	Intra Head Transfers	-	-	-
(iii)	Dividend Paid	-	-	-
(iv)	Dividend Distribution Tax	-	-	-
(v)	Other comprehensive income for the year, net of income tax	-	-	(26,34,79,573)
(b)	Total comprehensive income for the year ended 31 March, 2019	4,19,99,490	19,01,46,426	1,17,17,25,818
(vi)	Profit / (Loss) for the year	-	-	3,94,99,762
(vii)	Intra Head Transfers	-	-	-
(viii)	Dividend Paid	-	-	-
(ix)	Dividend Distribution Tax	-	-	-
(x)	Other comprehensive income for the year, net of income tax	-	-	(49,65,14,611)
(c)	Total comprehensive income for the year ended 31 March, 2020	4,19,99,490	19,01,46,426	71,47,10,969
				94,68,56,884

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

S.S. VIRDI
MANJU LAKHANPAL
H.K. SINGHAL
SANJAY GARG
Directors

NOTES OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

NOTE 1. NON CURRENT ASSETS

(a) Property, plant and equipment

Particulars	Land	Plant & Machinery	Furniture, Fixture & Equipments	Vehicles	Agriculture Equipments	Total
Gross Block						
As at 01 April, 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 under amalgamation	-	-	-	-	-	-
Disposals	2,03,458	1,06,02,353	57,850	30,79,437	-	1,39,43,098
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	34,90,33,498
Additions	5,68,66,800	1,45,600	216,250	105,1365	-	5,82,80,015
Additions on acquisition of subsidiaries	-	-	-	-	-	-
Disposals	3,56,28,927	1,71,32,185	-	-	-	5,27,61,112
Disposals on sale of subsidiary	-	-	-	-	-	-
Assets held for sale (refer note 5(xv))	-	-	-	-	-	-
Other adjustments*	-	-	-	-	-	-
As at 31 MARCH, 2020	19,78,52,341	9,68,13,797	2,04,97,500	3,24,68,561	69,20,202	35,45,52,401
Depreciation						
As at 01 April, 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 under amalgamation	-	-	-	-	-	-
Disposals	-	34,91,708	9,353	30,43,277	-	65,44,338
Other adjustments*	-	-	-	-	-	-
As at 31 March, 2019	-	9,04,74,272	1,70,61,640	2,75,74,583	46,18,643	13,97,29,138
Charge for the year	-	15,90,037	5,92,175	6,50,122	8,00,676	36,33,010
Additions on acquisition	-	-	-	-	-	-
Disposals	-	47,08,290	-	-	-	47,08,290
Disposals on sale of subsidiary	-	-	-	-	-	-
Exchange translation adjustments	-	-	-	-	-	-
Other adjustments*	-	-	-	-	-	-
As at 31 MARCH, 2020	-	87,35,6,019	1,76,53,815	2,82,24,705	54,19,319	13,86,53,857
Net Block						
As at 1 April, 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	23,01,559	20,93,04,360
As at 31 MARCH, 2020	19,78,52,341	9,457,778	28,43,685	42,43,856	15,00,883	21,58,98,543

Notes:

1) The company has used deemed cost exemption under Ind AS 101 as on the date of transition to Ind AS.

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

PARTICULARS	As on 31.03.2020	As on 31.03.2019
LAND		
Cost Of Land Including Registration	1,75,56,230	1,75,56,230
PLANT & MACHINERY		
(a) Plant & Machinery /Equipments Purchased (Incl advances)	54,404	54,404
(b) Purchase of Machinery/Others (Incl advances)	59,00,760	59,01,939
PRE-OPERATIVE EXPENDITURES PENDING CAPITALIZATION		
Direct Cost:		
- Material Cost	12,35,800	12,09,316
- Labour wages	2,47,718	2,26,266
- Hire Charges/Machinery Running & Maintenance	3,02,959	2,85,525
Fees and Taxes:		
- 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	9,50,000
- Map Fee Nagar Panchayat	51,270	51,270
- Legal Fee	1,15,120	1,15,120
- Architect Fee	3,54,000	3,54,000
Employee Cost	17,42,595	17,42,595
Administration Expenses	3,50,810	3,50,810
Finance Cost	9,29,801	23,551
Total Capital Work-in-Progress	3,03,85,217	2,94,14,776
(c) (ii) Capital Work in Progress (Land and building under Progress)		
Land	21,00,000	21,00,000
Building under construction	10,84,950	-
-Feasibility report/consultancy fee-foreign	-	47,50,649
Fees and Taxes	-	-
Total (b)	31,84,950	68,50,649
Total (B+C)	3,35,70,167	3,62,65,425

(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	46,79,01,477	1,14,32,36,846
1,47,93,772 fully paid up equity shares of Indian Acrylics Ltd (Previous Year 1,47,93,772) of ₹10/- each	1,03,55,64,04	11,62,79,048
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
--	-----------	----

AGGREGATE AMOUNT OF THE QUOTED INVESTMENTS**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	1,02,722
5368630 equity shares of ₹10/-each of M/S SAB Udyog Ltd	2,87,75,857	2,87,75,857

IRAN NIL (Previous Year USD 202750)

AGGREGATE AMOUNT OF THE UN-QUOTED INVESTMENTS

	2,88,78,579	2,88,78,579
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AGGREGATE AMOUNT OF THE QUOTED & UN-QUOTED INVESTMENTS

	60,18,07,440	1,28,98,65,453
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Aggregate Market value of Quoted Investments**

	57,14,57,881	1,25,95,15,894
--	---------------------	----------------

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 31.03.2020	As on 31.03.2019
Loans		
- Corporate Loans (Un-Secured)	14,05,00,000	1,25,00,000
TOTAL	14,05,00,000	1,25,00,000
(d) Deferred Tax		
W.D.V. as per Income Tax Act.(Net of Land)	2,60,72,943	3,70,66,905
W.D.V. as per books (Net of Land)	1,80,43,676	3,26,89,892
Depreciation excess claimed in books	80,29,267	43,77,013
Deferred tax assets	22,33,742	11,27,081
Less : Provision already made	11,27,081	1,36,108
Deferred Tax Assets/(Liability)	11,06,661	9,90,973
Add : Deferred Tax impact of OCI	(20,23,35,898)	(21,16,05,204)
Profit & Loss Impact	(1,80,02,156)	(21,04,78,123)

"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 31.03.2020	As on 31.03.2019
1. WORK IN PROGRESS	-	1,28,50,000
2. STOCK IN HAND	-	7,92,000
Total (1)	-	1,36,42,000
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	53,18,267	
Addition	3,65,000	53,18,267
	1,18,18,642	1,14,53,642
	23,10,46,901	23,06,81,901
(c) Misc. Expenditure Pending Allocation To Above Commercial Property		
Direct Cost	8,25,55,324	15,06,29,488
Addition	6,80,74,164	8,25,55,324
Administration Expenses	70,31,616	82,12,856
Addition	11,81,240	70,31,616
Employee Cost	-	1,21,33,503
Addition	-	-
Selling & Advertisement. Expenses	46,89,941	46,89,941
Addition	-	-
Interest And Bank charges	3,02,96,191	3,02,96,191
Addition	8,863	-
Depreciation	18,62,359	18,62,359
	20,78,33,201	13,85,68,934
Total 2	43,88,80,102	36,92,50,835
Total 1+2	43,88,80,102	38,28,92,835

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

NOTE '2' (Continued)

PARTICULARS	As on 31.03.2020	As on 31.03.2019
2(b) Trade Receivable		
- Outstanding for a period exceeding six months	92,10,345	92,10,345
- Others	-	-
	92,10,345	92,10,345
Less : Provision for bad and doubtful debts	92,10,345	92,10,345
SUB - TOTAL	-	-
(c) Cash and cash equivalent		
- Balances With Banks - In Current Accounts	14,08,267	15,55,572
- Cheques/Drafts In Hand	2,69,99,076	4,50,00,000
- Cash In Hand	3,20,577	84,886
Fixed Deposits		
- Under Lien With Banks As Margin Money	1,10,74,283	1,25,50,580
- Under Lien With Government Departments	9,02,824	6,99,751
TOTAL	4,07,05,027	5,98,90,789
(d) Loans		
Loans and Advances (unsecured considered good, unless otherwise stated)		
-suppliers/petty contractors	30,10,031	38,70,692
-Advance for purchase of land	-	1,00,00,000
-Claims recoverables	6,89,71,995	10,21,33,631
-Others (un-secured)	87,42,869	14,93,313
	8,07,24,895	11,74,97,636
(e) Other Current Assets		
Security Deposit	1,14,42,128	2,62,59,632
Interest Accrued But Not Due	3,28,547	2,50,984
Gratuity/EL Funds with LIC	15,11,171	19,54,793
Prepaid Expenses	539	1,17,386
Amounts recoverable in cash or kind		
Income Tax Deducted At Sources	26,96,510	60,06,375
Income Tax Refundable	46,22,079	63,19,060
GST Input credit available	42,64,423	37,08,852
TOTAL	2,48,65,397	4,46,17,082
NOTE '3' EQUITY AND LIABILITIES		
(a) Share Capital		
AUTHORISED CAPITAL		
200,00,000 Equity shares of ₹ 10/- each	20,00,00,000	20,00,00,000
(PREVIOUS YEAR 20000000 Equity shares of ₹ 10/- each		
ISSUED, SUBSCRIBED & PAID		
15188372 Equity shares (Previous year 15188372 shares) of ₹10/- each	15,18,83,720	15,18,83,720
TOTAL	15,18,83,720	15,18,83,720

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

Name of shareholders	AS ON 31.03.2020		AS ON 31.03.2019	
	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.	1254632	8.26%	1254632	8.26%
BLOOMEN FLORA LTD.	1336438	8.80%	1336438	8.80%

(b) Other Equity

PARTICULARS		As on 31.03.2020	As on 31.03.2019
1. General Reserve		19,01,46,426	19,01,46,426
Add : Amount transferred from Profit & Loss a/c		-	-
	Total (1)	19,01,46,426	19,01,46,426
2. Capital Reserve		4,19,99,490	4,19,99,490
	Total (2)	4,19,99,490	4,19,99,490
3. Profit & Loss A/C			
As per last Balance Sheet		1,17,17,25,817	1,42,50,79,268
Add : Profit for the year		(45,70,14,849)	(25,33,53,451)
	Total (3)	71,47,10,968	1,17,17,25,817
	Total (1+2+3)	94,68,56,884	1,40,38,71,733

Note : '4' Non Current Liabilities

(a) Borrowing

PARTICULARS	As on 31.03.2020 Non-Current	As on 31.03.2020 Current	As on 31.03.2019 Non-Current	As on 31.03.2019 Current
SECURED				
FROM BANKS				
TERM LOAN FROM ALLAHABAD BANK				
(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
VEHICLES/EQUIPMENTS LOANS FROM BANKS				
(Secured against hypothecation of respective vehicles/ equipments and counter guarantees of the company)	26,49,361	18,18,323	10,98,987	44,24,067
OTHERS				
1. Secured by Bank Guarantees (From Customers)	1,32,28,071	-	-	1,32,28,071
2. Secured against security furnished by Company/ Associate Companies/third party and against Security Bonds	18,65,90,422	-	-	18,65,90,422
TOTAL	20,24,67,854	18,18,323	20,09,17,480	1,24,03,059

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

Particulars	1st Year	2nd Year	3rd Year
Vehicles/Equipments Loans from Banks(Current Year)	18,18,322	19,36,145	7,13,315
Vehicles/Equipments Loans from Banks(Previous Year)	44,24,067	8,69,6417	-

The total disputed amount of company's awards under "Secured Loan" stands at ₹826.31 lac as on 31.03.2020. Besides, the company had received ₹1307.12 lacs 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 lac for above cases as on 31.03.2020.

Particulars	As on 31.03.2020	As on 31.03.2019
(b) Provisions		
Provision for Bank Guarantees	26,74,000	26,74,000
Provision for Expenses	94,16,615	65,38,765
TOTAL	1,20,90,615	92,12,765
(c) Other Long Term Liabilities		
- Liabilities for employees retirement benefits :		
- Gratuity	28,69,120	29,11,364
- Earned Leave	9,33,342	7,31,762
- Security Deposit	3,75,59,847	3,37,42,141
TOTAL	4,13,62,309	3,73,85,267

NOTE '5' CURRENT LIABILITIES

(a) Borrowings

SECURED

FROM BANKS

2,46,66,240 2,34,53,298

(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.

UN-SECURED

Short Term Corporate Advances

- From Others

5,00,00,000 -

TOTAL

7,46,66,240 2,34,53,298

(b) Trade Payables

Trade Payables

- Micro and Small Enterprises

- Others

17,12,876 7,29,694

87,24,731 48,48,797

1,04,37,607 55,78,491

Principal amount due and remaining unpaid

17,12,876 7,29,694

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

- -

- -

- -

- -

- -

TOTAL

17,12,876 7,29,694

SAB INDUSTRIES LIMITED

PARTICULARS	As on 31.03.2020	As on 31.03.2019
(c) Other Financial Liabilities		
- Current maturities of Long-term Debts (Refer Note No.2)	18,18,323	1,24,03,059
- Statutory dues	9,39,304	12,57,470
- Advance from customers	14,05,735	6,18,88,235
- Advance against sale of land	1,50,00,000	-
- Cheques issued but not presented for payment	8,21,97,626	2,10,78,891
- Expenses payable	1,26,23,198	1,19,11,627
TOTAL	11,39,84,186	10,85,39,282
(d) Provisions		
Provision for taxation	52,00,000	13,25,000
Provision for Expenses	-	1,88,420
TOTAL	52,00,000	15,13,420
NOTE '6' REVENUE FROM OPERATIONS		
Revenue from operations	9,97,65,621	26,80,81,157
TOTAL	9,97,65,621	26,80,81,157
Note '7' Other Income		
Profit On Sale Of land	3,35,32,308	-
Profit On Sale Of Assets	1,65,377	1,10,235
Interest Received	1,80,15,900	37,60,494
Miscellaneous Income	62,81,784	96,22,795
Agriculture Receipts	29,54,238	35,56,453
Dividend Received	52,96,748	52,96,748
TOTAL	6,62,46,355	2,23,46,725
NOTE '8' Cost of Material Consumed		
Opening Stock Of Building Materials And Net Working Equipments/Materials	7,92,000	1,08,57,000
Add : Purchases During The Year		
- Purchase - Network Equipments	-	-
- Construction Material	65,06,251	7,87,72,327
	72,98,251	8,96,29,327
	27,95,093	1,91,74,874
Less - Sale/Material Issued To Sub-Contractors	-	27,95,093
Closing stock of Materials	-	7,92,000
TOTAL	72,98,251	8,60,42,234
NOTE '9' Change in Inventories of Finished Goods, Work in Progress and Stock in Trade		
Opening Work in Progress	1,28,50,000	6,25,35,000
Closing Work In Progress	-	1,28,50,000
TOTAL	1,28,50,000	1,28,50,000
NOTE '10' Employee Benefit Expenses		
Salaries, Wages And Others Allowances **	2,51,09,316	2,14,97,543
Including Directors Remuneration		
Bonus	-	3,33,179
Contribution To Provident Funds & Other Funds	16,73,349	16,83,964
Welfare Expenses	7,88,569	5,30,128
TOTAL	2,77,45,331	2,40,44,814
** The detail of managerial remuneration paid to Directors is as under:		
	Current Year	Previous Year
Salary	53.98	39.79
Perquisite	-	6.13
Contribution Towards PF	6.48	4.77
Gratuity Paid	-	20.00
Leave Encashment	-	7.15
	60.46	77.84
NOTE '11' Financial Cost		
Interest- Banks	34,32,164	49,08,427
- Others	58,03,331	65,82,938
Other Financial Charges	27,37,579	18,06,774
TOTAL	1,19,73,074	1,32,98,139

SAB INDUSTRIES LIMITED

PARTICULARS	As on 31.03.2020	As on 31.03.2019
NOTE '12'		
Other Expenses		
(a) Direct Cost		
Labour & Wages	14,72,597	77,07,171
Payment to Contractor	15,82,634	3,53,53,318
Hire Charges Of Machinery	1,49,041	1,46,68,715
Running and Maintenance of Machinery	6,09,187	1,42,56,270
Bandwidth Expenses	(2,858)	5,19,017
Total (a)	38,10,601	7,25,04,491
(b) Selling and Distribution Expenses		
Business Promotion Expenses	-	24,563
Advertisement & Publicity	46,051	34,467
Total (b)	46,051	59,030
(c) Establishment Expenses		
Travelling Expenses - Foreign		
- Directors	-	-
- Others	-	-
Travelling Expenses - Inland		
- Directors	5,95,283	4,49,300
- Others	13,88,283	14,29,200
Printing & Stationery	1,99,821	3,13,015
Postage, Telegram & Telephone	4,44,633	2,34,801
Vehicles Repairs & Maintenance	10,47,342	27,06,502
Repairs & Maintenance	-	20,408
Insurance	5,30,165	10,91,602
Auditors Remuneration	6,10,000	6,10,000
Legal & Professional Charges	54,42,858	26,01,359
Directors' Sitting Fee	5,70,000	5,40,000
Rates & Taxes	12,67,634	19,75,001
Newspapers & Periodicals	9,775	7,670
Office Maintenance Exp.	14,31,901	1,70,005
Donation	1,00,000	23,00,000
Rent	24,76,726	61,15,875
Electricity & Water Charges	6,22,812	3,93,571
Tender Expenses	-	5000
Agriculture Expenses	22,37,110	43,84,775
Loss on sale of Assets	44,83,272	32,12,085
Loss on sale of land	2,47,92,485	-
Ethnol project abonded	47,50,649	-
Service Tax Paid	13,94,000	-
Other Miscellaneous Expenses	6,67,422	7,58,969
Total (c)	5,50,62,556	2,93,19,138
Total (a+b+c)	5,89,19,208	10,18,82,659
1) The detail of Auditor Remuneration is as under :-		
Statutory Audit Fee	6,00,000	6,00,000
Consolidation Fee	10,000	10,000
Total	6,10,000	6,10,000

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, 2020, 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 ₹ 24.77 lakhs (previous year ₹ 61.16 lakhs). The future minimum lease payments in respect of the non-cancellable operating leases as at 31st March 2020 are:

			(₹ in lakhs)
S.No.	Particulars	As at 31.03.2020	As at 31.03.2019
a)	not later than one year	12.00	44.80
b)	later than one year but not later than five year	20.50	63.53
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 31.03.2020	As on 31.03.2019
Counter Guarantees issued by the company against Bank Guarantees	646.75	719.29

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 31.03.20 is as under:

(₹ in lakhs)

Sr.No.	Particulars	31.03.2020	31.03.2019
1.	SEGMENT REVENUES		
	a) Construction Division	1241.20	2812.93
	b) Real Estates Division	-	-
	c) Investments (in shares)	52.97	52.97
	d) Agriculture	364.86	35.56
	e) Infotech Division	1.09	2.82
	f) Unallocated	-	-
	TOTAL	1660.12	2904.28
2.	SEGMENT RESULTS		
	Profit/(Loss)		
	(Before tax and interest from each segment)		
	a) Construction Division	410.82	204.13
	b) Real Estates Division	-	-
	c) Investments (in shares)	52.97	52.97
	d) Agriculture	94.57	(8.29)
	e) Infotech Division	(2.70)	(11.23)
	f) Unallocated	-	-
	TOTAL	555.66	237.58
	Less: interest & financial charges	119.73	132.98
	TOTAL PROFIT BEFORE TAX	435.93	104.60
3.	CAPITAL EMPLOYED		
	(Segment assets-Segment liabilities)		
	a) Construction Division	768.73	1681.10
	b) Real Estates Division	5036.07	3790.00
	c) Investments (in shares)	1251.31	1251.31
	d) Agriculture	707.61	707.61
	e) Infotech Division	10.63	13.33
	f) Unallocable assets less liabilities	906.51	906.51
	TOTAL	8680.86	8349.86

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	395.00	101.26
No of equity shares	15188372	15188372
Earnings per share (Face value of ₹ 10/- each) (₹)	2.60	0.67
(basic & diluted)		

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 Ind AS 18 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)	-	-	28.44	28.44	50.70
Security Charges paid	=	=	20.00	20.00	-
Vehicle Hire charges Received (Incl gst)	-	-	61.49	61.49	61.32
Dividend received	-	-	52.97	52.97	52.97
Donation	-	-	1.00	1.00	21.00
Interest paid	-	-	43.67	43.67	-
Management contract (salaries)	-	60.46	-	60.46	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	-	-	-	-	-
2. Loan advance paid	-	-	603.00	603.00	-
Loan Received back	-	-	-	-	-
Outstanding at the end of the year	-	-	-	-	-

1. Key Management Personnel: Sh. R. K. Garg, Chairman, Sh. H.K. Singhal, Director

2. Enterprises over which Key Management Personal (KMP) are able to exercise significant influence and with whom transactions have taken place during the year:

- | | | |
|-------------------------|-----------------------------|--------------------------------------|
| 1. Indian Acrylics Ltd. | 2. Steel Strips Wheels Ltd. | 3. Steel Strips Infrastructures Ltd. |
| 4. R.K.Garg & Sons(HUF) | 5. Hans Raj Trust | |

3. 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 2019-20 have been paid / provided for as per the requirements of INDAS – 19.

a) Expenses recognised in Profit and Loss Account

Particulars	Gratuity	Gratuity
	2019 -20	2018-19
Current service cost	3,83,481	3,25,614
Interest cost on benefit obligation	1,16,395	1,58,759
Past service cost	-	-
Expected Returns on plan assets	-	-
Net benefit expenses recognised in the Profit and Loss a/c	4,99,876	4,84,373

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

Particulars	Gratuity	Gratuity
	2019 - 20	2018-19
Present value of obligations at the end of period	(2,869,120)	29,11,364)
Fair value of plan assets at the end of period	10,59,174	14,17,197
Funded status	(18,09,946)	(14,94,167)
Unrecognised actuarial (gain)/losses	-	-
Defined benefit obligation	-	-
Less: Unrecognised past service cost	-	-
Net asset/ (liability) recognised in the balance sheet	(18,09,946)	(14,94,167)

c. Change in the present value of Projected Benefit Obligation

Particulars	Gratuity	Gratuity
	2019 -20	2018-19
Opening defined benefit obligation	29,11,364	58,15,991
Interest cost	2,26,795	4,49,576
Past service cost	-	-
Current service cost	3,83,481	3,25,614
Liability transferred in Acquisition	-	-
Benefit paid	(4,47,462)	35,04,106
Actuarial (gains)/ losses on obligation due to change in financial assumptions	2,16,481	(16,028)
Actuarial (gains) /losses on obligation due to experience	(4,21,539)	1,59,683
Closing defined benefit obligation	28,69,120	29,11,364

d) Changes in the fair value of Plan Assets

Particulars	Gratuity	Gratuity
	2019 - 20	2018-19
Fair Value of plan assets as at 1st April 2019	14,17,197	37,62,191
Interest Income	1,10,400	2,90,817
Expected returns on plan assets	(30961)	81,295
Contributions	10,000	7,87,000
Benefit paid	(4,47,462)	(35,04,106)
Actuarial (gains)/ losses on plan assets	-	-
Fair Value of plan assets as at 31st March 2020	10,59,174	14,17,197

Particulars	2019 - 20	2018 - 19
	(%)	(%)
Expected Return on Plan Assets	6.89 %	7.79 %
Discount rate	6.89 %	7.79 %
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

SAB INDUSTRIES LIMITED

18. Expenditure in Foreign Currency. **As on 31.03.2020** **As on 31.03.2019**

Particulars	Amount (₹ in lacs)	Amount In foreign currency	Amount (₹ in lacs)	Amount In foreign currency
Consultancy	--	--	—	—
Traveling (Staff/Others)	--	--	—	—

Earnings in foreign exchange

sale of investment	--	--	—	—
Reimbursement of expenses received	--	--	—	—

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

MANJU LAKHANPAL
S. S. VIRDI
H. K. SINGHAL
SANJAY GARG
Directors

Place : Chandigarh
Dated : 30.06.2020

Kailash Kumar
Partner
Membership No.505972

GURPREET KAUR
Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN ANNUAL GENERAL MEETING		
Name of Director (DIN)	Shri Rajinder Kumar Garg (DIN:00034827)	Shri Deva Pampapathi Reddy (DIN:01939650)
Date of Birth	18.08.1943	10.12.1958
Date of first Appointment	30.06.1989	10.02.2020
Qualification Experience in Specific functional areas	Shri Rajinder Kumar Garg, a qualified F.I.E and an eminent Industrialist, is Promoter and Chairman of the Company. He has wide and varied experience in business development operations and has made significant contribution to the progress of the Company.	Shri Deva Pampapathi Reddy, IAS (Retd.) is Chairman of Punjab State Food Commission and has appropriate skills, experience and knowledge of management and other disciplines related to the Company's business. Ritesh Properties and Industries Limited
List of companies in which outside Directorships held (excluding Private Ltd./Foreign Companies)	Steel Strips Wheels Ltd Steel Strips Ltd. Steel Strips Infrastructures Ltd. Indian Acrylics Ltd.	Ritesh Properties and Industries Limited
Chairman/ Member of the Committee of Board of Directors of the Company includes only Audit Committee and Stakeholders Relationship Committee	Nil	Nil
Chairman/ Member of the Committee of Directors of other Companies in which he is a Director includes only Audit Committee and Stakeholders Relationship Committee	Nil	Nil
No. of shares held in the Company	3404020 equity shares	Nil
Relationship with other Director/Key Managerial Personal	Father of Ms. Priya Garg Managing Director of the Company.	Nil

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 Monday, the 28th day of December, 2020, 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, 2020
- Re-appointment of Sh. Rajinder Kumar Garg as a Director.

Affix
Revenue
Stamp

Special Business

- Approval for Appointment of Sh. Deva Pampapathi Reddy, IAS (Retd) as Independent Director .

Signed this day of December 2020

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

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 Monday, the 28th day of December 2020, at 3.00 P.M., at S.C.O.49-50, Sector- 26, Madhya Marg, Chandigarh

Member's/ Proxy's Signatures

.....

NOTES

ROUTE MAP OF ANNUAL GENERAL MEETING

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

