STEEL STRIPS GROUP

SAB INDUSTRIES LIMITED
Regd. & Corporate Office :
SCO 49-50, Sector-26,
Madhya Marg, Chandigarh-160 019 (INDIA)
Tel. : +91-172-2792385 / 2793112
Fax : +91-172-2794834 / 2790887
Website : www.sabindustries.in
CIN : L00000CH1983PLC031318

Ref. No. SABIL/2020/
July 21, 2020

Bombay Stock Exchange Ltd.
Department of Corporate Services
PJ Towers, Dalal Street,
Mumbai-400001

Scrip Code: 539112

Sub:- Intimation under Regulation 30 of SEBI (LODR) Regulations, 2015)
Submission of Notice of Meetings of Shareholder of the Company as per the direction of the National Company Law Tribunal (NCLT convened Meeting")

Dear Sir/ Madam

This is further to our Letter dated June 19, 2020 with regard to directions issued by National Company Law Tribunal, Chandigarh Bench (NCLT), vide order dated June 12, 2020 for convening of Meeting of Shareholders on 30th August 2020 at 10:00 A.M. at the Registered Office of the Company for amalgamation of Steel Strips Limited (Transferor Company) with SAB Industries Limited (Transferee Company) pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

Further, the Company is providing to members facility of voting through Remote e-voting and Poll at the Meeting on the Resolution/business stated above. Central Depository Services Limited (CDSL) is appointed as voting Agency for facilitating e-voting by Members.

The period of e-voting is as under:

Start date and time of voting	31st July, 2020 at 9:00 A.M
End date and time of voting	29th August, 2020 at 5;00 P.M

The cut-off date for determining eligibility of Members entitled to vote in e-voting and at the venue, will be Friday, June 12, 2020.

We hereby enclose copy of Notice of aforesaid Meeting for your perusal and request you to take the above information on record.

Thanking You
Yours Faithfully
for SAB INDUSTRIES LIMITED

(GURPREET KAUR)
COMPANY SECRETARY

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SAB INDUSTRIES LIMITED
CIN: L00000CH1983PLC031318
Registered Office: SCO 49-50, Sector-26, MADHYA MARG, CHANDIGARH 160019
Phone: +91 0172-2793112| **Fax:** +91 0172-2794834
Email: ssl_ssg@glide.net.in | **Website:** www.sabindustries.in

MEETING OF THE EQUITY SHAREHOLDERS OF SAB INDUSTRIES LIMITED

(convened pursuant to the order dated June 12, 2020 of the Hon'ble Chandigarh Bench of the National Company Law Tribunal at Chandigarh)

DETAILS OF THE MEETING:

Day Sunday
Date 30.08.2020
Time 10:00 AM
Venue SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019

E-VOTING:

Commencing on Friday July 31 2020 at 9:00 A.M.
Ending on Saturday, August 29, 2020 at 05.00 P.M.

DOCUMENTS ENCLOSED:

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1.	Notice of the meeting of the equity shareholders of SAB Industries Limited convened pursuant to the directions of the Hon'ble Chandigarh Bench of the National Company Law Tribunal at Chandigarh **("Tribunal").**	2-7
2.	Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	8-22
3.	Scheme of Arrangement between Steel Strips Limited and SAB Industries Limited and their respective Shareholders and Creditors under Sections 230 to 232 read with Section 52 and Section 66 of the Companies Act, 2013 and rules made there under, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 **("Scheme"),** as filed before the Tribunal, enclosed as **ANNEXURE 1.**	23-33
4.	Order dated June 12, 2020 passed by the Tribunal in Company Application No. CA (CAA) No. 37/Chd/Chd/2019, enclosed as **ANNEXURE 2.**	34-52
5.	Valuation Report on recommendation of share exchange ratio dated June 20,2019 issued to Steel Strips Limited and SAB Industries Limited by CA Vikas Aggarwal, Chartered Accountant, Registered Valuer with IBBI enclosed as **ANNEXURE 3**	53-68
6.	Fairness Opinion dated June 27, 2019 issued to Steel Strips Limited and SAB Industries Limited by Corporate Capital Ventures Private Limited, a merchant banker registered with the Securities and Exchange Board of India, enclosed as **ANNEXURE 4**.	69-75
7.	Complaint Report submitted by Steel Strips Limited on August 14, 2019 to BSE Limited, enclosed as **ANNEXURE 5.**	76
8.	Observation Letter dated September 12, 2019 issued by BSE Limited to Steel Strips Limited, enclosed as **ANNEXURE 6.**	77-78
9.	Report adopted by the board of directors of Steel Strips Limited pursuant to Section 232(2)(c) of the Companies Act, 2013, enclosed as **ANNEXURE 7.**	79-80
10.	Audited financials of Steel Strips Limited for the financial year ended March 31, 2019 and March 31, 2020, enclosed as **ANNEXURE 8.**	81-96
11.	Supplementary Accounting Statement/ Limited quarterly review financials of Steel Strips Limited for the quarter ended June 30, 2020, enclosed as **ANNEXURE 9.**	97-98
12.	Complaint Report submitted by SAB Industries Limited on August 14, 2019 to BSE Limited, enclosed as **ANNEXURE 10.**	76
13.	Observation Letter dated September 12, 2019 issued by BSE Limited to SAB Industries Limited, enclosed as **ANNEXURE 11**	99-100
14.	Report adopted by the board of directors of SAB Industries Limited pursuant to Section 232(2)(c) of the Companies Act, 2013, enclosed as **ANNEXURE 12.**	101-103
15.	Audited financials of SAB Industries Limited for the financial year ended March 31, 2019 and March 31, 2020, enclosed as **ANNEXURE 13.**	104-124
16	Supplementary Accounting Statement/ Limited quarterly review financials of SAB Industries Limited for the quarter ended June 30, 2020, enclosed as **ANNEXURE 14.**	125-127
17	Pre and post-arrangement expected capital structure and shareholding pattern of SAB Industries Limited, enclosed as **ANNEXURE 15.**	128-129
18	Form of Proxy.	130-131
19	Attendance Slip.	132
20	Route map for the venue of the meeting.	132

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL CHANDIGARH BENCH, AT CHANDIGARH
COMPANY APPLICATION NO. CA (CAA) No. 37/CHD/CHD/2019
(under Sections 230-232 of the Companies Act, 2013)
IN THE MATTER OF THE COMPANIES ACT, 2013
AND

IN THE MATTER OF SECTIONS 230 – 232 OF THE COMPANIES ACT, 2013 AND RULES MADE THERE UNDER, THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

AND

IN THE MATTER OF THE SCHEME OF ARRANGEMENT BETWEEN STEEL STRIPS LIMITED AND SAB INDUSTRIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

AND

IN THE MATTER OF:

Steel Strips Limited (CIN L45202PB1975PLC003610) , having its registered office at Village Harkishanpura, Bhawanigarh, Tehsil Sangrur, Punjab 148026

…Applicant No. 1/Transferor Company

AND

SAB Industries Limited(CIN L00000CH1983PLC031318), having its registered office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh

… Applicant No. 2 / Transferee Company

NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF SAB INDUSTRIES LIMITED

Notice is hereby given that by an order dated June 12, 2020 in Company Application No. CA (CAA) No. 37/Chd/Chd/2019 **("Order"),** the Hon'ble Chandigarh Bench of the National Company Law Tribunal at Chandigarh **("Tribunal"),** has directed a meeting to be held of the Equity Shareholders of Transferee Company for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement **("Scheme")** among the Transferee Company and Transferor Company and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 and Rules made there under, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

In pursuance of the Order and as directed therein, further notice is hereby given that a meeting of the Equity Shareholders of the Transferee Company will be held at its registered office of the Company i.e. SCO 49-50, Sector 26, Madhya Marg, Chandigarh on Sunday, the 30th day of August, 2020 at 10:00 A.M. **("Meeting"),** at which time and place, the said Equity Shareholders of the Transferee Company are requested to attend the Meeting.

Copies of the notices in relation to the Meeting, together with the documents accompanying the same, including the explanatory statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 **("Rules") ("Explanatory Statement"),** the Scheme, the form of proxy and the attendance slip can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of the Transferee Company at SCO 49-50, Sector-26, MADHYA MARG, CHANDIGARH 160019 The Transferee Company is required to furnish a copy of the Scheme within one day of any requisition of the Scheme made by any equity shareholder to attend the Meeting.

Persons entitled to attend and vote at the Meeting, may vote in person or by proxy at the Meeting or through electronic means, provided that all proxies in the prescribed form, duly completed, signed and stamped or authenticated by the person entitled to attend and vote at the Meeting, are deposited at the registered office of the Transferee Company as mentioned above not later than 48 hours before the scheduled time of the Meeting. Forms of Proxy can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of the Transferee Company as mentioned above during business hours.

The Tribunal has appointed Mr. Anand Chhibbar, Senior Advocate, as the chairperson of the Meeting, and failing him, Mr. Vaibhav Sahni, Advocate as the alternate chairperson of the Meeting, including for any adjournment(s) thereof. The Tribunal has also appointed Mr. Ajay Kumar Arora, Company Secretary, as the scrutinizer for the Meeting, including for any adjournment(s) thereof. The Scheme, if approved at the Meeting, will be subject to the subsequent approval of the Tribunal.

TAKE NOTICE that the following resolution is proposed under Section 230(3) of the Act and the provisions of the memorandum of association and the articles of association of the Transferee Company, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme.

"*RESOLVED THAT,* *pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act"), the applicable rules, circulars and notifications made thereunder (including any statutory modification(s) or reenactment(s) thereof for the time being in force), the provisions of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the observation letters, dated September 12, 2019, issued by BSE Limited, and subject to the provisions of the memorandum of association and the articles of association of SAB Industries Limited ("Transferee Company") and subject to the approval of the Chandigarh Bench of the Hon'ble National Company Law Tribunal at Chandigarh ("Tribunal") and subject to such other approvals, permissions and sanctions of any regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Transferee Company, the Scheme of Arrangement among the Transferee Company and Steel Strips Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act ("Scheme") as enclosed to the notice of the Tribunal convened meeting of the Equity Shareholders of the Transferee Company and placed before this meeting, be and is hereby approved.*

RESOLVED FURTHER THAT, *the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to the preceding resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/ or conditions, if any, which may be required and/ or imposed by the Tribunal while sanctioning the Scheme or by any authorities under applicable law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise"*

TAKE FURTHER NOTICE that pursuant to the provisions of: (a) Section 230(4) read with Sections 108 of the Act; (b) Rule 6 (3)(xi) of the Rules; (c) Rules 20 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof); (d) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations");** and (e) Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India **("SEBI")** and other relevant laws and regulations, as may be applicable, the Transferee Company has also provided the facility of e-voting so as to enable the Equity Shareholders, which includes the public shareholders, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Equity Shareholders on the proposed resolution shall be carried out through e-voting process and polling paper at the venue of the Meeting to be held on Sunday, August 30, 2020 at 10:00 A.M.

A copy of the Explanatory Statement, the Scheme and other enclosures including the Form of Proxy and the Attendance Slip are enclosed and form part of the notice.

Dated this 15th Day of July 2020.

For SAB Industries Limited

Sd/-

Ms. Gurpreet Kaur. (Company Secretary and Authorized Signatory)

Registered Office: SCO 49-50, Sector-26, MADHYA MARG, CHANDIGARH 160019

CIN: L00000CH1983PLC031318

Email: ssl_ssg@glide.net.in

NOTES:

1 **THE NOTICE IN RELATION TO THE MEETING, TOGETHER WITH THE DOCUMENTS ACCOMPANYING THE SAME, INCLUDING THE EXPLANATORY STATEMENT, THE SCHEME, THE FORM OF PROXY AND THE ATTENDANCE SLIP, ARE BEING SENT TO ALL THE EQUITY SHAREHOLDERS OF THE TRANSFEREE COMPANY AS ON JUNE 12, 2020 BY PERMITTED MODES (REGISTERED POST OR SPEED POST OR COURIER OR E-MAIL) AT THEIR LAST KNOWN ADDRESSES. A PERSON/ ENTITY WHO IS NOT AN EQUITY SHAREHOLDER ON SUCH DATE SHOULD TREAT THE NOTICE FOR INFORMATION PURPOSES ONLY AND WILL NOT BE ENTITLED TO AVAIL THE FACILITY OF VOTING AT THE VENUE OF THE MEETING. THE NOTICE TOGETHER WITH THE DOCUMENTS ACCOMPANYING THE SAME, WILL BE DISPLAYED ON THE WEBSITE OF THE TRANSFEREE COMPANY AT WWW.SABINDUSTRIES.IN**

2 **SUCH EQUITY SHAREHOLDERS OF THE TRANSFEREE COMPANY ARE ENTITLED TO VOTE IN PERSON, BY PROXY OR THROUGH ELECTRONIC MEANS.**

3 **SUCH EQUITY SHAREHOLDER OF THE TRANSFEREE COMPANY IS ENTITLED TO ATTEND AND VOTE AT THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS, EITHER IN PERSON OR BY PROXY OR THROUGH AN AUTHORIZED REPRESENTATIVE (IN CASE THE EQUITY SHAREHOLDER IS A BODY CORPORATE), AS THE CASE MAY BE. WHERE A BODY CORPORATE WHICH IS AN EQUITY SHAREHOLDER AUTHORISES ANY PERSON TO ACT AS ITS REPRESENTATIVE AT THE MEETING, A COPY OF THE RESOLUTION OF THE BOARD OF DIRECTORS OR OTHER GOVERNING BODY OF SUCH BODY CORPORATE AUTHORISING SUCH PERSON TO ACT AS ITS REPRESENTATIVE AT THE MEETING, AND CERTIFIED TO BE A TRUE COPY BY A DIRECTOR, THE MANAGER, THE SECRETARY, OR OTHER AUTHORISED OFFICER OF SUCH BODY CORPORATE SHALL BE LODGED WITH THE TRANSFEREE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**

4 **FOREIGN PORTFOLIO INVESTORS OR FOREIGN INSTITUTIONAL INVESTORS, IF ANY, WHO ARE REGISTERED EQUITY SHAREHOLDERS OF THE TRANSFEREE COMPANY WOULD BE REQUIRED TO DEPOSIT CERTIFIED COPIES OF CUSTODIAL RESOLUTIONS/POWER OF ATTORNEY, AS THE CASE MAY BE, AUTHORIZING THE INDIVIDUALS NAMED THEREIN, TO ATTEND AND VOTE AT THE MEETING ON ITS BEHALF. THESE DOCUMENTS MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE TRANSFEREE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.**

5 **SUCH EQUITY SHAREHOLDER IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD AND ON BEHALF OF SUCH EQUITY SHAREHOLDER AND SUCH PROXY NEED NOT BE AN EQUITY SHAREHOLDER. PROXIES TO BE VALID AND EFFECTIVE SHOULD BE IN THE PRESCRIBED FORM OF PROXY, DULY COMPLETED, SIGNED AND STAMPED OR AUTHENTICATED BY THE PERSON ENTITLED TO ATTEND AND VOTE AT THE MEETING AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE TRANSFEREE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. FORMS OF PROXY CAN BE OBTAINED FREE OF CHARGE ON ANY DAY (EXCEPT SATURDAY, SUNDAY AND PUBLIC HOLIDAYS) FROM THE REGISTERED OFFICE OF THE TRANSFEREE COMPANY AS MENTIONED ABOVE.**

6 **PURSUANT TO SECTION 105 OF THE ACT READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A PERSON CAN ACT AS PROXY ON BEHALF OF THE EQUITY SHAREHOLDERS NOT EXCEEDING 50 EQUITY SHAREHOLDERS AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL EQUITY SHARE CAPITAL OF THE TRANSFEREE COMPANY CARRYING VOTING RIGHTS. AN EQUITY SHAREHOLDER HOLDING MORE THAN 10% OF THE TOTAL EQUITY SHARE CAPITAL OF THE TRANSFEREE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR EQUITY SHAREHOLDER.**

7 An equity shareholder/ its proxy or authorized representative, attending the Meeting, is requested to bring and handover the attendance slip duly completed, signed and stamped or authenticated by the concerned person along with a copy of the deposited Form of Proxy (in case of a proxy) and the supporting documents duly authenticated. Equity Shareholders holding shares in dematerialized form are requested to bring their Client Master List/ Depository Participant Statement/Delivery Instruction Slip reflecting their Client ID and DP ID Number for easier identification of attendance at the Meeting.

8 In case of joint holders attending the Meeting, only such joint holder whose name appears at the top in the hierarchy of names shall be entitled to vote.

9 An equity shareholder (in case such equity shareholder is an individual) or the authorized representative of the equity shareholder (in case such equity shareholder is a body corporate) or the proxy holder, should carry their valid and legible identity proof issued by a statutory authority (i.e. a PAN Card/ Aadhaar Card/ Passport/ Driving License/ Voter ID Card). Additionally, an equity shareholder (in case such equity shareholder is a sole proprietorship) or the proxy holder should carry a valid document evidencing the individual as the proprietor of the sole proprietorship.

10 Equity Shareholders may avail the nomination facility as provided under Section 72 of the Act.

11 The notice, the Explanatory Statement together with the documents accompanying the same, are being sent through registered post or courier or speed post to all those Equity Shareholders who have not registered their email ID's with the Transferee Company and the Depository Participants and/or

electronically by email to those Equity Shareholders who have registered their email ID's with the Transferee Company and/or the Depository Participants, whose names appear in the register of members/ list of beneficial owners as received from M/s Link intime India Private Limited the Registrar and Share Transfer Agent of the Company on June 12, 2020.

12 In terms of the directions contained in the Order, "The quorum of the meeting of the Equity Shareholders shall be 276 in number and 40% in value of the equity shareholders". Further, the Order also directs that in case the required quorum for the Meeting is not present at the commencement of the Meeting, the Meeting shall be adjourned by 30 minutes and thereafter the persons present and voting shall be deemed to constitute the quorum.

13 For the purposes of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly completed, signed and stamped or authenticated by the person entitled to attend and vote at the Meeting, is filed with the registered office of the Transferee Company at least 48 hours before the Meeting.

14 In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the Equity Shareholders of the Transferee Company if the resolution mentioned above in the notice has been approved at the Meeting by a majority of persons representing three-fourths in value of the Equity Shareholders of the Transferee Company, voting in person, by proxy or through electronic means.

15 Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 **("SEBI Circular")** issued by the Securities and Exchange Board of India **("SEBI"),** inter alia, provides that approval of public shareholders of the Transferee Company to the Scheme shall be obtained by way of voting through e-voting. Since, the Transferee Company is seeking the approval of its Equity Shareholders (which includes public shareholders) to the Scheme by way of voting through e-voting, no separate procedure for voting through e-voting would be required to be carried out by the Transferee Company for seeking the approval to the Scheme by its public shareholders in terms of the SEBI Circular. The aforesaid notice sent to the Equity Shareholders (which includes public shareholders) of the Transferee Company would be deemed to be the notice sent to the Public Shareholders of the Transferee Company. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. In terms of the SEBI Circular, the Transferee Company has provided the facility of e-voting to its public shareholders (as set out in the Scheme).

Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the number of votes cast by the Public Shareholders of the Transferee Company in favour of the Scheme is more than the number of votes cast by the Public Shareholders against it.

16 In terms of the directions contained in the Order, the notice convening the Meeting through advertisement of the Meeting will be published by the Transferee Company in the "Financial Express" and "Punjab Kesari" indicating the day, date, place and time of the Meeting and stating that the copies of the Scheme, the Explanatory Statement and the Form of Proxy can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of the Transferee Company.

17 It may be noted that the voting facility through polling paper will be provided at the Meeting venue.

18 Pursuant to the provisions of Section 230(4) read with Section 108 of the Act read with Rule 6(3)(xi) of the Rules read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), Regulation 44 of the SEBI Listing Regulations and other applicable provisions, if any, of the Act and of SEBI Listing Regulations, and the SEBI Circular, the Transferee Company will be offering e-voting facility to the Equity Shareholders (including the public shareholders) to cast their votes (for or against) on the resolution set forth in the notice.

19 The Transferee Company has engaged the services of CDSL for the purpose of providing e-voting facility to the Equity Shareholders. The Equity Shareholders desiring to exercise their vote by using e-voting facility are requested to carefully follow the instructions set out in the notes below under the heading "Voting through electronic means".

20 The voting rights of an equity shareholder shall be in proportion to such equity shareholder's equity shareholding in the Transferee Company as on Friday, June 12, 2020.

21 The E-Voting Event Number, User ID and Password along with the detailed instruction are set out below under the section "Voting through electronic means".

22 The voting rights for the purposes of e-voting or voting at the venue of the Meeting shall be reckoned on the basis of the paid up value of the equity shares registered in the name of the Equity Shareholders as on Friday, June 12, 2020 and a person who is not an equity shareholder on such date should treat the notice for information purposes only.

23 It is clarified that casting of votes by e-voting does not disentitle an equity shareholder from attending the Meeting. However, any equity shareholder who

has voted through e-voting cannot vote at the Meeting. The Equity Shareholders of the Transferee Company attending the meeting who have not casted their vote through e-voting shall be entitled to exercise their vote at the venue of the meeting.

24 The scrutinizer will submit his report to the chairperson and/ or the alternate chairperson (as the case may be) after completion of the scrutiny of the votes cast by the Equity Shareholders (including public shareholders) of the Transferee Company through e-votes and polling papers at the Meeting during the voting process. The scrutinizer's decision on the validity of the votes shall be final. The results of the votes cast through e-voting process and polling paper at the venue of the Meeting will be announced on or before Tuesday, September 01, 2020 at the registered office of the Transferee Company. The results along with the report of the scrutinizer shall be displayed at the registered office of the Transferee Company situated at SCO 49-50, Sector 26, Madhya Marg, Chandigarh and its website www.sabindustries.in and CDSL website www.evotingindia.com, besides being communicated to the stock exchanges where the equity shares of the Transferee Company are listed, namely, the BSE Limited (the **"Stock Exchange"**).

25 The voting period for e-voting commences on Friday, 31st July, 2020 at 09:00 AM and ends on Saturday, 29th August, 2020 at 05:00 PM. During this period, the Equity Shareholders holding equity shares either in physical form or in dematerialized form, as on Friday, June 12, 2020, being the cut-off date, may cast their vote (for or against) electronically. Once the vote on the resolution is cast by an equity shareholder, such equity shareholder will not be allowed to change it subsequently.

26 The Transferee Company is offering e-voting facility, for all Equity Shareholders to enable them to cast their vote electronically. In case a member desires to exercise his vote by using e-voting facility then he has to carefully follow the instructions under the heading "Voting through Electronic Means".

VOTING THROUGH ELECTRONIC MEANS

27 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 Extra Ordinary General Meeting (EGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository (Services) India Limited (CDSL).

28 The instructions for shareholders voting electronically are as under:

(i) The Shareholders should Log on to the e-voting website www.evotingindia.com

(ii) Click on shareholders

(iii) 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.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in Demat Form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the 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 (v).

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

(viii) 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.

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

(x) Click on the EVSN for the relevant Company Name < SAB INDUSTRIES LIMITED> on which you choose to vote.

(xi) 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.

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

(xiii) 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.

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

(xv) You can also take a print of the voting cast by clicking on "Click here to print" option on the Voting page.

(xvi) 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.

(xvii) 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.

(xviii) 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. 12th June 2020 may follow the same instructions as mentioned above for e-Voting.

Once the vote on a resolution is cast by an equity shareholder, the equity shareholder shall not be allowed to change it subsequently.

29 The scrutinizer shall on the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Transferee Company and will prepare and submit, a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the chairperson or alternate chairperson (as the case may be) of the Meeting.

30 The results declared along with the scrutinizer's report will be available on the website of the Transferee Company (www.sabindustries.in) and on CDSL website (www.evotingindia.com) and shall be communicated to the Stock Exchange.

31 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.

32 All documents referred to in the notice and the accompanying Explanatory Statement will be available for inspection by the Equity Shareholders at the registered office of the Transferee Company on all days, except Saturday, Sunday and public holidays, between 11:00 A.M. and 01:00 P.M. upto the date of the Meeting.

33 Any queries/grievances in relation to notice may be addressed to the Company Secretary of the Transferee Company at the registered office of the Transferee Company or through e-mail at ssl_ssg@glide.net.in The Company Secretary of the Transferee Company can also be contacted at +91 0172-2793112

Enclosures: As above

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1), 232(2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF SAB INDUSTRIES LIMITED

1. This explanatory statement is being furnished pursuant to Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 **("Act")** read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 **("Rules") ("Explanatory Statement").**

2. Pursuant to an order dated June 12, 2020 in Company Application No. CA (CAA) No. 37/Chd/Chd/2019 **("Order")**, passed by the Chandigarh Bench of the Hon'ble National Company Law Tribunal at Chandigarh **("Tribunal"),** a meeting of the Equity Shareholders of SAB Industries Limited **("Transferee Company")** is being convened at SCO 49-50, Sector 26,Madhya Marg, Sector 26, Chandigarh on Sunday, the 30th day of August, 2020 at 10:00 A.M. **("Meeting")**, for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement between Steel Strips Limited (hereinafter referred to as "Transferor Company") and SAB Industries Limited and their respective Shareholders and Creditors under Sections 230 to 232 of the Companies Act, 2013 and rules made there under, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Scheme"). The Scheme as filed before the Tribunal and NCLT Order are enclosed as **ANNEXURE 1** and **ANNEXURE 2.** Please refer to paragraph nos. 50 and 52 of this Explanatory Statement for the rationale and salient features of the Scheme, respectively.

3. Capitalized terms which are used in this Explanatory Statement, but which are not defined herein shall have the meaning assigned to them in the Scheme, unless otherwise stated.

4. In terms of the directions contained in the Order, "The quorum of the meeting of the Equity Shareholders shall be 276 in number and 40% in value of the equity shareholders". Further, the Order also directs that in case the required quorum for the Meeting is not present at the commencement of the Meeting, the Meeting shall be adjourned by 30 minutes and thereafter the persons present and voting shall be deemed to constitute the quorum.

5. For the purposes of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly completed, signed and stamped or authenticated by the person entitled to attend and vote at the Meeting, is filed with the registered office of the Transferee Company at least 48 hours before the Meeting.

6. In terms of the Order, the Tribunal has appointed Mr. Anand Chhibbar, Senior Advocate, as the chairperson of the Meeting, and failing him, Mr. Vaibhav Sahni, Advocate as the alternate chairperson of the Meeting, including for any adjournment(s) thereof. The Tribunal has also appointed Mr. Ajay Kumar Arora, Company Secretary, as the scrutinizer for the Meeting, including for any adjournment(s) thereof.

7. The Scheme was placed before the Audit Committee of the Transferee Company (**"SAB Audit Committee"**) at its meeting held on June 28, 2019. The SAB Audit Committee approved and recommended the Scheme to the board of directors (**"Board"**) of the Transferee Company.

8. The Board of the Transferee Company, based on the independent recommendation of the SAB Audit Committee, at its meeting held on July 2, 2019, approved the Scheme pursuant to resolution dated July 2, 2019.

9. On the basis of its evaluation and independent judgment and consideration, Corporate Capital Ventures Private Limited, a merchant banker registered with the Securities and Exchange Board of India **("SEBI")** issued fairness opinion dated June 27, 2019 to the Transferee Company **("Fairness Opinion").**

10. The Scheme is presented pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and rules made there under, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 2(1B) and other applicable provisions of the Income-tax Act, 1961 and other applicable laws, for the amalgamation of the Transferor Company into and with the Transferee Company, on a going concern basis. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.

11. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the Equity Shareholders of the Transferee Company if the resolution mentioned above in the notice has been approved at the Meeting by a majority of persons representing three-fourths in value of the Equity Shareholders of the Transferee Company, voting in person or by proxy at the Meeting or through electronic means.

12. Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (**"SEBI Circular"**) issued by the Securities and Exchange Board of India **("SEBI")**, inter alia, provides that approval of public shareholders of the Transferee Company to the Scheme shall be obtained by way of voting through e-voting. Since, the Transferee Company is seeking the approval of its Equity Shareholders (which includes public shareholders) to the Scheme by way of voting through e-voting, no separate procedure for voting

through e-voting would be required to be carried out by the Transferee Company for seeking the approval to the Scheme by its public shareholders in terms of the SEBI Circular. The aforesaid notice sent to the Equity Shareholders (which includes public shareholders) of the Transferee Company would be deemed to be the notice sent to the Public Shareholders of the Transferee Company. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. In terms of the SEBI Circular, the Transferee Company has provided the facility of e-voting to its public shareholders (as set out in the Scheme).

Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the number of votes cast by the Public Shareholders of the Transferee Company in favour of the Scheme is more than the number of votes cast by the Public Shareholders against it.

Details of the Transferee Company as per Rule 6(3) of the Rules

13. Details of SAB Industries Limited (i.e., Transferee Company):

SAB Industries Limited	
Corporate Identification No. (CIN)	L00000CH1983PLC031318
Permanent Account No. (PAN)	AACCS5078H
Incorporation Date	February 16, 1983
Type of Company	Public Limited Company
Registered Office Address	SCO 49-50, Sector-26, Madhya Marg, Chandigarh- 160019
Email	ssl_ssg@glide.net.in
Stock Exchange(s) where securities of the Transferee Company	(i) BSE Limited;

14. Summary of the main objects as per the memorandum of association of the Transferee Company:

The main objects of the Transferee Company are set out under Clause III (A) of its memorandum of association, which are as under:

1) "To acquire, establish, run, manage, control or maintain melting furnaces, foundries and forges of all types and to manufacture ferrous and non-ferrous metals including ingots, forging and stampings and to roll, reroll, export, sell or otherwise deal in all types of ferrous & non-ferrous metals.

2) To acquire, establish, run, manage, control or maintain workshops and factories for manufacture and repairing of plants, machinery, machinery- parts, G.I/black pipes, PVC pipes or steel fabrication of any kind whatsoever and generally to export, buy, sell or let on hire and deal in such plants, machinery, machinery parts, pipes and steel fabrications.

3) To acquire, establish, run, manage, control or maintain hotels, ropeways, motels, restaurants, cafes, bars, taverns, holiday homes, clubs, cinemas, distribution and exhibition of motion pictures.

4) To carry on all kinds of agency business and to act as commission agents, distributors or stockiest for any business house in India or elsewhere.

5) To develop mould or otherwise work on any land or buildings acquired by the Company or in which the Company may for the time being be interested and to do the business of builders, constructors, contractors, building experts and advisers.

6) To work as consulting engineers, planners, Designers, Architects, Decorators, Contractors for carrying out civil, electrical works and to employ engineers, architects, mechanics, masons, carpenters, Scaffolds Setters, Painters, electricians and other technicians as may be found necessary for the efficient handling and carrying of the business of the Company.

7) To carry on the business of fabricating, manufacturing, erecting and constructing structures and houses or sheds and other fixtures on lands and/or buildings, Electricals, Mechanical and Civil Engineering works in such buildings and to purchase, take on lease or otherwise acquire or exchange or transfer any land and/ or building of any tenure and of all types and kind.

8) To deal in tiles, hardware, timber, bricks, paints, cements, lime and other building materials and to do business of job masters, terra-cota makers, house agents and dealers in China, ceramicware, coke, granite and other allied items.

9) To purchase, acquire, take on lease or in exchange or in any other lawful manner any area, land, building, structures and equip the same or any part thereof with all or any amenities or conveniences, drainage facilities, electric, telegraphic, telephonic, television installation and to deal with the same in any manner whatsoever.

10) To carry on the business of leasing and hire purchase in all types of industrial goods, plants and machinery, vehicles, buildings and real estate.

11) To carry on the business of an Investment

Company and to underwrite, acquire, hold and otherwise deal in Share Stocks, debentures, Debenture stock, bonds, obligations and securities, issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any Government, State Dominion, Sovereign, Ruler, Commissioners, Public Body or Authority Supreme, Municipal, Local or otherwise, firm or persons, whether in India or elsewhere.

12) *To act as an Issue House, Stockbroker, Merchant Banker, Registrar, Share Transfer Agents, Financial Advisor, Technical Consultant, Under-writers and Other Agent.*

13) *To carry on the business of financing Industrial enterprises and to make loans, give guarantees and provide securities to or on behalf of any Body Corporate, firm or person, whether in India or elsewhere.*

14) *To carry on the business of Manufacturers, Importers, Exporters, Sellers, Traders, dealers, Commission Agents in all types of Fertilizers, both granulated and non granulated, and/or all types of gases, chemicals, chemical products, compounds, acids, oils, feed stock, utilities, etc. and other inputs used in the manufacturing of fertilizers or being produces as intermediate products or as by products thereof and or all other type of products relating to the manufacturing or selling of fertilizers including its packing materials, at any place whether in India or abroad, whether by itself and or by entering into any Joint Venture, collaboration, partnership, acquisition any arrangement for sharing profits, union of interest, co-operation or reciprocal concession with any company (ies) and/ or/ body (ies) corporate and/ or corporation (s), Government(s), and/ or any Authority (ies) whether governmental or otherwise, Person (s), Association (s) of Persons, etc. by whatever named called.*

15) *To promote, establish, maintain and run computer training institutes, instruction centers- whether by itself or as Representative, Franchises or Franchiser of computer software, hardware, computer education- for providing computer training and education at various locations/ Institutions such as schools, education centers, day care centers and any other place, and to develop curriculum for computer education courses, to deliver lecture, demonstrations, conferences and other related activities in India and abroad and to enter into collaborations with India or Foreign Companies which are already engaged in computer learning business, whether located in India or abroad.*

16) *To set up training center for computer teaching faculty for in house and for outside Companies and to engage in the business of providing trained manpower in computer related fields to Companies in India and abroad and to depute personnel to develop and design software in India and abroad and to start integrated services, digital local area network, dial for data centers, technology parks in India and abroad.*

17) *To undertake the business of medical transcription call centre, insurance claim processing, share dematerialization for Foreign and Indian Companies.*

18) *To act as a internet service provider, website designer, page designer, hosting and their maintenance and to install web server, client server and to provide space for websites and web page to them, whether based on leased lines or independent gateway or in any other manner.*

19) *To manufacture, assemble, market, buy, sell, lease, import, export, produce, design, develop, invent to act as agents, sub agents, distributors, commission agents, representatives, stockists, sale organizers and otherwise deal in computers, computer systems, computer goods and components, computer softwares, computer hardware, computer data processing machines, computer peripherals, accessories and components, all kinds of business machines, all kinds of office equipments, systems and components, all kinds of data communication equipments and to repair the same and their machinery and apparatus and any application of the above, in India and abroad.*

20) *To establish bureaus for providing computer services to process date and develop systems of all kinds by processing jobs and hiring out machine time and to assist to set up, operate and supervise the operation of the date processing divisions of the other companies or organizations, in India and abroad.*

21) *To provide all types of internet services such as to develop advertising for clients on the internet, provide E-mail and bullion board services, constant R&D activities, procurement of hardware and software related to the Internet Services and Development Technology transfer from abroad as and when required on All India Operation and the other related information technology services to provide VSAT related services including creating and designing product for clients and E-commerce.*

22) *To carry on the business of manufacturers of all kinds of drugs, medicines, pharmaceuticals and chemical substances used in the manufacturer of pharmaceuticals, serums and plasmas,*

salicycle acid, its salts and esters, glycosides and vegetable alkaloids and chemically pure sugar etc.

23) To carry on in India or elsewhere, the business as manufacturer, traders, exporters, importers, builders, dealers, buyers, sellers, agents, processors and any business activity related to power generation, power distribution and any business activity related to power which is derived from conventional/ non-conventional methods including hydel, thermal, turbine, hydrogen, fuel cell technology, solar energy, wind energy, wind energy, tidal energy, energy from bio mass or from products/ by products of refining operations etc.

15. Sub-clause 25 of clause III – B of the memorandum of association of the Transferee Company permits the arrangement envisaged under the Scheme:

"To amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal concessions with any person or persons or company or companies carrying on or engage in or which can be carried on in conjuction therewith or which is capable of being conducted so as directly or indirectly to benefit this Company".

16. Main business carried on by the Transferee Company:

The Transferee Company is primarily engaged in the business of primarily engaged in the Construction, Infrastructure, Real Estate and to provide the internet services.

17. Details of change of name, registered office and objects of the Transferee Company during the last five years:

Change of Name: SAB Industries Limited was incorporated on February 16, 1983 under the provisions of Companies Act, 1956 as Asia Steel and Alloys Limited. Thereafter on August 11, 1989 Company changed its name to "Steel Strips Alloys Limited" and again to "SAB Industries Limited" vide a Fresh Certificate of Incorporation dated February 08, 1996. Accordingly, there has been no change in the name of the Transferee Company during the last five years.

Change of Registered Office:. The Registered Office of Transferee Company is located at SCO 49-50, Sector-26, Madhya Marg, Chandigarh 160019. There has been no change in the Registered office of the Transferee Company during the last five years

Change of Objects: There has been no change in the objects clause of the Transferee Company during the last five years.

18. Details of the capital structure of the Transferee Company including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (inRs.)
Authorized Share Capital as on March 31, 2020	
2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000
Total	20,00,00,000
Issued, Subscribed and Fully Paid-up Share Capital as on March 31, 2020	
1,51,88,372 Equity Shares of Rs. 10/- each fully paid up	15,18,83,720
Total	15,18,83,720

19. Details of the capital structure of the Transferee Company post the amalgamation as envisaged under the Scheme:

Pursuant to the Scheme, the Applicant Company shall issue shares to the shareholders of Steel Strips Limited. Therefore the capital structure set out above shall be subject to changes pursuant to the effectiveness of the Scheme. The expected pre and post Scheme capital structure of the Applicant Company is annexed as **Annexure 15.**

20. Names of the promoters of the Transferee Company as on March 31, 2020 along with their addresses:

S. No.	Name of the Promoter	Address
1.	Shri R K Garg	HNo-89, Sector-7, Panchkula-134109
2.	Shri R K Garg & Sons (HUF)	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160017
3	Smt. Sunena Garg	HNo-89, Sector-7, Panchkula-134109
4	Shri Dheeraj Garg	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
5	Ms. Priya Garg	HNo-89, Sector-7, Panchkula-134109
6	Steel Strips Holding Pvt. Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
7	Steel Strips Fin. Pvt. Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
8.	Steel Strips Industries Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
9.	Munak Financiers Pvt. Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
10.	S S Credits Pvt. Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019

11.	Munak Investments Pvt. Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019

21. Names of the directors of the Transferee Company as on March 31, 2020 along with their addresses:

S. No.	Name of the Director	Address
1.	Sanjay Garg	HOUSE NO. 713 SECTOR 2 PANCHKULA 134109 PB IN
2.	Rajinder Kumar Garg	HOUSE NO. 89 SECTOR – 7 PANCHKULA 134109 HR IN
3.	Priya Garg	LCG 01 PHA COURT GREEN, THE LABURNUM CONDOMINIUM COMPLEX, SECTOR - 28, GURGAON 122001 HR IN
4.	Surinder Singh Virdi	HOUSE NO. 199 SECTOR 16A CHANDIGARH 160015 CH IN
5.	Humesh Kumar Singhal	HOUSE NO. 283 SECTOR 6 PANCHKULA 134109 HR IN
6.	Surinder Kumar Bansal	D-7, MAHARANI BAGH NEW DELHI NEW DELHI 110065 DL IN
7.	Deva Pampapathi Reddy*	House No. 16, Sector-7A Chandigarh 160019 CH IN
8	Manju Lakhanpal	HOUSE NO. 638 SECTOR 16D CHANDIGARH 160015 CH IN

NOTE :- Mr. Deva Pampapathi Reddy appointed as an additional Director on the Board of the Company w.e.f 10th February, 2020

22. The date of the board meeting at which the Scheme was approved by the Board of the Transferee Company including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was unanimously approved by the Board of the Transferee Company on July 02, 2019. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

S. No.	Names of the Directors (present at the board meeting)	Votes
1.	Mr. Sanjay Garg	In favour
2.	Mr. Rajinder Kumar Garg	In favour
3.	Mr. Surinder Singh Virdi	In favour
4.	Mr. Humesh Kumar Singha	In favour
5.	Ms. Manju Lakhanpal	In favour

All directors present in the meeting participated and voted in favour of the resolution approving the Scheme. No director voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting..

23. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of the Transferee Company:

None of the directors, the "Key Managerial Personnel" (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective "Relatives" (as defined under the Act and rules framed thereunder) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Transferee Company or the Transferor Company, if any. None of the directors of the Transferee Company (individually or with other directors of the Transferee Company) or key managerial personnel hold shares exceeding two percent of the paid-up share capital of the Transferor Company (except for Mr. Rajinder Kumar Garg, Promoter Director who hold shares exceeding two percent of the paid-up share capital of Transferor Company as the nominee shareholders of the Transferee Company).

24. Disclosure about the effect of the Scheme on the following persons in relation to the Transferee Company:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders (including promoters)	(i) Upon the Scheme becoming effective and in consideration of the amalgamation, the Transferee Company shall allot equity shares, credited as fully paid up, to the members of the Transferor Company, holding fully paid up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company and/ or whose name appears as the beneficial owner of the Transferor Company shares in the records of the depository on a specific record date and at a specific record

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
		time, or to such of their respective heirs, executors, administrators or other legal representative or other successors in title. (ii) The equity shares of theTransferee Company to beallotted to the members of the Transferor Company shall be allotted in the following manner: "1 (One) Transferee Company Shares, each fully paid up, in respect of every 350 (Three Hundred Fifty) Transferor Company Share, held by them in the Transferor Company" ("ShareExchange Ratio"). (iii) The shares allotted to shareholders of the Transferor Company by the Transferee Company as set out above shall rank pari passu in all respects with the then existing equity shares of the Transferee Company and shall be listed on BSE Limited (iv) The authorised share capital of the Transferee Company will be increased to INR 30,00,00,000 (Rupees Thirty Crores only) comprising of 3,00,00,000 equity shares of INR 10 (Rupee Ten) each, in accordance with the provisions of the Act, pursuant to the Scheme. (v) The amalgamation will result in dilution of holding of the shareholders of the Transferee Company by approximately 1.42 % and of the promoters of the Transferee Company by 0.06%, and in turn result in an increase in the public float of the Transferee Company's shares by 0.06%. This will in turn increase the trading stock of the shares of the Transferee Company.
2.	Promoters	Please refer to S. No. 1 above for details regarding the effect on the shareholders. The promoters of the Transferee Company shall continue to remain the promoters, even after the effectiveness of the Scheme.
3.	Non-Promoter Shareholders	Please refer to S. No. 1 above for details regarding the effect on the shareholders.
4.	Key Managerial Personnel **("KMPs")**	The KMPs of the Transferee Company shall continue as key managerial personnel of the Transferee Company after the effectiveness of the Scheme. Please refer to S. No. 1 above for details regarding the effect of the Scheme on such KMPs who are also shareholders of the Transferee Company. Other than the above, the KMPs are not affected pursuant to the Scheme.
5.	Employees	Under the Scheme, no rights of the staff and employees of the Transferee Company are being affected.
6.	Creditors/other liabilities	Under the Scheme, no arrangement is sought to beentered into between the Transferee Company and itscreditors. The interest of thecreditors of the Transferee Company shall not be impacted in any manner.
7.	Depositors/ Deposit Trustee	Not Applicable. The Transferee Company does not have any depositors/deposit trustee.
8.	Debenture Holders/ Debenture Trustee	NA
9.	Director(s)	The director(s) of the Transferee Company shall continue as director(s) of the Transferee Company after the effectiveness of the Scheme. Please refer to S. No. 1 above for details regarding the effect of the Scheme on such director(s) who are also shareholders of the Transferee Company. Other than the above, the director(s) are not affected pursuant to the Scheme.

25. In compliance with the provisions of section 232(2)(c) of the Act, the Board of the Transferee Company, has adopted a report, inter-alia, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of the Transferee Company is enclosed as **ANNEXURE 12.**

26. No investigation proceedings are pending in relation to the Transferee Company under Sections

235 to 251 of the Companies Act, 1956 or under Sections 206 to 229 (Chapter XIV) of the Act.

27. No winding-up petition (including under Section 433 read with Section 434 of the Companies Act, 1956) and/ or insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 are pending against the Transferee Company.

28. The Transferee Company has filed a copy of the Scheme with the Registrar of Companies, Punjab & Chandigarh pursuant to Section 232(2)(b) of the Act.

29. As on August 31, 2019, the amount due to the unsecured creditors of the Transferee Company is Rs. 12,90,66,113/- (Rupees Twelve Crore Ninety Lakh Sixty Six Thousand One Hundred Thirteen only) and to the secured creditors Rs. 21,16,52,246/- (Rupees Twenty Crore Sixteen lakh fifty two thousand two hundred forty six only)

30. The audited financials for the financial year ended March 31, 2019, March 31, 2020 and the limited quarterly review financials for the quarter ended June 30, 2020, of the Transferee Company are enclosed as **ANNEXURE 13** and **ANNEXURE 14**, respectively. Financials of the Transferee Company for the financial year ended on March 31, 2019 and March 31, 2020 are available at **https://www.sabindustries.in/q.html**

31. **Details of the Transferor Company as per Rule 6(3) of the Rules**

32. Details of Steel Strips Limited (i.e. Transferor Company):

Steel Strips Limited	
Corporate Identification No. (CIN)	L45202PB1975PLC003610
Permanent Account No. (PAN)	AACCS5076K
Incorporation Date	December 23, 1975
Type of Company	Public Limited Company
Registered Office Address	Village Harkishanpura, Bhawanigarh,Tehsil Sangrur Punjab-148026
Email	ssl_ssg@glide.net.in

33. Summary of the main objects as per the memorandum of association of the Transferor Company :

The main objects of the Transferor Company are set out under Clause III (A) of its memorandum of association, which are as under:

1. *To carry on the business of manufacturers, processors, finishers, buyers, sellers, agents, merchants, importers, exporters and dealers in Mild Steel/ High Carbon/ low alloy Cold Rolled Steel Strips and other kinds of strips and strip specialties, sheets, tin plants, flat products, pipes and tubes of all kinds for water, steam, gas and other purposes.*
2. *To carry on the business of manufacturers, processors, refiners, smelters, makers, converters, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steel including tool and allow steels, stainless and other kinds of special steel, iron and alloys.*
3. *To develop, mould or otherwise work on any land or buildings acquired by the Company or in which the Company may for the time being be interested and to do the business development and advisors and to carry out the work of colonizers, Developers of Urban Estates, to sell, built or unbuilt or partially built houses, shopping malls or buildings commercial or otherwise and real Estate developers and to work as Housing/ building Financiers.*
4. *To carry on the business of fabricating, manufacturing erecting and constructing structures, bridges, roads and houses or sheds or shopping malls and other fixtures on lands, and/ or buildings, electrical, mechanical and civil engineering works in such buildings and to purchase, take on lease or otherwise acquire or exchange or transfer any land/ or building of any tenure and of all types and kind.*
5. *To work as consulting engineers, planners, designers, architects, decorators, contractors for carrying out civil, electrical works and to employ engineers, architects, mechanics, masons, carpenters, scaffold-setters, painters, electricians and other technicians as may be found necessary for the efficient handling and carrying of the business of the Company.*
6. *To purchase, acquire, take on lease, or in exchange or in any other lawful manner any area, land building, structures, and equip the same or any part thereof with all or any amenities or convenience, drainage facilities, electric, telegraphic, telephonic, television installation and to deal with the same in any manner whatsoever.*
7. *To acquire, establish, run manage, control or maintain, hotels, ropeways, motels, restaurants, cafes, bars, taverns, holiday, homes, clubs, cinemas, distribution and exhibition of motion picture.*
8. *To promote, establish, run information technology business, computer training centers, telecommunication business, internet service provider, web designing and allied activities in respect of business or computer education, training, hardware, software etc., whether by itself or as representative or franchise or franchisers and other related activities, in India or abroad.*

9. *To carry on the business of an investment Company and to underwrite, acquire, hold and otherwise deal in shares, stocks, debenture stock, bonds, obligations and securities, issued or guaranteed by any Company constituted or carrying on business in India or elsewhere and debentures, debentures stock, bonds, obligations and securities issued or guarantee by any Government, State Dominion, Sovereign Ruler, Commissioners, Public Body or Authority Supreme, Municipal, Local or otherwise, firms or persons, whether in India or elsewhere.*

34. Sub-clause 12 of clause III – B of the memorandum of association of the Transferor Company permits the arrangement envisaged under the Scheme:

(12) "To amalgamate with any other Company having objects altogether or in part similar to those of the Company."

35. Main business carried on by the Transferor Company

The Transferor Company was engaged in the Business of manufacturing of Steel Products (Steel Billets, Ingots and Special Steels in rounds and flats). However, the steel business of the Company could not survive due to severe recession in Steel Industry and its previous activities become un-competitive

36. Details of change of name, registered office and objects of the Transferor Company during the last five years:

Change of Name: Steel Strips Limited was incorporated on December 23rd, 1975 under the provisions of Companies Act, 1956.There has been no change in the name of the Transferor Company since its incorporation.

Change of Registered Office:. There has been no change in the registered office of the Transferor Company during last five years.

Change of Objects: There has been no change in the objects clause of the Transferor Company during the last five years.

37. Details of the capital structure of the Transferor Company including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (inRs.)
Authorized Share Capital as on March 31, 2020	
(i) 91,00,000 Equity Shares of Rs. 10/- each.	9,10,00,000
(ii) 90,000 Cumulative Redeemable Preference Shares of Rs. 100 each	90,00,000
Total	**10,00,00,000**
Issued, Subscribed and paid-Up Share Capital as on March 31, 2020	
Equity Share Capital 82,83,103 Equity Shares of Rs. 10 each fully paid up	8,28,31,030
Total	**8,28,31,030**

38. Names of the promoters of the Transferor Company along with their addresses:

S. No.	Name of the Promoter	Address
1.	Shri R K Garg	HNo-89, Sector-7, Panchkula-134109
2.	Shri R K Garg & Sons (HUF)	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160017
3.	Smt. Sunena Garg	HNo-89, Sector-7, Panchkula-134109
4.	Shri Dheeraj Garg	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
5.	Ms. Priya Garg	HNo-89, Sector-7, Panchkula-134109
6.	SAB Industries Ltd	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
7.	SAB Udyog Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
8.	Steel Strips Mercantile Pvt Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
9.	Steel Strips Financiers Pvt. Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
10.	Munak International Pvt. Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
11.	S J Mercantile Pvt. Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
12.	Malwa Holding Pvt. Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
13.	Steel Strips Holding Pvt. Ltd. Chandigarh-160019	SCO 49-50, Sector-26 Madhya Marg,
14.	Steel Strips Industries Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
15.	Munak Financiers Pvt. Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
16.	S S Credits Pvt. Ltd.	SCO 49-50, Sector-26 Madhya Marg, Chandigarh-160019
17.	Steel Strips Infrastructures Ltd.	Village Somalheri/ Lehli, P.O. Dappar, Tehsil Derabassi, Distt. Mohali. Derabassi Rupnagar PB 140506

39. Names of the directors of the Transferor Company as on March 31, 2020 along with their addresses:

S. No.	Name of the Director	Address
1.	Sanjay Garg	HOUSE NO. 713 SECTOR 2 PANCHKULA 134109 PB IN
2.	Rajinder Kumar Garg	HOUSE NO. 89 SECTOR – 7 PANCHKULA 134109 HR IN
3.	Madan Mohan Chopra	E-69, Vasant Marg Vasant Vihar New Delhi 110057 DL IN
4.	Surinder Singh Virdi	HOUSE NO. 199 SECTOR 16A CHANDIGARH 160015 CH IN
5.	Humesh Kumar Singhal	HOUSE NO. 283 SECTOR 6 PANCHKULA 134109 HR IN
6.	Manju Lakhanpal	HOUSE NO. 638 SECTOR 16D CHANDIGARH 160015 CH IN

40. The date of the board meeting at which the Scheme was approved by the Board of the Transferor Company including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was unanimously approved by the Board of the Transferor Company on July 2, 2019. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

S. No.	Names of the Directors (present at the board meeting)	Votes
1.	Mr. Sanjay Garg	In favour
2.	Mr. Rajinder Kumar Garg	In favour
3.	Mr. Surinder Singh Virdi	In favour
4.	Mr. Humesh Kumar Singha	In favour
5.	Ms. Manju Lakhanpal	In favour

All directors present in the meeting participated and voted in favour of the resolution approving the Scheme. No director voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting. Mr. Madan Mohan Chopra, was granted leave of absence from attending the meeting.

41. As on August 31, 2019 there were no dues to the secured and unsecured creditors of the Transferor Company.

42. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of the Transferor Company:

None of the directors, the "Key Managerial Personnel" (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective "Relatives" (as defined under the Act and rules framed thereunder) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Transferee Company or the Transferor Company, if any.

43. Disclosure about the effect of the Scheme on the following persons in relation to the Transferor Company:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter & Non- Promoter Shareholders	Upon the Effective Date, the promoters of the Transferor Company as well as the non-promoter shareholders of the Transferor Company will be issued 1 (One) Transferee Company Shares, each fully paid up, in respect of every 350 (Three Hundred Fifty) Transferor Company Share, held by them in the Transferor Company. The Transferee Company Shares to be issued and allotted by the Transferee Company in terms of the Scheme shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank pari-passu in all respects and shall have the same rights attached to the then existing equity shares of the Transferee Company.
2.	Key Managerial Personnel	Upon the Effective Date, all employees of the Transferor Company shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to the Transferor

		Company. Under the Scheme, with effect from the Effective Date, the Transferor Company will stand dissolved without winding up. In the circumstances, the key managerial personnel of the Transferor Company will cease to be the key managerial personnel of the Transferor Company.
3.	Creditors	Upon effectiveness of the Scheme, all liabilities of theTransferor Company, shall, without any requirement of any further act, instrument or deed, be transferred to, and vested in, or be deemed to be transferred to, and vested in, the Transferee Company so as to become from the effectiveness of the Scheme, the liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same.
4.	Depositors/ Deposit Trustee	Not Applicable. As on date, the Transferor Company does not have any outstanding public deposits and therefore the effect of the Scheme on any such depositors and deposit trustee does not arise.
5.	Debenture Holders/ Debenture Trustee	As on date, the Transferor Company does not have any outstanding debentures and therefore the effect of the Scheme on any such debenture holders and debenture trustees does notarise.
6.	Employees	Upon the Scheme becoming effective, all employees ofthe Transferor Company who are in employment as on the Effective Date (as defined in the Scheme) shall be come and shall be deemed to have become employees of the Transferee Company, without any interruption of or break of service and on terms and conditions no less favourable than those applicable to them with reference to the Transferor Company. In the circumstances, the rights of the staff and employees of theTransferor Company would in no way be affected by the Scheme.
7.	Directors	Upon the Effective Date, the Transferor Company shall stand dissolved without winding up and accordingly, the Board shall cease to exist

44. In compliance with the provisions of section 232(2)(c) of the Act, the Board of the Transferor Company, has adopted a report, inter-alia, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of the Transferor Company is enclosed as **ANNEXURE 7**

45. No investigation proceedings have been instituted or are pending in relation to the Transferor Company under Sections 235 to 251 of the Companies Act, 1956 or under Sections 206 to 229 (Chapter XIV) of the Act.

46. No winding-up petition (including under Section 433 read with Section 434 of the Companies Act, 1956) and/ or insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 have been filed/ instituted or is pending against the Transferor Company.

47. The Transferor Company has filed a copy of the Scheme with the Registrar of Companies, Punjab and Chandigarh pursuant to Section 232(2)(b) of the Act.

48. The audited financials for the financial year ended March 31, 2019, March 31, 2020 and the supplementary financials for the quarter ended June 30, 2020, of the Transferor Company is enclosed as **ANNEXURE 8-9.** Financials of the Transferor Company for the financial year ended on March 31, 2019 and March 31, 2020 are available at www.sabindustries.in

49 **Relationship between the Transferor Companies and the Transferee Company:**

The Transferee company holds 685934 equity shares in the Transferor company and these shares shall stand cancelled pursuant to the scheme. Further, there are common directors on the both of both companies and both companies are group companies except Shri Madan Mohan Chopra.

50. **Description of the Scheme**

The Transferee Company and the Transferor Company has agreed to amalgamate the Transferor Company into and with the Transferee Company on a going concern basis vide their respective board resolutions dated July 2, 2019, in accordance with the Scheme.

The Scheme, inter alia, provides for:

(i) the amalgamation of the Transferor Company into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Company without winding up and the consequent issuance of the Transferee Company Shares in accordance with the Share Exchange Ratio to the Eligible Members in respect of each share of the Transferor Company held by them in accordance with the Scheme;

(ii) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in share capital of the Transferee company,

pursuant to Sections 230 to 232 of the Companies Act, 2013 and rules made there under, the Companies (Compromises, Arrangements and Amalgamations) Rules,2016 and in compliance with the provisions of the Income-tax Act, 1961.

51. Rationale of the Scheme and the benefits of the Scheme

(I) The merger of Transferor Company with the Transferee Company would result in the emergence of the Transferee company as a consolidated strong entity, which will contribute to the overall growth prospects of the combined entity leading to the increase in shareholder's value for both the Companies. The enhanced financial and operational strengths of the combined entity would enable in substantial reduction of costs and the development of a growth driven business portfolio through the effective and efficient deployment of funds.

(II) The proposed merger also aims at pooling of knowledge resources. There exists in the Transferor Company and the Transferee Company, a pool of highly skilled experts in specialized areas such as technology, engineering, law, commercial, taxation, international practices etc. The services of these professionals would be utilized more effectively and efficiently.

(III) The merger of Transferor Company with the Transferee Company would, thus, result in administrative and operational, organizational efficiencies, competitiveness including complete resource mobilization and to shall achieve rationalisation in economies of scale, reduction in overheads and other expenses besides the amalgamation shall result in optimal utilization of various resources. The managerial expertise of both the Transferor Company and the Transferee Company would once combined together shall give additional thrust to the merged entity.

(IV) The combined efforts and resources of the Companies will enable raising of additional financial facilities for better working of business of both the Companies. It will ensure a fair return on investments made by all stakeholders.

(V) The Amalgamation would be in the best interest of the public shareholders of the Transferor Company, as they would continue to play their part and enjoy results economic growth by acquiring ownership rights in the Transferee Company.

52. Appointed Date, Effective Date, Record Date and Share Exchange Ratio and Other Considerations:

Appointed Date: The Appointed Date shall mean April 01, 2019 or such other date as may be fixed or approved by the Hon'ble National Company Law Tribunal ("NCLT" / "Tribunal") or any other Appropriate Authority;

Effective Date: The effective date shall have the meaning as described to term under Clause C (vi) of Part I of the Scheme. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean and refer to the Effective Date.

Clause 30 of the Scheme states that the Scheme is and shall be conditional upon and subject to:

(a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the Members and/or Creditors(wherever applicable) of the Transferor Company and Transferee Company as may be directed by the Court or any other competent authority, as may be applicable;

(b) The sanction of this Scheme by NCLT and / or any other Appropriate Authority under sections 230 to 232 and other applicable provisions, if any, of the Act;

(c) The Scheme being approved by the Public Shareholders of Transferee Company and Transferor Company through resolution passed by way of ballot/e-voting, as applicable in terms of SEBI Circular No. CFD/DIL3/CIR/2017/21 issued on March 10, 2017, subject to modification, if any, in accordance with any subsequent circulars and amendment that may

be issued by SEBI from time to time;

(d) Certified or authenticated copy of the order of NCLT sanctioning the Scheme being filed with the Registrar of Companies by the respective companies involved in the Scheme ;and

(e) Any other sanctions and orders as may be directed by the NCLT in respect of the Scheme.

"Record Date" shall mean the date fixed by the respective Board of the Transferor Company and Transferee Company for the purpose of determining the shareholders of the Transferor Company to whom the Transferee Company's shares shall be allotted under this scheme.

Consideration for the Merger

For details regarding the share exchange ratio and consideration, please refer to paragraph no. 53 below.

53. Salient Features of the Scheme:

A. Clause C (6) (v) of Part I of the Scheme defines "*Appointed Date*" means 1st April, 2019 or such other date as may be proposed and approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench or as may be directed by the Hon'ble National Company Law Tribunal, Chandigarh Bench

B. Clause C (6) (vi) of Part I of the Scheme defines "**Effective Date**" The effective date shall have the meaning as described to term under Clause C (vi) of Part I of the Scheme. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean and refer to the Effective Date.

C. Clause C (6) (vii) of Part I of the Scheme defines

"**Eligible Member**" shall mean each person whose name appears in the register of members of the Transferor Company and/or whose name appears as the beneficial owner of the Transferor Company's shares in the record of depositories on the Record Date

D. Clause C (6) (vi) of Part I of the Scheme defines "**Record Date**" shall mean the date fixed by the respective Board of the Transferor Company and Transferee Company for the purpose of determining the shareholders of the Transferor Company to whom the Transferee Company's shares shall be allotted under this scheme.

E. Clause C (6) (xii) Part I of the Scheme defines "

"Undertaking (s)" means entire business undertaking(s) of the Transferor Companies as on the Appointed date and shall mean and include

(a) all the Assets including freehold and /or leasehold assets, Lease hold Rights, Lease agreements, Hire purchase agreements , Rent agreements and under any other agreements & arrangements, land &site development, buildings, Infrastructure of commercial parking, plant & machinery, data processing equipments, furniture, fixture, office equipments, vehicles, kitchen equipments, temporary structure and movable assets, investments, stocks of commercial property, stock of traded goods, debtors, receivables, cash in hand, bank balance, loans, advances, Tax deducted at Source, security deposits and all rights available to the company, whether or not recorded in the books of account and/or appearing in its balance sheet as on the Appointed Date.

(b) All the books of account, registers, statutory registers, records and all other documents of whatever nature relating to the above assets and properties

(c) All liabilities, debts, borrowings, Bills payable, Public deposits, Secured Loans, unsecured Loans, Creditors, Security deposits, Interest Accrued, contingent Liabilities and all other Liabilities, duties, undertakings, contractual obligations, guarantees given and obligations of the Transferor Companies as on the Appointed Date.

(d) All permanent employees of the Transferor Companies.

(e) All application monies, advance monies, earnest monies and/ or Security deposits paid, payments against other entitlements of the Transferor Companies.

(f) All claims of the Transferor Company pending with any authorities, as per records of Transferor Companies on the Appointed Date.

g) Without prejudice to the generality of sub clause (a) to (f) above, the undertaking of the Transferor Companies shall also include all the Transferor Company reserves, movable and immovable properties, Freehold and leasehold property, tangible and intangible properties, corporeal and incorporeal property in possession or reversion present or contingent of whatsoever nature and wheresoever situated, assets including leasehold rights, tenancy rights, industrial and other licenses, permits, authorizations, quota rights, trademarks, trade names, patents, copy rights, know how, technical knowhow, right to recover the government subsidy/ grants and other industrial and intellectual properties, stocks, receivables, investments, insurance policies, bank guarantees and performance bank

guarantees by third parties, incentives and concessions by way of exemption of sales tax and purchase tax, right to carry forward unabsorbed depreciation and losses under the provisions of the Income Tax Act, 1961, electricity connection, telephones, telex, facsimile and other communication facilities and equipments, right and benefits under all agreement and all other interests, rights and powers, privileges, liberties, easements, advantages, benefits, permissions, consents, registrations, no objection Certificates, certifications and approvals of every kind, nature and description whatsoever.

F. The Scheme provides that with effect from the Appointed Date, the Transferor Company shall stand amalgamated into the Transferee Company and its Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme

G. The Scheme further provides, inter alia, that

(i) The Transferor Company shall be deemed to have been carrying on all operations and activities relating to the Undertaking of the Transferor Company on behalf of the Transferee Company and stand possessed of the properties so to be transferred for and on account of and in trust for the Transferee Company.

(ii) All profits accruing to the Transferor Company or losses arising or accrued by it relating to the Undertaking of the Transferor Company shall for all purposes, be treated as the profits, or losses as the case may be of the Transferee Company.

(iii) Subject to the provisions of the Scheme, the profits of the Transferor Company for the period beginning from the Appointed date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being used or disposed of in any manner as it may think fit including declaration of dividend in respect of any financial year after the effective date.

(iv) Save as specifically provided in this scheme, the Transferor Company shall not, after filing of this Scheme with the Hon'ble National Company Law tribunal (NCLT) make any change in its capital structure by any further issue of shares on preferential basis or allot any rights shares or Bonus Shares out of its Authorised Share Capital upto the effective date except with the prior consent of the Transferee Company. However the Transferee Company shall be at liberty to issue or allot any new shares/ rights shares/ preferential Shares or Bonus Shares out of its Authorised or unissued Share capital in any manner considered appropriate by the Board of directors of the Transferee Company

H. Issuance of Transferee Company Shares for Amalgamation

Upon the Effective Date the resultant authorized share capital of the Transferor Company, shall be deemed to be added to the authorized share capital of the Transferee Company without any requirement of a further act or deed on the part of the Transferee Company (including payment of stamp duty and / or fees payable to the relevant Registrar of Companies), such that upon the effectiveness of the Scheme, the authorised share capital of the Transferee Company shall be increased to INR 30,00,00,000 (Rupees Thirty Crores only) comprising of 3,00,00,000 equity shares of INR 10 (Rupee Ten) each without any further act, deed, resolution or writing.

I The Amalgamation will be accounted in accordance with the "acquisition method" prescribed under the Indian Accounting Standard 103 (Business Combinations) as notified under Section 133 of the Act, read together with Paragraph 3 of The Companies (Indian Accounting Standard) Rules, 2015.

J. Upon the Effective Date, the Transferor Company shall stand dissolved without winding up.

YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE SALIENT EXTRACTS THEREOF.

54. Summary of the Valuation Report including basis of valuation and the Fairness Opinion of the Registered Valuer:

The Valuation Report recommends the following range of share exchange ratio for the proposed merger of the Transferor Company into the Transferee Company:

"1 (One) Transferee Company Shares, each fully paid up, in respect of every 350 (Three Hundred Fifty) Transferor Company Share, held by them in the Transferor Company" ("Share Exchange Ratio").

In terms of the Scheme, an Eligible Member means ***""Eligible Member"*** *shall mean each person whose name appears in the register of members of the*

Transferor Company and/or whose name appears as the beneficial owner of the Transferor Company's shares in the record of depositories on the Record Date"

Moreover, the Fairness Opinion has been issued in respect of the Valuation Report. No special valuation difficulties were reported by the valuers.

Please refer to the Valuation Report and the Fairness Opinion that are enclosed as **ANNEXURE 3** and **ANNEXURE 4,** respectively.

These will also be available for inspection at the registered office of the Transferor Company

55. Details of capital or debt restructuring, if any:

The Scheme does not contemplate any debt restructuring nor are the Transferee Company and the Transferor Company undergoing any debt restructuring.

The Scheme does not contemplate any capital restructuring.

56. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:

a) The equity shares of the Transferor Company are listed on the Stock Exchanges. Pursuant to Regulation 37 of the SEBI Listing Regulations read with the Circular No. CFD/ DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by SEBI ("SEBI Circular"), the Transferor Company had filed the Scheme with BSE on July 12, 2019 to seek their no objection to the Scheme. The Transferor Company has received observation letter, dated September 12, 2019, from the Stock Exchange wherein the Stock Exchange has granted their no objection to filing the Scheme with the Tribunal. The said observation letters issued by the BSE is enclosed as **ANNEXURE 6.**

b) **The equity shares of the Transferee Company are listed on the Stock Exchanges. Pursuant to Regulation 37 of the SEBI Listing Regulations read with SEBI Circular, the Transferee Company had filed the Scheme with BSE on July 06, 2019 to seek their no objection to the Scheme. The Transferee Company has received observation letters, both dated September 12, 2019, from the Stock Exchanges wherein the Stock Exchanges have granted their no objection to filing the Scheme with the Tribunal. The said observation letters issued by the BSE are enclosed as ANNEXURE -11.**

c) As required by the SEBI Circular, the Transferor Company has filed its Complaint Report with the BSE on August 14, 2019. The Complaint Reports filed by the Transferor Company indicate that it has received 'nil' complaints. Copies of the Complaint Reports filed by the Transferor Company with the BSE is enclosed as **ANNEXURE-5**

d) As required by the SEBI Circular, the Transferee Company has filed its Complaint Report with the BSE on August 14, 2019 respectively. The Complaint Reports filed by the Transferee Company indicate that it has received 'nil' complaints. Copies of the Complaint Reports filed by the Transferee Company with the BSE are enclosed as ANNEXURE 10.

e) The registered office of the Transferee Company is situated at SCO 49-50, Sector 26, Madhya Marg, Chandigarh and accordingly the first motion application was filed by both companies with the Hon'ble National Company Law Tribunal at Chandigarh, on September 19, 2019. Consequently, the Tribunal pursuant to its order dated June 12, 2020, has directed, inter alia, the convening of the Meeting.

f) The Transferee Company has obtained certificate from its statutory auditors in terms of the provisos to Sections 230(7) and 232(3) of the Act.

g) The Scheme does not in any way violate, override or circumvent any provision of the Act and the rules and regulations issued thereunder.

57. **Inspection of Documents:** Copies of the following documents will be open for inspection to the Equity Shareholders of the Transferee Company at its registered office situated at SCO 49-50, Sector 26, Madhya Marg, Chandigarh on all days except Saturday, Sunday and public holidays between 11:00 A.M. and 01:00 P.M.

up to the date of the Meeting:

a) Order dated June 12, 2020 passed by the Tribunal in Company Application No. CA (CAA) No. 37/Chd/Chd/2019, directing inter alia, the convening of the Meeting;

b) Scheme, as filed before the Tribunal;

c) Valuation report on recommendation of share exchange dated 20.06.2019 issued by CA Vikas Aggarwal, Chartered Accountant, Regd. Valuer with IBBI

d) Fairness opinion dated June 27, 2019 issued to

the both companies by M/s Corporate Capital Ventures Private Limited, a merchant banker registered with SEBI;

e) Complaint Report filed by the Transferee Company with the BSE on August 14, 2019;

f) Complaint Report filed by the Transferor Company with the BSE on August 14,2019

g) Observation letters, dated September 12, 2019, issued by the BSE to the Transferee Company;

h) Observation letters, dated September 12, 2019, issued by the BSE to the Transferor Company

i) Certificate of Incorporation dated 16.02.1983 and the Fresh Certificates of Incorporation consequent on change of name dated 11.08.1989 and 08.02.1996 respectively, along with copies of the memorandum of association and articles of association of the Transferee Company;

j) Certificate of Incorporation dated December 23,1975, along with copies of the memorandum of association and articles of association of the Transferor Company

k) Certificate dated July, 2, 2019 issued by AKR & Associates, Chartered Accountants, the statutory auditor of the Transferee Company in terms of the provisos to Sections 230(7) and 232(3) of the Companies Act, 2013;

l) Certificate dated 2nd July, 2019 issued by AKR & Associates, Chartered Accountants, the statutory auditor of the Transferor Company in terms of the provisos to Sections 230(7) and 232(3) of the Companies Act, 2013;

m) Annual reports of the Transferee Company and Transferor Company for the last three financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 and Audited Result for the financial year March 31, 2020;

n) Supplementary Accounting Statement cum Limited quarterly reviewed financials of both companies for the quarter ended June 30, 2020;

o) Extract of the resolutions dated July 2, 2019 passed by the respective Boards' of each of the Companies, inter alia, approving the Scheme and the filing thereof with the Tribunal;

p) Report of the Audit Committee of the Transferee Company dated June 28, 2019 recommending the Scheme to the Board of the Transferee Company;

q) Report of the Audit Committee of the Transferor Company dated June 28, 2019 recommending the Scheme to the Board of the Transferee Company

r) Pre and post-arrangement expected capital structure and shareholding pattern of SAB Industries Limited;

s) Reports adopted by the respective Boards of the Companies pursuant to Section 232(2)(c) of the Act; and

t) Paper books filed in Company Application No. CA (CAA) No. 37/Chd/Chd/2019 including the application along with annexures.

Dated this 15th Day of July 2020.

For SAB Industries Limited

Sd/-
Ms. Gurpreet Kaur.
(Company Secretary and Authorized Signatory)

Registered Office: SCO49-50, Sector 26, Madhya Marg
Chandigarh 160019
CIN: L00000CH1983PLC031318
Email: ssl_ssg@glide.net.in

SCHEME FOR ARRANGEMENT
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISION OF
THE COMPANIES ACT, 2013

BETWEEN

STEEL STRIPS LIMITED

TRANSFEROR COMPANY

AND

SAB INDUSTRIES LIMITED

TRANSFEREE COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This Scheme is divided into following parts:

I. **Part- I**, which deals with the introduction and definitions and also sets out the share capital of the Transferor Company and the Transferee Company;
ii. **Part- II**, which deals with the **TRANSFER OF TRANSFERRED UNDERTAKINGS OF TRANSFEROR COMPANY**
iii. **Part- III** which deals with the payment of consideration / issue of shares
iv. **Part- IV**, which deals with the changes to share capital of the Transferor Company and the Transferee Company; and
v. **Part- V**, which deals with the general terms and conditions applicable to the Scheme

PART I

GENERAL

A- TRANSFEREE COMPANY – SAB INDUSTRIES LIMITED

1. SAB Industries Limited bearing CIN No. L0000CH1983PLC031318 is a Public Company listed on "*BSE Limited*" having its registered office at SCO 49-50, Sector-26, Madhya Marg, Chandigarh-160019 (hereinafter referred to as the Transferee Company) and is engaged in the Construction, Infrastructure, Real Estate and to provide the internet services. The Equity Shares of the Transferee Company are listed on *BSE Limited ("**Stock Exchange"**)*.

B- TRANSFEROR COMPANY – STEEL STRIPS LIMITED

2. Steel Strips Limited bearing CIN No. L45202PB1975PLC003610 is a Public Limited Company listed on BSE having its registered office situated at Village Harkishanpura, Bhawanigarh Tehsil, Distt. Sangrur, Punjab - 148026 (hereinafter referred to as the Transferor Company) and was engaged in the Business of manufacturing of Steel Products (Steel Billets, Ingots and Special Steels in rounds and flats). However, the steel business of the Company could not survive due to severe recession in Steel Industry and its previous activities becoming un-competitive. The Board of the Company was in the process of exploring and evaluating alternative business opportunities including the same activities which the Transferor company is undertaking. The Equity shares of the Transferor Company are listed on the BSE Limited *("**Stock Exchange"**)*.

A. DESCRIPTION OF THE SCHEME

3. This Scheme (as defined hereunder) provides, inter alia, for :

(I) The amalgamation of the Transferor Company into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Company without winding up and the consequent to the issuance of shares of Transferee Company (as defined hereunder), in accordance with the Share Exchange Ratio (as defined hereunder) to the eligible members (as defined hereunder) of the transferor company, in respect of each share of the Transferor Company held by them in accordance with this scheme ("Amalgamation")

(ii) Various, other matters incidental, consequential or otherwise integrally connected therewith, including the increase in share capital of the Transferee Company, Pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner as provided for in this Scheme and in compliance with the provisions of the Income Tax Act (as defined hereunder).

4. The Amalgamation of the Transferor Company into Transferee Company shall be in full compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the Income Tax Act such that, inter alia:

(i) all the properties of the Transferor Company, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation;

(ii) all the liabilities of the Transferor Company, immediately before the Amalgamation shall become the liabilities of the Transferee Company, by virtue of the amalgamation ; and

(iii) the shareholders holding all shares in the Transferor Company will become shareholders of the Transferee Company by virtue of the Amalgamation.

If any terms or provision or parts of this scheme is/are inconsistent with the provision of Section 2(1B) of the Income Tax Act, the provision of section 2(1B) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(IB) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

B. RATIONALE OF THE SCHEME

5. The amalgamation of Transferor Company with Transferee Company will result in various benefits for the stakeholders. Some of these are enumerated as follows:

(i) The merger of Transferor Company with the Transferee Company would result in the emergence of the Transferee company as a consolidated strong entity, which will contribute to the overall growth prospects of the combined entity leading to the increase in shareholder's value for both the Companies. The enhanced financial and operational strengths of the combined entity would enable in substantial reduction of costs and the development of a growth driven business portfolio through the effective and efficient deployment of funds.

(ii) The proposed merger also aims at pooling of knowledge resources. There exists in the Transferor Company and the Transferee Company, a pool of highly skilled experts in specialized areas such as technology, engineering, law, commercial, taxation, international practices etc. The services of these professionals would be utilized more effectively and efficiently.

(iii) The merger of Transferor Company with the Transferee Company would, thus, result in administrative and operational, organizational efficiencies, competitiveness including complete resources mobilization and rationalisation in economies of scale, reduction in overheads and other expenses besides the amalgamation shall result in optimal utilization of various resources. The managerial expertise of both the Transferor Company and the Transferee Company would once combined together shall give additional thrust to the merged entity.

(iv) The combined efforts and resources of the Companies will enable raising of additional financial facilities for better working of business of both the Companies. It will ensure a fair return on investments made by all stakeholders.

(v) The Amalgamation would be in the best interest of the public shareholders of the Transferor Company, as they would continue to play their part in the Indian economy growth by acquiring ownership rights in Transferee Company.

C. Definitions

6. In this Scheme, unless repugnant to the meaning or context thereof, the following shall have the meaning as given to them below:-

(i) **"**"Transferor Company" means "Steel Strips Limited**"**

(ii) "Transferee Company" means "SAB Industries Limited".

(iii) "**Acts"** means the Companies Act, 2013 and rules and regulations framed thereunder including any statutory modifications or re-enactment or amendments thereof for the time being in force.

(iv) "**Amalgamation"** shall have the meaning ascribed to it in clause 5(i) above;

(v) **"Appointed Date"** means 1st April, 2019 or such other date as may be proposed and approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench or as may be directed by the Hon'ble National Company Law Tribunal, Chandigarh Bench.

(vi) **"Effective Date"** means such date as the Transferor Company and the Transferee Company mutually agree being a date on the last of the dates or post the last of the dates on which all conditions and matters referred to in Clause 31 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme. Reference in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date

(vii) **"Eligible Member"** shall mean each person whose name appears in the register of members of the Transferor Company and/or whose name appears as the beneficial owner of the Transferor Company's shares in the record of depositories on the Record Date.

(viii) **"Employees"** means all the permanent employees or any other staff of the Transferor Company as on the Effective Date;

(ix) "**Record Date**" shall mean the date fixed by the respective Board of the Transferor Company and Transferee Company for the purpose of determining the shareholders of the Transferor Company to whom the Transferee

Company's shares shall be allotted under this scheme;

(x) **"Registrar of Companies"** means the Registrar of Companies, Punjab and Chandigarh at Chandigarh;

(xi) **"Share Exchange Ratio"** has the meaning ascribed to it in sub clause (i) of Clause 19 hereof;

(xii) **"Undertaking (s)"** means entire business undertaking(s) of the Transferor Companies as on the Appointed date and shall mean and include:

(a) all the Assets including freehold and /or leasehold assets, Lease hold Rights, Lease agreements, Hire purchase agreements , Rent agreements and under any other agreements & arrangements, land &site development, buildings, Infrastructure of commercial parking, plant & machinery, data processing equipments, furniture, fixture, office equipments, vehicles, kitchen equipments, temporary structure and movable assets, investments, stocks of commercial property, stock of traded goods, debtors, receivables, cash in hand, bank balance, loans, advances, Tax deducted at Source, security deposits and all rights available to the company, whether or not recorded in the books of account and/or appearing in its balance sheet as on the Appointed Date.

(b) All the books of account, registers, statutory registers, records and all other documents of whatever nature relating to the above assets and properties.

(c) All liabilities, debts, borrowings, Bills payable, Public deposits, Secured Loans, unsecured Loans, Creditors, Security deposits, Interest Accrued, contingent Liabilities and all other Liabilities, duties, undertakings, contractual obligations, guarantees given and obligations of the Transferor Companies as on the Appointed Date.

(d) All permanent employees of the Transferor Companies.

(e) All application monies, advance monies, earnest monies and/ or Security deposits paid, payments against other entitlements of the Transferor Companies.

(f) All claims of the Transferor Company pending with any authorities, as per records of Transferor Companies on the Appointed Date.

(g) Without prejudice to the generality of sub clause (a) to (f) above, the undertaking of the Transferor Companies shall also include all the Transferor Company reserves, movable and immovable properties, Freehold and leasehold property, tangible and intangible properties, corporeal and incorporeal property in possession or reversion present or contingent of whatsoever nature and wheresoever situated, assets including leasehold rights, tenancy rights, industrial and other licenses, permits, authorizations, quota rights, trademarks, trade names, patents, copy rights, know how, technical knowhow, right to recover the government subsidy/ grants and other industrial and intellectual properties, stocks, receivables, investments, insurance policies, bank guarantees and performance bank guarantees by third parties, incentives and concessions by way of exemption of sales tax and purchase tax, right to carry forward unabsorbed depreciation and losses under the provisions of the Income Tax Act, 1961, electricity connection, telephones, telex, facsimile and other communication facilities and equipments, right and benefits under all agreement and all other interests, rights and powers, privileges, liberties, easements, advantages, benefits, permissions, consents, registrations, no objection Certificates, certifications and approvals of every kind, nature and description whatsoever.

(xiii) **"Miscellaneous Expenditure"** means Miscellaneous Expenditure (To the extent not written off or adjusted) appearing in the Balance Sheet of the Transferor Company as on Appointed date and further accretion thereto till the effective date.

(xiv) **"Scheme"** means this scheme of Amalgamation as set out herein and in its present form or with any modification(s) and amendments thereto.

(xv) All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and other applicable laws, rules, regulations, bye-laws as the case may be or any statutory modifications or re-enactment thereof for the time being in force.

(xvi) Reference to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this scheme.

(xvii) The headings herein shall not affect the construction of this scheme.

(xviii) The singular shall include the plural and vice versa; and reference to one gender include all genders.

(xix) Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding these terms.

(xx) Reference to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality).

(xxi) Reference to any of the terms of taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.

(xxii) Any reference to any statute or statutory provision shall include:

a) All subordinate legislations made from time to time under that provision (whether or not amended, modifies, reenacted or consolidated from time to time) and any retrospective amendment; and

b) Such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provisions (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

7. **SHARE CAPITAL**

(a) Transferor Company:-

1. The Authorised, Issued, Subscribed and paid up Share capital of the Steel Strips Limited as on 31ST March, 2019 are as under:-

Particulars	Rs.
AUTHORISED SHARE CAPITAL	
91,00,000 Equity Shares of Rs. 10 each	9,10,00,000
Cumulative Redeemable Preference Shares of Rs. 100 each	90,00,000
TOTAL	10,00,00,000
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	
82,83,103 Equity Shares of Rs. 10 each fully paid up	8,28,31,030

The Equity Shares of the Transferor Company are listed on "BSE Limited"

(b) Transferee Company:-

2. The Authorised, Issued, Subscribed and paid up Share capital of the SAB Industries Limited as on 31ST March, 2019 are as under:-

Particulars	Rs.
AUTHORISED SHARE CAPITAL	
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000
TOTAL	20,00,00,000
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	
15188372 Equity Shares of Rs. 10 each fully paid up	15,18,83,720

The Equity Shares of the Transferor Company are listed on "BSE Limited"

PART – II

TRANSFER OF TRANSFERRED UNDERTAKINGS OF TRANSFEROR COMPANY

8. **TRANSFER**

(I) With effect from the Appointed date and upon the scheme becoming effective, the whole of the business, undertaking, estates, assets, properties, liabilities, obligations, rights, title, licenses, license agreements, lease agreements, Rent Agreements and particularly the immovable properties incapable of passing by manual delivery of the Transferor Company shall pursuant to the provisions of Section 230-232 and other applicable provisions of the said Act without any further act, application and/or deed and without any payment of stamp duty , transfer charges or any other charges, shall be transferred to and vested in the Transferee Company so as to become the undertaking(s) and properties of the Transferee Company from the Appointed date. The Transfer and/ or vesting of the properties as aforesaid shall be subject to the existing charges, hypothecation and mortgages, if any, in respect of all the aforesaid assets or any part thereof of the Transferor Company. Provided however that such charges shall not extend over or be deemed to extend over any of the assets of the Transferee Company already owned and held by the Transferee Company.

(ii) With effect from the Appointed date and upon the scheme becoming effective, all the immovable properties including freehold and leasehold properties and any documents of title/ rights and easement in relation to them shall be vested in and transferred to and or be deemed to have been and stand transferred to and vested in Transferee Company and shall belong to Transferee Company. The mutation of the title to the immovable properties, freehold and leasehold Properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of scheme and upon the scheme becoming effective, in accordance with the terms hereof, in favour of Transferee Company. No stamp duty, transfer charges and any other charges shall be payable for the transfer and vesting of immovable properties including freehold and leasehold properties.

(iii) Any statutory Licenses, registration, records, entitlements, powers, rights, benefits and advantages, permissions, approvals or consents to carry on the operations of the Transferor Company including all supply of electrical power, water and sanitary effluent permissible to the Transferor Company or any related permission/permissions and relatable to any freehold, leasehold property, benefits of all statutory and regulatory permissions, factory licenses,

environmental approvals and consents, License agreement, Sales Tax, Excise registrations or other licenses and consents shall stand vested in or transferred to the Transferee Company without any further act or deed and shall always be deemed to have been issued to the Transferee Company and the concerned statutory authorities and/or licensors and/or regulators shall endorse and mutate and or record the same, upon the filing of this scheme as sanctioned with such authorities and licensors, so as to empower and facilitate the transfer and vesting of the undertaking in the Transferee Company.

(iv) All contracts, deeds, bonds, agreements, arrangements, engagements and other instruments including Lease shall be vested to and transferred in the Transferee Company. These agreements shall be in full force and effect against or in favour of the Transferee Company as fully and effectively as if, instead of Transferor Company, it had been a party thereto or beneficiary in respect thereof.

(v) As far as the Incentives, subsidies, rehabilitation Scheme, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

(vi) With effect from the Appointed date and upon the scheme becoming effective and subject to the provisions of this scheme, all contracts, deeds, bonds, agreements, memorandum of Understanding, schemes, arrangements and other instruments of whatsoever nature in relation to the undertaking to which any of the Transferor Company is a party subsisting or having effect immediately before the Effective date shall remain in force and effect against or in favour of the Transferee Company as the case may be and may be enforced fully and as effectual as if instead of the Transferor Company the Transferee Company had been a party or beneficiary or oblige thereto.

(vii) With effect from the Appointed date and upon the scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking to which any of the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be &

remain in force and effect in favour of or against the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.

(viii) Any inter se contracts between the Transferor Company and Transferee Company shall stand merged and vested in the Transferee Company upon the sanction of the Scheme becoming effective.

(ix) To the extent that there are intercompany Investments, loans, deposits or balances, as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities as the case may be. For the removal of doubts, it is clarified that in view of the above there would be no accrual of interest or other charges from the Appointed date in respect of any such inter- Company loans, deposits or balances and these transactions shall be considered as intra party transactions for all purposes.

(x) The Transferee Company, at any time after this Scheme coming into effect in accordance with the provisions of this Scheme, if so required, under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Undertaking of the Transferor Company to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

(xi) With effect from the Appointed date and Upon the Scheme becoming effective the debts, liabilities, duties and obligations of the Transferor Company relating to the Undertaking of the Transferor Company shall, without any further act, application or deed be and stand transferred to the Transferee Company and shall become the debts, liabilities and obligations of the Transferee Company which it undertakes to meet, discharge and satisfy.

(xii) With effect from the Appointed date and upon the Scheme becoming effective, all debts, liabilities, duties and obligations including those arising out of guarantees executed by the Transferor Company shall stand transferred and vested in the Transferee Company as part of the continuing contractual obligations vested in the Transferee Company.

(xiii) Upon this Scheme coming into effect, the existing banking facilities pertaining to the Undertaking of the Transferor Company as maintained by the Transferor Company shall stand transferred and vest in the Transferee Company and the respective Banks shall transfer all such banking facilities in to the name of the Transferee Company.

(xiv) Upon this Scheme coming into effect, all legal or other proceedings by or against the Transferor Company under any statute(s), or otherwise whether pending on the Appointed date or which may be instituted in future in respect of any matter arising before the effective date shall be continued and enforced by or against the Transferee Company after the effective Date.

(xv) Upon this Scheme coming into effect, if any suit, action, writ petition, appeal, revenue appeal, revision, execution against decree, criminal proceedings or other proceedings whether administrative, legal or otherwise of whatsoever nature (hereinafter called "the proceedings") by or against Transferor Company, if any, be pending on the Effective

Date, in any Court or before any authority, judicial, quasi judicial or administrative or any adjudicating authority, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or anything contained in the Scheme but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any proceedings in pursuance to the said contracts, deeds and instruments as the Transferee Company has stepped into the shoes of the Transferor Company.

(xvi) Upon the coming into effect of this scheme, all employees of the Transferor Company shall become the employees of the Transferee Company, subject to the provisions hereof without any break in their services and on the basis of continuity of service and, on terms and conditions no less favorable than those on which they are engaged by the Transferor Company and without any interruption of service as a result of the Amalgamation. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such Transferor Company Employees with the Transferor Company shall also be taken into account and paid (as and when payable) by the Transferee Company.

(xvii) Pending the transfer as aforesaid, the Employee Benefit Fund dues of the Transferor Company Employees would be continued to be deposited in the existing Employee Benefits Funds of the Transferor Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved.

9. **With effect from the Appointed date and upto and including the Effective date:**

(i) The Transferor Company shall be deemed to have been carrying on all operations and activities relating to the Undertaking of the Transferor Company on behalf of the Transferee Company and stand possessed of the properties so to be transferred for and on account of and in trust for the Transferee Company.

(ii) All profits accruing to the Transferor Company or losses arising or accrued by it relating to the Undertaking of the Transferor Company shall for all purposes, be treated as the profits, or losses as the case may be of the Transferee Company.

(iii) Subject to the provisions of the Scheme, the profits of the Transferor Company for the period beginning from the Appointed date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being used or disposed of in any manner as it may think fit including declaration of dividend in respect of any financial year after the effective date.

(iv) Save as specifically provided in this scheme, the Transferor Company shall not, after filing of this Scheme with the Hon'ble National Company Law tribunal (NCLT) make any change in its capital structure by any further issue of shares on preferential basis or allot any rights shares or Bonus Shares out of its Authorised Share Capital upto the effective date except with the prior consent of the Transferee Company. However the Transferee Company shall be at liberty to issue or allot any new shares/ rights shares/ preferential Shares or Bonus Shares out of its Authorised or unissued Share capital in any manner considered appropriate by the Board of directors of the Transferee Company

10. The Transferor Company hereby undertakes from the Appointed Date and upto and including the effective date to carry on its operations relating to undertaking of the Transferor Company with proper prudence and hereby agrees and undertakes not to alienate, charge or otherwise deal with or dispose of the Undertaking of the Transferor Company or any part thereof (except in the ordinary course of business and as provided in this scheme) without the prior written consent of the Transferee Company, and shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.

11. All the staff, workmen and other employees in service of the Transferor Company engaged in the Undertakings of the Transferor Company as on the Effective Date under this scheme shall become the staff, workmen and employees of the Transferee Company on the basis that:

a) their services shall be deemed to have been continuous and shall not have been interrupted by reasons of the transfer of the Undertaking(s);

b) the terms and conditions of service applicable to the said staff , workmen and other employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately before the transfer ; and

c) it is expressly provided that as far as Provident, Gratuity, Superannuation Fund/ Scheme or any other Special Fund/ Scheme created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purpose whatsoever related to the administration or operation of such funds/ schemes or in relation to the obligations to make contributions to the said funds/ Schemes in accordance with the provisions of such funds/ schemes as per the terms provided in the respective Trust Deeds.

d) it is the aim and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds/ Schemes shall become those of the Transferee Company and all the rights duties and benefits of the employees employed in different units/undertakings of the Transferor Company under such funds and trusts shall be protected. It is clarified that the services of the employees of the Transferor Company will also be

treated as having been continuous for the purpose of the aforesaid Funds/ Schemes or provisions.

12. The transfer and vesting of the properties and liabilities of the undertaking(s) of the Transferor Company to the Transferee Company and the continuance of the proceedings by or against the Transferee Company as per this scheme shall not affect any transaction or proceedings already completed by the Transferor Company on and from the Appointed date and upto the Effective date and that the Transferee Company accepts all acts, deeds and things done and executed by and /or on behalf of the Transferor Company.

13. Subject to the other provisions contained in this Scheme, all contracts, business/asset purchase agreements, memorandum of understandings, memorandum of agreement, memorandums of agreed points, letters of agreed points, arrangements, undertakings, declarations whether written or otherwise, contracts, lease rights, deeds, bonds, other agreements and instruments of whatsoever nature relating to the Undertakings of the Transferor Company to which any of the Transferor Company is or was a party or having effect immediately before the Effective date, shall remain in full force and in effect against and in favour of Transferee Company and may be enforced fully and effectually as if instead of the Transferor Company, the Transferee Company had been a party thereto.

14. Upon the coming into the effect of the scheme, all Motor vehicles of any nature whatsoever comprised in or relatable to the undertakings of the Transferor Company shall vest in the Transferee Company and the appropriate Government and Registration Authorities shall mutate and register the said vehicles in the name of the Transferee Company as if the vehicles had originally been registered in the name of the Transferee Company without levying or imposing any fees, charges, taxed or levy whatsoever.

15. Upon the scheme coming into effect, the balance appearing under the head " Miscellaneous Expenditure (to the extent not written off or adjusted)" in the books of Transferor Company as on the Appointed date, if any, shall be debited by the Transferee Company to its Misc. Expenditure (to the extent not written off or adjusted) and the same shall thereafter be dealt with in the same manner as it would have been/ had been incurred by the Transferee Company.

16. **Accounting Treatment**

(i) The Amalgamation will be accounted in accordance with the “acquisition method” prescribed under the Indian Accounting Standard 103 (Business Combinations) as notified under Section 133 of the Act, read together with paragraph 3 of the Companies (Indian Accounting Standard) Rules, 2015 alongwith other applicable standards and rules of the Companies Act, 2013.

(ii) Accordingly, all the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the sanctioning of the Scheme and shall be recorded by the Transferee Company at the respective values determined as per the prescribed Indian Accounting Standard 103 (Business Combinations) as notified under Section 133 of the Act, read together with paragraph 3 of the Companies (Indian Accounting Standard) Rules, 2015 alongwith other applicable standards and rules of the Companies Act, 2013.

(iii) Inter-company balances, if any, will stand cancelled.

(iv) The excess of the Assets and Liabilities transferred to the Transferee Company, if any, would be credited to the Reserves.

(v) The shortfall of the Assets and Liabilities transferred to the Transferee Company, if any, would be treated as Goodwill and it shall be adjusted/cancelled against Securities Premium Account of the Transferee Company and the order of the NCLT sanctioning the scheme shall be deemed to be an order confirming the reduction / shortfall of the Assets and liabilities and no separate sanction under Sections 52 and 66 of the Companies Act, 2013 will be necessary.

(vi) All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. The debit balance of the Profit & Loss Account of the Transferor Company, if any, will be adjusted/ offset against the credit balance of the Profit & Loss Account/General Reserve of the Transferee Company.

(vii) Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.

(viii) If there is any difference in accounting policies of the Transferor Company and that of the Transferee Company, the impact of the same till the appointed date will be quantified and same should be appropriately adjusted and reported in accordance with the applicable accounting rules and principles, so as to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistent accounting policies.

(ix) Pursuant to Section 72A of the Income Tax Act 1961, the accumulated loss and the unabsorbed depreciation of the Transferor Company shall be deemed to be the loss or, as the case may be, allowance for depreciation of the Transferee company for the previous year i.e 2018-19 as the Appointed date is 1st April, 2019 and other provision of the Income tax Act, 1961, relating to set off and carry forward of loss and allowance for depreciation shall apply as per the rules and regulation of Income Tax Act, 1961

(x) All taxes, where applicable, including but not limited to Goods and service tax (GST), Service Tax, Value added Tax (VAT), advance income tax, tax deducted at source, taxes withheld/paid in a foreign country, direct/indirect

taxes, levy, cess, fees, tax refunds payable by or refundable to the Transferor Company, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of Transferor Company) as the case may be, of the Transferee Company, and any advance income tax, unabsorbed tax losses and depreciation, etc., as would have been available to the Transferor Company on or before the Effective Date, shall be available to the Transferee Company upon the Scheme coming into effect.

PART III

PAYMENT OF CONSIDERATION / ISSUE OF SHARES

17 The Transferee Company (SAB) holds 6,85,934 equity shares of Rs.10/- each in the share capital of the Transferor Company. These shares shall stand cancelled and share capital of the Transferor Company shall accordingly reduce without the requirement of any separate/further sanction or approval whatsoever in this regard under the Companies Act, 2013 or under any other law. The Transferee Company shall surrender these shares to the Transferor Company for cancellation. Accordingly, these 685934 equity shares will not be considered at the time of allotment of shares to the member of Transferor Company in the agreed exchange ratio. Accordingly the entire investment in the books of accounts of the Transferee Company on account of 6,85,934 equity shares of Rs.10/- each of Transferor Company shall stand cancelled and written off / reversed in the accounts of the Transferee Company on the Scheme of Amalgamation becoming effective.

(i) Upon coming into effect of the scheme and in consideration of the Amalgamation including the transfer and vesting of the Undertaking in the Transferee Company pursuant to this scheme, the Transferee Company shall, as soon as possible after the Record Date, or such other dates as may be required by the Stock Exchange, complete allotment of the Transferee Company shares in favour of the Eligible Members in following manner:

"Every Shareholders/Members of Transferor Company holding 350 (Three Hundred Fifty) Equity Shares of Rs. 10/- (Ten) each fully paid up in the Transferor Company will get 1 (One) Equity shares of Rs.10/-(Ten) each fully paid up in Transferee Company."

The ratio in which shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company as set out above is herein referred to as **"Share Exchange Ratio".**

(ii) No fractional coupons shall be issued by the Transferee Company in respect of the residual fractional entitlements, if any, to which the members of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid. Such fraction shall be consolidated into whole equity shares and the Board of Directors may allot any one or more of such consolidated shares to any nominee (s) as the Board of Directors may in their absolute discretion deem fit for the purpose of holding and calling of such consolidated equity shares. Every sale of the consolidated equity shares shall be at such price or prices as may be approved by the Board of Directors and upon receipt of the purchase price in respect of such sale (provided the Board of Directors shall approve the purchaser) the Board of directors shall allot the equity shares to the approved purchaser (s). The total net sale proceeds of such consolidated equity shares, after defraying there from all costs, charges and expenses of sale of such shares, shall be distributed and divided among such equity shareholders of the Transferor Company as would otherwise have been entitled to such fraction of the equity shares of the Transferee Company in proportion to their respective interest in such fractions.

(iii) In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriates cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transaction period.

(iv) It is clarified that the Transferee Company shall not be required to pass a separate resolution for the purpose of issuing the aforesaid shares to the members of the Transferor Company under Section 62 of the said act and on the members of the Transferee Company and the members of the Transferor Company giving their sanction to the scheme, it shall be deemed that the members of each of the Transferee Company and the Transferor Company have accorded all consents, if any, as required under the said Act.

(v) The shareholders of the Transferor Company, upon the scheme becoming effective and upon receiving intimation /notice of the Record Date fixed, shall surrender their share certificates of the Transferor Company to the Transferee Company, which shall thereafter in due course deliver to the shareholders, the shares in the Transferee Company by registered post.

(vi) In the event of any shareholders of the Transferor Company failing to deposit, surrender or present the share certificates for the purpose of obtaining shares of the Transferee Company, the Transferee Company shall deliver by registered post, the share certificates to the members of the Transferor Company in accordance with the terms of the scheme as per the Register of members of the Transferor Company on the record date fixed.

(vii) Notwithstanding anything to the contrary, upon the issue and allotment of new shares in the Transferee Company to the eligible shareholders of the Transferor Company whose name shall appear on the Register of Members of the Transferor Company on such record date fixed as aforesaid, the share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been automatically cancelled and be of no effect, on and from such record date and the Transferee Company may at its option instead of requiring to surrender the share certificates , as aforesaid ,directly issue new shares of the Transferee Company by dispatching new share certificates of the Transferee Company in lieu thereof.

(viii) The Transferee Company Shares to be issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari passu* in all respects and shall have the same rights attached to the then existing equity shares of the Transferee Company

(ix) For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of the Reserve Bank of India and other appropriate authorities concerned for the issue and allotment by the Transferee Company to the respective non-resident members, if any, of the Transferor Company, of the equity shares in the said reorganized share capital of the Transferee Company in the ratio aforesaid.

(x) Such shares to be issued and allotted by the Transferee Company in terms of sub-clause (i) of Clause 17 above, save as expressly provided otherwise, shall rank pari passu in all respects from the date of their allotment in terms of the Scheme with the existing re-organized equity shares of the Transferee Company.

(xi) The Transferee Company shares shall be issued in dematerialized form to all eligible shareholders holding the Transferor Company shares, in accordance with the applicable laws. If the transferee company has received notice from any member that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his account with a depository participant or other confirmation as may be required or if the details furnished by any member do not permit electronic credit of new shares, then the transferee company shall issue equity shares in physical form to such member or members.

(xii) The existing shares of the Transferee Company and Transferor Company are listed on the Bombay Stock Exchange.

(xiii) Upon the scheme becoming effective, the shares of Transferor Company will automatically be delisted from BSE Limited.

(xiv) Upon the scheme becoming effective, the Transferee Company shall seek listing of its equity shares with the "BSE Limited" subject to compliance with listing requirements of Bombay Stock Exchange(BSE) as well of Securities & Exchange Board of India(SEBI).

(xv) The difference of fees, if any, due to increase in authorized capital of the Transferee Company on sanctioning of the Scheme, will be paid by the Transferee Company.

(xvi) Upon the coming into effect of the Scheme, stamp duty payable, if any , will be paid by the Transferee Company.

(xvii) The Board of Directors of the Transferor Company and the Transferee Company based on the independent valuation done by CA Vikas Aggarwal, Chartered Accountants and Regd. Valuer with IBBI-IBBI/RV/02/2018/10046, for the Transferee Company and Transferor Company, have accorded their unanimous approval towards the Share Exchange Ratio in their respective board meetings.

PART IV

CHANGES TO THE SHARE CAPITAL OF THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

18 Consolidation of the Authorized Share Capital of the Transferor Company with the Authorized Capital of the Transferee Company.

(i) Upon this scheme becoming effective and pursuant to the re-classification/reorganization of the resultant capital, The Authorised Share capital of the Transferor Company shall stand combined with the Authorised share capital of the Transferee Company. The filing fee and stamp duty already paid by the Transferor Company on its Authorised share capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation.

(ii) Upon the Scheme becoming effective, the Authorized Share Capital of Transferor Company comprising of 91,00,000 (Ninety One Lac) Equity Shares of Rs.10/- each aggregating to Rs.9,10,00,000/- (Rupees Nine Crore Ten Lac) and 90,000 Cummulative Redeemable Preference Share of Rs. 100/- each aggregating to Rs. 90,00,000/- (Ninety lac) shall stand re-classified/reorganized or carried forward and merged with the Authorized Share Capital of Transferee Company without any further act or deed and without any levy of fees, duty or charge. Accordingly, upon the Scheme becoming effective the Authorized Share Capital of the Transferee Company shall stand enhanced/ increased from Rs.20,00,00,000/- (Rupees Twenty Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.10/- each to Rs. 30,00,00,000/- (Rupees Thirty Crore) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs.10/- each.

(iii) Upon the Scheme becoming effective, the office of Registrar of Companies, Punjab & Chandigarh shall immediately take effect of consolidation of Authorized Share Capital of 91,00,000 (Ninety One Lac) Equity Shares of Rs.10/- each aggregating to Rs.9,10,00,000/- (Rupees Nine Crore Ten Lac) and 90,000 Cummulative Redeemable Preference Share of Rs. 100/- each aggregating to Rs. 90,00,000/- (Ninety lac) of Transferor Company into the books of Transferee Company and enhance the Authorized Share Capital of Transferee Company from Rs. 20,00,00,000/- (Rupees Twenty Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.10/- each to Rs. 30,00,00,000/- (Rupees Thirty Crore) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs.10/- each in its records.

(iv) Upon the Scheme becoming effective the Transferee Company shall make suitable amendments to its Memorandum and Articles of Association to reflect the increase of the Authorized Share Capital. Upon the Scheme becoming effective the Transferee Company may file the requisite applications/forms without any fees, with the Registrar of Companies, Punjab & Chandigarh for the increase of its Authorized Capital from Rs. 20,00,00,000/- (Rupees Twenty Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.10/- each to Rs. 30,00,00,000/- (Rupees Thirty Crore) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs.10/- each and the Registrar of Companies shall permit the Transferee Company to take credit of the entire fees already paid by the Transferor Company in this regard.

19 It is clarified that the consent of the shareholders of the Transferee Company to this scheme shall be deemed to be sufficient for the purpose of effecting the aforementioned amendments and the increase of authorized capital of the Transferee Company pursuant to scheme, and no further resolution(s) under Sections 4, 13, 14 and 61 and all other applicable provisions of the Act, if any, would be required to be separately passed.

PART V

GENERAL TERMS AND CONDITIONS

20 The Transferor Company and the Transferee Company shall make necessary applications before the NCLT for the Sanction of this Scheme under Sections 230 and 232 of the Act.

21 The amalgamated Transferee Company upon the Scheme becoming effective shall draw up and finalise a consolidated Balance Sheet, as on the Appointed Date (hereinafter the "Consolidated Balance Sheet") which shall be the opening Balance Sheet of the amalgamated Transferee Company as on the Appointed Date. All the assets and liabilities of the Transferor Company as at the close of business on the day immediately preceding the Appointed Date would be recorded in the books of the Transferee Company at the respective book values as of the Appointed Date.

22 The Transferee Company is expressly permitted to revise its Income Tax returns and related TDS certificates and the right to claim refunds, advance tax credits etc. upon this scheme becoming effective and have expressly reserve the right to make such revision in the Income Tax returns and related Tax Deducted at Source (TDS) certificates and the right to claim refunds, advance tax credits etc. pursuant to the sanction of this Scheme.

23 Upon the Scheme being sanctioned and in pursuance of the order being made by the Tribunal under section 232 of the said Act, the Transferor Company shall stand dissolved without being wound up and merge with the Transferee Company with effect from the Appointed date.

24 The Board of Directors of the Transferor Company and the Transferee Company in their full and absolute discretion, may assent to any modification and amendment to the scheme or agree to any terms and/or conditions which the Concerned Tribunal, shareholders, Creditors of the Transferor Company and /or of the Transferee Company, and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Board of Directors of the Transferor and Transferee Company .

25 The Board of Directors of the Transferor Company and Transferee Company be and are hereby authorised to take all such steps as may be necessary ,desirable or proper to resolve any doubts, difficulty or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the scheme and /or any matter concerned or connected therewith and to do all acts, deeds, matters and things as may be necessary, desirable or expedient for putting the scheme into effect.

26 Transferor Company and Transferee Company (By their respective Board of Directors) may at any time withdraw the scheme in the event that the Board for any reason find that the scheme cannot be implemented or any modification of amendment suggested by the Tribunal or any authority cannot be accepted.

27 Upon the Scheme becoming effective the Transferee Company shall take effect of the amalgamation of all the Transferred Undertakings of Transferor Company in its Books of Accounts in accordance with the provisions of Accounting Standard on the accounting of amalgamations, as notified by the Ministry of Corporate Affairs and as may be amended from time to time and/or subject to such other Accounting Standards as may applicable.

28 Upon the Scheme becoming effective and without any further act or deed, the title of all Bank Accounts being maintained by the Transferor Company shall automatically stand changed/transmitted in favor of Transferee Company and the said bank accounts will be run and maintained with same signatories' structure and as if opened originally by the Transferee Company.

29 Upon the coming into effect of this Scheme, the directors of the Transferor Company will not be entitled to any

directorships in the Transferee Company by virtue of the provisions of this Scheme and consequently the Board of Directors of Transferor Company shall stand dissolved. It is clarified that this Scheme will not affect any directorship of a person who is already a director in the Transferee Company as on the Effective Date.

30 The Scheme is conditional upon the following approvals/events and the Scheme shall be deemed to be effective on obtaining last of the following approvals and the occurrence of the last of the following events:

(i) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the Members and/or Creditors (wherever applicable) of the Transferor Company and Transferee Company as may be directed by the Court or any other competent authority, as may be applicable.

(ii) The Stock Exchange having issued their observation/no-objection letter as required under the SEBI Listing Regulations read with the SEBI Circulars.

(iii) As para (I) (A) (9) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March 2017 is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee and Transferor Company will provide voting by the public shareholders through ballot/e-voting, as applicable and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution and the scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the numbers of votes cast by the public shareholders against it.

(v) Sanctions and order under the provisions of Sections 230 to 232 of the Companies Act, 2013 being obtained from the benches of the NCLT at Chandigarh

(v) The requisite approval of the Reserve Bank of India, if required being obtained under the provisions of the Foreign Exchange Management Act, for the issue of shares in the Transferee Company to the non-resident shareholders, if any, of the Transferor Company.

(vi) Any other sanction or the approval of the appropriate authorities concerned as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

(vii) Certified copies of the orders being filed with the Registrar of Companies, Punjab & Chandigarh.

(viii) There not being any Government Order from any Authority that has the effect of making the transfer of the Intellectual property being used in relation to the Transferor Company's business illegal or otherwise restraining or preventing its transfer.

31 Each of the Transferor Company and the Transferee Company agree that it shall bear by itself all own costs, charges, levies and expenses in relation to or in connection with or incidental to this scheme until the date of sanction of this scheme by the NCLT, including without limitation costs and expenses associated with retention of financial, legal, tax and other professional advisers, and in connection with the valuation report and the fairness opinion issued by their respective valuers and merchant bankers.

32 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

33 Save as otherwise agreed, all stamp, transfer, registration and other similar taxes, duties, charges and fees(including in relation to the registration and the stamping of the sanction orders) payable or assessed in connection with this Scheme, the issuance of Transferee Company shares and the transfers contemplated by the Scheme shall be borne by the Transferee Company.

Signed on behalf as
STEEL STRIPS LIMITED (TRANSFEROR COMPANY)



Place: Chandigarh
Dated: 02/07/2019

(Jyotsana Bajaj)
Authorized Signatory

Signed on behalf of
SAB INDUSTRIES LIMITED (TRANSFEREE COMPANY)



Place: Chandigarh
Dated: 02/07/2019

(Gurpreet Kaur)
Authorized Signatory

NATIONAL COMPANY LAW TRIBUNAL
"CHANDIGARH BENCH, CHANDIGARH"
(through web-based video conferencing platform)

CA (CAA)No 37/Chd/Chd/2019

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of the Scheme of Amalgamation between:

STEEL STRIPS LIMITED
having its registered office at
Village Harkishanpura, Bhawanigarh,
Tehsil Sangrur, Punjab-148026.

...Applicant No. 1/Transferor Company

AND

SAB INDUSTRIES LIMITED
having its registered office at
SCO 49-50, Sector-26,
Madhya Marg, Chandigarh-160019.

.....Applicant No. 2/Transferee Company

Order delivered on: 12.06.2020

Coram: HON'BLE MR. AJAY KUMAR VATSAVAYI, MEMBER (JUDICIAL)

Present through Video Conferencing :-

For the Applicant Companies: Mr. Mast Ram, Practising Company Secretary.

Per: Mr. Ajay Kumar Vatsavayi, Member (Judicial)

JUDGMENT

This is a joint first motion application filed by Steel Strips Limited (for brevity, the "**Applicant No. 1**" or the "**Transferor Company**") and SAB Industries Limited (for brevity, the "**Applicant No. 2**" or the "**Transferee Company**") in connection with the proposed Scheme of

Arrangement (for short the **'Scheme'**) of the Transferor Company with Transferee Company under Sections 230 to 232 and other applicable provisions ofthe Companies Act, 2013 (for brevity, the "**Act**") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity, the "**Rules**") pursuant to the Scheme of Arrangement between the Transferor Company and the Transferee Company. The contents of the application is supported by the affidavits of Ms. Jyotsana Bajaj and Ms. Gurpreet Kaur the Company Secretary and authorized signatories of both the Applicant Companies. The Scheme proposed in the Application is at A-1 of the application. The Joint Application is maintainable in terms of Rule 3(2) of the Rules.

2. The Board of Directors of the Applicant Companies in their respective Board Meeting held on 02.07.2019 unanimously approved the proposed Scheme, subject to sanctioning of the same by this Tribunal. The Transferor Company authorized Sh. Sanjay Garg, Executive Director, Ms. Jyotsana Bajaj, Company Secretary and/or Sh. Bhavnesh K Gupta, Authorized Signatory and Transferee Company authorized Sh. Sanjay Garg, Director, Ms. Gurpreet Kaur, Company Secretary and/or Sh. Bhavnesh K Gupta, Authorized Signatory respectively to take necessary steps that may be required for approving and implementing the Scheme and to sign and verify the pleadings and to do all such acts and deeds which may be required and incidental in the progress of the case. Copies of Board Resolutions are attached as Annexure A-3, and A-9 respectively of the application.

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3. As per the Memorandum and Articles of Association (Annexure A-4), the main objects of Applicant No.1/Transferor Company are as under:

> *"1. To carry on the business of manufacturers, processors, finishers, buyers, sellers, agents, merchants, importers, exporters and dealers in Mild Steel/ High Carbon/ low alloy Cold Rolled Steel Strips and other kinds of strips and strip specialties, sheets, tin plants, flat products, pipes and tubes of all kinds for water, steam, gas and other purposes.*
>
> *2. To carry on the business of manufacturers, processors, refiners, smelters, makers, converters, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steel including tool and allow steels, stainless and other kinds of special steel, iron and alloys" etc.*

5. As per the Certificate of Incorporation which is a part of Annexure A-4 of the application, the Applicant No. 1/Transferor Company was incorporated on 23.12.1975 under the provisions of the Companies Act, 1956 in the name and style of "*Steel Strips Ltd*". Its CIN is L45202PB1975PLC003610.

6. The authorized, issued, subscribed and paid-up share capital structure of the Applicant No. 1/Transferor Company as on 30.06.2019 is as under:

Authorized Share Capital	**Amount (in Rs.)**
91,00,000 equity shares of Rs. 10/- each.	9,10,00,000
90,000 Cumulative Redeemable Preference Shares of Rs. 100/- each.	90,00,000
Total	**10,00,00,000**

Issued, Subscribed and Fully Paid-up Share Capital	Amount (in Rs.)
82,83,103 fully paid-up equity shares of Rs. 10/- each	8,28,31,030
Total	**8,28,31,030**

7. As per the Memorandum and Articles of Association (Annexure A-10), the main objects of Applicant No.2/Transferee Company are as under:

> *"1. To acquire, establish, run, manage, control or maintain melting furnaces, foundries and forges of all types and to manufacture ferrous and non-ferrous metals including ingots, forging and stampings and to roll, reroll, export, sell or otherwise deal in all types of ferrous & non-ferrous metals.*
>
> *2. To acquire, establish, run, manage, control or maintain workshops and factories for manufacture and repairing of plants, machinery, machinery- parts, G.I/black pipes, PVC pipes or steel fabrication of any kind whatsoever and generally to export, buy, sell or let on hire and deal in such plants, machinery, machinery parts, pipes and steel fabrications."* etc.

8. As per the Certificate of Incorporation which is a part of Annexure A-10, the Applicant No. 2/Transferee Company was incorporated on 16.02.1983 under the provisions of the Companies Act, 1956 under the name and style of "*Asia Steel and Alloys Limited*". The Applicant no.2/Transferee company changed its name to "*Steel Strips Alloys Limited*" on 11.08.1989 and then to "SAB Industries Limited" on 08.02.1996. Its CIN is L00000CH1983PLC031318.

National Company Law Tribunal Chandigarh Bench

9. The authorized, issued, subscribed and paid-up share capital structure of the Applicant No. 2/Transferee Company as on 30.06.2019 is as under:-

Authorized Share Capital	**Amount (in Rs.)**
2,00,00,000 equity shares of Rs. 10/- each.	20,00,00,000
Total	**20,00,00,000**

Issued, Subscribed and Fully Paid-up Share Capital	**Amount (in Rs.)**
15188372 fully paid-up equity shares of Rs. 10/- each	15,18,83,720
Total	**15,18,83,720**

10. The registered office of the Applicant No. 1/Transferor Company is situated within the State of Punjab and that of Applicant No. 2/Transferee Company is situated within the Union Territory of Chandigarh and thus therefore, the matter falls within the territorial jurisdiction of this Tribunal.

11. The following prayers have been made in the instant application:

"*(i) Allow the present application and pass such necessary order sanctioning the scheme of amalgamation (Annexure A-1) along with consequential directions;*

(ii) *Pass an order for convening / dispensing the meetings of the secured / unsecured creditors and equity shareholders / members of the Applicant No.1 / Transferor Company and Applicant No.2 / Transferee Company;*

(iii) *Pass an order directing convening of meeting of equity shareholders of the Applicant No.1 / Transferor Company and equity shareholders of the Applicant No.2 / Transferee Company in accordance with the Companies Act, 2013 and rules made thereunder and in accordance with the SEBI Circle No.CFD / DIL3 / CIR / 2017 / 21, dated 10th March, 2017 as amended time to time;*

(iv) *Pass an order directing issuance of notice to (a) Central Government through Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, (b) Registrar of Companies (Punjab and Chandigarh), at Chandigarh, (c) Official Liquidator, Punjab and Chandigarh at Chandigarh, (d) Income Tax Department through the Nodal Officer-The Principal Chief Commissioner of Income Tax, € Securities & Exchange Board of India, (f) BSE Limited and to such other statutory / sectoral regulators or authorities as this Hon'ble Tribunal may deem appropriate, seeking their representations, if any, for*

sanctioning of the Scheme of Amalgamation (Annexure A-1); and

(v) Pass such other orders or directions as this Hon'ble Tribunal may deem fit in the facts and circumstances of the present case."

12. It is represented that the Scheme does not contemplate any scheme of corporate debt restructuring as provided for under Section 230(2)(c) of the Act nor does the arrangement under the Scheme involve any reduction of share capital of either of the Companies. It is also submitted that the provisions of Sections 230(2)(b) and 230(2)(c) of the Act are not applicable in the instant case. An affidavit to this effect, deposed by Ms. Jyotsana Bajaj and Ms. Gurpreet Kaur the Company Secretary and authorized signatories of both the Applicant Companies under Section 230(2) of the Act is placed on record as Annexure A-19 of the application.

13. It is stated in sub-paragraph (g) of para 4.18 of the application that no prosecution proceedings are pending against the applicant companies and their officers under the Companies Act, 2013 and rules made there under and/or the previous Companies Act, 1956.

14. It is stated that as on 30.06.2019, the Applicant No. 1/Transferor Company which is a public listed company, has 23,006 (TwentyThree Thousand Six) equity shareholders holding a total of 82,83,103 (Eighty Two Lakh Eighty Three Thousand One Hundred Three) equity shares of face value of Rs. 10/- each, as per the list attached at Annexure A-6 of the application. In relation to the equity shareholders, the Applicant Company seeks a direction for convening the meeting of the equity shareholders.

15. The Applicant No. 1/Transferor Company has no secured & unsecured creditors as on 31.08.2019 as per the certificate issued by AKR & Associates, Chartered Accountants. The certificate in this regard is placed at Annexure A-7 of the application and Annexure A-23 of Diary No.6432 dated 19.11.2019.

16. The Applicant No. 2/Transferee Company as on 30.06.2019 which is a public listed company, has 690 (Six Hundred Ninety) equity shareholders holding a total of 1,51,88,372 (One Crore Fifty One Lakh Eighty Eight Thousand Three Hundred Seventy Two) equity shares having a face value of Rs. 10/- each, as per the list attached at Annexure A-12 of the application. In relation to the equity shareholders, the Applicant Company seeks a direction for convening the meeting of the equity shareholders.

17. As per the certificate of AKR & Associates, Chartered Accountant (Annexure A-13 of the application), there are 7 (seven) secured creditors in the Transferee Company as on 31.08.2019 representing a total outstanding secured debt of Rs. 21,16,52,246/- (Twenty One Crore Sixteen Lakh Fifty Two Thousand Two Hundred Forty Six). 98.52 % of the total value of the secured creditors have given their consent/no objections to the Scheme and for dispensation of calling the meeting by way of affidavits. The consent affidavits are a part of Annexure A-25 (Dairy no. 6432 dated 19.11.2019).

18. As per the certificate of AKR & Associates, Chartered Accountant (Annexure A-13 of the application), there are 19 (Nineteen) Unsecured creditors in the Transferee Company as on 31.08.2019

representing a total outstanding secured debt of Rs. 12,90,66,113/- (Twelve Crore Ninety Lakh Sixty Six Thousand One Hundred Thirteen). 99.61% of the total value of unsecured creditors have furnished consent/no objections by way of affidavits to the Scheme and for the dispensation of the meeting of unsecured creditors. The consent affidavits are a part of Annexure A-25 (Dairy no. 6432 dated 19.11.2019).

19. The certificate of the statutory auditors of the Applicant Companies stating therein that the accounting treatment contained in the Scheme is compliance with the accounting standards prescribed under Section 133 of the Companies Act read with rules made thereunder and other generally accepted accounting principles is annexed as Annexure A-16 of the application.

20. It is also stated that as per records and notice/knowledge of the applicant Companies, no winding-up petition and/or insolvency proceedings under the Insolvency & Bankruptcy Code, 2016 are pending against the applicant companies.

21. I have heard the authorized representative for the Applicants Companies and have perused the records and the supporting documents/papers filed along with the Scheme with the assistance of the authorized representative for the Applicants Companies.

22. The rationale for, and the benefits of the Scheme are, inter alia, as follows: -

"(i) The merger of Transferor Company with the Transferee Company would result in the emergence of the Transferee company as a consolidated strong entity, which will contribute to the overall growth prospects of the combined entity leading to the increase in shareholder's value for both the Companies. The enhanced financial and operational strengths of the combined

entity would enable in substantial reduction of costs and the development of a growth driven business portfolio through the effective and efficient deployment of funds.

(ii) The proposed merger also aims at pooling of knowledge resources. There exists in the Transferor Company and the Transferee Company, a pool of highly skilled experts in specialized areas such as technology, engineering, law, commercial, taxation, international practices etc. The services of these professionals would be utilized more effectively and efficiently.

(iii) The merger of Transferor Company with the Transferee Company would, thus, result in administrative and operational, organizational efficiencies, competitiveness including complete resource mobilization and to shall achieve rationalisation in economies of scale, reduction in overheads and other expenses besides the amalgamation shall result in optimal utilization of various resources. The managerial expertise of both the Transferor Company and the Transferee Company would once combined together shall give additional thrust to the merged entity.

(iv) The combined efforts and resources of the Companies will enable raising of additional financial facilities for better working of business of both the Companies. It will ensure a fair return on investments made by all stakeholders.

(v) The Amalgamation would be in the best interest of the public shareholders of the Transferor Company, as they would continue to play their part and enjoy results economic growth by acquiring ownership rights in the Transferee Company."

23. It is submitted that the Audit Committee of both the Applicant Companies in their reports dated 28.06.2019, considered and approved the Scheme. The report on the share exchange ratio issued by CA Vikas Aggarwal, Valuer registered with IBBI dated 20.06.2019 (Annexure A-14) to the Applicant Companies and the fairness opinion issued by Corporate Capital Ventures Pvt. Ltd. dated 27.06.2019 (Annexure A-15) to the Applicant Companies, were also approved by the Audit Committee of Applicant Companies.

24. It is represented by the authorized representative for the Applicant Companies that as per the Valuation Report dated 20.06.2019, the share exchange is as follows :-

> *"Share Exchange Ratio – Amalgamation of SSL (Applicant Company No.1) into SAB (Applicant Company No.2)*
>
> *1 (one) Equity share of SAB (of INR 10/- each fully paid-up) for every 350 (Three Fifty) Equity shares of SSL (of INR 10/- each fully paid-up)."*

25. It is submitted by the authorized representative for the Applicant Companies that the equity shares of the Applicant Companies are listed on the BSE Limited ("**BSE**").

26. The BSE vide its observation letters, both dated 12.09.2019 issued to the Applicants Companies, made no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the Applicant companies to file the Scheme with this Tribunal. Copies of the aforesaid letters issued by the BSE to the Applicant Companies are placed at Annexure A-17 of the application.

27. The affidavit in relation to the sectoral regulators of the Applicants Companies is Annexed as A-18 wherein it is stated that notice is to be sent only to the following statutory authorities (as there are no other sectoral regulators applicable to the Companies) namely:-

(i) Central Government through Regional Director (Northern Region), New Delhi

(ii) Registrar of Companies, Punjab & Chandigarh, Chandigarh

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(iii) Official Liquidator, Punjab, Haryana and Chandigarh, Chandigarh

(iv) Income Tax Department through the Nodal Officer – Principal Chief Commissioner of Income Tax, Chandigarh

(v) Securities and Exchange Board of India and

(vi) BSE Limited.

28. The audited financial statements for the financial year ended 31.03.2019 of the Applicant Companies have been placed on record (Annexure A-5 & A-11 of the application). The supplementary accounting statement (i.e. the standalone, limited quarterly review financials) of the Applicants Companies for the quarter ending 30.06.2019 are also part of the record. Further, the provisional financial statements of both the Applicant Companies as on 31.08.2019 are placed on record vide Diary No. 6432 dated 19.11.2019 as Annexure A-21 & A-22.

29. In view of the above, the following directions are issued with respect to convening and/or dispensing with the requirement of convening the meetings of the equity shareholders, secured creditors and unsecured creditors of the Applicants Companies:

A. **<u>In relation to Applicant No. 1/Transferor Company:-</u>**

(i). Meeting of the equity shareholders to be convened on 29.08.2020 at 11:00 a.m. at the registered office of the Transferor Company. The quorum of the meeting of

the equity shareholders shall be 9202 in number and 40% of value of equity shareholders.

(ii) Since, there are no secured creditors, there is nothing to convene their meeting.

(iii) Since, there are no Unsecured creditors, there is nothing to convene their meeting

B. **In relation to Applicant No. 2/Transferee Company:-**

(i) Meeting of the equity shareholders of the Applicant No. 2/ Transferee Company be convened on 30.08.2020 at 10:00 a.m. at the registered office of the Transferee Company. The quorum of the meeting of the equity shareholders shall be 276 in number and 40% of value of equity shareholders.

(ii) Meeting of the secured creditors is dispensed with as consent affidavits of 98.52 % of the value of total secured creditors have been obtained and placed on record.

(iii) Meeting of the unsecured creditors is dispensed with as consent affidavits of 99.62% of the total value of unsecured creditors have been obtained and placed on record.

C. In case the required quorum as noted above for the meetings of the Applicants Companies is not present at the commencement of the meetings, the meetings shall be adjourned by 30 (thirty) minutes and thereafter the persons present, and voting shall be deemed to

constitute the quorum. For the purpose of computing the quorum, the valid proxies and authorized representatives shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the Applicant Companies at least 48 hours before the meetings. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy register is properly maintained.

D. **In relation to Applicant No. 1/Transferor Company:-**

(i) Mr. Atul Sood, Advocate, Address: 3273, Sector 15-D, Chandigarh, Mobile: 9815992288, e-mail: atulvsood@gmail.com is appointed as the Chairperson for the meetings to be called under this Order. He shall be paid a consolidated fee of ₹2,00,000/- for his services as the Chairperson.

(ii) Mr. Karanveer Jindal, Advocate, Address: HIG-2551, Phase-II, Urban Estate, Dugri, Ludhiana, Mobile: 9888972565, e-mail: kvjindal@gmail.com is appointed as the Alternate Chairperson for the meetings to be called under this Order. He shall be paid a consolidated fee of ₹1,00,000/- for his services as the Alternate Chairperson.

(iii) Mr. Pritpal Singh Dua, Company Secretary, Mobile:, 9814128693, e-mail ID: cspsdua@gmail.com, is appointed as the Scrutinizer for the above meetings to be called under this Order. He shall be paid a consolidated fee of ₹75,000/- for his services as the Scrutinizer.

(iv) The fees of Chairperson, Alternate Chairperson and Scrutinizer along with the travelling expenses and other out of pocket expenses shall be borne by the Applicant No. 1/Transferor Company.

E. **In relation to Applicant No. 2/Transferee Company:-**

(i) Mr. Anand Chhibbar, Senior Advocate, Address: House No. 721, Sector 8-B, Chandigarh, Mobile: 9814006721, e-mail: anandchhibbar@gmail.com, is appointed as the Chairperson for the meetings to be called under this Order. He shall be paid a consolidated fee of ₹ 2,00,000/- for his services as the Chairperson.

(ii) Mr. Vaibhav Sahni, Advocate, Address: House No. 215, Sector 9, Panchkula, Mobile: 9988300038, e-mail: vaibhavsahni@gmail.com, is appointed as the Alternate Chairperson for the meetings to be called under this Order. He shall be paid a consolidated fee of ₹1,00,000/- for his services as the Alternate Chairperson.

(iii) Mr. Ajay Kumar Arora, Company Secretary, Mobile: 9814006492, e-mail: ajaykcs@gmail.com, is appointed as the Scrutinizer for the above meetings to be called under this Order. He shall be paid a consolidated fee of ₹75,000/- for his services as the Scrutinizer.

(iv). The fees of Chairperson, Alternate Chairperson and Scrutinizer along with the travelling expenses and other out

of pocket expenses shall be borne by the Applicant No. 2/Transferee Company.

F. It is further directed that individual notice of the said meetings shall be sent by the Applicant Companies to all its equity shareholders through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of meeting, indicating the day, date, the place and time as aforesaid, together with a copy of Scheme, copy of explanatory statement required to be sent under the Companies Act, 2013 and the applicable Rules along with the proxy forms and any other documents as may be prescribed under the Act shall also be duly sent with the notice.

G. It is further directed that along with the notices of meetings, the Applicants Companies shall also send, statement explaining the effect of the scheme on the creditors, key managerial personnel, promoters and non-promoter members etc. along with effect of the Scheme on any material interests of the Directors of the Company or the debenture trustees, if any, as provided under subsection 3 of Section 230 of the Act.

H. The Applicant Company No.1 shall publish with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date and the place and time of meetings as aforesaid, to be published in the Financial Express (English), Punjab Edition and Jag Bani (Punjabi), Punjab Edition. The Applicant No. 2 shall publish with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date and the place and time of meetings as aforesaid, to be published in Financial Express (English),

Chandigarh Edition and Punjab Kesri (Hindi), Chandigarh Edition. It be stated in the advertisement that the copies of the Scheme, the Explanatory statement required to be published pursuant to Sections 230 to 232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Applicant Companies. The Applicant Companies shall also publish the notice on their website, if any. The notices shall also be sent to the Securities and Exchange Board of India and the stock exchanges for placing on their websites.

I. It shall be the responsibility of the Applicant Companies to ensure that the notices are sent under the signatures and supervision of the authorized signatory of the Applicant Companies on the basis of Board Resolutions and that they shall file their affidavits with the Tribunal at least 10 days before the date fixed for the meetings.

J. It is also directed that the supplementary accounting statement of the Applicant Companies relating to the period ending 30.06.2020 be also circulated for the aforesaid meetings apart from other requirements of sub-section 2 of Section 230 of the Act.

K. Voting shall be allowed on the "Scheme" in person or by proxy or through electronic means or by postal ballot, as may be applicable to the Applicant Companies under the Act and the Rules framed thereunder.

L. The Chairperson shall be responsible to report the results of the meetings to the Tribunal in Form No. CAA 4, as per Rule 14 of the Rules within 7 days of the conclusion of the meetings. The Chairperson shall be

assisted by the authorized representative / Company Secretary of the Applicant Companies and the Scrutinizer, who will assist the Chairperson and Alternate Chairperson in preparing and finalizing the reports. A separate report shall be prepared with regard to the result of voting by the public shareholders of the Applicant Company for purposes of the SEBI Circular dated 10.03.2017, as amended.

M. The Applicant Companies shall individually and in compliance of sub-section (5) of Section 230 of the Act and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 send notices in Form No. CAA 3 along with a copy of the Scheme, the Explanatory Statement and the disclosures mentioned in Rule 6 of the "Rules" to (i) the Central Government through the office of Regional Director, Northern Region (ii) the Registrar of Companies, Punjab and Chandigarh at Chandigarh (iii) Official Liquidator, Punjab, Haryana and Chandigarh (iv) Commissioner of Income Tax within whose jurisdiction the Applicant Companies are assessed by mentioning the PAN and (v) Securities and Exchange Board of India, and (vii) BSE and such other sectoral regulators governing the business of Applicant Companies, if any, to be made by them shall be sent to the Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representations shall be simultaneously sent to the concerned Companies, failing which, it shall be presumed that the authorities have no objections to the proposed Scheme.

N. The Applicant Companies further shall furnish a copy of the Scheme (together with the explanatory statement), free of charge, within 1 day of any requisition for the Scheme made by any creditor or member of the Applicant Companies entitled to attend the meetings as aforesaid.

O. The authorized representatives of the Applicant Companies shall furnish affidavits stating that the directions of this Tribunal in relation to service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least 10 days before the date of meetings.

P. All the aforesaid directions are to be complied with strictly in accordance with the applicable laws, including forms and formats contained in the Rules as well as the provisions of the Act by the Applicant Companies.

30. With the aforesaid directions, this First Motion Application stands allowed giving liberty to the Applicant Companies to file Second Motion Petition. A copy of this order be supplied to the authorized representative for the Applicant Companies who in turn shall supply copy of the same to the Chairperson, Alternate Chairperson and the Scrutinizer.

Sd/-

(Ajay Kumar Vatsavayi)
Member (Judicial)

June 12th 2020
Ashwani

PENSAR

Strictly Private and Confidential

Date: 20th June 2019

The Board of Directors

SAB Industries Limited
SCO 49-50, Sector 26,
Madhya Marg,
Chandigarh (U.T.) – 160019

The Board of Directors

Steel Strips Limited,
Village Harkishanpura,
Tehsil Bhawanigarh,
Sangrur (Punjab) - 148026

Sub: Recommendation of Equity Share Exchange Ratio pursuant to the proposed scheme of Amalgamation of Steel Strips Limited ("SSL") into and with SAB Industries Limited ("SAB") (hereinafter jointly referred to as "Companies")

Dear Sir/ Madam

We refer to our letter of engagement dated 12th June, 2019 for recommendation of share exchange ratio for the proposed amalgamation of Steel Strips Limited (**"SSL"**) into and with SAB Industries Limited (**"SAB"**) with effect from the Appointed Date of April 1, 2019; pursuant to a Scheme of Amalgamation under Sections 230 to 232 and other applicable clauses of the Companies Act, 2013 ("Scheme" or "Amalgamation"). In accordance with the terms of the engagement, we are enclosing our valuation report along with this letter.

While the information contained herein is believed to be accurate, no representation or warranty, expressed or implied, is or will be made and no responsibility or liability will be accepted by the valuer as to, or in relation to the accuracy or adequacy of information contained in this report. The opinions and recommendations in this report are provided in good faith.

The company accepts full responsibility for all the data and information pertaining to the valuation report and confirms that no material information that is vital for arriving at a decision for valuation has been suppressed or misstated while providing data / information to the valuer.

This report has been prepared for with a limited purpose / scope, as identified / stated in the report and will be confidential and for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence of discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

This report has been based on the information provided by the Company. The valuer has based his opinion on information provided and represented by the management of the company and did not independently verify the information provided to us and in that regard, the validity of the valuation depends on the completeness and accuracy of the information provided by the company.

Yours Faithfully,

VIKAS AGGARWAL
Regd. Valuer with IBBI
Regn. No. IBBI/RV/02/2018/10046

CA. Vikas Aggaryal
Regd. Valuer with IBBI- IBBI/RV/02/2018/10046

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VIKAS AGGARWAL
Regd. Valuer with IBBI
Regn. No. IBBI/RV/02/2018/10018

Executive Summary

About SAB Industries Limited ("SAB")

SAB Industries Limited, bearing Corporate Identification Number L00000CH1983PLC031318 was incorporated on 16th February 1983. It is classified as Non-govt. listed company (limited by shares) and is registered with Registrar of Companies, Chandigarh.

Its Authorized Share Capital stands at 20,00,00,000 and Paid up Share Capital stands at Rs.15,18,83,720. The Registered office of the company is situated at SCO 49-50, Sector – 26, Madhya Marg, Chandigarh (U.T.).

The 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 the Company is Development and Sale of Real Estate.

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 Rs.19.0 crore using cow-dung, press mud and poultry litter based on bio-methane 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

Equity shares of the Company are listed on Mumbai Stock Exchange (BSE) effective from 11th May 2015. As on 31.03.2019, 15119256 (99.54%) equity shares of the Company are held in demat form.

Steel Strips Limited ("SSL")

Steel Strips Limited, bearing Corporate Identification Number L45202PB1975PLC003610 was incorporated on 23rd December 1975. It is classified as Non-govt. listed company (limited by shares) and is registered with Registrar of Companies, Chandigarh.

Its Authorized Share Capital stands at 10,00,00,000 and Paid up Share Capital stands at Rs.8,28,31,030. The Registered office of the company is situated at Village Harkishanpura, Tehsil Bhawanigarh, Sangrur (Punjab).

The Company, presently neither have any manufacturing activity nor carrying on any operations.

VIVEK GOYAL
Regn. valid with IBBI
Regn. No. IBBI/RV/02/2018/10046

Earlier the Company was engaged in the Business of manufacture of Steel Products (Steel Billets, Ingots and Special Steels in rounds and flats). However, the steel business of the Company could not survive due to severe recession in Steel Industry in mid-nineties and the units become inoperative during the year 1998-99. The Company become sick and was registered under Board for Industrial and Financial Reconstruction (BIFR) in November, 2002.

Equity shares of the Company are listed on Mumbai Stock Exchange (BSE).Trading in respect of Company's script was suspended in the year 2002. The Company has filed the application with BSE for revocation of suspension of trading in its Equity Shares which has been duly approved pursuant to Notice No. 20190514-9 dated 14 May 2019 issued by BSE. Trading in equity shares has been resumed from 22nd May 2019.

Shares of the Company are available for dematerialization for the Investors. ISIN of the Company has been activated by Central Depository Services Limited (CDSL) on 10.10.2018 and by National Depository Services Limited (NSDL) on 19.10.2018. As on 31.03.2019, 4888261 shares (59.02%) of the shares of Company are held under Demat including that of 2768775 shares (33.43%) of promoters. ISIN number allotted to the Company is INE01RN01014.

Scope of Work

We are given to understand that the Board of Directors of Companies are considering to amalgamate SSL into and with SAB with effect from the Appointed Date of April 1, 2019 by implementing a Scheme of Amalgamation under the provisions of Sections 230 - 232 of the Companies Act, 2013. As a part of this proposed merger SSL would be merged with SAB and would cease to exist. The Shareholders of SSL will be issued shares of SAB as a consideration for the proposed merger.

As part of the proposed Scheme, all assets and liabilities of SSL as on the Appointed Date shall eventually stand transferred to and vested with SAB. Further, upon Amalgamation, SSL will cease to exist and as consideration equity shareholders of SSL shall receive equity shares of SAB.

In this regard Mr. Vikas Aggarwal has been requested by the Companies to submit a report recommending Share exchange ratio in connection with the proposed amalgamation of SSL into and with SAB.

The scope of our service is:

a. Conduct a relative (and not absolute) valuation of the equity shares of both SSL and SAB and recommend a fair equity share exchange ratio for amalgamation of SSL into and with SAB.

Therefore, as a pre-requisite for determination of Fair Market value and as required under the provisions of The Companies Act, 2013, Mr. Vikas Aggarwal (an IBBI Registered Valuer)

VIKAS AGARWAL
Regd. Valuer with IBBI

has been appointed by the Companies to determine the Share exchange ratio for the proposed amalgamation transaction.

It is pertinent to mention that valuation of a business is not an exact science and ultimately depends upon a no. of factors like the past financials, expected financial results, industry scenario, market recognition, market price available on exchange, etc. Though there are multiple valuation methodologies, however based upon the facts of the instant case and taking into consideration the International Valuation Standards issued by the International Valuation Standards Council (IVSC), we have carried out the Valuation Analysis of SAB with all of the three available methodologies; Market (Price Comparable), Income (DCF) and Cost Approach (NAV) and that of SSL on Cost Approach (Net Asset value).

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

Purpose of Valuation

This valuation report has been prepared by Mr. Vikas Aggarwal, (Registered Valuer with IBBI) to ascertain the Share Exchange Ratio for the proposed amalgamation scheme of SSL into and with SAB as per the provisions of Section 230 to 232 and other applicable provisions of The Companies Act, 2013.

Valuation Date & Source of Information:

The date of valuation considered is 1st April 2019. In connection with this exercise, we have used the following information received from the Management and/or gathered from public domain:

1. Audited Financial Statements of SAB and SSL for the Financial Years ended 31st March 2015, 31st March 2016, 31st March 2017, 31st March 2018 & 31st March 2019.
2. Relevant information pertaining to Fair Market Valuation of Financial Assets (both Non-current & Current) appearing in Audited Balance Sheet of SSL for F.Y. 2018-19.
3. List of shareholders of both SAB & SSL as on 31st March 2019.
4. Explanations provided by the Management of the Companies from time to time.
5. Economy & Industry data and analysis is from websites of various Govt. departments and other sources.
6. Information provided by Management on companies' current & future strategy, operations, customers, peers, industry etc.

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the executive and representatives of the Companies. It may be mentioned that both the Companies have been provided opportunity to review the

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draft report (excluding our valuation analysis and recommendation) for the current job as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our report.

Valuation Methodologies and Approach



According to standard valuation practice, the fundamental pre-condition for obtaining significant and comparable valuations in determining the Equity Share value transactions is the consistency and comparability of the methods applied according to the characteristics of the companies and/ or groups being valued.

In addition, a second fundamental principle often adopted for determining Equity Share value is the "stand alone" assumption. That is, a valuation perspective based on the current configuration and future prospects of the business on an independent basis, without taking any potential synergies from determining the Equity Share value into account.

As stated previously, the selected methodologies – which represent recognized techniques, widely used in valuation practice both in India and internationally – should not be considered individually, but rather as different parts of a single valuation process. Independent use of the results obtained from each methodology, without duly considering the complementary relationship with other methodologies, will result in loss of the meaningfulness of the valuation process itself.

Valuation of the enterprise or its equity shares is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be even prepared to pay goodwill. This exercise may be carried out based on the generally accepted methodologies, the relative emphasis of each often varying with the factors such as:

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- Specific nature of the business
- Economic life cycle in which the industry or the business is operating and
- Extent to which and comparable company information is available

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation technologies have evolved over time and are commonly in vogue. In this regard, we have evaluated suitability of four commonly used approaches of valuation to determine the fair value of Equity Shares in the company.

It should be understood that the valuation of any enterprise or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The following are commonly used and accepted methods for determining the value of Equity Shares of a company/ business:

1. Asset Approach – Net Asset Value Method
2. Income Approach – Discounted Cash Flows method
3. Market Approach
    a. Market Price method
    b. Comparable Companies Quoted Multiples method

Asset Approach – Net Asset Value (NAV) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. The value arrived at under this approach is based on the estimated financial statements of the business and may be defined as Shareholder's Funds or Net Assets owned by the business. The Net Assets Value is generally used as the minimum break-up value for the transaction. This methodology calculates the underlying net Assets of the business on a realizable/market value basis.

MUKESH AGGARWAL
Valuer with IBBI
Regn. No. IBBI/RV/02/2018/10048

The valuation arrived at under the above mentioned methods could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

Income Approach – Discounted Cash Flows method

The DCF method uses the future free cash flows of the business discounted by the cost of capital to arrive at the present value. In general, the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business, considering that this method is based on future potential and is widely accepted.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the enterprise that are available to all providers of capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To the values so obtained from DCF analysis, the amount of loans has to be adjusted to arrive at the total value available to the equity shareholders. The total value for equity shareholders is than divided by the total number of equity shares in order to work out the value per equity share of the companies.

Market Approach

a) Stock Exchange Quotation/Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

This valuation reflects the price that the market at a point in time is prepared to pay for the equity shares. It is therefore influenced by the condition of the stock market, the concerns and opportunities that are seen for the business in the sector or market in which it operates. The market price also reflects the investor's view of the ability of the management to deliver a return on the capital it is using. In the case of companies not frequently traded, this value may be very different from the inherent value of the equity shares, but nevertheless forms a benchmark value.

VIKAS AGGARWAL
Valuer with IBBI
Regn. No. IBBI/RV/02/2018/10046

b) Comparable Companies Quoted/ Market Multiples method

Under this method, value of the equity shares of a company/ business undertaking is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Under this methodology, market multiple of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. This approach is usually applied in case of valuation of unlisted companies. Some of the common multiples used in a valuation are listed below:

- Market Cap/ Sales Multiple
- Price/ Earnings Multiple
- Precedent Transactions Multiple Method

Scheme of Arrangement

The Scheme of Amalgamation ("Scheme") contemplates the merger of SSL into and with SAB. The Scheme is presented under Section 230 to Section 232 of The Companies Act, 2013 and other applicable provisions of the Companies Act.

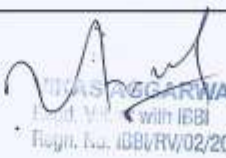
Arriving at the fair exchange ratio for the proposed amalgamation would require determining the relative values of concerned assets and shares of the Companies. These values are to be determined independently but on a relative basis, and without considering the effect of the proposed Scheme.

Recommendation of ratio of allotment of shares

SSL – The issued and subscribed equity share capital of the company as at 31/03/2019 is INR 828.31 Lacs consisting of 82,83,103 equity shares of INR 10/- each on a fully diluted basis.

SAB– The issued and subscribed equity share capital of the company as at 31/03/2019 is INR 1518.84 Lacs consisting of 1,51,88,372 equity shares of INR 10/- each on a fully diluted basis.

Share Exchange Ratio – Amalgamation of SSL into and with SAB
1 (one) Equity share of SAB (of INR 10/- each fully paid-up) for every 350 (Three Fifty) Equity shares of SSL (of INR 10/- each fully paid-up).



Valuation Analysis

Cost Approach	Tool	Equity Value (in INR Crore)	Value per Share	Wt.	Avg. value per share (in INR)
Market Approach*	Market Price Method (26 -wk. avg. price)	106.62	70.20	45%	62.8
Income Approach**	Discounted Cash Flow	70.75	46.58	45%	
Cost Approach***	Net Asset Approach	155.58	102.43	10%	

**refer Annexure 1; **refer Annexure 2; ***refer Annexure 3*

Cost Approach	Tool	Equity Value (in INR Crore)	Value per Share	Wt.	Avg. value per share (in INR)
Cost Approach*	Net Asset Approach	0.15	0.18	100%	**0.18**

**refer Annexure 4*

Conclusion

Computation of Fair Share Exchange Ratio

Valuation Approach	SAB Industries Ltd.		Steel Strips Ltd.	
	Value per Share (in INR)	Weight	Value per Share (in INR)	Weight
Asset Approach	102.43	10%	0.18	100%
Income Approach	46.58	45%	- #	0%
Market Approach	70.20	45%	- ##	0%
Relative Value per Share	**62.80**		**0.18**	
Exchange Ratio (rounded off)			**350**	

RATIO:

1 (one) equity share of SAB Industries Ltd. of INR 10 each fully paid up for every 350 (Three Hundred and Fifty) equity shares of Steel Strips Ltd. of INR 10 each fully paid up.

Income approach assumes that the company will generate cash flows in the future. The Company, presently neither have any manufacturing activity nor carrying on any operations. Thus, income approach is not applied in deriving the Fair Market value of Equity shares of company.

Equity shares of the Company are listed on Mumbai Stock Exchange (BSE) and trading in equity shares has been resumed from 22nd May 2019. The shares of the company are not actively traded on any stock index as of the valuation date of 1st April, 2019. Thus, Market approach is not applied in deriving the Fair Market value of Equity shares of company.

VIKAS AGGARWAL

Scope & Limitations

This document has been prepared solely for the purpose as mentioned in the engagement letter dated 12th June, 2019 and should not be relied upon for any other purpose.

a. Our valuation exercise does not include:
   i) any due diligence or audit or verification of the accuracy and completeness of documents and information made available to us
   ii) updating of the reports after submittal to the client
   iii) provision of technical, commercial, legal, tax and regulatory due diligence services

b. Our valuation exercise merely included a review and analysis of the available information, including analysis of the nature of business and a study of the economic status and prospects of the business at that point in time.

c. Internally prepared financial statements including management accounts, and other pertinent information were provided by the client's management and are accepted without further verification as correctly reflecting the results of operations, financial and business conditions.

d. We reserve our right to alter our conclusions should any information that we are not aware of at the time of preparing this report comes to light that has a material impact on the conclusions herein.

e. The findings, observations, inferences, opinions and conclusions etc. of this exercise are being presented hereunder in the form of a Report.

f. It is inappropriate to use this valuation report for financing or any purpose other than the purpose mentioned above. We are not responsible for the unauthorized use of this report. We shall not assume any responsibility to any third party to whom the report is disclosed or otherwise made available. Unless required by law, it shall not be provided to any third party without our prior written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available.

g. We have provided a draft copy / workings of this report to the management of the Company, who have confirmed to the best of their knowledge and belief that the factual information contained within this document is correct and that there are no material omissions. We reserve the right to alter our conclusions should any information that we are not aware of at the time of preparing this report comes to light that has a material impact on the conclusions herein.

VIKAS AGGARWAL
Registered Valuer with IBBI
Regd. No. IBBI/RV/02/2018/10048

Annexure – 1

A. Average of Weekly High & Low of the Volume Weighted Average Price (VWAP) of the Equity Shares of SAB Industries Limited quoted on BSE Ltd. during the last twenty six weeks preceding the Relevant Date

Weeks	From	To	VWAP High	VWAP Low	Average
1	01.10.2018	07.10.2018	59.00	59.00	59.00
2	08.10.2018	14.10.2018	59.00	59.00	59.00
3	15.10.2018	21.10.2018	59.00	59.00	59.00
4	22.10.2018	28.10.2018	59.00	59.00	59.00
5	29.10.2018	04.11.2018	59.00	59.00	59.00
6	05.11.2018	11.11.2018	59.00	59.00	59.00
7	12.11.2018	18.11.2018	59.00	59.00	59.00
8	19.11.2018	25.11.2018	59.00	59.00	59.00
9	26.11.2018	02.12.2018	59.00	59.00	59.00
10	03.12.2018	09.12.2018	59.00	59.00	59.00
11	10.12.2018	16.12.2018	62.00	59.00	60.50
12	17.12.2018	23.12.2018	65.00	64.00	64.50
13	24.12.2018	30.12.2018	70.00	64.00	67.00
14	31.12.2018	06.01.2019	70.00	70.00	70.00
15	07.01.2019	13.01.2019	69.00	69.00	69.00
16	14.01.2019	20.01.2019	73.00	66.50	69.75
17	21.01.2019	27.01.2019	63.75	63.57	63.66
18	28.01.2019	03.02.2019	69.68	63.20	66.44
19	04.02.2019	10.02.2019	71.90	71.90	71.90
20	11.02.2019	17.02.2019	71.90	71.90	71.90
21	18.02.2019	24.02.2019	71.90	71.90	71.90
22	25.02.2019	03.03.2019	72.00	72.00	72.00
23	04.03.2019	10.03.2019	72.00	72.00	72.00
24	11.03.2019	17.03.2019	75.00	75.00	75.00
25	18.03.2019	24.03.2019	72.00	72.00	72.00
26	25.03.2019	31.03.2019	68.40	68.40	68.40
		Average Price (INR)			65.23

B. Average of Weekly High & Low of the Volume Weighted Average Price (VWAP) of the Equity Shares of SAB Industries Limited quoted on BSE Ltd. during the last two weeks preceding the Relevant Date

Weeks	From	To	VWAP High	VWAP Low	Average
1	18.03.2019	24.03.2019	72.00	72.00	72.00
2	25.03.2019	31.03.2019	68.40	68.40	68.40
		Average Price (INR)			70.20

A. Average of 26 weeks high low of Volume Weighted Average Price	65.23
B. Average of 2 weeks high low of Volume Weighted Average Price	70.20
Applicable Price: Higher of A or B	70.20

VIKAS AGGARWAL
Fellow Member with ISBI
Regd. No. IBBI/IV/02/2018/10041

Annexure – 2

Income Approach - Free Cash Flow to Firm

in INR Crores

Particulars	FY20	FY21	FY22	FY23	FY24	FY25	Terminal Year
EBIT	0.77	2.83	3.04	12.55	15.36	17.39	17.91
Taxes	0.20	0.79	0.85	3.49	4.47	5.06	5.21
EBIT Less Taxes	**0.57**	**2.04**	**2.20**	**9.06**	**10.89**	**12.32**	**12.69**
Add: Depreciation	0.40	2.24	2.19	2.14	2.09	2.04	-
Add / (Less): Changes in WC	(7.98)	(21.77)	(28.71)	-	-	-	(8.05)
Less: Capital Expenditure	(3.63)	(18.10)	-	-	-	-	
Free Cash-flows	**(10.64)**	**(35.59)**	**(24.32)**	**11.20**	**12.98**	**14.36**	**4.64**
Fraction of year	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	(10.64)	(35.59)	(24.32)	11.20	12.98	14.36	4.64
Time to Midpoint	0.50	1.50	2.50	3.50	4.50	5.50	5.50
Discount Rate	0.92	0.79	0.68	0.58	0.49	0.42	0.42
Discounted Cash Flow	(9.83)	(28.12)	(16.43)	6.46	6.40	6.06	1.96

Discounted Cash flow from Projected Period	(35.46)

Terminal Value Workings	
Discounted Free Cash-flows for Terminal Value	1.96
Discount Rate for Terminal year	
Current Discount rate	17.00%
Terminal Growth Rate	3.00%
Terminal Value	13.98

Present Value of FCFF	(21.48)
Less: Debt on the date of Valuation	22.95
Add: Other non-operating assets	109.19
Add: Cash on the date of Valuation	5.99
Equity Value as on the Date of Valuation	70.75
Total number of Shares	15,188,372
Equity Value per share	46.58

VIKAS AGGARWAL
Regd. Valuer with IBBI
Regn. No. IBBI/RV/02/2018/10013

Annexure – 3

SAB (Pre- Merger) as of 31-03-2019 **in INR**

Particulars	Value as on 31/03/2019
Equity and Liabilities	
Equity	
Equity Share Capital	151,883,720
Other Equity	1,403,871,733
Non-Current Liabilities	
Long - Term Borrowings	200,917,480
Long Term Provisions	9,212,765
Other Long Term Liabilities	37,385,267
Current Liabilities	
Short - Term Borrowings	23,453,298
Trade Payables	5,578,491
Other Current Liabilities	108,539,282
Short Term Provisions	1,513,420
Total Liabilities & Equity	1,942,355,457
Non – Current Assets	
Property, Plant & Equipment	209,304,360
Capital Work in Progress	36,265,425
Other Non – Current assets	
Investments	1,289,865,453
Loans	12,500,000
Deferred Tax Assets	(210,478,123)
Current Assets	
Inventories	382,892,835
Trade receivables	-
Cash & Cash Equivalents	59,890,789
Current Assets (net)	117,497,636
Other Current Assets	44,617,082
Total Assets	1,942,355,457

NAV	1,555,755,453
No. of Shares	15,188,372
Value per Share	**102.43**

VIKAS AGGARWAL
Reg. Valuer, Govt. of India
Reg. No. IBBI/RV/02/2018/10048

Annexure – 4

SSL (Pre- Merger) as of 31-03-2019 **in INR**

Particulars	Value as on 31/03/2019
Equity and Liabilities	
Equity	
Equity Share Capital	82,831,030
Other Equity	(81,332,336)
Non-Current Liabilities	
Other Long Term Liabilities	13,869,091
Long Term Provisions	36,000
Current Liabilities	
Other Current Liabilities	2,335,061
Total Liabilities & Equity	17,738,846
Non – Current Assets	
Other Non – Current assets	**102,907**
Current Assets	
Cash & Cash Equivalents	**16,516,658**
Other Current Assets	**1,119,281**
Total Assets	17,738,846

NAV	**1,498,694**
No. of Shares	8,283,103
Value per Share	**0.18**

VIKAS AGGARWAL
Regd. Valuer with IBBI
Regn. No. IBBI/RV/02/2018/10046

Annexure – 5

Projected Income Statement

in INR Crore

Particulars	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Revenue from Operations	2.00	7.90	8.83	59.42	77.85	84.74
Other Income	2.00	2.10	2.21	2.32	2.43	2.55
Total Revenue	**4.00**	**10.00**	**11.04**	**61.74**	**80.28**	**87.29**
Operating Expenses						
Raw Material Consumed	-	3.47	3.99	41.26	54.97	60.18
Net change in Inventory	1.28	(0.11)	(0.01)	(0.01)	-	-
Power and fuel	-	-	-	-	-	-
Direct labour and wages	0.30	0.62	0.65	0.69	0.71	0.75
Other manufacturing expenses	0.50	0.19	0.39	0.55	1.20	0.45
Selling, Gen. & Administration Exp.	0.75	0.77	0.78	4.55	5.95	6.49
Total Expenses	**2.83**	**4.94**	**5.80**	**47.04**	**62.83**	**67.87**
EBITDA	1.17	5.07	5.23	14.69	17.45	19.43
Depreciation	0.40	2.24	2.19	2.14	2.09	2.04
EBIT	0.77	2.83	3.04	12.55	15.36	17.39

VIKAS AGGARWAL
Registered Valuer with IBBI
Regn. No. IBBI/RV/02/2018/10016

Corporate Capital Ventures
(SEBI Registered Category I Merchant Bankers)

The Board of Directors
SAB INDUSTRIES LIMITED
CIN: L00000CH1983PLC031318
S.C.O. 49-50, SECTOR - 26,
Madhya Marg, Chandigrh- 160019

The Board of Directors
STEEL STIPS LIMITED
CIN: L45202PB1975PLC003610
Village Harkishanpura, Bhawanigarh Teh Sangrur, Punjab- 148026

Subject: Fairness Opinion on the Swap Ratio (Share Exchange Ratio) provided by CA Vikas Aggarwal, Regd. Valuer with IBBI- IBBI/RV/02/2018/10046 for the purpose of proposed Scheme of amalgamation of Steel Stips Limited into SAB Industries Limited.

Dear Sirs,

Please find attached the Fairness Opinion Report on the swap ratio (Share Exchange ratio) provided by CA Vikas Aggarwal, Registered Valuer with Insolvency and Bankruptcy Board of India ("IBBI") having registration number IBBI/RV/02/2018/10046, for the purpose of proposed Scheme of amalgamation of Steel Stips Limited (**hereinafter referred to as "SSL" or "Transferor Company" or "Amalgamating Company"**) into SAB Industries Limited (**hereinafter referred to as "SAB" or "Transferee Company" or "Amalgamated Company"**).

The fairness opinion report is required to be submitted to the stock exchanges to facilitate the Companies with regulation 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

The Opinion has been prepared exclusively for the management of Company for implementation of the proposed scheme only. It should not be used, reproduced or circulated to any other person, in whole or in part without the consent of Corporate CapitalVentures Private Limited. We are however aware that conclusion in this report may be used for the purpose of certain statutory disclosures and we hereby provide consent for filing of same purpose.

Thanks and regards

For **Corporate CapitalVentures Private Limited**

Kulbhushan Parashar
Director

Place: New Delhi
Date: June 27, 2019

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1. PRECEDNT

Corporate CapitalVentures Pvt. Ltd.
CIN: U74140DL2009PTC194657
160, LGF, Vinoba Puri, Lajpat Nagar-II, New Delhi-110 024
Tel: +91 11 4170 4066, Website: ccvindia.com, Email: info@ccvindia.com, ccvindiamb@gmail.com
Mumbai Office: 4A9, Gundecha Onclave, Kherani Road, Sakinaka, Mumbai 400 072

We have been appointed by SAB Industries Limited **(hereinafter referred to as "SAB" or "Transferee Company" or "Amalgamated Company")** to provide an Independent Fairness Opinion on the swap ratio (Share Exchange Ratio) provided by CA Vikas Aggarwal, Registered Valuer with Insolvency and Bankruptcy Board of India ("IBBI") having registration number IBBI/RV/02/2018/10046, ("Registered Valuer") having their office at SCO 21, First Floor Sector 33-D, Chandigarh (U.T.) –160020, for the purpose of proposed Scheme of amalgamation of Steel Stips Limited into SAB Industries Limited.

2. BACKGROUND

SAB INDUSTRIES LIMITED ("Transferee Company"):

SAB Industries Limited bearing CIN No. L00000CH1983PLC031318 having its Registered Office situated at SCO 49-50, Sector 26, Madhya Marg, Chandigarh-160019 was incorporated on February 16, 1983. The 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 Uttarakhand 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 SAB is Development and Sale of Real Estate.

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 Rs.19 crore using cow-dung, press mud and poultry litter based on bio-methanation technology under NRSE Policy 2012 (New and Renewable Sources of Energy) in technical collaboration with HRG Solution Germany who have wide experience in setting up similar projects in Europe as well as in India. 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.

The total issued subscribed & paid up capital of the Company as on 31st March, 2019 is Rs. 151,883,720/- comprising of 15,188,372 Equity Shares of Rs. 10/- each.

Corporate CapitalVentures Pvt. Ltd.
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Mumbai Office: 4A9, Gundecha Onclave, Kherani Road, Sakinaka, Mumbai 400 072

STEEL STRIPS LIMITED ("Transferor Company"):

Steel Strips Limited bearing CIN No. L45202PB1975PLC003610 having its Registered Office situated at Village Harkishanpura, Bhawanigarh Teh, Distt. Sangrur, Punjab 148026, was incorporated on December 23, 1975. The Company, presently neither have any manufacturing activity nor carrying on any operations. Earlier the Company was engaged in the Business of manufacture of Steel Products (Steel Billets, Ingots and Special Steels in rounds and flats). However, the steel business of the Company could not survive due to severe recession in Steel Industry in mid-nineties and the units become inoperative during the year 1998-99. The Company become sick and was registered under Board for Industrial and Financial Reconstruction (BIFR) in November, 2002.

The total issued subscribed & paid up capital of the Company as on 31st March, 2019 is Rs. 82,831,030/- comprising of 8,283,103 Equity Shares of Rs. 10/- each.

3. TRANSACTION

The transaction involves amalgamation of Steel Strips Limited into SAB Industries Limited under the scheme of amalgamation pursuant to the provisions of Section 232 of the Companies Act, 2013.

4. PURPOSE OF FAIRNESS OPINION

As per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, the companies going for certain arrangement/amalgamation/merger/reconstruction, etc. are required to obtain a "Fairness Opinion" from an Independent Merchant Banker relating to the valuation of assets/ shares done by the Valuer.

5. SOURCES OF INFORMATION RELIED UPON BY US FOR THE FAIRNESS OPINION

We have prepared the Fairness Opinion Report on the basis of the following information provided to us:

Report on Swap Ratio (Shares Exchange Ratio) dated June 20, 2019, prepared by CA Vikas Aggarwal, Registered Valuer with Insolvency and Bankruptcy Board of India ("IBBI") having registration number IBBI/RV/02/2018/10046;

Draft Scheme of amalgamation of Steel Stips Limited into SAB Industries Limited;

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Audited Annual Financial statements of SAB Industries Limited and Steel Stips Limited for the financial year 2016-17, 2017-18 and 2018-19;

Other data collated by us from management of SAB Industries Limited and publicly available sources.

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the executives and representatives of the companies.

6. RATIONALE ADOPTED BY THE VALUER FOR ASCERTAINING THE SHARE EXCHANGE RATIO FOR SCHEME

The Share Exchange Ratio calculated in the valuation report has been arrived at by the adoption of

1. Net Assets Approach,
2. Income Approach, and
3. Market Approach

Which are internationally accepted principals of valuations for determining the fair value of the equity shares of a company, to the extent relevant and applicable.

7. OPINION ON SHARE EXCHANGE RATIO

Based on the scheme of Amalgamation and valuation report provided by CA Vikas Aggarwal, Registered Valuer with Insolvency and Bankruptcy Board of India ("IBBI") the share exchange ratio for the purpose of scheme of amalgamation would be 1 Share of SAB Industries Limited for 350 Shares of Steel Strips Limited.

On the basis of information, material and data made available to us, including the Report of the Registered Valuer and the working thereto, in our opinion the Share Exchange Ratio/Swap Ratio for the proposed Scheme of Amalgamation between the Company and its shareholders, as recommended by the Registered Valuer is fair and reasonable.

8. DISCLAIMER:

1. **Our scope of work did not include the following:**-
   a. An audit of the financial statements of the Company discussed in this opinion.
   b. Carrying out a market survey / financial feasibility for the Business of any of the Company discussed in this opinion.
   c. Financial and Legal due diligence of any of the Company discussed in this opinion.

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2. It may be noted that in carrying out our work, we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

3. We assume no responsibility and make no representations with respect to the accuracy or sufficiency or completeness of any information provided by the management of the Company /Valuer. We have not conducted any independent appraisal of any assets or liabilities of the Companies. We have not reviewed any other documents other than those stated above.

4. Our work did not constitute a validation of the financial statement of the Companies and accordingly we do not express any opinion on the same. If there were any omission, inaccuracies, or misrepresentations of the information provided by the management, it may have material effect on our findings.

5. The opinion must not be made available or copied in whole or in part to any other person without our express written permission save and except for the limited purpose of this opinion.

6. We understand that the management of the Company/ Valuer during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our opinion. In this opinion we have included all such information and matters as was received by us from management of the Company/Valuer.

7. The management of the Company or their related parties is prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified as above, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

8. In rendering the opinion, CCV has not provided legal, regulatory, tax, accounting, actuarial or investment advice and accordingly we do not assume any responsibility in respect thereof. Further we have assumed that the Scheme will be implemented on the terms and conditions as set out in the draft scheme without any material change to or waiver of its terms and conditions.

9. We hereby declare that we do not have any direct or indirect interest in the Company/assets valued.

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10. The report is issued on the understanding that it is solely for the use of the person to whom it is addressed and for the purpose described above. We will not accept any liability or responsibility to any other person other than those to whom it is addressed.

11. In no event, will CCV, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

For Corporate CapitalVentures Private Limited



Kulbhushan Parashar
Director

Date: June 27, 2019
Place: New Delhi

Corporate CapitalVentures Pvt. Ltd.
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Annexure-5

Dated: 14 August 2019

STEEL STRIPS LIMITED

Complaint report as per Annexure VII of SEBI circular CFD/DIL3/CIR/2017/21 dated March 10,2017

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved NA5.Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NA	NA	NA
2.	NA	NA	NA
3.	NA	NA	NA

JYOTSANA BAJAJ
COMPANY SECRETARY
ACS-49976

Annexure-10

Dated: 14 August 2019

SAB INDUSTRIES LIMITED

Complaint report as per Annexure VII of SEBI circular CFD/DIL3/CIR/2017/21 dated March 10,2017

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved Nil5.Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NA	**NA**	**NA**
2.	NA	**NA**	**NA**
3.	NA	**NA**	**NA**

GURPREET KAUR
COMPANY SECRETARY
ACS-16116

DCS/AMAL/BA/R37/1572/2019-20 September 12, 2019

The Company Secretary,

STEEL STRIPS LTD.
Village Harkishnapura, Bhawanigarh Tehsil
District Sangrur, Punjab, 148026

Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation of Steel Strips Ltd with SAB Industries Ltd and their respective shareholders and creditors.

We are in receipt of Draft Scheme of Amalgamation of Steel Strips Ltd with SAB Industries Ltd and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated September 11, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**
- **"Company shall duly comply with various provisions of the Circular.**
- **"Company is advised that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/ observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on fisting de-listing/ continuous listing requirements within the provisions of Listing Agreement, so as to enable the Company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified In the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-'laws and Regulations of the Exchange, Listing Agreement, Guidelines/ Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230(5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises' Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an **online** system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230(5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Nitinkumar Pujari
Senior Manager

STEEL STRIPS LTD

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF STEEL STRIPS LIMITED IN ACCORDANCE WITH SECTION 232(2)(C.) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON JULY 2,2019

1. Background

The Board of Directors("Board") of Steel Strips Limited ("**Company**" or "**Transferor Company**") pursuant to resolution dated July, 2, 2019 approved the proposed scheme of amalgamation amongst the Company, SAB Industries Limited ("**Transferee Company**") and their respective shareholders and creditors (**"Scheme"**) under section 230 to 232 of the Companies Act, 2013 (**"Act"**) and severally authorized Mr. Sanjay Garg, Director, Ms. Jyotsana Bajaj, Company Secretary and/or Mr. Bhavnesh K Gupta, Authorized Signatory of the Company to file the Scheme before the jurisdiction bench of the National Company Law Tribunal (**"NCLT"**) and to undertake actions in relation to the Scheme.

The provisions of Section 232(2)(c) of the Act require the directors of the Company to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoters shareholders of the Company and laying out in particular, the share exchange ratio, specifying any special valuation difficulties, Such report is required to be circulated to the shareholders and/or creditors of the Company, together with notice(s) of the meetings(s) of shareholders and/or creditors of the Company.

Accordingly, this report of the Board is being made in pursuance of the requirement of Section 232(2)(c) of the Act and in this connection, the following documents were presented/place before the Board:

a) The Scheme, as approved by the Board pursuant to resolution dated July 2, 2019;
b) Valuation Report dated 20.06.2019 ("Valuation Report") prepared and issued by CA Vikas Aggarwal, Regd. Valuer with IBBI bearing Registration No. IBBI/RV/02/2018/10046, prescribing the Share Exchange Ratio for amalgamation of Steel Strips Limited with SAB Industries Limited along with the methodology adopted in arriving at the share entitlement ratio.
c) Fairness opinion dated 27.06.2019 issued by M/s Corporate Capital Ventures Pvt. Ltd. (Category I SEBI Registered Merchant Banker), providing the fairness opinion on the Share Exchange Ratio recommended by CA Vikas Aggarwal, Regd. Valuer in their Share Exchange Ratio Report **("Fairness Opinion");**
d) The report of the Audit Committee of the Company dated June 28, 2019.

2. Rationale of the Scheme

This Scheme of Amalgamation is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, lenders and employees. The rationale for the Scheme is set out below:

i. Greater potential to the combined entity to develop and further grow and diversify with better funds and efficient utilization of resources.
ii. Further, proposed amalgamation would result in greater economies of scale and will provide a larger and stronger base for potential future growth.
iii. The Amalgamation will result in simplification of the management structure with one listed company in group leading to better administration and reduction in costs for more focused operational efforts, rationalization, standardization and simplification of business processes.
iv. The Amalgamation will result in simplification of Group Structure of Steel Strips.
v. The Amalgamation will bring about simplicity in working, reduction in various statutory and regulatory compliances and related costs, which presently have to be duplicated in different entities, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it will also result in coordinated optimum utilization of resources.
vi. The Amalgamation will streamline the decision making process, help in better utilization of human resources and will also provide better career opportunities to employees.

The Scheme shall not in any manner be prejudicial to the interest of the concerned shareholders, creditors or general public at large.

3. Valuation/Share Exchange ratio:

i. The equity shares of the SAB Industries Ltd. will be issued to the shareholders of Steel Strips Limited on the Scheme becoming effective.

"Every Shareholders/Members of Transferor Company holding 350 (Three Hundred Fifty) Equity Shares of Rs.10/- (Ten) each fully paid up in the Transferor Company will get 1 (One) Equity shares of Rs.10/- (Ten) each fully paid up in Transferee Company."

ii. Moreover, the Fairness Opinion has been issued in respect of the Valuation Report. No special valuation difficulties were reported by the valuers.

4. Effect of the Scheme in terms of Section 232(2) (c) of the Act

4.1. Disclosure about the effect of the Scheme on the following persons in relation to the Company:

S. No.	Effect of the Scheme on	
1.	Key Managerial Personnel	Upon the Effective Date, all employees of the Transferor Company shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to the Transferor Company. Under the Scheme, with effect from the Effective Date, the Transferor Company will stand dissolved without winding up. In the circumstances, the key managerial personnel of the Transferor Company will cease to be the key managerial personnel of the Transferor Company.
2.	Directors of the Company	Upon the Effective Date, the company shall stand dissolved without winding up and accordingly, the Board shall cease to exist.
3.	Equity Shareholders :- (a) Promotors of the Company (b) Non Promotors of the Company	Upon the Effective Date, the promoters of the Transferor Company as well as the non-promoter shareholders of the Transferor Company will be issued 1 (One) Transferee Company Shares, each fully paid up, in respect of every 350 (Three Hundred Fifty) Transferor Company Share, held by them in the Transferor Company. The Transferee Company Shares to be issued and allotted by the Transferee Company in terms of the Scheme shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank pari-passu in all respects and shall have the same rights attached to the then existing equity shares of the Transferee Company.

4.2. <u>Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of the Transferor Company</u>

None of the directors, the "Key Managerial Personnel" (*as defined under the Act and rules framed thereunder*) of the Transferor Company and their respective "Relatives" (*as defined under the Act and rules framed thereunder*) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Transferee Company or the Transferor Company, if any. None of the directors of the Transferor Company (individually or with other directors of the Transferor Company) or key managerial personnel hold shares exceeding two percent of the paid-up share capital of the Transferee Company (except for Mr. Rajinder Kumar Garg, Promoter Director who hold shares exceeding two percent of the paid-up share capital of Transferee Company).

Adoption of the Report by the Board of Directors

The Board has adopted this report after noting and considering the information set forth in this report.

For and on behalf of
Steel Strips Limited



Sanjay Garg
Director (DIN: 00030956)

Date :- 02.07.2019
Place :- Chandigarh

INDEPENDENT AUDITORS' REPORT

To the Members of
STEEL STRIPS LIMITED

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its profit, total comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Ind AS financial statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.;

e. on the basis of the written representations received from the directors as on 31st March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section164(2) of the Act;

f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company does not have any pending litigations which would impact its financial position;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Kailash Kumar
Partner
Membership No.: 505972

Place : Chandigarh
Date : 30th May 2019

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

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

(i) The Company does not have any fixed assets. Accordingly, the provisions of clauses 3(i)(a), 3(i)(b) and 3(i)(c) of the said Order are not applicable to the company

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable, hence not commented upon.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the said Order are not applicable to the company.

(iv) The Company has not granted any loan or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore, the provisions of clauses 3(iv) of the said Order are not applicable to the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) . Accordingly, the provisions of clause 3(v) of the said Order are not applicable to the company.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, GST, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax,sales-tax, service tax, customs duty, excise duty, value added tax and cess which have notbeen deposited on account of any dispute.

(viii) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or bank or Government or to debenture-holders during the year.

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).Money raised by way of term loans were applied for the purposes for which those are raised.

(x) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the statements and according to the information and explanations given by the management, we report that no managerial remuneration has been paid / provided and hence the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) As the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the order are not applicable to the company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The detail of such related party transactions have been disclosed in the Ind AS Financial Statements as required under Indian accounting standards (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the company.

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

Kailash Kumar
Partner
Membership No.: 505972

Place :Chandigarh
Date : 30th May 2019

Annexure B to the Independent Auditors' Report referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Steel Strips Limited on the Ind AS financial statements for the year ended 31st March 2019

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial control over financial reporting (the "Guidance Notes") and the standards on auditing deemed to be prescribed under section 143(10) of the act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those standards and the guidance notes require that we comply with ethical requirements and planned and performed the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal financial controls over financial reporting

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

Inherent Limitation of Internal financial controls over financial reporting

7. Because of the Inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management over-ride of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019 based on the internal financial controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

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

Kailash Kumar
Partner
Membership No.: 505972

Place : Chandigarh
Date : 30.05.2019

BALANCE SHEET AS ON 31st MARCH, 2019

Particulars	Note No.	As on 31.03.2019 (₹)	As on 31.03.2018 (₹)
I Assets			
(1) Non-Current Assets			
(a) Property plant and Equipment		-	-
(b) Other Non-Current assets	1	**1,02,907**	1,02,,907
(2) Current Assets			
(a) Cash and Cash equivalents	2	**1,65,16,658**	29,29,358
(b) Other Current Assets	3	**11,19,281**	8,16,642
Total (₹)		**1,77,38,846**	38,48,907
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	4	**8,28,31,030**	8,28,31,030
(b) Other equity	5	**(8,13,32,336)**	(10,22,47,483)
Total Equity		**14,98,694**	(1,94,16,453)
(2) Non- Current Liabilities			
(a) Other Long Term Liabilities	6	**1,38,69,091**	2,28,69,091
(b) Long Term Provisions	7	**36,000**	36,000
(3) Current Liabilities			
(a) Financial Liabilities	8		
(i) Short-Term borrowing		-	-
(b) Other Current Liabilities	9	**23,35,061**	3,60,269
Total Current and Non current liabilities		**1,62,40,152**	2,32,65,360
Total (₹)		**1,77,38,846**	38,48,907

AUDITORS' REPORT
Certified in terms of our separate report of even date annexed.

For AKR & ASSOCIATES
Chartered Accountants
(ICAI FRN No. :021179N)

CA. KAILASH KUMAR
Partner
Membership No : 505972

SANJAY GARG
Executive Director

JYOTSANA BAJAJ
Company Secretary

S. S. VIRDI
MANJU LAKHANPAL
Directors

Place : Chandigarh
Date : 30.05.2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

	Particulars	Note No.	As on 31.03.2019 (₹)	As on 31.03.2018 (₹)
I.	**Revenue from Operations**		-	-
II.	**Other Income**	10	**2,80,12,708**	1,78,65,129
III	**Total Revenue (I+II)**		**2,80,12,708**	1,78,65,129
IV.	**Expenses:**			
	Cost of Materials Consumed		-	-
	Change in Inventories of Finished Goods, work-in- Progress and Stock-in-Trade		-	-
	Employee benefit Expense	11	**3,46,453**	3,43,257
	Other Expenses	12	**49,50,833**	85,03,321
	Finance costs	13	**275**	1,708
	Depreciation and amortization expense		-	-
	Total Expenses		**52,97,561**	88,48,286
V.	**Profit / (Loss) before Tax (III-IV)**		**2,27,15,147**	90,16,844
VI	**Tax expense**		**18,00,000**	-
VII	**Profit / (Loss) for the period after tax**		**2,09,15,147**	90,16,844
VIII	**Other Comprehensive Income**			
	a) (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss		-	-
	b) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to Items that will be reclassified to profit or loss		-	-
Total comprehensive Income for the period			**2,09,15,147**	90,16,844

AUDITORS' REPORT
Certified in terms of our separate report of even date annexed.

For AKR & ASSOCIATES
Chartered Accountants
(ICAI FRN No. :021179N)

CA. KAILASH KUMAR
Partner
Membership No : 505972

SANJAY GARG
Executive Director

JYOTSANA BAJAJ
Company Secretary

S. S. VIRDI
MANJU LAKHANPAL
Directors

Place : Chandigarh
Date : 30.05.2019

CASH FLOW STATEMENT AS AT 31st MARCH, 2019

			2018-19 (₹)		2017-18 (₹)
CASH FLOW FROM OPERATING ACTIVITIES					
NET PROFIT /(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS:			**2,27,15,147**		90,14,773
ADJUSTMENT FOR:-					
LESS - PRIOR PERIOD ADJUSTMENT			**-**		-
- DEPRECIATION			**-**		-
- INTEREST AND OTHER FINANCIAL CHARGES			**275**		1,708
- EXCESS DEPRECATIONS CLAIMED IN EARLIER YEAR			**-**		-
- LOSS ON SALES OF FIXED ASSETS			**-**		-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES			**2,27,15,422**		90,164,81
ADJUSTMENT FOR :-					
- TRADE AND OTHER RECEIVABLES		**3,02,639**		4,40,679	
- TRADE AND CURRENT LIABILITIES PAYABLE		**90,00,000**	**93,02,639**	56,65,233	61,05,912
CASH GENERATED FROM OPERATIONS			**1,34,12,783**		1,51,22,393
- TAX PAID			**18,00,000**		-
- INTEREST AND OTHER FINANCIAL CHARGES PAID			**275**		1,708
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(A)		**1,16,12,508**		1,51,20,685
CASH FLOW FROM FINANCING ACTIVITIES					
- PROCEEDS FROM PROMOTERS & ASSOCIATES		**-**		-	
- PROCEEDS FROM LONG TERM SECURITIES RECOVERED			**19,74,792**		-
- REPAYMENT OF LONG TERM SECURITY		**-**		-	
NET CASH USED IN FINANCING ACTIVITIES	(B)		**19,74,792**		-
NET INCREASE IN CASH AND CASH EQUIVALENTS :	**(A+B)**		**1,35,87,300**		1,51,20,685
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR (OPENING BALANCE)			**29,29,358**		36,025
CASH AND CASH EQUIVALENTS AS AT THE CLOSING OF THE YEAR (CLOSING BALANCE)			**1,65,16,658**		1,51,56,710

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of Steel Strips Limited derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March, 2019 and found the same in agreement therewith.

AUDITORS' REPORT

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

For AKR & ASSOCIATES
Chartered Accountants
(ICAI FRN No. :021179N)

CA. KAILASH KUMAR
Partner
Membership No : 505972

SANJAY GARG
Executive Director

JYOTSANA BAJAJ
Company Secretary

S. S. VIRDI
MANJU LAKHANPAL
Directors

Place : Chandigarh
Date : 30.05.2019

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

Amount

A. Equity share capital

(a)	Balance at 01 April, 2017	8,28,31,030
(b)	Changes in equity share capital during the year	-
(c)	Balance at 31 March, 2018	8,28,31,030
(d)	Changes in equity share capital during the year	-
	(a) Issue of equity shares under employee share option plan	-
	(b) Others (Please Specify	-
(e)	Balance at 31 March, 2019	8,28,31,030

B. Other equity

PARTICULARS		Reserve and surplus			
		General Reserve	Securities premium reserve	Retained earnings	Total
(a)	**Balance at 01 April, 2017**	**9,98,19,195**	**6,81,25,075**	**(27,92,08,325)**	**(11,12,64,055)**
(i)	Profit / (Loss) for the year	-		90,16,573	90,16,573
(ii)	Intra Head Transfers	-	-	-	-
(iii)	Dividend Paid	-	-	-	-
(iv)	Dividend Distribution Tax	-	-	-	-
(v)	Other comprehensive income for the year, net of income tax	-	-	-	-
(b)	**Total comprehensive income for the year ended 31 March, 2018**	**9,98,19,195**	**6,81,25,075**	**(27,01,91,752)**	**(10,22,47,482)**
(vi)	Profit / (Loss) for the year	9,98,19,195	6,81,25,075	2,09,15,147	18,88,59,417
(vii)	Intra Head Transfers	-	-	-	-
(viii)	Dividend Paid	-		-	-
(ix)	Dividend Distribution Tax	-		-	-
(x)	Other comprehensive income for the year, net of income tax	-	-	-	-
(c)	**Total comprehensive income for the year ended 31 March, 2019**	**9,98,19,195**	**6,81,25,075**	**(24,92,76,605)**	**(8,13,32,335)**

See accompanying notes forming part of the financial statements 1-14

AUDITORS' REPORT

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

For AKR & ASSOCIATES
Chartered Accountants
(ICAI FRN No. :021179N)

CA. KAILASH KUMAR
Partner
Membership No : 505972

SANJAY GARG
Executive Director

JYOTSANA BAJAJ
Company Secretary

S. S. VIRDI
MANJU LAKHANPAL
Directors

Place : Chandigarh
Date : 30.05.2019

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

Particulars	As on 31.03.2019 (₹)	As on 31.03.2018 (₹)
NOTE '1' - Other Non Current Assets		
Advance /Recoverable from suppliers*	**1,01,27,590**	1,01,27,590
Less : Provision for Doubtful Advances	**1,00,76,438**	1,00,76,438
	51,152	51,152
Security Deposits	**51,755**	51,755
Total	**1,02,907**	1,02,907
*Includes amounts recoverable against which legal cases have been filed for recovery.		
NOTE '2 - Cash and Cash equivalents		
Cash-in-Hand	**3,655**	5,130
Balance with Bank	**1,65,13,003**	29,24,228
Total	**1,65,16,658**	**29,29,358**
NOTE '3 - Other Current Assets		
Income Tax Refundable	**3,23,563**	3,23,563
Tax Deducted at Source	**2,73,843**	2,73,843
Other recoverable	**5,21,875**	2,19,236
Rent Receivable	**-**	-
Total	**11,19,281**	8,16,642
NOTE '4' - Equity Share Capital		
AUTHORISED		
9100000 Equity Share of ₹10/- each	**9,10,00,000**	9,10,00,000
90000 Cummulative Redeemable Preference share of ₹100/- Each	**90,00,000**	90,00,000
	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
8283103 Equity Shares of ₹10/- each fully paid up.	**8,28,31,030**	8,28,31,030
Total	**8,28,31,030**	8,28,31,030

Shareholders Holding 5% & above in the share capital of the company

	As on 31.03.2019		As on 31.03.2018	
Name of Shareholders	**No. of Shares**	**% age**	**No. of Shares**	**% age**
SAB Industries Ltd.	6,85,934	8.28	6,85,934	8.28
SAB Udyog Ltd.	9,53,395	11.51	9,53,395	11.51
Priya Tools Pvt. Ltd.	8,25,100	9.96	8,25,000	9.96
Bloomen Flora Ltd.	4,17,000	5.03	4,17,000	5.03
3A Capital Services Ltd.	7,53,101	9.09	7,53,101	9.09
Life Insurance Corpn. of India	4,24,701	5.13	4,24,701	5.13
Steel Strips Wheels Invt. Ltd.	4,13,000	4.99	4,13,000	4.99
Sh R K Garg	4,51,300	5.45	4,51,300	5.45

Particulars	As on 31.03.2019 (₹)	As on 31.03.2018 (₹)
NOTE '5' - Other Equity		
- General Reserves	**9,98,19,195**	9,98,19,195
- Securities Premium Reserve	**6,81,25,075**	6,81,25,075
- Profit & Loss Account		
Loss B/F from Previous Year - ₹ (27,01,91,753)		
Add Profit/(Loss) During the year - ₹ 2,09,15,147	**(24,92,76,606)**	(27,01,91,753)
Total	**(8,13,32,336)**	(10,22,47,483)
NOTE '6' - Other Long Term Liabilities		
Excise Refund Received Against security	**1,73,69,091**	1,73,69,091
LESS: Amount paid as security for arranging above refund	**75,00,000**	75,00,000
	98,69,091	98,69,091
Recovered from Steel Authority of India Ltd against the security	**90,00,000**	90,00,000
Less: Amount paid as security for arranging above recovery	**50,00,000**	50,00,000
	40,00,000	40,00,000
Other Payable	**-**	90,00,000
Total	**1,38,69,091**	2,28,69,091
NOTE '7' - Long Term Provisions		
Provisions for Workers Settlement Compensation	**36,000**	36,000
Total	**36,000**	36,000
NOTE '8' - Short Term Borrowing		
Loans and advnaces from related parties	**-**	-
	-	-
NOTE '9' - Other Current Liabilities		
Audit Fee Payable	**11,800**	11,800
TDS & GST Payable	**62,764**	77,850
Other Liabilities	**4,60,497**	2,70,619
Tax Provision	**18,00,000**	-
Total	**23,35,061**	3,60,269
NOTE '10' - Other Income		
Miscellaneous Income	**1,90,12,708**	28,05,896
Settlement of claims with debtors	**-**	1,45,00,000
Interest Income	**-**	5,59,233
Liabilities written off	**90,00,000**	-
Total	**2,80,12,708**	1,78,65,129
NOTE '11' - Employee Benefit Expenses		
Employee Benefit Expenses	**3,46,453**	3,43,257
Total	**3,46,453**	3,43,257

Particulars	As on 31.03.2019 (₹)	As on 31.03.2018 (₹)
NOTE '12' - Other Expenses		
Printing & Stationery	**1,18,815**	1,13,120
Postage, Telegram & Telephone	**2,11,285**	2,47,030
Auditors Remuneration	**11,800**	10,000
Donation	**11,00,000**	12,25,000
Advertisements & Publicity	**34,467**	31,264
Rent, Rate & Taxes	**18,62,380**	41,42,744
Travelling Expenses		
- Staff	**27,086**	28,735
Legal & Professional Charges	**11,12,700**	19,55,850
Sitting Fee	**4,70,000**	5,50,000
Other Misc. Expenses	**2,300**	16,500
Service tax	**-**	1,83,078
Total	**49,50,833**	85,03,321
NOTE '13' - Financial Cost		
Interest	**-**	1,235
Bank Charges	**275**	473
Total	**275**	1,708

Note '14' - NOTES ON ACCOUNTS

1) **CORPORATE INFORMATION**

Steel Strips Limited (the Company) is a public limited Company registered in India under the Companies Act 2013 (Erstwhile Companies Act 1956). Its Shares are listed in Bombay stock Exchange.

2) **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 31 March, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The Standalone financial statements have been prepared under the historical convention, on the accrual basis of accounting except for certain financial assets and financials liabilities that are measured at fair value at the end of the each reporting period, as stated in the accounting policies below. 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 are consistent with those used in the previous year.

i) **Convention**
The financial statements are prepared under the historical cost convention.

ii) **Fixed Assets**
Fixed assets are stated at cost/revalued cost less depreciation. However, company has no fixed assets during the year.

iii) **Depreciation**
Since there are no fixed assets in the company, no depreciation has been provided for in the books of accounts.

iv) **Inventories**
The company does not have any inventory of stores & Spares in hand as at the close of the year.

v) **Foreign Currency Transaction**
There are no foreign currency transactions during the year.

vi) **Retiring Benefits**
Retiring Benefits are accounted for in the Books of Accounts on accrual basis. As there was only skeleton staff during the year, the provisions of IND AS 19 are not applicable.

vii) **Recognition of Income/Expenditure.**
All revenues and expenses are accounted for on accrual basis except for medical reimbursement payable and claims which are accounted for on cash basis

3. Contingent Liabilities not provided for amount to Rs. Nil (Previous Year Rs. Nil).

4. Previous year's figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of current year.

5. In the opinion of the board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

6. The company is not in any commercial activity for a long time. All previous sales tax cases have been assessed. There is no sales tax liability as on date.

7. The company has filed suits for recovery against certain debtors, suppliers and others, who have also filed counter claims/suits. The company has not accounted for these claims and counter claims in view of the policy of the company to account for the same on cash basis. The amount of claims/suits filed against the Company is R 376.75 Lacs (Previous year R376.75 Lacs) and the same have been stayed in Court u/s 22 of S.I.C.A. or U/S 10 of Code of Civil Procedures Act.

8. There is no deferred tax liability or asset for the year.

9. The company is presently not in the business of manufacture and sale of any products.

10. Related Party Disclosures:

Detail of transaction entered into with related parties during the year as required by Ind AS-24 on " Related Party disclosures" issued by the Ministry of Corporate Affairs are as under: -

a) Key Management Personnel	Sh. R.K. Garg Chairman	Sh. Sanjay Garg Executive Director	Ms. Jyotsana Bajaj Company Secretary	

Particulars		Relative of the Key Management Personnel (KMP)	Key Management Personnel (KMP)	Enterprise over which KMP are able to exercise significant influence	Current Year	Previous year
1.	Rent Received	-	-	-	-	26.87
2.	Management Contracts (Salaries)	-	3.07	-	3.07	2.94

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

There is no related party transactions during the year.

11. Detail of Provision as per IND AS-37.

(₹ in lakhs)

PARTICULARS	Doubtful Debtors/Advances
Balance as at 01.04.2018	100.76
Provision made during the year	–
Provision Written off during the year	–
Balance as at 31.03.2019	100.76

12. Earning Per Share (EPS)

	Current Year	Previous Year
Profit /(Loss) as per profit and loss account	**209.15**	90.17
No. of equity shares	**8283103**	8283103
Basic & Diluted earning per share in Rupees (Face value of ₹10 per share)	**2.52**	1.09

Additional Information pursuant to the provisions of Paragraphs 7 of Part II of Schedule III of the Division II of the Companies Act, 2013.

A. Quantitative data

Quantitative data relating to installed capacities, production, raw material consumed, opening & closing stocks of goods manufactured and sales are not applicable as there was no manufacturing activity during the year.

B. EXPENDITURE ON EMPLOYEES

There was no employee during the year (Previous Year nil) who was drawing a remuneration of not less than ₹ 1,02,00,000 per annum, if employed throughout the year, or not less than ₹8,50,000 per month, if employed for a part of the year.

C. IMPORTS & EXPORTS:

There were no imports or other expenditure in foreign Currency during the current or previous year, nor there were any exports.

AUDITORS' REPORT

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

For AKR & ASSOCIATES
Chartered Accountants
(ICAI FRN No. :021179N)

CA. KAILASH KUMAR
Partner
Membership No : 505972

SANJAY GARG
Executive Director

JYOTSANA BAJAJ
Company Secretary

S. S. VIRDI
MANJU LAKHANPAL
Directors

Place : Chandigarh
Date : 30.05.2019

AKR & ASSOCIATES
Chartered Accountants

SCO 51, 2nd Floor, Block-B,
Chandigarh Citi Centre,
VIP Road, Zirakpur (Pb.)-140603
Mob. : 9316288660, 01762-516660
E-mail : narang.ca@gmail.com

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
STEEL STRIPS LIMITED
Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of **STEEL STRIPS LIMITED** (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i) is presented in accordance with the requirements of the Listing Regulations in this regard; and

ii) gives a true and fair view in conformity with the applicable Indian accounting standards and other accounting principles generally accepted in India, of the net Loss and other comprehensive Profit/Loss and other financial information of the Company for the quarter ended March 3 1, 2020 and of the net Loss and other comprehensive Profit/Loss and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

We draw attention to note on the statement which explain the status of matter with regard to the scheme of amalgamation with SAB Industries Limited with effect from appointed date of 01.04.2019
Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net Loss and other comprehensive Profit/Loss of the company and other financial information in accordance with the applicable Indian accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.



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 Statement, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section I 43(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For AKR & Associates
Chartered Accountants
(Firm registration No. 021179N)



CA Kailash Kumar
Partner
(Membership Number: 505972)

Place of signature: Chandigarh
Date: 30.06.2020
UDIN: 20505972AAAADD3608

STEEL STRIPS LIMITED

(CIN:L45202PB1975PLC003610)

Regd Office: Village - Harkishanpura, Bhawanigarh Tehsil, Distt.-Sangrur (Pb) 148026

Statement of Standalone audited Financial Results for the Quarter and year ended 31st Mar,2020 (Rs.in (Rs In Lakhs))

	PARTICULARS	THREE MONTHS ENDED			FINANCIAL YEAR ENDED	
		31.03.2020 (UNAUDITED)	31.12.2019 (UNAUDITED)	31.03.2019 (UNAUDITED)	31.03.2020 (UNAUDITED)	31.03.2019 (UNAUDITED)
1	**Income**					
	(a) Revenue from operations	0.00	0.00	0.00	0.00	0.00
	(b) Other Income (net)	0.22	0.00	90.00	0.22	280.13
	Total Income	**0.22**	**0.00**	**90.00**	**0.22**	**280.13**
2	**Expenses**					
	(a) Cost of Material Consumed	0.00	0.00	0.00	0.00	0.00
	(b) Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(c) Changes in inventories of work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(d) Employee benefits expense	0.83	0.88	0.93	3.42	3.47
	(e) Depreciation and amortisation expense	0.00	0.00	0.00	0.00	0.00
	(f) Finance Costs	7.29	0.00	0.00	7.29	0.00
	(g) Other Expenses					
	(a) Reinstatement of Listing	0.00	0.00	0.00	35.40	0.00
	(b) Other Expenses	22.53	1.08	8.56	49.92	49.51
	Total Expenses :	30.65	1.96	9.49	96.03	52.98
3	**Profit /(Loss) before exceptional items and tax**	(30.43)	(1.96)	80.51	(95.81)	227.15
4	Exceptional Items	0.00	2.74	0.00	2.74	0.00
5	**Profit /(Loss) before tax**	**(30.43)**	**(4.70)**	**80.51**	**(98.55)**	**227.15**
6	**Tax Expense**					
	a) Current Tax	0.00	0.00	0.00	0.00	0.00
	b) Short/ (Excess) provision of taxation for previous periods	0.00	0.00	0.00	0.00	0.00
	c) Deferred Tax	0.00	0.00	0.00	0.00	0.00
	Total Tax Expense	0.00	0.00	18.00	0.00	18.00
7	**Net Profit/(Loss) for the period from contuining**	**(30.43)**	**(4.70)**	**62.51**	**(98.55)**	**209.15**
8	Net Profit/(Loss) for the period from discontinued operations	0.00	0.00	0.00	0.00	0.00
9	Net Profit/(Loss) for the period from discontinued operations(after tax)	0.00	0.00	0.00	0.00	0.00
10	**Profit/(Loss) for the period**	**(30.43)**	**(4.70)**	**62.51**	**(98.55)**	**209.15**
11	**Other Comprehensive Income,net of Income Tax**					
	a) (i) Items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	b) (i) Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	(ii) Income Tax relating to Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	Other Comprehensive Income,net of Income Tax	0.00	0.00	0.00	0.00	0.00
	Total comprehensive Income for the period	(30.43)	(4.70)	62.51	(98.55)	209.15
12	paid-up equity capital :(Face value Rs.10/- each)	828.31	828.31	828.31	828.31	828.31
13	Earning per share (of Rs.10/- each (not annualised) Basic and Diluted Earning per share	(0.37)	(0.06)	0.75	(1.19)	2.53

1 The above results were reviewed by the Audit Committee and have been taken on record in the meeting of Board of Directors at it's meeting held on 30th June 2020

2 This financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the rules thereunder and in terms of SEBI circular no. CIR/CFD/FAC/62/2016 dated july 05,2016.

3 The figures for the corresponding previous period have been restated/ regrouped, whereever necessary to make them comparable. The figures of last quarters are the balancing figures between audited figures in respect of full financial years and the publushed year to date figures upto the 3rd quarter of the current fiancial years which were subject to limited review.

Place: Chandigarh
Date : 30.06.2020

By order of the Board of Directors
For Steel Strips Ltd.

(Sanjay Garg)
Executive Director

STEEL STRIPS LIMITED

ASSETS & LIABILITIES AS ON 31.03.2020

Particulars		As on 31.03.2020 (Rs.)	As on 31.03.2019 (Rs.)
I Assets			
(1) Non-Current Assets			
(a) Property plant and Equipment		0	0
(b) Other Non-Current assets		102,908	102907
(2) Current Assets			
(a) Cash and Cash equivalents		6,259,056	16516658
(b) Other Current Assets		1,510,285	1119281
Total (Rs)		**7,872,249**	**17738846**
I. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital		82,831,030	82,831,030
(b) Other equity		(91,187,753)	(81,332,336)
Total Equity		(8,356,723)	1,498,694
(2) Non- Current Liabilities			
(a) Other Long Term Liabilities		13,869,091	13,869,091
(b) Long Term Provisions		36,000	36,000
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Short-Term borrowings			-
(b) Other Current Liabilities		2,323,881	2,335,061
Total Current and Non current liabilities		16,228,972	16,240,152
Total (Rs)		**7,872,249**	**17,738,846**

AKR & ASSOCIATES
Chartered Accountants

SCO 51, 2nd Floor, Block-B,
Chandigarh Citi Centre,
VIP Road, Zirakpur (Pb.)-140603
Mob. : 9316288660, 01762-516660
E-mail : narang.ca@gmail.com

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
STEEL STRIPS LIMITED

1. We have reviewed the accompanying statement of unaudited standalone financial results of STEEL STRIPS LIMITED (the "Company") for the quarter ended June 30, 2020 and year to date from April 1, 2020 to June 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For AKR & Associates
Chartered Accountants
(Firm registration No. 021179N)

Kailash Kumar
Partner
(Membership Number: 505972)

Place of signature: Chandigarh
Date: 13.07.2020
UDIN: 20505972AAAADU4619

STEEL STRIPS LIMITED

(CIN:L45202PB1975PLC003610)

Regd Office: Village - Harkishanpura, Bhawanigarh Tehsil, Distt.-Sangrur (Pb) 148026

Statement of Standalone unaudited Financial Results for the Quarter ended 30th June,2020 **(Rs.in lakhs)**

	PARTICULARS	THREE MONTHS ENDED			FINANCIAL YEAR ENDED
		30.06.2020 (UNAUDITED)	31.03.2020 (AUDITED)	30.06.2019 (UNAUDITED)	31.03.2020 (AUDITED)
1	**Income**				
	(a) Revenue from operations	0.00	0.00	0.00	0.00
	(b) Other Income (net)	0.00	0.22	0.00	0.22
	Total Income	**0.00**	**0.22**	**0.00**	**0.22**
2	**Expenses**				
	(a) Cost of Material Consumed	0.00	0.00	0.00	0.00
	(b) Purchase of stock-in-trade	0.00	0.00	0.00	0.00
	(c) Changes in inventories of work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00
	(d) Employee benefits expense	0.64	0.83	0.85	3.42
	(e) Depreciation and amortisation expense	0.00	0.00	0.00	0.00
	(f) Finance Costs	0.00	7.29	0.00	7.29
	(g) Other Expenses				
	(a) Reinstatement of Listing	0.00	0.00	35.40	35.40
	(b) Other Expenses	4.19	22.53	14.96	49.92
	Total Expenses :	4.83	30.65	51.21	96.03
3	**Profit /(Loss) before exceptional items and tax**	(4.83)	(30.43)	(51.21)	(95.81)
4	Exceptional Items	0.00	0.00	0.00	2.74
5	**Profit /(Loss) before tax**	**(4.83)**	**(30.43)**	**(51.21)**	**(98.55)**
6	**Tax Expense**				
	a) Current Tax	0.00	0.00	0.00	0.00
	b) Short/ (Excess) provision of taxation for previous periods	0.00	0.00	0.00	0.00
	c) Deferred Tax	0.00	0.00	0.00	0.00
	Total Tax Expense	0.00	0.00	0.00	0.00
7	**Net Profit/(Loss) for the period from contuining operations**	**(4.83)**	**(30.43)**	**(51.21)**	**(98.55)**
8	Net Profit/(Loss) for the period from discontinued operations	0.00	0.00	0.00	0.00
9	Net Profit/(Loss) for the period from discontinued operations(after tax)	0.00	0.00	0.00	0.00
10	**Profit/(Loss) for the period**	**(4.83)**	**(30.43)**	**(51.21)**	**(98.55)**
11	**Other Comprehensive Income,net of Income Tax**				
	a) (i) Items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00
	b) (i) Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00
	(ii) Income Tax relating to Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00
	Other Comprehensive Income,net of Income Tax	0.00	0.00	0.00	0.00
	Total comprehensive Income for the period	(4.83)	(30.43)	(51.21)	(98.55)
12	paid-up equity capital :(Face value Rs.10/- each)	828.31	828.31	828.31	828.31
13	Earning per share (of Rs.10/- each (not annualised)				
	Basic and Diluted Earning per share	(0.06)	(0.37)	(0.62)	(1.19)

1 The above results were reviewed by the Audit Committee and have been taken on record in the meeting of Board of Directors at it's meeting held on 13 July 2020

2 This financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the rules thereunder and in terms of SEBI circular no. CIR/CFD/FAC/62/2016 dated july 05,2016.

3 The Statutory Auditors have carried out a limited review of the accounts for the quarter ended 30.06.2020.

Place: Chandigarh
Date : 13.07.2020

By order of the Board of Directors
For Steel Strips Ltd.

(Sanjay Garg)
Executive Director

DCS/AMAL/BA/R37/1573/2019-20

September 12, 2019

The Company Secretary,
SAB INDUSTRIES LIMITED.
SCO 49-50, Sector-26, Madhya Marg
Chandigarh-160019

Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation of Steel Strips Ltd with SAB Industries Ltd and their respective shareholders and creditors.

We are in receipt of Draft Scheme of Amalgamation of Steel Strips Ltd with SAB Industries Ltd and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated September 11, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**

- **"Company shall duly comply with various provisions of the Circular.**

- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**

- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.

- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on fisting de-listing/ continuous listing requirements within the provisions of Listing Agreement, so as to enable the Company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to NCLT

The Exchange reserves its right to withdraw its 'No adverse observation at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-'laws and Regulations of the Exchange, Listing Agreement, Guidelines/ Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230(5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises' Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an **online** system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230(5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Nitinkumar Pujari
Senior Manager

SAB INDUSTRIES LTD

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SAB INDUSTRIES LIMITED IN ACCORDANCE WITH SECTION 232(2)(C.) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON JULY 2,2019

1. Background

The Board of Directors("Board") of SAB Industries Limited ("**Company**" or "**Transferee Company**") pursuant to resolution dated July, 2, 2019 approved the proposed scheme of amalgamation amongst the Company, Steel Strips Limited ("**Transferor Company**") and their respective shareholders and creditors (**"Scheme"**) under section 230 to 232 of the Companies Act, 2013 (**"Act"**) and severally authorized Mr. Sanjay Garg, Director, Ms. Gurpreet Kaur, Company Secretary and/or Mr. Bhavnesh K Gupta, Authorized Signatory of the Company to file the Scheme before the jurisdiction bench of the National Company Law Tribunal (**"NCLT"**) and to undertake actions in relation to the Scheme.

The provisions of Section 232(2)(c) of the Act require the directors of the Company to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoters shareholders of the Company and laying out in particular, the share exchange ratio, specifying any special valuation difficulties, Such report is required to be circulated to the shareholders and/or creditors of the Company, together with notice(s) of the meetings(s) of shareholders and/or creditors of the Company.

Accordingly, this report of the Board is being made in pursuance of the requirement of Section 232(2)(c) of the Act and in this connection, the following documents were presented/place before the Board:

a) The Scheme, as approved by the Board pursuant to resolution dated July 2, 2019;

b) Valuation Report dated 20.06.2019 ("Valuation Report") prepared and issued by CA Vikas Aggarwal, Regd. Valuer with IBBI bearing Registration No. IBBI/RV/02/2018/10046, prescribing the Share Exchange Ratio for amalgamation of Steel Strips Limited with SAB Industries Limited along with the methodology adopted in arriving at the share entitlement ratio.

c) Fairness opinion dated 27.06.2019 issued by M/s Corporate Capital Ventures Pvt. Ltd. (Category I SEBI Registered Merchant Banker), providing the fairness opinion on the Share Exchange Ratio recommended by CA Vikas Aggarwal, Regd. Valuer in their Share Exchange Ratio Report **("Fairness Opinion");**

d) The report of the Audit Committee of the Company dated June 28, 2019.

2. Rationale of the Scheme

This Scheme of Amalgamation is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, lenders and employees. The rationale for the Scheme is set out below:

i. Greater potential to the combined entity to develop and further grow and diversify with better funds and efficient utilization of resources.

ii. Further, proposed amalgamation would result in greater economies of scale and will provide a larger and stronger base for potential future growth.

iii. The Amalgamation will result in simplification of the management structure with one listed company in group leading to better administration and reduction in costs for more focused operational efforts, rationalization, standardization and simplification of business processes.

iv. The Amalgamation will result in simplification of Group Structure of Steel Strips.

v. The Amalgamation will bring about simplicity in working, reduction in various statutory and regulatory compliances and related costs, which presently have to be duplicated in different entities, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it will also result in coordinated optimum utilization of resources.

vi. The Amalgamation will streamline the decision making process, help in better utilization of human resources and will also provide better career opportunities to employees.

The Scheme shall not in any manner be prejudicial to the interest of the concerned shareholders, creditors or general public at large.

3. Valuation/Share Exchange ratio:

i. The equity shares of the SAB Industries Ltd. will be issued to the shareholders of Steel Strips Limited on the Scheme becoming effective.

"Every Shareholders/Members of Transferor Company holding 350 (Three Hundred Fifty) Equity Shares of Rs.10/- (Ten) each fully paid up in the Transferor Company will get 1 (One) Equity shares of Rs.10/- (Ten) each fully paid up in Transferee Company."

ii. Moreover, the Fairness Opinion has been issued in respect of the Valuation Report. No special valuation difficulties were reported by the valuers.

4. Effect of the Scheme in terms of Section 232(2)(c) of the Act

4.1. Disclosure about the effect of the Scheme on the following persons in relation to the Company:

S. No.	Effect of the Scheme on	
1.	Shareholders including promoters	(i) Upon the Scheme becoming effective and in consideration of the amalgamation, the Transferee Company shall allot equity shares, credited as fully paid up, to the members of the Transferor Company, holding fully paid up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company and/ or whose name appears as the beneficial owner of the Transferor Company shares in the records of the depository on a specific record date and at a specific record time, or to such of their respective heirs, executors, administrators or other legal representative or other successors in title. (ii) The equity shares of the Transfere Company to be allotted to the members of the Transferor Company shall be allotted in the following manner: *"1 (One) Transferee Company Shares, each fully paid up, in respect of every 350 (Three Hundred Fifty) Transferor Company Share, held by them in the Transferor Company"* ("Share Exchange Ratio"). (iii) The shares allotted to shareholders of the Transferor Company by the Transferee Company as set out above shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company and shall be listed on BSE Limited (iv) The authorised share capital of the Transferee Company will be increased to INR 30,00,00,000 (Rupees Thirty Crores only) comprising of 3,00,00,000 equity shares of INR 10 (Rupee Ten) each, in accordance with the provisions of the Act, pursuant to the Scheme. (v) The amalgamation will result in dilution of holding of the shareholders of the Transferee Company by approximately 0.142 % and of the promoters of the Transferee Company by 0.06%, and in turn result in an increase in the public float of the Transferee Company's shares by 0.06%. This will in turn increase the trading stock of the shares of the Transferee Company.
2.	Key Managerial Personnel	The KMPs of the Transferee Company shall continue as key managerial personnel of the Transferee Company after the effectiveness of the Scheme. Please refer to S. No. 1 above for details regarding the effect of the Scheme on such KMPs who are also shareholders of the Transferee Company. Other than the above, the KMPs are not affected pursuant to the Scheme.
3.	Directors of the Company	The director(s) of the Transferee Company shall continue as director(s) of the Transferee Company after the effectiveness of the Scheme. Please refer to S. No. 1 above for details regarding the effect of the Scheme on such director(s) who are also shareholders of the Transferee Company. Other than the above, the director(s) are not affected pursuant to the Scheme.



S. No.	Effect of the Scheme on	
4.	Equity Shareholders :- (a) Promotors of the Company (b) Non Promotors of the Company	a) Please refer to S. No. 1 above for details regarding the effect on the shareholders. The promoters of the Transferee Company shall continue to remain the promoters, even after the effectiveness of the Scheme. b) Please refer to S. No. 1 above for details regarding the effect on the shareholders.
5.	Employees	Under the Scheme, no rights of the staff and employees of the Transferee Company are being affected.
6.	Creditors/other liabilities	Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its creditors. The interest of the creditors of the Transferee Company shall not be impacted in any manner

4.2. <u>Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of the Transferee Company</u>

None of the directors, the "Key Managerial Personnel" (*as defined under the Act and rules framed thereunder*) of the Transferee Company and their respective "Relatives" (*as* defined *under the Act and rules* framed *thereunder*) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Transferor Company or the Transferee Company, if any. Except Mr. Rajinder Kumar Garg shareholder in Transferee Company, none of the directors of the Transferee Company (individually or with other directors of the Transferor Company) or key managerial personnel beneficially hold shares exceeding two percent of the paid-up share capital of the Transferee Company and Transferor Company

Adoption of the Report by the Board of Directors

The Board has adopted this report after noting and considering the information set forth in this report.

For and on behalf of
SAB Industries LImited



Sanjay Garg
Director (DIN: 00030956)

Date :- 02.07.2019
Place:- Chandigarh

INDEPENDENT AUDITORS' REPORT

To
The Members of **SAB INDUSTRIES LIMITED**

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March 2019**, its profit, total comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. **As required by Section143(3) of the Act, we report that:**

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. the Ind AS financial statements dealt with by this report are in agreement with the books of account;

    d. in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.;

    e. on the basis of the written representations received from the directors as on **31st March 2019** and taken on record by the Board of Directors, none of the directors is disqualified as on **31st March 2019** from being appointed as a director in terms of Section164(2) of the Act;

    f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B.**

    g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company does not have any pending litigations which would impact its financial position;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Kailash Kumar
Partner
Membership No.: 505972

Place : Chandigarh
Date : 30th May 2019

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

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of immovable properties are held in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the said Order are not applicable to the company.

(iv) The Company has not granted any loan or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore, the provisions of clauses 3(iv) of the said Order are not applicable to the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the said Order are not applicable to the company.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, GST, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax,duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they becamepayable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or bank or Government or to debenture-holders during the year.

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Money raised by way of term loans were applied for the purposes for which those are raised.

(x) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

(xi) The Company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(xii) As the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the order are not applicable to the company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The detail of such related party transactions have been disclosed in the Ind AS Financial Statements as required under Indian accounting standards (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the company.

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

Kailash Kumar
Partner
Membership No.: 505972

Place : Chandigarh
Date : 30th May 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SAB INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2019.

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial control over financial reporting(the "Guidance Notes") and the standards on auditing deemed to be prescribed under section 143(10) of the act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those standards and the guidance notes require that we comply with ethical requirements and planned and performed the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal financial controls over financial reporting

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

Inherent Limitation of Internal financial controls over financial reporting

7. Because of the Inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management over-ride of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019 based on the internal financial controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

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

Kailash Kumar
Partner
Membership No.: 505972

Place : Chandigarh
Date : 30th May 2019

BALANCE SHEET AS AT 31st MARCH, 2019

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

Kailash Kumar
Partner
Membership No.505972

R. K. GARG
Chairman

GURPREET KAUR
Company Secretary

MANJU LAKHANPAL
S. S. VIRDI
SANJAY GARG
Directors

Place : Chandigarh
Dated : 30.05.2019

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

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

AUDITORS' REPORT
Certified in terms of our separate report of even date annexed

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

Kailash Kumar
Partner
Membership No.505972

R. K. GARG
Chairman

GURPREET KAUR
Company Secretary

MANJU LAKHANPAL
S. S. VIRDI
SANJAY GARG
Directors

Place : Chandigarh
Dated : 30.05.2019

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

			2018-19 ₹		2017-18 ₹
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	NET PROFIT/(LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS		**1,04,60,149**		69,60,750
	ADJUSTMENT FOR :				
	PROFIT ON SALE OF FIXED ASSETS		**(1,10,235)**		-
	LOSS ON SALE OF FIXED ASSETS		**32,12,085**		-
	DEPRECIATION		**50,14,887**		45,30,135
	DIVIDEND RECEIVED		**(52,96,748)**		(39,72,561)
	INTEREST & OTHER FINANCIAL CHARGES		**1,32,98,139**		2,35,46,323
	OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES		**2,65,78,277**		3,10,64,647
	ADJUSTMENT FOR TRADE AND OTHER RECEIVABLES	**(3,03,39,325)**		10,65,50,061	
	INVENTORIES	**4,96,43,996**		(4,75,90,612)	
	TRADE PAYABLES	**(1,10,27,875)**	**82,76,796**	(6,31,38,258)	(41,78,809)
	CASH GENERATED FROM OPERATIONS		**3,48,55,073**		2,68,85,838
	INTEREST AND OTHER FINANCIAL EXPENSES PAID	**1,32,98,139**		2,35,46,323	
	DIRECT TAXES PAID/ADJUSTED	**13,15,000**	**1,46,13,139**	6,00,000	2,41,46,323
	CASH FLOW BEFORE EXTRA ORDINARY ITEMS		**2,02,41,934**		27,39,515
	OTHER ADJUSTMENTS		**(1,26,785)**		(6,47,627)
	CASH FLOW FROM OPERATING ACTIVITIES		**2,01,15,149**		20,91,888
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	PURCHASE OF FIXED ASSETS/CAPITAL WORK IN PROGRESS		**(34,60,524)**		(5,83,20,909)
	SALE OF FIXED ASSETS		**46,67,400**		-
	PURCHASE OF INVESTMENTS		**-**		(97,448)
	SALE OF INVESTMENTS		**-**		3,99,561
	DIVIDEND RECEIVED		**52,96,748**		39,72,561
	NET CASH FLOW FROM INVESTING ACTIVITIES		**65,03,624**		(5,40,46,235)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	REPAYMENT OF LONG TERM BORROWING		**2,23,26,727**		4,86,16,765
	REPAYMENT OF SHORT TERM BORROWING		**5,13,19,533**		2,43,30,179
					3,42,72,564
	NET CASH RECEIVED FROM FINANCING ACTIVITIES		**7,36,46,260**		10,72,19,508
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(4,70,27,487)**		5,52,65,161
	CASH AND CASH EQUIVALENTS AS AT 01.04.2018/01.04.2017 (OPENING BALANCE)		**10,69,18,276**		5,16,53,114
	CASH AND CASH EQUIVALENTS AS AT 31.03.2019/31.03.2018 (CLOSING BALANCE)		**5,98,90,789**		10,69,18,276

For and on behalf of the Board

R. K. GARG
CHAIRMAN

MANJU LAKHANPAL
S. S. VIRDI
SANJAY GARG
Directors

GURPREET KAUR
Company Secretary

Place : Chandigarh
Dated : 30.05.2019

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of SAB Industries Limited derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March, 2019 and found the same in agreement therewith.

AKR & Associatews
Chartered Accountants
(Registration No.021179N)

Kailash Kumar
Partner
Membership No.505972

Place : Chandigarh
Dated : 30.05.2019

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

		Amount
A.	**Equity share capital**	
(a)	**Balance at 01 April, 2017**	15,18,83,720
(b)	Changes in equity share capital during the year	-
(c)	**Balance at 31 March, 2018**	**15,18,83,720**
(d)	Changes in equity share capital during the year	-
(e)	**Balance at 31 March, 2019**	**15,18,83,720**

B. Other equity

PARTICULARS		Reserve and surplus			
		Capital Reserve	General Reserve	Retained earnings	Total
(a)	**Balance at 01 April, 2017**	**4,19,99,490**	**19,01,46,426**	1,21,52,84,860	1,44,74,30,776
	(i) Profit / (Loss) for the year	-	-	40,35,383	40,35,383
	(ii) Intra Head Transfers	-	-	-	-
	(iii) Dividend Paid	-	-	-	-
	(iv) Dividend Distribution Tax	-	-	-	-
	(v) Other comprehensive income for the year, net of income tax	-	-	20,57,59,026	20,57,59,026
(b)	**Total comprehensive income for the year ended 31 March, 2018**	**4,19,99,490**	**19,01,46,426**	**1,42,50,79,269**	**1,65,72,25,185**
	(vi) Profit / (Loss) for the year	-	-	1,01,26,122	1,01,26,122
	(vii) Intra Head Transfers	-	-		-
	(viii) Dividend Paid	-	-	-	-
	(ix) Dividend Distribution Tax	-	-	-	-
	(x) Other comprehensive income for the year, net of income tax	-	-	(26,34,79,573)	(26,34,79,573)
(c)	**Total comprehensive income for the year ended 31 March, 2019**	**4,19,99,490**	**19,01,46,426**	**1,17,17,25,818**	**1,40,38,71,734**

See accompanying notes forming part of the financial statements 1-13
In terms of our report attached.

FOR AKR & ASSOCIATES
Chartered Accountants
ICAI FRN: 021179N

CA. KAILASH KUMAR
Partner
Membership No: 505972

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

R. K. GARG
Chairman

GURPREET KAUR
Company Secretary

MANJU LAKHANPAL
S. S. VIRDI
SANJAY GARG
Directors

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

NOTE 1. NON CURRENT ASSETS

(a) Property, plant and equipment

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

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

PARTICULARS	As on 31.03.2019	As on 31.03.2018
LAND		
Cost Of Land Including Registration	**1,96,56,230**	1,96,56,230
PLANT & MACHINERY		
(a) Plant & Machinery /Equipments Purchased (Incl advances)	**54,404**	54,404
(b) Purchase of Machinery/Others (Incl advances)	**59,01,939**	59,00,500
PRE-OPERATIVE EXPENDITURES PENDING CAPITALIZATION		
Direct Cost:		
- Material Cost	**11,50,111**	10,17,496
- Labour wages	**2,26,266**	1,74,674
- Hire Charges/Machinery Running & Maint	**2,90,025**	1,38,875
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**	0
- Map Fee Nagar Panchayat	**51,270**	0
- Legal Fee	**1,15,120**	54,000
- Architect Fee	**3,54,000**	3,54,000
Employee Cost	**17,42,595**	5,22,147
Administration Expenses	**4,05,515**	2,34,702
Finance Cost	**23,551**	2,074
Total Capital Work-in-Progress	**3,15,14,776**	2,87,02,852
(b) (ii) Capital Work in Progress (Ethnol Project, under Progress)		
PRE-OPERATIVE EXPENDITURES PENDING CAPITALIZATION		
Fees and Taxes:		
- Feasibility Report/Consultancy Fee-Foreign	**47,50,649**	47,50,649
Total (B(i)+(ii)	**3,62,65,425**	3,34,53,501
(c) Investments		
INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS QUOTED & VALUED AT MARKET PRICE		
13,24,187 (Previous Year 13,24,187) fully paid equity shares of ₹10/- each of M/s Steel Strips Wheels Limited	**1,14,32,36,846**	1,41,01,92,946
1,47,93,772 fully paid up equity shares of Indian Acrylics Ltd (Previous Year 1,47,93,772) of ₹10/- each	**11,62,79,048**	20,56,33,431
3900 fully paid (Previous year 3900) equity shares of ₹10/- each of M/s Steel Strips Infrastructures Limited (Formerly known as Steel Strips & Tubes Ltd)	**12,671**	12,671
6,85,934 (Previous year 6,85,934) fully paid equity shares of ₹10/- each of M/S Steel Strips Limited,	**14,58,245**	14,58,245
INVESTMENT IN EQUITY INSTRUMENTS - OTHERS QUOTED & VALUED AT COST PRICE		
37 Nos fully paid up equity shares of Consolidated Fibres & Chemicals Ltd (Previous Year 37) of ₹10/- each	**64**	64
Nil equity shares of Vikas WSP Ltd (Previous Year Nil)	**-**	-
AGGREGATE AMOUNT OF THE QUOTED INVESTMENTS	**1,26,09,86,874**	1,61,72,97,356
INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS UNQUOTED & VALUED AT COST		
5900 equity shares (previous Year 5600) of ₹10/-each of Steel Strips Industries Ltd	**1,02,722**	97,448
5368630 equity shares of ₹10/-each of M/S SAB Udyog Ltd. (Previous year 5368630)	**2,87,75,857**	2,87,75,857
AGGREGATE AMOUNT OF THE UN-QUOTED INVESTMENTS	**2,88,78,579**	2,88,73,305
AGGREGATE AMOUNT OF THE QUOTED & UN-QUOTED INVESTMENTS	**1,28,98,65,453**	1,64,61,70,661
Aggregate Market value of Quoted Investments	** **1,25,95,15,894**	1,61,58,26,376

Note: 1. The quoted value of shares does not include the quoted value of shares of Steel Strips Ltd as these are not being quoted in the Stock Exchanges.

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

PARTICULARS	As on 31.03.2019	As on 31.03.2018
Loans		
- Corporate Loans (Un-Secured)	**1,25,00,000**	1,25,00,000
TOTAL	**1,25,00,000**	1,25,00,000
(d) Deferred Tax		
W.D.V. as per Income Tax Act.(Net of Land)	**3,70,66,905**	4,48,80,656
W.D.V. as per books (Net of Land)	**3,26,89,892**	4,43,52,082
Depreciation excess claimed in books	**43,77,013**	5,28,574
Deferred tax assets	**11,27,081**	1,36,108
Less : Provision already made	**1,36,108**	24,61,475
Deferred Tax Assets/(Liability)	**9,90,973**	23,25,367
Add : Deferred Tax impact of OCI	**(21,16,05,204)**	(30,41,79,108)
Profit & Loss Impact	**(21,04,78,123)**	(30,40,43,000)

"In compliance with Ind AS 12 on Accounting for the Taxes on Income, the company has recognised Deferred Tax Assets in its books as per detail given herein above. In the opinion of the management, considering the future profits of the company, it will be recovered in future."

NOTE '2' CURRENT ASSETS

(a) Inventories

PARTICULARS		As on 31.03.2019	As on 31.03.2018
1. WORK IN PROGRESS		**1,28,50,000**	6,25,35,000
2. STOCK IN HAND		**7,92,000**	1,08,57,0000
Total (1)		**1,36,42,000**	7,33,92,000
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**	61,35,375
Architect/Other Fee & Taxes	**45,88,267**		
Addition	**7,30,000**	**53,18,267**	45,88,267
		1,14,53,642	1,07,23,642
		23,06,81,901	22,99,51,901
(c) Misc. Expenditure Pending Allocation To Above Commercial Property			
Direct Cost	**7,79,93,808**	**8,25,55,324**	7,79,93,808
Addition	**45,61,516**		
Administration Expenses	**59,01,744**	**70,31,616**	59,01,744
Addition	**11,29,872**		
Employee Cost	**84,60,345**	**1,21,33,503**	84,60,345
Addition	**36,73,158**		
Selling & Advertisement. Expenses	**46,78,483**	**46,89,941**	46,78,483
Addition	**11,458**		
Interest And Bank charges		**3,02,96,191**	3,02,96,191
Depreciation		**18,62,359**	18,62,359
		13,85,68,934	12,91,92,930
Total 2		**36,92,50,835**	35,91,44,831
Total 1+2		**38,28,92,835**	43,25,36,831

NOTE '2' (Continued)

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

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

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

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

(b) Other Equity

PARTICULARS		As on 31.03.2019	As on 31.03.2018
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		**1,42,50,79,268**	1,21,52,84,860
Add : Profit for the year		**(25,33,53,451)**	20,97,94,409
	Total (3)	**1,17,17,25,817**	1,42,50,79,268
	Total (1+2+3)	**1,40,38,71,733**	1,65,72,25,184

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

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

Note :

1. Term Loan from Allahabad Bank is secured against Equitable Mortgage of Project land measuring 32 Bighas 05 Biswas 17 Biswasi and Building thereon situated at NH-22 Derabassi in the name of our company.

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

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

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

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

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

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

Besides, the company had received ₹1307.12 lakhs from M/S Sutlej 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 Sureity Bonds/title deeds of land are released and cases are decided by the Court finally. The outstanding balance received from SCL stands at ₹1039.59 lakhs for above cases as on 31.03.2019.

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

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

NOTE '5'
CURRENT LIABILITIES
(a) Borrowings

PARTICULARS	As on 31.03.2019	As on 31.03.2018
SECURED		
FROM BANKS		
(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.	**2,34,53,298**	7,47,72,831
UN-SECURED		
Short Term Corporate Advances		
- From Others	**-**	5,00,00,000
TOTAL	**2,34,53,298**	7,47,72,831
(b) Trade Payables		
Trade Payables		
- Micro and Small Enterprises	**7,29,694**	14,67,827
- Others	**48,48,797**	2,35,15,607
TOTAL	**55,78,491**	2,49,83,434

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

Principal amount due and remaining unpaid	**7,29,694**	14,67,827
Interest due on above and the unpaid interest	**-**	-
Interest paid	**-**	-
Payment made beyond the appointed day during the year	**-**	-
Interest due and payable for the period of delay	**-**	-
Interest accrued and remaining unpaid	**-**	-
Amount of further interest remaining due and payable in succeeding years	**-**	-
TOTAL	**7,29,694**	14,67,827
(c) Other Financial Liabilities		
- Current maturities of Long-term Debts (Refer Note No.2)	**1,24,03,059**	4,47,85,713
- Statutory dues	**12,57,470**	21,57,117
- Advance from customers	**6,18,88,235**	6,18,94,235
- Cheques issued but not presented for payment	**2,10,78,891**	13,60,124
- Expenses payable	**1,19,11,627**	1,43,11,511
TOTAL	**10,85,39,282**	12,45,08,700
(d) Provisions		
Provision for taxation	**13,25,000**	6,00,000
Provision for Expenses	**1,88,420**	61,09,880
TOTAL	**15,13,420**	67,09,880
NOTE '6' REVENUE FROM OPERATIONS		
Sales Isp	**176,714**	29,22,116
Gross Work Done	**26,79,04,443**	29,04,55,852
TOTAL	**26,80,81,157**	29,33,77,968

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

PARTICULARS	As on 31.03.2019	As on 31.03.2018
Note '7' Other Income		
Profit On Sale Of Assets	**1,10,235**	-
Interest Received	**37,60,494**	51,40,970
Miscellaneous Income	**96,22,795**	2,19,29,373
Agriculture Receipts	**35,56,453**	26,50,396
Dividend Received	**52,96,748**	39,72,561
TOTAL	**2,23,46,725**	3,36,93,300
NOTE '8' Cost of Material Consumed		
Opening Stock Of Building Materials And Net Working Equipments/Materials	**1,08,57,000**	27,17,330
Add : Purchases During The Year		
- Purchase - Network Equipments	**-**	-
- Construction Material	**7,87,72,327**	14,44,72,689
	8,96,29,327	14,71,90,019
Less - Sale/Material Issued To Sub-Contractors	**27,95,093**	1,91,74,874
Closing stock of Materials	**7,92,000**	1,08,57,000
TOTAL	**8,60,42,234**	11,71,58,145

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

NOTE '9' Change in Inventories of Finished Goods, Work in Progress and Stock in Trade

Opening Work in Progress	**6,25,35,000**	2,64,95,000
Closing Work In Progress	**1,28,50,000**	6,25,35,000
TOTAL	**4,96,85,000**	(3,60,40,000)

NOTE '10' Employee Benefit Expenses

Salaries, Wages And Others Allowances ** Including Directors Remuneration	**2,14,97,543**	2,88,80,939
Bonus	**3,33,179**	1,70,517
Contribution To Provident Funds & Other Funds	**16,83,964**	18,59,598
Welfare Expenses	**5,30,128**	14,10,990
TOTAL	**2,40,44,814**	3,23,22,044

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

	Current Year	(₹in lakhs) Previous Year
Salary	**39.79**	39.00
Perquisite	**6.13**	6.70
Contribution Towards PF	**4.77**	4.68
Gratuity Paid	**20.00**	0.00
Leave Encashment	**7.15**	0.
	77.84	50.38

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

NOTE '11' Financial Cost

Interest	- Banks	**49,08,427**	75,61,061
	- Others	**65,82,938**	79,81,127
Other Financial Charges		**18,06,774**	80,04,135
TOTAL		**1,32,98,139**	2,35,46,323

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

1) The detail of Auditor Remuneration is as under :-

	Current Year	Previous Year
Statutory Audit Fee	**6,00,000**	6,00,000
Consolidation Fee	**10,000**	-
Total	**6,10,000**	6,00,000

2) The company has incurred expenses under corporate social responsibilities under section 135 of the companies Act 2013 as under :

- Expenses on charitable/Educational Institution	**23.00**	72.80
- Expenses Others	**-**	1.45
Total	**23.00**	74.25

AKR & ASSOCIATES
Chartered Accountants

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Chandigarh Citi Centre,
VIP Road, Zirakpur (Pb.)-140603
Mob. : 9316288660, 01762-516660
E-mail : narang.ca@gmail.com

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
SAB INDUSTRIES LIMITED
Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of **SAB INDUSTRIES LIMITED** (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i) is presented in accordance with the requirements of the Listing Regulations in this regard; and

ii) gives a true and fair view in conformity with the applicable Indian accounting standards and other accounting principles generally accepted in India, of the net Loss and other comprehensive Loss and other financial information of the Company for the quarter ended March 31, 2020 and of the net Profit and other comprehensive Loss and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note on the statement which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net Profit and other comprehensive Loss of the company and other financial information in accordance with the applicable Indian accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.



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 Statement, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section I 43(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For AKR & Associates
Chartered Accountants
(Firm registration No. 021179N)



CA Kailash Kumar
Partner
(Membership Number: 505972)

Place of signature: Chandigarh
Date: 30.06.2020
UDIN: 20505972AAAADG7211

SAB INDUSTRIES LIMITED

(CIN:L00000CH1983PLC031318)

Regd Office: at S.C.O.49-50,Sector-26,Madhya Marg, Chandigarh Phone No.0172-2793112,Fax 0172-2794834

Statement of Standalone Audited Financial Results for the Quarter & Year ended 31st March,2020 (Rs in Lacs)

	PARTICULARS	THREE MONTHS ENDED			FINANCIAL YEAR ENDED	
		31.03.2020 (AUDITED)	31.12.2019 (AUDITED)	31.03.2019 (AUDITED)	31.03.2020 (AUDITED)	31.03.2019 (AUDITED)
1	**Income**					
	(a) Revenue from operations	0	105.86	588.98	997.66	2680.81
	(b) Other Income (net)	107.13	444.31	13.94	662.46	223.47
	Total Income	**107.13**	**550.17**	**602.92**	**1660.12**	**2904.28**
2	**Expenses**					
	(a) Cost of Material Consumed	0.00	38.53	93.95	76.84	860.42
	(b) Changes in inventories of work-in-progress and stock-in-trade	45.00	107.00	211.00	128.50	496.85
	(c) Employee benefits expense	96.78	52.43	65.38	277.45	240.45
	(d) Finance Costs	47.89	25.16	28.46	119.73	132.98
	(e) Depreciation and amortisation expense	8.97	11.66	10.74	36.33	50.15
	(f) Other Expenses	77.3	56.94	103.30	585.54	1018.83
	Total Expenses :	275.94	291.72	512.83	1224.19	2799.68
3	**Profit /(Loss) before exceptional items and tax**	(168.81)	258.45	90.09	435.93	104.60
4	Exceptional Items					0.00
5	**Profit /(Loss) before tax**	(168.81)	**258.45**	**90.09**	435.93	**104.60**
6	**Tax Expense**					
	a) Current Tax	(27.40)	(21.60)	13.25	52.00	13.25
	b) Deferred Tax	(9.26)	3.82	(9.91)	(11.07)	(9.91)
	Total Tax Expense	(36.66)	(17.78)	3.34	40.93	3.34
7	**Net Profit/(Loss) for the period**	**(132.15)**	**276.23**	**86.75**	**395.00**	**101.26**
10	Extraordinary items (Net of tax expense)		0.00	0		
11	**Profit/(Loss) for the period**	**(132.15)**	**276.23**	**86.75**	**395.00**	**101.26**
12	**Other Comprehensive Income,net of Income Tax**					
	a) (i) Items that will not be reclassified to profit or loss	(5750.91)	(602.81)	(1,096.70)	(6,878.84)	(3560.53)
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss	1620.43	156.73	291.30	1913.69	925.74
	b) (i) Items that will be reclassified to profit or loss	-	0.00	-	0.00	0.00
	(ii) Income Tax relating to Items that will be reclassified to profit or loss	-	-	-	0.00	-
	Total comprehensive Income for the period	(4262.63)	(169.85)	(718.65)	(4570.15)	(2533.53)
13	paid-up equity capital :(Face value Rs.10/- each)	1518.84	1518.84	1518.84	1518.84	1518.84
14	Earning per share (of Rs.10/- each (not annualised) Basic and Diluted Earning per share	(0.87)	1.82	0.57	2.60	0.67

1 The statement has been reviewed by the Audit Committee and approved by the Board of Directors at it's meeting held on 30th June 2020.

2 This financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the rules thereunder and in terms of SEBI circular no. CIR/CFD/FAC/62/2016 dated July 05,2016.

3 The figures for the corresponding previous periods have been restated/regrouped,whereever necessary to make them comparable. The figures of last quarters are the balancing figures between audited figures in respect of full financial years and the published year to date figures upto the 3rd quarter of the current financial years which were subject to limited review.

4 In the last month of financial year 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock downs of all economic activities. 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 on its business operations, which will be realized only in the future financial results of the company.

Place: Chandigarh
Date : 30.06.2020

By order of the Board of Directors
For SAB Industries Limited

(Sanjay Garg)
Director

SAB INDUSTRIES LIMITED

Standalone statement of Assets & Liabilities as at 31st March 2020

Particulars	As On 31.03.2020 (Rupees)	As On 31.03.2019 (Rupees)
I. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	215898543	209304360
(b) Capital Work In Progress	33570167	36265425
(c) Financial Assets		
- Investments	601807440	1289865453
- Loans	140500000	12500000
(d) Deferred tax assets (net)	(18002156)	(210478123)
Total Non-current assets	**973773994**	**1337457115**
(2) Current assets		
(a) Inventories	438880102	382892835
(b) Financial Assets		
- Trade receivables	0	0
- Cash and Cash Equivalents	40705027	59890789
(c) Current Assets (Net)	80724895	117497636
(d) Other current assets	24865397	44617082
Total Current assets	**585175421**	**604898342**
TOTAL ASSETS	**1558949415**	**1942355457**
II. EQUITY AND LIABILITIES		
Equity		
(a) Share Capital	151883720	151883720
(b) Other Equity	946856884	1403871733
Total Equity	**1098740604**	**1555755453**
Liabilities		
(1) Non-Current Liabilities		
(a) Financial Liabilities		
- Borrowings	202467854	200917480
(b) Provisions	12090615	9212765
(c) Other non current liabilities	41362309	37385267
Total Non-Current Liabilities	**255920778**	**247515512**
(2) Current Liabilities		
(a) Financial Liabilities		
- Borrowings	74666240	23453298
- Trade payables	10437607	5578491
(b) Other Financial liabilities	113984186	108539282
(c) Provisions	5200000	1513420
Total Current Liabilities	**204288033**	**139084491**
TOTAL EQUITY AND LIABILITIES	**1558949415**	**1942355457**

SAB INDUSTRIES LIMITED

(CIN:L00000CH1983PLC031318)

Regd Office: at S.C.O.49-50,Sector-26,Madhya Marg, Chandigarh Phone No.0172-2793112,Fax 0172-2794834

SEGMENT REPORT

Segmentwise Revenue,Results And Capital Employed for the year ended 31.03.2020

		31.03.2020	31.03.2019
1	**SEGMENT REVENUES**		
a)	Construction Division	1241.20	2812.93
b)	Real Estates Division	0.00	0.00
c)	Investments (in shares)	52.97	52.97
d)	Agriculture	364.86	35.56
e)	Infotech Division	1.09	2.82
f)	Unallocated	0.00	0.00
	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		0.00
c)	Investments (in shares)	52.97	52.97
d)	Agriculture	94.57	(8.29)
e)	Infotech Division	(2.70)	(11.23)
f)	Unallocated		0.00
	TOTAL	**555.66**	**237.58**
Less :	i) Interest	119.73	132.98
	ii) Other Un-allocable expenditure net of		0.00
	iii) Unallocable Income		0.00
TOTAL PROFIT/(LOSS) BEFORE TAX		**435.93**	**104.60**
03	**Capital employed**		
a)	Construction Division	768.73	1681.18
b)	Real Estates Division	5036.07	3780.00
c)	Investments (in shares)	1251.31	1251.31
d)	Agriculture	707.61	707.61
e)	Infotech Division	10.63	13.33
f)	Unallocable	906.51	906.51
	TOTAL	**8680.86**	**8349.94**

Place: Chandigarh
Date : 30.06.2020

By order of the Board of Directors
For SAB Industries Limited

(Sanjay Garg)
Director

AKR & ASSOCIATES
Chartered Accountants

SCO 51, 2nd Floor, Block-B,
Chandigarh Citi Centre,
VIP Road, Zirakpur (Pb.)-140603
Mob. : 9316288660, 01762-516660
E-mail : narang.ca@gmail.com

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
SAB INDUSTRIES LIMITED

1. We have reviewed the accompanying statement of unaudited standalone financial results of SAB INDUSTRIES LIMITED (the "Company") for the quarter ended June 30, 2020 and year to date from April 1, 2020 to June 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. We draw attention to Note 4 to the Standalone Financial Results, which describes the uncertainties and the impact of the Covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For AKR & Associates
Chartered Accountants
(Firm registration No. 021179N)

Kailash Kumar
Partner
(Membership Number: 505972)

Place of signature: Chandigarh
Date: 13.07.2020
UDIN: 20505972AAAADS1315

SAB INDUSTRIES LIMITED

(CIN:L00000CH1983PLC031318)

Regd Office: at S.C.O.49-50,Sector-26,Madhya Marg, Chandigarh Phone No.0172-2793112,Fax 0172-2794834

Statement of Standalone Unaudited Financial Results for the Quarter ended 30th June,2020 **(INR Lakhs)**

	PARTICULARS	THREE MONTHS ENDED			YEAR ENDED
		30.06.2020 (UNAUDITED)	31.03.2020 (AUDITED)	30.06.2019 (UNAUDITED)	31.03.2020 (AUDITED)
1	**Income**				
	(a) Revenue from operations	89.00	0.00	525.43	997.66
	(b) Other Income (net)	71.60	107.13	49.13	662.46
	Total Income	**160.60**	**107.13**	**574.56**	**1660.12**
2	**Expenses**				
	(a) Cost of Material Consumed	0.00	0.00	38.11	76.64
	(b) Changes in inventories of work-in-progress and stock-in-trade	0.00	45.00	(53.50)	128.50
	(c) Employee benefits expense	26.35	96.78	38.46	277.45
	(d) Finance Costs	21.34	47.89	21.68	119.73
	(e) Depreciation and amortisation expense	7.84	8.97	7.85	36.33
	(f) Other Expenses	14.97	77.30	333.92	585.54
	Total Expenses :	70.50	275.94	386.52	1224.19
3	**Profit /(Loss) before exceptional items and tax**	**90.10**	**(168.81)**	**188.04**	**435.93**
4	Exceptional Items				
5	**Profit /(Loss) before tax**	**90.10**	**(168.81)**	**188.04**	**435.93**
6	**Tax Expense**				
	a) Current Tax	12.20	(27.40)	36.00	52.00
	b) Deferred Tax	0.00	(9.26)	0.00	(11.07)
	Total Tax Expense	12.20	(36.66)	36.00	40.93
7	**Net Profit/(Loss) for the period**	**77.90**	**(132.15)**	**152.04**	**395.00**
10	Extraordinary items (Net of tax expense)			0.00	
11	**Profit/(Loss) for the period**	**77.90**	**(132.15)**	**152.04**	**395.00**
12	**Other Comprehensive Income,net of Income Tax**				
	a) (i) Items that will not be reclassified to profit or loss	1345.48	(5750.91)	(413.74)	(6878.84)
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss	(374.31)	1620.43	107.57	1913.69
	b) (i) Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00
	(ii) Income Tax relating to Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00
	Other Comprehensive Income,net of Income Tax	971.17	(4130.48)	(306.17)	(4965.15)
	Total comprehensive Income for the period	1049.07	(4262.63)	(154.13)	(4570.15)
13	paid-up equity capital :(Face value Rs.10/- each)	1518.84	1518.84	1518.84	1518.84
14	Earning per share (of Rs.10/- each (not annualised)				
	Basic and Diluted Earning per share	0.51	(0.87)	1.00	2.60

1 The statement has been reviewed by the Audit Committee and approved by the Board of Directors at it's meeting held on 13th July 2020.

2 This financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the rules thereunder and in terms of SEBI circular no. CIR/CFD/FAC/62/2016 dated July 05,2016.

3 The Statutory Auditors have carried out a limited review of the accounts for the quarter ended 30.06.2020.

4 During this quarter, the impact of Covid-19 pandemic on its businesss operations is adverse, but the same has been set off against claims received by the company.

Place: Chandigarh
Date : 13.07.2020

By order of the Board of Directors
For SAB Industries Limited

Director

SAB INDUSTRIES LIMITED

(CIN:L00000CH1983PLC031318)

Regd Office: at S.C.O.49-50,Sector-26,Madhya Marg, Chandigarh Phone No.0172-2793112,Fax 0172-2794834

SEGMENT REPORT

Segment-wise Revenue,Results, Assets & Liabilities

		Unaudited for three months ended			FINANCIAL YEAR ENDED 31.03.2020
		30.06.2020	31.03.2020	30.06.2019	
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
1	**SEGMENT REVENUES**				
a)	Construction Division	149.41	97.19	567.89	1241.20
b)	Real Estates Division	0.00	0.00	0.00	0.00
c)	Investments (in shares)	0.00	0.00	0.00	52.97
d)	Agriculture	11.17	9.50	6.67	364.86
e)	Infotech Division	0.02	0.44	0.00	1.09
f)	Unallocated	0.00	0.00	0.00	0.00
	TOTAL	**160.60**	**107.13**	**574.56**	**1660.12**
2	**SEGMENT RESULTS**				
	Profit/(Loss)				
	(Before tax and interest from each segment)				
a)	Construction Division	106.50	(122.25)	208.55	410.82
b)	Real Estates Division				
c)	Investments (in shares)	0.00	0.00	0.00	52.97
d)	Agriculture	5.10	2.13	1.56	94.57
e)	Infotech Division	(0.16)	(0.80)	(0.39)	(2.70)
f)	Unallocated				
	TOTAL	**111.44**	**(120.92)**	**209.72**	**555.66**
Less :	i) Interest	21.34	47.89	21.68	119.73
	ii) Other Un-allocable expenditure net of				
	iii) Unallocable Income				
TOTAL PROFIT/(LOSS) BEFORE TAX		**90.10**	**(168.81)**	**188.04**	**435.93**
03	**Segment Assets**				
a)	Construction Division	3216.80	3110.75	3847.05	3110.75
b)	Real Estates Division	4473.86	4388.81	3816.61	4388.81
c)	Investments (in shares)	7363.34	6018.08	1262.41	6018.08
d)	Agriculture	1978.52	1978.52	1811.45	1978.52
e)	Infotech Division	26.44	26.38	31.20	26.38
f)	Bio Gas Project	340.59	339.08	386.51	339.08
g)	Unallocable	0.00	0.00	0.00	0.00
	TOTAL	**17399.55**	**15861.62**	**11155.23**	**15861.62**
04	**Segment Liabilities**				
a)	Construction Division	13023.87	12531.81	7682.16	12531.81
b)	Real Estates Division	791.59	799.39	1228.44	799.39
c)	Investments (in shares)	2028.22	2028.22	1869.33	2028.22
d)	Agriculture	1190.66	135.56	1.56	135.56
e)	Infotech Division	(676.01)	(675.76)	(668.22)	(675.76)
f)	Bio Gas Project	1.63	2.81	2.37	2.81
g)	Unallocable	1039.59	1039.59	1039.59	1039.59
	TOTAL	**17399.55**	**15861.62**	**11155.23**	**15861.62**

Place: Chandigarh
Date : 13.07.2020

By order of the Board of Directors
For SAB Industries Limited

Director

Pre and post Amalgamation / Arrangement shareholding pattern **for all companies involved in the scheme.**

			Transferor Company		Transferee company			
			STEEL STRIPS LIMITED		SAB INDUSTRIES LIMITED			
			Pre-arrangement		Pre-arrangement		Post-arrangement	
Sr	**Description**	**Name of Shareholder**	**No.of shares**	**%**	**No.of shares**	**%**	**No.of shares**	**%**
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
	Individuals/ Hindu Undivided Family	Names of Promoter						
		R K Garg	451300	5.45	3404020	22.41	3405309	22.39
		RK Garg HUF	250	0.00	80000	0.53	80000	0.53
		Dheeraj Garg	31175	0.38	1307808	8.61	1307897	8.60
		Sunena Garg	4690	0.06	336508	2.22	336521	2.21
		Priya Garg	17870	0.22	80008	0.53	80059	0.53
(b)	Central /State Government(s)	Names						
(c)	Bodies Corporate	Names						
		Sab Udyog Ltd.	953395	11.51	-	-	2723	0.02
		Steel Strips Industries Ltd.	83325	1.01	805172	5.30	805410	5.30
		SAB Industries Ltd.	685934	8.28	-	-	-	-
		Steel Strips Holding Pvt Ltd.	8033	0.10	1200060	7.90	1200082	7.89
		Steel Strips Financers Pvt Ltd.	6075	0.07	1200060	7.90	1200077	7.89
		S S Credits Pvt Ltd.	150	0.00	9000	0.06	9000	0.06
		Munak Financiers Pvt Ltd.	5625	0.07	1560720	10.28	1560736	10.26
		Malwa Holding Pvt. Ltd.	1563	0.02	-	-	4	0.00
		Munak International Pvt. Ltd.	97600	1.18	-	-	278	0.00
		Steel Strips Mercantile Ltd.	11625	0.14	-	-	33	0.00
		S J Mercantile Pvt. Ltd.	1165	0.01	-	-	3	0.00
		Steel Strips Infra. Ltd.	409000	4.94	-	-	1168	0.01
		Munak Investments Pvt. Ltd.	-	-	1200000	7.90	1200000	7.89
(d)	Financial Institutions/ Banks							
(e)	Any Others							
	Sub Total(A)(1)		**2768775**	**33.43**	**11183356**	**73.63**	**11189300**	**73.57**

2	**Foreign**							
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)							
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Any Others							
	Sub Total(A)(2)		**2768775**	**33.43**	**11183356**	**73.63**	**11189300**	**73.57**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		**2768775**	**33.43**	**11183356**	**73.63**	**11189300**	**73.57**
B)	**Public shareholding**							
1	**Institutions**							
(a)	Mutual Funds/UTI		4570	0.05	-	-	9	0.00
(b)	Financial Institutions/ Banks		900	0.01	17401	0.11	17402	0.11
(c)	Central / State Government (s)							
(d)	Venture Capital Funds							
(e)	Insurance Companies		438701	5.30	-	-	1252	0.01
(f)	Foreign Institutional Investors							
(g)	Foreign Venture Capital Investors							
(h)	Any Other							
	Sub-Total (B)(1)		**444171**	**5.36**	**17401**	**0.11**	**18663**	**0.12**
2	**Non-institutions**							
(a)	Bodies Corporate		2716625	32.80	3823629	25.17	3831349	25.19
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh		2353532	28.41	129184	0.85	135964	0.89
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.			0	034802	0.23	34802	0.23
(c)	Any Other							
	Sub-Total (B)(2)		**5070157**	**61.21**	**3987615**	**26.25**	**4002115**	**26.31**
	(B)Total Public Shareholding (B)= (B)(1)+(B)(2)		**5514328**	**66.57**	**4005016**	**26.37**	**4020778**	**26.43**
	TOTAL (A)+(B)		**8283103**	**100.00**	**15188372**	**100.00**	**15210078**	**100.00**
(C)	Shares held by Custodians and against which DRs have been issued							
	GRAND TOTAL (A)+(B)+(C)		**8283103**	**100.00**	**15188372**	**100.00**	**15210078**	**100.00**



SAB INDUSTRIES LIMITED

CIN: L00000CH1983PLC031318

Registered Office: SCO 49-50, SECTOR 26, Madhya Marg, Chandigarh

Phone: +91 0172-2793112| **Fax:** +91 0172-2794834

Email: ssl_ssg@glide.net.in | **Website:** www.sabindustries.in

Form No. MGT-11 (Proxy Form)

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

Name of the member (s): ……

Registered address: ……

E-mail Id: ……

Folio No/ Client Id: ……

DP ID*: ……

I/We, being the member (s) of shares of SAB Industries Limited ("Transferee Company"), hereby appoint

1. Name:……Address:……
   E-mail Id:……Signature: ……or failing him/her;
2. Name:……Address:……
   E-mail Id:……Signature: ……or failing him/her;
3. Name:……Address:……
   E-mail Id:……Signature: ……

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the meeting of equity shareholders of the Transferee Company to be held at SCO 49-50, Sector 26, Madhya Marg, Chandigarh on 30th August, 2020 at 10:00 A.M., for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Steel Strips Limited and SAB industries Limited and their respective Shareholders and Creditors ("Scheme") under Sections 230 to 232 read with Section 52 and 66 of the Companies Act, 2013 and at such meeting and at an adjournment or adjournments thereof, to vote, for me/us and in my/our names(s) [here, 'if for', insert 'FOR'; 'if against' insert 'AGAINST'] the said Scheme as my/our proxy.

Dated this.....day of.....,20.....

Affix Revenue Stamp not less than Rs. 1

_____

Signature of Equity Shareholder

_____ _____ _____

Signature of First Proxy Holder | Signature of Second Proxy Holder | Signature of Third Proxy Holder

*Applicable for shareholders holding shares in electronic/demat form.

NOTES:

1. The Form of Proxy in order to be effective should be in the prescribed form, duly completed and signed by the concerned person and deposited at the registered office of the Transferee Company at SCO 49-50 , Sector-26, Madhya Marg- 160019, not later than 48 hours before the scheduled time of the meeting.
2. In case of multiple proxies, proxy later in time shall be accepted.
3. Please affix a revenue stamp of Re. 1/- before signing across the same.
4. All alterations made in the Form of Proxy should be initialed.
5. The notice, together with the documents accompanying the same, are being sent to all the equity shareholders of the Transferee Company as on June 12, 2020 by permitted modes at the last known addresses. A person/ entity who is not an equity shareholder on such date should treat the notice for information purposes only. The notice together with the documents accompanying the same, will be displayed on the website of the Transferee Company at www.sabindustries.in.
6. Such equity shareholders of the Transferee Company are entitled to vote in person, by proxy, or through electronic means.
7. Such equity shareholder of the Transferee Company is entitled to attend and vote at the Tribunal convened meeting of the equity shareholders ("Meeting"), either in person or by proxy or through an authorized representative (in case the equity shareholder is a body corporate), as the case may be. Where a body corporate which is an equity shareholder authorizes any person to act as its representative at the meeting, a copy of the resolution of the board of directors or other governing body of such body corporate authorizing such person to act as its representative at the Meeting, and certified to be a true copy by a director, the manager, the secretary, or other authorised officer of such body corporate, shall be lodged with the Transferee Company at its registered office not later than 48 hours before the scheduled time of the Meeting.
8. Such equity shareholder is entitled to appoint a proxy to attend and vote at the Meeting instead and on behalf of such equity shareholder and such proxy need not be an equity shareholder. Proxies to be valid and effective should be in the prescribed form of proxy, duly completed and signed by the concerned person and should be deposited at the registered office of the Transferee Company not later than 48 hours before the scheduled time of the Meeting.
9. Pursuant to Section 105 of the Act read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of the equity shareholders not exceeding 50 and holding in the aggregate not more than 10% of the total equity share capital of the Transferee Company carrying voting rights. An equity shareholder holding more than 10% of the total equity share capital of the Transferee Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.
10. An equity shareholder/its proxy or authorized representative, attending the Meeting, is requested to bring and handover the attendance slip duly completed, signed and stamped or authenticated by the concerned person along with a copy of the deposited Form of Proxy (in case of a proxy) and the supporting documents duly authenticated. Equity shareholders holding shares in dematerialized form are requested to bring their Client Master List/ Depository Participant Statement/ Delivery Instruction Slip reflecting their Client ID and DP ID Number for easier identification of attendance at the Meeting.
11. An equity shareholder (in case such equity shareholder is an individual) or the authorized representative of the equity shareholder (in case such equity shareholder is a body corporate) or the proxy holder, should carry their valid and legible identity proof issued by a statutory authority (i.e. a PAN Card/ Aadhaar Card/ Passport/ Driving License/ Voter ID Card).
12. Additionally, an equity shareholder (in case such equity shareholder is a sole proprietorship) or the proxy holder should carry a valid document evidencing the individual as the proprietor of the sole proprietorship.

SAB INDUSTRIES LIMITED CIN: L00000CH1983PLC031318
Registered Office: SCO 49-50, SECTOR 26, Madhya Marg, Chandigarh
Phone: +91 0172-2793112| **Fax:** +91 0172-2794834
Email: ssl_ssg@glide.net.in | **Website:** www.sabindustries.in

ATTENDANCE SLIP

MEETING OF THE EQUITY SHAREHOLDERS OF SAB INDUSTRIES LIMITED

Name(s) of the Equity
Shareholder(s): Folio No / DP ID

I/We hereby record my/our presence at the meeting of the equity shareholders of SAB industries Limited, convened pursuant to an order dated June 12, 2020 in Company Application No. CA (CAA) 37/Chd/Chd/2019, passed by the Hon'ble Chandigarh Bench of the National Company Law Tribunal at Chandigarh, at SCO 49-50, Sector 26, Madhya Marg, Chandigarh, on Sunday, the 30th day of August, 2020 at 10:00 A.M.

Signature of the Equity Shareholder : .....

OR

Name of the Proxy Holder : .....

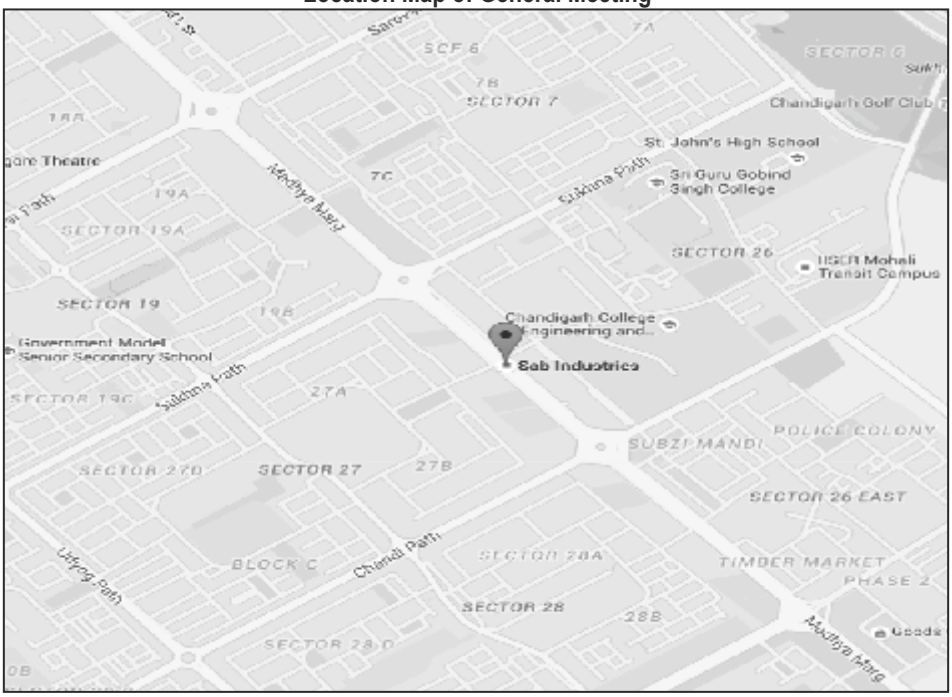
Signature of the Proxy Holder : .....

NOTES:

1. Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Venue. Attendance Slips shall also be issued at the Venue.
2. Equity shareholders or their proxies or their authorized representatives desiring to attend the meeting should bring his/ her copy of the notice for reference at the meeting along with a valid and legible photo ID issued by a statutory authority (i.e. a PAN Card/Aadhaar Card/Passport/ Driving License/Voter ID Card).

**Applicable for shareholders holding shares in electronic/demat form*

Location Map of General Meeting



If Undelivered please return to :
SAB INDUSTRIES LIMITED
CIN: L00000CH1983PLC031318
S.C.O. 49-50, Sector 26,
Madhya Marg, Chandigarh - 160 019

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