

## **SAB INDUSTRIES LIMITED**

Regd. Office: S.C.O.49-50, Sector- 26, Chandigarh.

### **NOTICE**

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

Day & Date : Friday, the 29<sup>th</sup> day of September, 2012.  
Time : 4.00 P.M.  
Venue : Regd. Office of the Company at S.C.O.49-50,  
Sector- 26, Madhya Marg, Chandigarh.

To transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit and Loss Account and Cash Flow Statement for the year ended March 31, 2012, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To elect a Director in place of Shri Ram K Gupta who retires by rotation and being eligible offers himself for re-appointment.
3. To elect a Director in place of Shri. Vijay G Kalantri who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s S. C. Dewan & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

By order of the Board of Directors  
For SAB INDUSTRIES LIMITED

Place: Chandigarh  
Dated: 20<sup>th</sup> August 2012

H.K.SINGHAL  
DIRECTOR

### **NOTES:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a member of the Company. The proxy duly executed and properly stamped should reach the Company's Registered Office at least 48 hours before the time of the meeting. The Blank Proxy Form is enclosed herewith.**
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 21.09.2012 to 26.09.2012 (both days inclusive).
3. The Company is maintaining the "INVESTORS SERVICE CELL" at its Regd. Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
4. Members having any queries relating to Annual Report are requested to send their queries at Company's Registered Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh at least seven days before the date of the Meeting.

**DIRECTORS' REPORT**

Dear Members,

The Directors of your Company have pleasure in presenting the Annual Report on Accounts for the Financial Year ending 31<sup>st</sup> March 2012.

**FINANCIAL HIGHLIGHTS**

		(Rs. in Lacs)
Particulars	2011-12	2010-11
Turnover and Other Income	1306.33	1799.57
Operating Profit	301.72	384.97
Financial Expenses	107.75	111.03
Depreciation	59.69	67.78
Net Profit /(Loss) before Income Tax	134.28	206.16
Prior period Adjustments	89.31	60.58
Tax Expense	26.36	63.31
Profit/ (Loss) after Tax	18.61	82.27

**OPERATIONS AND FUTURE OUTLOOK**

Due to recession in the Real Estate business, gross income of the Company has decreased to Rs.1306.33 lacs during the year under review as against Rs.1799.57 lacs during the previous year. The gross profit was lower at Rs.301.72 lacs as against Rs.384.97 lacs, as also the net profit before tax decreased to Rs.18.61 lacs as against Rs.82.27 lacs. Your Company is making all efforts to strengthen its operations.

**SEGMENT REPORT**

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

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

The other important segment of activities of your Company include development and sale of Real Estate. The Company is already in the process of developing a Housing Complex at Derabassi, on Ambala-Chandigarh National Highway, at Derabassi in Punjab.

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

**SUBSIDIARY COMPANIES**

As reported earlier, the Company has promoted a joint venture Company in Iran for manufacture of approximately 2000 tonnes and 2600 tonnes of Ammonia and Urea

respectively together with their respective and related by- products. As per agreement, your Company will have 55% share in the Equity of the Company. The said Company has allotted 660 Equity Shares of Iranian Rials 85,00,000 each, till date, amounting to Rs.2,63,15,831, to your Company.

During the year, a wholly owned subsidiary of the Company under the name and style of "SAB Fertilizers Private Limited" has been formed to look after the aforesaid business of manufacture of Fertilizers. The new company would later look after its operations in Iran independently.

Another Wholly owned Subsidiary, Munak International Trading Corporation, Mauritius, established for trading activities, did not undertake any business during the year. This Company has since been closed, and its name removed from the register of Mauritius Registrar of Companies w.e.f. 16.11.2011.

As required under Section 212 of the Companies Act, 1956, the Accounts and Statements of SAB Fertilizers Private Limited, Munak International Trading Corporation, Mauritius and Lavan Chemical Company, Iran are attached and form a part of this report.

### **ALLOTMENT OF WARRANTS**

The Company had allotted 3,23,072 optionally convertible warrants on 31.03.2011 with an option to the applicants to convert each warrants into one equity share of Rs.10/- at a price of Rs.260/- per equity share within a period of one year, subject to receipt of full payment before conversion. The warrants have been forfeited due to non payment of balance amount.

### **DEMATERILISATION**

Effective from 09/05/2011, dematerialization of shares has been permitted by National Securities Depository Limited (NSDL) and ISIN No. INE137M01017 has been allotted.

### **FINANCIAL STATUS**

There is no change in the issued and subscribed capital of Rs.15,18,83,720 divided into 1,51,88,372 equity shares of Rs.10/- each.

### **DIRECTORS**

Since the last Annual General Meeting, Ms Priya Garg has resigned on 11/11/2011 from the Board of Directors:

Your Directors place on record appreciation of the valuable guidance rendered by Ms Priya Garg during her association with the Company.

Shri Ram K Gupta and Shri Vijay G Kalantri Directors of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

### **DIVIDEND**

Keeping in view the business commitments, your Company has decided not to declare any dividend for the year 2011-12.

### **INTERNAL CONTROL SYSTEMS**

The internal control systems and processes of your Company cover operational efficiency, accuracy and promptness in financial reporting, compliance with laws and

regulations and development of mature, disciplined and effective processes. The processes are also designed to meet the goals of cost, schedule, functionality and quality, thus resulting in higher levels of customer satisfaction.

## **CORPORATE GOVERNANCE**

A separate section on Corporate Governance forms part of the Directors' Report in pursuance to Clause 49 of the Listing Agreement with Stock Exchanges.

## **FIXED DEPOSITS**

The Company has accepted fresh deposits of Rs.55.50 lac from the public during the year within the meaning of the provisions of Section 58-A of the Companies Act, 1956. Deposits of Rs.175.00 lacs were brought forward from previous year. Also, there are no unpaid or unclaimed deposits of any previous years.

## **AUDITORS**

M/s S.C. Dewan & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the ensuing Annual General Meeting of the Company. The Auditors retire at the said meeting and, being eligible, have offered themselves for re-appointment. The company has received a certificate from them pursuant to Section 224 (IB) of the Companies Act, 1956, confirming their eligibility for reappointment.

Regarding valuation of Investments in quoted shares and Agricultural Lands & Buildings, the same has been done at cost, instead of market price, to comply with the Accounting Standards.

## **INSURANCE**

All the Properties of the Company have been adequately insured.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Your Company is engaged in construction & engineering, InfoTech, Real Estate and Trading.

Real Estate business is again picking up in the country. The Company is gearing up to seize this opportunity to grow. The Company has already launched a Housing Complex named "SSL HIGHWAY TOWERS" at Derabassi near Chandigarh. The business is expected to pick up in the near future.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors' confirm that :

- i) in preparation of the Balance Sheet and the Profit and Loss Account and Cash Flow Statement of the Company, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

- iii) the Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on a going concern basis.

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

- (a) The provisions of Section 217(1)(e) of the Companies Act, 1956 with regard to Conservation of Energy and Technology Absorption are not applicable as your Company is not engaged in any Industrial activities.
- (b) Foreign Exchange Earnings and Outgo:

	<u>31.03.2012</u>	<u>31.03.2011</u>
- Earnings	Nil	Nil
- Outgo	Rs.84.63 Lacs	Rs.123.43 Lacs

### **PARTICULARS OF EMPLOYEES**

Relations during the period under review continued to be peaceful and harmonious. There was no employee who was drawing a salary of Rs.60,00,000/- and above per annum if employed for full year, or a salary of Rs.5,00,000/- and above per month if employed for a part of the year.

### **ACKNOWLEDGMENTS**

Your Directors would like to place on record their sincere appreciation for the wholehearted support and contributions made by all employees of the Company, Customers, Bankers and Government Authorities. The Directors also express their gratitude to the shareholders for their valuable and un-stinted support.

For and on behalf of Board,

Place : CHANDIGARH  
Date : 29.05.2012

H.K.SINGHAL  
DIRECTOR

AVINASH SHARMA  
EXECUTIVE DIRECTOR

**AUDITORS' CERTIFICATE ON COMPLIANCE OF  
CONDITIONS OF CORPORATE GOVERNANCE  
UNDER CLAUSE 49 OF THE LISTING  
AGREEMENT**

We have examined the compliance of conditions of Corporate Governance by SAB Industries Limited for the year ended on 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

On the basis of our review of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company, we certify that the Company complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement with the Stock Exchanges.

For S. C. Dewan & Co.  
Chartered Accountants

Place : Chandigarh  
Date : 29.05.2012

S.C. Dewan  
Partner  
M. 15678

**DECLARATION REGARDING COMPLIANCE BY  
BOARD MEMBERS AND SENIOR MANAGEMENT  
PERSONNEL WITH THE COMPANY'S CODE OF  
CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for Director & Senior Management of the Company, the Code of Conduct is available on the website.

I confirm that the Company has in respect of the financial year ended March 31, 2012 received from the senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of conduct applicable to them.

For SAB Industries Limited

Place : Chandigarh  
Date : 29.05.2012

Avinash Sharma  
Executive Director

**CEO'S/CFO'S Certificate**

**TO WHOMSOEVER IT MAY CONCERN**

In Compliance to clause 49 of the Listing Agreement, we certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal control, if any, of which we are aware and the steps we have taken or purpose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the year,
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For SAB Industries Limited

Place : Chandigarh  
Date : 29.05.2012

Avinash Sharma  
Executive Director

**Auditors' Report**

**M/S SAB Industries Ltd**

We have audited the attached Balance Sheet of M/s SAB Industries Ltd as at 31.03.2012 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4-A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters as specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:-
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of accounts as required under the law, have been kept by the Company so far as appears from our examination of such books.
  - (iii) The Balance Sheet and Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
  - (iv) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

- (v) On the basis of written representation received from Directors, as on 31.03.2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2012 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
  - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31.03.2012, and,
  - (b) In the case of Profit and Loss Account, of the Profit for the year ended on that date, and
  - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For S.C. Dewan & Co.  
Chartered Accountants  
(Registration No.: 000934N)**

Place : Chandigarh  
Date : 29<sup>th</sup> May 2012

**S.C. Dewan  
Partner  
Membership No.: 015678**



## **ANNEXURE TO AUDITORS' REPORT**

Referred to in Paragraph 1 of our report of even date:

1. In respect of its fixed assets:

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (b) Physical verification of inventory has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification dealt with in the books of accounts.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of its inventories:

- (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company has maintained proper records of inventory. No material discrepancies were noticed on physical verification dealt with in the books of accounts. The stocks of Buildings, building materials, shares, trading stock and of work in progress have been physically verified during the year by the management. In the opinion of the management the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

3. The company has not granted or taken any loans, secured or unsecured to/from companies, firm or other parties covered in the registers maintained under Section 301 of the Act.

4. In our opinion and according to the information and explanations given to us, there are internal control procedures commensurate with the size of the company and nature of its business with regards to purchases of stores, raw material including components, plant and machinery equipment and other assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. The transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered in the register. Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The company has accepted deposits covered by section 58A of the Companies Act, 1956 and Companies (Acceptance of deposits) Rules, 1975. Interest on these deposits is being paid regularly as per the terms of the deposit/scheme. There is no default as on date on repayments of the deposits.

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

8. Maintenance of cost records as prescribed by the Central Government under clause (d) of sub section (I) of section 209 of the Act. are not applicable to company.

9. In respect of statutory dues:

(a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly

deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than six months from the date of becoming payable.

(b)The Company is regular in depositing undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income Tax, VAT/Sales tax, Wealth tax, Service tax and any other statutory dues with the appropriate authorities except for the demand disputed by the Company as per details given below:

<b>Nature of dues</b>	<b>Amount Rs.in lacs</b>	<b>Forum where dispute is pending</b>	<b>Period to which the amount relates</b>
Service Tax	50.71*	Customs,Excise & Service Tax Appellate Tribunal,New Delhi.	2005-06 to 2008-09

\*Excluding interest and/or penalty, if any which may be imposed by the aforesaid Tribunal. The company has deposited Rs.10.00 lac provisionally against above demand as advised by Tribunal.

10. The company has no accumulated losses/cash losses. Besides, provisions of section 3(i)(o) of Sick Industries Companies (Special Provision) Act 1985 are not applicable to the Company as the company is a Construction and Trading Company.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi /mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion, the Company is not a Financing Company.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The term loans were applied for the purpose for which the loans were obtained, as per information available from the records of the company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures to the public.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

Place : Chandigarh

Dated : 29.05.2012

(S.C.DEWAN)  
Partner  
Membership No. : 015678

**BALANCE SHEET**  
**AS ON 31ST MARCH, 2012**

PARTICULARS	NOTE NO.	AS ON 31.03.2012 (Rs.)	AS ON 31.03.2011 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
(1) <b>Share Holders' Funds</b>	1		
(a) Share Capital		15,18,83,720	15,18,83,720
(b) Reserves & Surplus		16,01,85,930	11,63,25,125
(c) Money received against share warrants		—	4,19,99,490
(2) <b>Share application money pending allotment</b>		—	—
(3) <b>Non-Current Liabilities</b>	2		
(a) Long-term borrowings		22,05,21,238	21,92,18,952
(b) Other Long term liabilities		3,47,29,454	3,45,46,510
(c) Long term provisions		2,37,85,248	2,66,00,163
(4) <b>Current Liabilities</b>	3		
(a) Short-term borrowings		72,03,092	1,15,29,631
(b) Trade payables		1,10,09,251	95,44,410
(c) Other current liabilities		17,22,58,899	13,91,09,981
(d) Short term provisions		1,17,10,501	1,83,43,456
<b>TOTAL</b>		<b>79,32,87,333</b>	<b>76,91,01,438</b>
<b>II. ASSETS</b>			
(1) <b>Non-current assets</b>	4		
(a) Fixed Assets			
Gross Block		28,92,46,171	22,82,82,121
Less: Depreciation		12,16,22,906	11,82,67,324
Net Block		16,76,23,265	11,00,14,797
(b) Non-current investments		15,56,97,730	15,56,89,633
(c) Deferred tax assets (net)		41,36,382	40,72,228
(2) <b>Current Assets</b>	5		
(a) Inventories		38,15,77,761	38,10,35,169
(b) Trade receivables		1,89,18,467	1,27,35,760
(c) Cash and Bank Balances		3,03,48,090	3,06,59,099
(d) Short-term loans and advances		1,89,39,932	5,95,16,221
(e) Other current assets		1,60,45,706	1,53,78,531
<b>TOTAL</b>		<b>79,32,87,333</b>	<b>76,91,01,438</b>

**NOTES ON ACCOUNTS**

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**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed.  
for S.C. DEWAN & CO.  
Chartered Accountants

AVINASH SHARMA  
Executive Director

RAM K GUPTA  
SANJAY GARG  
H K SINGHAL  
Directors

PLACE : Chandigarh  
DATED : 29th May, 2012

S.C. DEWAN  
Partner

GURPREET KAUR  
Company Secretary



**PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2012**

PARTICULARS	NOTE NO.	AS ON 31.03.2012 (Rs.)	AS ON 31.03.2011 (Rs.)
I. Revenue from operations	6	11,36,47,914	15,51,07,359
II. Other Income		1,69,84,960	2,48,49,905
<b>III. Total Revenue (I + II)</b>		<b>13,06,32,874</b>	<b>17,99,57,264</b>
IV. Expenses			
Cost of materials consumed	7	3,71,51,452	6,77,05,276
Purchase of Stock-in-Trade		31,84,483	1,13,25,274
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	8	23,65,000	(28,58,000)
Employee benefit expense	9	1,54,72,047	1,55,94,730
Financial Costs	10	1,07,75,393	1,11,03,239
Depreciation and amortization expense	4 (a)	59,68,755	67,77,807
Other expenses	11	4,22,87,210	7,40,05,896
<b>Total Expenses</b>		<b>11,72,04,340</b>	<b>15,93,41,388</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		1,34,28,534	2,06,15,876
VI. Extraordinary items		—	—
Prior period adjustments (Income tax paid/adjusted)		89,31,373	60,58,161
VII. Profit before tax (V - VI)		44,97,161	1,45,57,715
VIII. Tax expense:			
(1) Current Tax		27,00,000	64,40,000
(2) Deferred Tax	12	64,154	1,09,451
<b>IX. Profit (Loss) from the period from continuing operations</b>		<b>18,61,315</b>	<b>82,27,166</b>
Earning Per Share - Basic and Diluted		0.12	0.54

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed.  
for S.C. DEWAN & CO.  
Chartered Accountants

AVINASH SHARMA  
Executive Director

RAM K GUPTA  
SANJAY GARG  
H K SINGHAL  
Directors

PLACE : Chandigarh  
DATED : 29th May, 2012

S.C. DEWAN  
Partner

GURPREET KAUR  
Company Secretary

**SAB INDUSTRIES LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**
**(Rs. in Lacs)**

	2011-12	2010-11
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT/(LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS	1,34,28,534	2,06,15,876
ADJUSTMENT FOR :		
PROFIT(-)/LOSS(+) ON SALE OF FIXED ASSETS	(1,66,538)	(31,616)
DEPRECIATION	59,68,755	67,77,807
DIVIDEND RECEIVED	(19,63,917)	(12,95,530)
INTEREST & OTHER FINANCIAL CHARGES	1,07,75,393	1,11,03,239
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	28,042,227	3,71,69,776
ADJUSTMENT FOR TRADE AND OTHER RECEIVABLES	33,726,407	(48,43,300)
INVENTORIES	(5,42,592)	(33,11,445)
TRADE PAYABLES	1,41,35,083	4,73,18,898
CASH GENERATED FROM OPERATIONS	7,53,61,125	(5,06,66,166)
INTEREST AND OTHER FINANCIAL EXPENSES PAID	1,07,75,393	1,11,03,239
DIRECT TAXES PAID/ADJUSTED	1,16,31,373	2,24,06,766
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	5,29,54,359	(4,52,52,535)
CASH FLOW FROM OPERATING ACTIVITIES	5,29,54,359	(4,52,52,535)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	(6,38,32,678)	(1,19,77,413)
SALE OF FIXED ASSETS	4,21,966	1,75,000
PURCHASE OF INVESTMENTS	(99,990)	(12,89,356)
INVESTMENTS WRITTEN OFF	91,920	—
DIVIDEND RECEIVED	19,63,917	12,95,530
NET CASH FLOW FROM INVESTING ACTIVITIES	(6,14,54,865)	(1,17,96,239)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM SHARE APPLICATION MONEY	—	4,19,99,490
PROCEEDS FROM LONG TERM BORROWINGS	78,50,000	1,06,15,510
PROCEEDS FROM UNSECURED LOANS	3,66,50,000	75,00,000
PROCEEDS FROM SHORT TERM BORROWINGS	—	84,21,272
REPAYMENT OF SHORT TERM BORROWINGS	(43,26,539)	(3,33,659)
REPAYMENT OF LONG TERM BORROWINGS	(3,19,83,964)	(8,33,941)
NET CASH RECEIVED FROM FINANCING ACTIVITIES	81,89,497	6,73,68,672
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,11,009)	1,03,19,898
CASH AND CASH EQUIVALENTS AS AT 01.04.2011/01.04.2010	3,06,59,099	2,03,39,201
(OPENING BALANCE)		
CASH AND CASH EQUIVALENTS AS AT 31.03.2012/31.03.2011	3,03,48,090	3,06,59,099
(CLOSING BALANCE)		

For and on behalf of the Board

Place : Chandigarh  
Dated : 29th May, 2012

**AVINASH SHARMA**  
Executive Director

**H.K. SINGHAL**  
Director

**AUDITORS' REPORT**

We have verified the attached Cash Flow Statement of SAB Industries Limited derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March, 2012 and found the same in agreement therewith.

For S.C. Dewan & Co.  
Chartered Accountants  
(Registration No. 000934N)

Place : Chandigarh  
Dated : 29th May, 2012

**S.C. Dewan**  
Partner  
Membership No. 015678



STEEL STRIPS GROUP

PARTICULARS	AS ON 31.03.2012 (Rs.)	AS ON 31.03.2011 (Rs.)
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## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### NOTE '1' : SHAREHOLDERS' FUND

#### (a) Share Capital

<b>AUTHORISED</b>		
2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000	20,00,00,000
(Previous Year 2,00,00,000 Equity Shares of Rs. 10/- each)		
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
1,51,88,372 Equity Shares	15,18,83,720	15,18,83,720
(Previous Year 1,51,88,372 Shares) of Rs. 10/- each		
<b>TOTAL</b>	<b>15,18,83,720</b>	<b>15,18,83,720</b>

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

Name of shareholders	AS ON 31.03.2012		AS ON 31.03.2011	
	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 FIN. 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%

#### (b) Reserves & Surplus

1. General Reserve	9,01,46,426	7,01,46,426
Add : Amount transferred from Profit & Loss a/c	—	2,00,00,000
<b>TOTAL (1)</b>	<b>9,01,46,426</b>	<b>9,01,46,426</b>
2. Capital Reserve	—	—
Add: Amount transferred from Application money for Convertible Warrants	4,19,99,490	—
<b>TOTAL (2)</b>	<b>4,19,99,490</b>	<b>—</b>
3. Profit & Loss A/c		
As per last Balance Sheet	2,61,78,699	3,79,51,533
Add: Profit for the year	18,61,315	82,27,166
	2,80,40,014	4,61,78,699
Less: Amount transferred to General Reserve a/c	—	2,00,00,000
<b>TOTAL (3)</b>	<b>2,80,40,014</b>	<b>2,61,78,699</b>
<b>TOTAL (1+2+3)</b>	<b>16,01,85,930</b>	<b>11,63,25,125</b>

#### (c) Money Received against Share Warrants

Application Money for Convertible Warrants	4,19,99,490	4,19,99,490
(Share warrants of 323073 Nos. @ 260/-, Amount received 50%)		
Less: Amount transferred to capital reserve	4,19,99,490	—
<b>TOTAL</b>	<b>—</b>	<b>4,19,99,490</b>

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

PARTICULARS	AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011	AS ON 31.03.2011
SECURED	Non-Current	Current	Non-Current	Current
<b>FROM BANKS</b>				
<b>TERM LOAN FROM HDFC BANK</b>				
(Secured against Mortgage of properties of Directors and Associate Concerns)	9,12,051	2,09,69,844	2,18,81,895	1,87,33,626
<b>VEHICLES/EQUIPMENTS LOANS FROM BANKS</b>				
(Secured against hypothecation of respective vehicles/equipments and counter guarantees of the company)	20,23,527	1,17,12,311	64,01,397	53,08,347
<b>OTHERS</b>				
1.Secured by Bank Guarantees (From Customers)	1,33,01,858	—	1,33,01,858	74,26,432
2.Secured against security furnished by Company/Associate Companies**/third party and against Security Bonds	16,01,33,802	—	16,01,33,802	—
<b>UN-SECURED</b>				
Fixed Deposits	1,30,50,000	1,00,00,000	1,75,00,000	—
From Directors/Associate concerns	3,11,00,000	—	—	—
<b>TOTAL</b>	<b>22,05,21,238</b>	<b>4,26,82,155</b>	<b>21,92,18,952</b>	<b>3,14,68,405</b>

\*\*The company had received the following amounts in earlier years against the claims :-

- FROM U.P.STATE GOVERNMENT	156.02
- FROM PB.PWD.HOSHARPUR	12.14
- FROM PB.PWD.LUDHIANA	25.93
- FROM H.P.S.E.B.,SHIMLA	100.13
	<u>294.22</u>

Appeals have been filed against these awards and the matter is pending in the High Courts. In terms of the interim order of the High Courts, the Company has furnished securities of immovable properties situated at village Raisaina (Haryana) belonging to S.S. Credits Private Limited, S.A. Holdings Pvt. Ltd and Malwa Holding Pvt. Ltd and its own property situated at Banur Distt. Mohali (Pb) besides undertaking by the company that these amounts shall be deposited back in the courts in case decisions go against the company in final verdicts. Surety bonds of associates companies have also been submitted. Accordingly, these amounts were considered as 'Secured Loans' instead of income as per the policy of the Company.

The company have also received Rs.1307.12 lacs from M/S Suttlej Constructions Ltd (SCL), Manimajra, Chandigarh in previous years. SAB Industries Ltd (SABIL) have entered into Joint Venture agreements with SCL in connection with Arbitration cases of said company whereby SCL and SABIL shall share the amount of award received, if any, equally between them. The amounts so released in earlier years have been released against furnishing of security by way of mortgaging land/title deeds of lands both of SABIL and SCL and submission of surety bonds. As the cases are subjudice and claims have been released against submission of surety bonds/title deeds of lands, the amount received has been treated as "Secured Loan" only as having been released against the above said securities. The amount shall be treated as Income as and when Surety Bonds/title deeds of land are released and cases are decided by the Court finally. The outstanding balance received from SCL stands at 1307.12 lac for above cases as on 31.03.2012.

**(b) Other Long Term Liabilities**

PARTICULARS	As on 31.03.2012	As on 31.03.2012
Security Deposit	3,47,29,454	3,45,46,510
<b>TOTAL</b>	<b>3,47,29,454</b>	<b>3,45,46,510</b>

**(c) Long Term Provisions**

Provision for Sales Tax	10,44,288	10,44,288
Provision for Bank Guarantee	26,74,000	61,02,000
Provision for Expenses	2,00,66,960	1,94,53,875
<b>TOTAL</b>	<b>2,37,85,248</b>	<b>2,66,00,163</b>





PARTICULARS	AS ON 31.03.2012 (Rs.)	AS ON 31.03.2011 (Rs.)
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### NOTE '3' : CURRENT LIABILITIES

#### (a) Short-Term Borrowings

##### SECURED FROM BANKS

##### WORKING CAPITAL FROM BANKS

(Working Capital is secured against hypothecation of stocks & Book debts, further secured by way of Pledge of five lac equity shares of STEEL STRIPS WHEELS LTD., Equitable mortgage of immovable properties admeasuring 6 bighaa, 6 bishwa and 5 biswaisi, 5 bigha 16 bishwa & 7 bigha 16 bishwa situated at Vill-Ajijpur, Derabassi, Mohali in the name of M/S SAB Udyog Ltd as collateral Security and personal guarantee of Sh.R.K.Garg, Chairman of the company.)  
(Secured against the letter of comforts issued by banks)

	72,03,092	73,59,209
	—	41,70,422
<b>TOTAL</b>	<b>72,03,092</b>	<b>1,15,29,631</b>

#### (b) Trade Payables

- Trade Payables*	80,32,137	28,10,427
- Cheques issued but not presented for payment	29,77,114	67,33,983
<b>TOTAL</b>	<b>1,10,09,251</b>	<b>95,44,410</b>

\* Trade Payables include a sum of Rs. Nil (Previous year Rs.Nil) due to Micro and Small Undertakings, which are outstanding for more than 45 days as at 31.03.2012. This information is required to be disclosed under the Micro, Small and Medium Enterprises development Act 2006, as determined to the extent the parties have been identified on the basis of information with the company.

#### (c) Other Current Liabilities

- Current maturities of Long-term Debts (Refer Note No.2)	4,26,82,155	3,14,68,405
- Statutory dues	9,70,843	8,49,277
- Security expenses payable	—	31,31,356
- Advance from customers	10,03,63,721	9,94,80,421
- Advances from others	2,50,00,000	—
- Expenses payable	32,42,180	41,80,522
<b>TOTAL</b>	<b>17,22,58,899</b>	<b>13,91,09,981</b>

#### (d) Short Term Provisions

- Liabilities for employees retirement benefits	24,35,674	18,83,456
- Provision for Expenses	1,34,827	1,00,20,000
- Provision for taxation	91,40,000	64,40,000
<b>TOTAL</b>	<b>1,17,10,501</b>	<b>1,83,43,456</b>



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

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.11	Additions during the year	Sales/ adjustments during the year	As at 31.03.12	As at 01.04.11	During the period	Sales/ adjustments during the period	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>(A) CONSTRUCTION DIVISION</b>										
1. Agriculture Land	6,45,81,214	6,21,60,577	—	12,67,41,791	—	—	—	—	12,67,41,791	6,45,81,214
2. Land & Buildings	1,78,68,050	—	—	1,78,68,050	—	—	—	—	1,78,68,050	1,78,68,050
3. Plant & Machinery	71,81,935	—	—	71,81,935	65,61,087	86,360	—	66,47,447	5,34,488	6,20,846
4. Tractor & Trolley	2,98,678	—	—	2,98,678	2,96,492	656	—	2,97,148	1,530	2,184
5. JCB Machine	17,20,486	—	—	17,20,486	14,64,122	76,909	—	15,41,031	1,79,455	2,56,364
6. Soil Compactor	18,65,198	—	—	18,65,198	15,77,737	86,238	—	16,63,975	2,01,223	2,87,461
7. Batching Plant	10,22,180	—	—	10,22,180	8,24,159	59,406	—	8,83,565	1,38,615	1,98,021
8. Concrete Pump	33,00,000	—	—	33,00,000	9,88,372	6,93,488	—	16,81,860	16,18,140	23,11,626
9. Vibrators	1,12,204	66,215	—	1,78,419	58,027	68,307	—	1,26,334	52,085	54,177
10. Office Equipment	14,57,755	8,900	—	14,66,655	11,79,717	50,894	—	12,30,611	2,36,044	2,78,038
11. Furniture & Fixture	37,50,749	—	—	37,50,749	28,14,026	1,69,547	—	29,83,573	7,67,176	9,36,722
12. Vehicles	3,43,28,868	11,11,857	28,68,602	3,25,72,123	2,65,06,603	21,42,630	26,13,174	2,60,36,059	65,36,064	78,22,265
13. Television	53,440	—	—	53,440	48,344	922	—	49,266	4,174	5,096
14. Air Conditioners	10,35,303	—	—	10,35,303	8,82,283	21,285	—	9,03,568	1,31,735	1,53,029
15. Generators	86,299	—	—	86,299	79,593	933	—	80,526	5,773	6,704
16. Computers	14,67,780	—	—	14,67,780	13,95,376	28,962	—	14,24,338	43,442	72,404
17. Tubewell	18,65,327	4,85,106	—	23,50,433	8,98,640	1,59,424	—	10,58,064	12,92,368	9,66,681
18. Agriculture Equipments	4,55,022	—	—	4,55,022	3,40,395	15,945	—	3,56,340	98,682	1,14,627
19. Laboratory Equipment	6,19,332	—	—	6,19,332	3,59,135	36,193	—	3,95,328	2,24,004	2,60,191
20. Steel Shutterings	1,42,57,411	—	—	1,42,57,411	40,86,877	14,14,721	—	55,01,598	87,55,813	1,01,70,533
	15,73,27,231	6,38,32,654	28,68,602	2,18,291,287	5,03,60,984	51,12,821	26,13,174	5,28,60,632	16,54,30,851	10,69,66,241
<b>BYNFO TECH DIVISION</b>										
1. Plant & Machinery & Equipment	14,89,965	—	—	14,89,965	7,68,743	70,773	—	8,39,516	6,50,449	7,21,222
2. Electrical Installation	10,30,021	—	—	10,30,021	6,86,181	48,926	—	7,35,107	2,94,914	3,43,849
3. Furniture & Equipments	73,98,380	—	—	73,98,380	67,18,708	4,68,317	—	71,87,025	2,11,357	6,79,674
4. Data Processing Equip.	6,10,36,520	—	—	6,10,36,520	5,97,32,708	2,67,918	—	6,00,00,626	10,35,894	13,03,812
Total (B)	7,09,54,866	—	—	7,09,54,866	6,79,06,340	8,55,934	—	6,87,62,274	21,92,614	30,48,548
<b>TOTAL (A + B)</b>	<b>22,82,82,117</b>	<b>6,38,32,654</b>	<b>28,68,602</b>	<b>28,92,46,171</b>	<b>11,82,67,324</b>	<b>59,68,755</b>	<b>26,13,174</b>	<b>12,16,22,906</b>	<b>16,76,23,265</b>	<b>11,00,14,795</b>
<b>PREVIOUS YEAR</b>	<b>21,69,74,636</b>	<b>1,19,77,413</b>	<b>6,60,932</b>	<b>22,82,82,121</b>	<b>11,20,16,063</b>	<b>67,77,809</b>	<b>5,26,548</b>	<b>11,82,67,324</b>	<b>11,00,14,797</b>	<b>10,49,58,575</b>

**PARTICULARS****AS ON  
31.03.2012  
(Rs.)****AS ON  
31.03.2011  
(Rs.)****(a) NON CURRENT INVESTMENTS****INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS****QUOTED & VALUED AT COST PRICE**

12,93,686 (Previous Year 12,93,686) fully paid equity shares of

Rs.10/- each of M/s Steel Strips Wheels Limited

**2,99,63,059****2,99,63,059**

1,47,93,772 fully paid up equity shares of Indian Acrylics Ltd

(Previous Year 14793772) of Rs.10/- each

**5,95,19,719****5,95,19,719**

3900 fully paid (Previous year 3900) equity shares of

Rs.10/- each of M/s Steel Strips Infrastructures Limited

**12,671****12,671**

(Formerly known as Steel Strips &amp; Tubes Ltd)

528265 (Previous year 5,28,265) fully paid equity shares

of Rs.10/- each of M/S Steel Strips Limited,

**1,84,893****1,84,893**



PARTICULARS	AS ON 31.03.2012 (Rs.)	AS ON 31.03.2011 (Rs.)
<b>INVESTMENT IN EQUITY INSTRUMENTS - OTHERS</b>		
<b>QUOTED &amp; VALUED AT COST PRICE</b>		
165 (Previous Year 165) fully paid equity share of Rs.10/- each of M/s Kamla Dials & Devises Limited	2,550	2,550
35 fully paid (Previous year 70) equity shares of Rs.10/- each of M/s Asian Hotels Limited	500	500
10000 fully paid (Previous year Nil) equity shares of Rs.10/- each of M/s PUNJAB & SIND BANK	12,89,356	12,89,356
200 Shares of BOICON (Previous Year 100) of Rs.10/- each	44,545	44,545
100 Nos fully paid up equity shares of Vallabh Steels Ltd (Previous Year 100) of Rs.10/- each	2,820	2,820
37 Nos fully paid up equity shares of Consolidated Fibres & Chemicals Ltd (Previous Year 37) of Rs.10/- each	64	64
153 fully paid up equity shares of Wheels India Ltd (Prev.Year 153) of Rs.10/-each.	46,703	46,703
<b>AGGREGATE AMOUNT OF THE QUOTED INVESTMENTS</b>	<b>9,10,66,880</b>	<b>9,10,66,880</b>
<b>INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATE CONCERNS</b>		
<b>UNQUOTED &amp; VALUED AT COST</b>		
907640 equity shares of Rs.10/- each of M/s Malwa Chemtex Udyog Ltd. - (Previous year 907640 equity Shares of Rs.10/- each)	94,39,145	94,39,145
5368630 equity shares of Rs.10/-each of M/S SAB Udyog Ltd (Previous year 5368630)	2,87,75,857	2,87,75,857
<b>INVESTMENT IN SUBSIDIARY COMPANIES</b>		
<b>UNQUOTED &amp; VALUED AT COST</b>		
Nil Equity Shares (Previous year 1885) * of Munak International Trading Corp. Mauritius(A Wholly Owned Subsidiary Company)	—	91,920
660 Equity Shares Of Iranian Rials 8500000 Each ** (Previous Year 660) Of Lavan Chemical Company - A Subsidiary Company In Jv In Iran Where Company Has 55% Share(Total Value Of Shares In Usd 611028)	2,63,15,831	2,63,15,831
9999 equity shares of Rs.10/-each of M/S SAB Fertilizers Pvt. Ltd *** (Previous year Nil)	99,990	—
<b>AGGREGATE AMOUNT OF THE UN-QUOTED INVESTMENTS</b>	<b>6,46,30,823</b>	<b>6,46,22,753</b>
<b>AGGREGATE AMOUNT OF THE QUOTED &amp; UN-QUOTED INVESTMENTS</b>	<b>15,56,97,730</b>	<b>15,56,89,633</b>
Aggregate Market value of Quoted Investments	30,79,72,581	41,59,56,995
<p>* The company had incorporated a GBC-II category Wholly Owned Subsidiary (WOS) Company, under the name and style of Munak International Trading Corporation in Mauritius. The company had been allotted 1885 shares of US\$ 1/- each and the same were being shown in the schedule of Investments. The company was floated for trading business in Mauritius but somehow, the company was not able to undertake any business activities since its inception. The company and its Directors decided to windup the company. Accordingly, name of the company has been removed from the register of companies under section 308 of Mauritius Companies Act 2001 from 16.12.2011. Accordingly, the investments made in company, as stated above, have been written off during the year. The copy of Balance Sheet of the company as at 16.12.2011 is attached.</p> <p>** During the year 2004-05 the company had entered into a joint venture, in Iran, with i) NPC International (a company incorporated in London, England), ii) Arak Petrochemicals Co. Iran and iii) Bank Melli Iran Investments Co., Iran, for setting up a gas based fertilizer plant for which a subsidiary company under the name and style of LAVAN CHEMICAL CO. IRAN had been incorporated. A sum of US \$ 611028 (equivalent to Rs.263.16 lacs) had been invested as Share Capital till 31.03.2012, and are shown in the Schedule of Investments as above. The latest Balance Sheet as on 20.03.2011 is not attached as it is under preparation</p> <p>*** During the year, a wholly owned subsidiary of the company under the name and style of SAB Fertilizers Pvt. Ltd. Was formed to look after the business of manufacturing of fertilizers. The new company is later proposed to look after company's business of manufacturing of fertilizers in Iran, independently. Our company has been allotted 9999 equity shares in the said wholly owned company @ Rs.10/- each for cash at par</p>		

PARTICULARS	AS ON	AS ON
	31.03.2012 (Rs.)	31.03.2011 (Rs.)

**NOTE '5' : CURRENT ASSETS****(a) Inventories**

1	WORK IN PROGRESS		<b>1,92,88,000</b>	<b>2,16,53,000</b>
	<b>TOTAL 1</b>		<b>1,92,88,000</b>	<b>2,16,53,000</b>
2.	COMMERCIAL PROPERTY UNDER DEVELOPMENT (Land, Development expenses thereon (valued at cost) and Misc. Expenditure Pending Allocation to above commercial property)			
	(a) Cost of Land Including Registration And		<b>22,57,84,131</b>	<b>22,57,84,131</b>
	(b) Development Expenses			
	Fees & Taxes		<b>31,25,878</b>	<b>31,25,878</b>
	(Land Dev.Fee)			
	Architect/Other Fee - Opening Balance	<b>41,86,822</b>		
	- Addition During The Period	<b>—</b>	<b>41,86,822</b>	<b>41,86,822</b>
			<b>73,12,700</b>	<b>73,12,700</b>
			<b>23,30,96,831</b>	<b>23,30,96,831</b>
	(c) Misc. Expenditure Pending Allocation To Above Commercial Property			
	Direct Cost - Opening Balance	<b>7,67,76,824</b>		
	- Addition during the period	<b>12,16,984</b>	<b>7,79,93,808</b>	<b>7,67,76,824</b>
	Administration - Opening Balance	<b>52,00,026</b>		
	And other Exps. - Addition during the period	<b>7,01,718</b>	<b>59,01,744</b>	<b>52,00,026</b>
	Employee Cost - Opening Balance	<b>83,89,015</b>		
	- Addition during the period	<b>71,330</b>	<b>84,60,345</b>	<b>83,89,015</b>
	Selling & Advt. Expenses - Opening Balance	<b>46,77,483</b>		
	- Addition during the period	<b>1,000</b>	<b>46,78,483</b>	<b>46,77,483</b>
	Interest & Bank Charges - Opening Balance	<b>2,93,79,631</b>		
	- Addition during the period	<b>9,16,560</b>	<b>3,02,96,191</b>	<b>2,93,79,631</b>
	Depreciation		<b>18,62,359</b>	<b>18,62,359</b>
			<b>12,91,92,930</b>	<b>12,62,85,339</b>
	<b>TOTAL 2</b>		<b>36,22,89,761</b>	<b>35,93,82,169</b>
	<b>TOTAL ( 1 + 2 )</b>		<b>38,15,77,761</b>	<b>38,10,35,169</b>

**(b) Trade Receivables**

Outstanding for a period exceeding six months	<b>1,08,95,817</b>	<b>1,08,95,817</b>
Others	<b>80,22,650</b>	<b>18,39,943</b>
<b>TOTAL</b>	<b>1,89,18,467</b>	<b>1,27,35,760</b>

**(c) Cash and Bank Balances**

Balances with Banks	<b>98,00,263</b>	<b>93,19,971</b>
Cheques/Drafts in Hand	<b>—</b>	<b>16,11,552</b>
Cash in Hand	<b>2,13,968</b>	<b>2,66,923</b>
Others		
- Under Lien with Banks as Margin Money	<b>1,85,84,209</b>	<b>1,92,11,003</b>
- Under lien with PWD, Uttarakhand, Dehradun	<b>2,49,650</b>	<b>2,49,650</b>
- Fixed Deposits - (Kept against Public deposits maturing during the next financial year)	<b>15,00,000</b>	<b>—</b>
<b>TOTAL</b>	<b>3,03,48,090</b>	<b>3,06,59,099</b>



PARTICULARS	As on	As on
	31.03.2012	31.03.2011
	Rs.	Rs

#### (d) Short-Term Loans and Advances

LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD, UNLESS OTHERWISE STATED)

A) Loans and Advances to related Parties

B) Others

- From Suppliers/Petty Contractors

- Advances for Purchase of Land

- From Others

- Less: Provision for Doubtful Advances

TOTAL

	3,87,692	7,23,584
	1,39,56,876	4,24,56,876
	46,95,364	1,86,25,761
	1,90,39,932	6,18,06,221
	1,00,000	22,90,000
	1,89,39,932	5,95,16,221

#### (e) Other Current Assets

Security Deposit

Interest Accrued but not due

Prepaid Expenses

Income tax deducted at source

Withheld by clients

TOTAL

	81,53,744	95,14,949
	6,85,155	4,81,300
	2,44,460	3,84,293
	61,14,622	41,50,264
	8,47,725	8,47,725
	1,60,45,706	1,53,78,531

#### NOTE '6' : REVENUE FROM OPERATIONS AND OTHER INCOME

(a) Revenue from Operations

Sales ISP

Sales Trading Network Equipments

Gross work done

Trading Sale (Cement)

Sale of Land/Property in Stock

TOTAL

	61,66,682	66,73,612
	3,49,061	11,01,131
	8,25,23,411	10,87,57,296
	36,08,760	1,23,17,120
	2,10,00,000	2,62,58,200
	11,36,47,914	15,51,07,359

(b) Other Income

Profit on Sale of Assets

Interest Received

Insurance Claim

Miscellaneous Income

Income from Share in J.V.

Provision for Bank Guarantee written back

Bad Debts Recovered

Unclaimed Balances Written Back

Agriculture Income

Dividend Received

TOTAL

	166,538	31,616
	18,77,583	14,13,464
	56,580	86,593
	29,848	2,99,584
	—	1,60,19,209
	34,28,000	—
	21,90,000	—
	—	1,45,810
	72,72,494	55,58,099
	19,63,917	12,95,530
	1,69,84,960	2,48,49,905

**SAB INDUSTRIES LIMITED**

PARTICULARS	AS ON 31.03.2012 (Rs.)	AS ON 31.03.2011 (Rs.)
-------------	------------------------------	------------------------------

**NOTE '7' : COST OF MATERIAL CONSUMED**

Opening Stock of Building Materials and Net Working Equipments/Materials	—	—
Add: Purchases during the year		
- Purchase - Network Equipments	5,31,224	2,84,549
- Building Material	2,17,04,223	4,40,28,106
- Purchase of Property in Stock	2,10,00,000	1,37,53,090
	<u>4,32,35,447</u>	<u>5,80,65,745</u>
Less - Sale/Material Issued to Sub-Contractors	60,83,995	1,46,73,303
- Closing Stocks of Building Materials and Networking Equipments/Materials	—	—
<b>TOTAL</b>	<u>3,71,51,452</u>	<u>6,77,05,276</u>

Note: Building Material purchased/consumed includes cost of the material involved in the payments made to sub-contractors for work done by them.

**NOTE '8' : CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

- Opening Work in Progress	2,16,53,000	1,87,95,000
- Closing Work in Progress	1,92,88,000	2,16,53,000
<b>TOTAL</b>	<u>23,65,000</u>	<u>(28,58,000)</u>

**NOTE '9' : EMPLOYEE BENEFIT EXPENSES**

Salaries, Wages and Other Allowances** Including Directors Remuneration	1,47,85,819	1,44,58,849
Bonus	1,41,112	1,09,697
Contribution to Provident Funds & Other Funds	2,54,705	3,08,006
Welfare Expenses	2,90,411	7,18,178
<b>TOTAL</b>	<u>1,54,72,047</u>	<u>1,55,94,730</u>

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

	(Rs. in lacs)	
	Current Year	Previous Year
Salary	23.05	16.50
Perquisite	14.18	9.81
Contribution towards PF	2.77	1.98
Commission on Profits	1.37	2.10
	<u>41.37</u>	<u>30.39</u>

PARTICULARS	As On 31.03.2012 (Rs.)	As On 31.03.2011 (Rs.)
-------------	------------------------------	------------------------------

The Computation of Net Profits in accordance with Section 198 read with Section 349 of Companies Act, 1956 is given hereunder for the purpose of calculation of commission payable to Sh. R.K. Garg, Director & Chairman of the Company.

Profit as per Profit & Loss A/c	18,61,315	82,27,166
Add: Depreciation as per P&L A/c	59,68,755	67,77,807
Chairman's Remuneration	1,36,783	2,09,696
Sitting Fee	1,13,000	1,44,000
Income Tax for the year	27,00,000	64,40,000
Income Tax paid/adjusted for earlier years total	89,31,373	60,58,161
<b>TOTAL</b>	<b>1,97,11,226</b>	<b>2,78,56,830</b>
Less: Depreciation calculated for Managerial Remuneration	59,68,755	67,77,807
Deferred Tax Assets	64,154	1,09,450
Available Profit	1,36,78,317	2,09,69,563
Commission/Remuneration	1,36,783	2,09,696

However, commission is not payable to Sh. Avinash Sharma, Executive Director and Ms. Priya Garg, Executive Director in view of the terms of their appointment and remuneration has been paid to them as per provisions of schedule XIII of the Companies Act, 1956.

#### NOTE '10' : FINANCIAL COST

Interest	82,00,317	87,89,664
Other Financial Charges	21,49,825	23,13,575
Fluctuation in Foreign Exchange	4,25,251	—
<b>TOTAL</b>	<b>1,07,75,393</b>	<b>1,11,03,239</b>

#### NOTE '11' : OTHER EXPENSES

##### (a) Direct Cost

Labour & Wages**	2,17,13,524	2,01,80,741
Hire Charges of Machinery	16,16,916	12,79,661
Bandwidth Expenses	24,82,870	28,52,432
<b>TOTAL (a)</b>	<b>2,58,13,310</b>	<b>2,43,12,834</b>

##### (b) Selling and Distribution Expenses

Business Promotion Exps	37,075	7,534
Advertisement & Publicity	27,436	1,50,704
Subscription & Membership Fees	12,250	10,230
<b>TOTAL (b)</b>	<b>76,761</b>	<b>1,68,468</b>



**SAB INDUSTRIES LIMITED**

PARTICULARS	As On	As On
	31.03.2012 (Rs.)	31.03.2011 (Rs.)
(c) Establishment Expenses		
Travelling Expenses - Foreign		
- Directors	—	—
- Others	—	1,40,145
Travelling Expenses - Inland		
- Directors	1,89,276	2,51,581
- Others	9,70,293	9,92,458
Printing & Stationery	3,16,485	3,24,298
Postage, Telegram & Telephone	4,32,308	5,46,546
Vehicles Repairs & Maintenance	13,08,041	15,73,153
Repairs & Maintenance	1,01,416	3,31,751
Insurance	6,39,994	7,00,128
Audit Fee	5,51,500	5,51,500
Legal & Professional Charges	20,67,213	29,20,495
Directors' Sitting Fee	1,13,000	1,44,000
Rates & Taxes	1,25,929	3,41,730
Newspapers & Periodicals	5,653	4,305
Office Maintenance Exp.	2,66,284	6,64,674
Donation	1,00,000	—
Claims	—	9,99,413
Rent	44,69,474	56,01,055
Electricity & Water Charges	2,99,620	3,10,043
Loss On Purchase Of Property In Stock	—	3,00,00,000
Tender Expenses	35,030	1,19,625
Agriculture Expenses	37,24,930	26,40,286
Debit Balances Written Off	—	60,438
Investments Written Off	91,920	—
Security Guards Expenses	2,59,676	1,99,022
Other Miscellaneous Expenses	3,29,097	1,07,948
<b>TOTAL (c)</b>	<b>1,63,97,139</b>	<b>4,95,24,594</b>
<b>TOTAL (a+b+c)</b>	<b>4,22,87,210</b>	<b>7,40,05,896</b>

\*\*Labour wages includes cost of labour involved in the payments made to Sub-Contractors for work done by them.

**NOTE '12' : DEFERRED TAX**

W.D.V. as per Income Tax Act (Net of Land)	3,51,82,867	3,95,46,198
W.D.V. as per books (Net of Land)	2,30,13,454	2,75,65,533
Depreciation excess claimed in books	1,21,69,413	1,19,80,665
<b>Deferred tax assets</b>	<b>41,36,382</b>	<b>40,72,228</b>
Less: Provision already made	40,72,228	39,62,777
<b>Provision for Current Year</b>	<b>64,154</b>	<b>1,09,451</b>

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

## **NOTE NO. 13 OF NOTES ON ACCOUNTS**

### **1. SIGNIFICANT ACCOUNTING POLICIES**

#### **a) CONVENTION**

The Financial statements are prepared under the historical cost convention in accordance with the applicable Accounting standards and relevant presentational requirements of the Companies Act, 1956.

#### **b) RECOGNITION OF INCOMES/EXPENDITURE: -**

All revenue & expenses are accounted for on accrual basis.

Work done is accounted for on the basis of certified bills, and Escalation in the year of actual receipt including Arbitration Claims received/security released during the year.

Construction scrap is accounted for on receipt basis.

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

#### **c) FIXED ASSETS**

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

#### **d) DEPRECIATION**

Depreciation is provided for on Plant and Machinery on the basis of the life of the Machinery as specified by valuer appointed by the company in accordance with Section-205 (2) of the Companies Act, 1956 and/or on the basis of Techno Commercial evaluation made by the Company.

<u>PARTICULARS</u>	<u>RATES APPLIED</u>
	(WDV METHOD)
Vibrators, Welding Set, Mixers,	70%
Batching Plant, Tractor Trolley, JCB Machine & Soil Compactor	30%

Depreciation on Furniture and Fixtures, Vehicles and other equipments has been charged as per rates specified in schedule XIV of the Companies Act, 1956 as amended upto date on written down value method.

However, depreciation, in our "Infotech Division", on Plant & Machinery, Data Processing equipment, Furniture & Fixture and other assets is provided on single shift basis, straight-line method as per rates specified in Schedule XIV to the Companies Act, 1956 as amended upto date.

#### **e) INVENTORIES**

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



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

**f) RETIREMENT BENEFITS :**

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

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

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

**h) INTEREST**

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

**i) VALUATION OF INVESTMENTS**

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

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

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

**2. CONTINGENT LIABILITIES**

	AS ON 31.03.2012 (Rs.in lacs)	AS ON 31.03.2011 (Rs.in lacs)
	-----	-----
Counter Guarantees issued by the company against Bank Guarantees/FLC	549.06	742.77

3. In the opinion of the Board, the current assets, loans & advances, if realised in the ordinary course of business, have the value on realization at least equal to the amount as stated in the Balance Sheet. The Stocks of building material, Raw material, finished goods and other consumable goods have been valued at cost and wastes have been valued at net realizable value and taken as certified by the Management. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.
4. Figures have been rounded off to the nearest rupee.
5. Previous year figures have been regrouped /rearranged wherever considered necessary to make them comparable with those of current year.
6. The company has filed claims arising out of contractual disputes with various clients, which have not been accounted for in books of accounts. Similarly, there are counter claims filed against the Company by clients, which have also not been accounted for. It is difficult to quantify the same, as these are at different stages of adjudication. These shall be accounted for as and when they are received/paid.
7. Sales Tax has been paid as per the Sales Tax returns filed. Any additional liability arising out of pending Assessments shall be provided for on the completion of Sale Tax Assessments.
8. Schedules 1 to 13 form an integral part of the Balance Sheet, Profit & Loss Account and Cash Flow Statement.

9. **SEGMENT REPORT**

Segment wise revenue, results and capital employed for the year-ended 31.03.12 is as under:

<b>(Rs in lacs)</b>			
<b><u>Sr.No.</u></b>	<b><u>Particulars</u></b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>1.</b>	<b><u>SEGMENT REVENUES</u></b>		
	a) Construction Division	899.95	1296.11
	b) Real Estates Division	210.00	262.58
	c) Investments (in shares)	19.62	12.96
	d) Agriculture	72.72	55.58
	e) Infotech Division	67.95	77.75
	f) Trading Division	36.09	123.17
	<b>TOTAL</b>	<b>1306.33</b>	<b>1828.15</b>
<b>2.</b>	<b><u>SEGMENT RESULTS</u></b>		
	Profit/(Loss)		
	(Before tax and interest from each segment)		
	a) Construction Division	189.26	453.31
	b) Real Estates Division	0.00	(175.00)
	c) Investments (in shares)	19.62	12.96
	d) Agriculture	35.48	29.18
	e) Infotech Division	(2.28)	(8.71)
	f) Trading Division	(0.04)	5.45
	<b>TOTAL :</b>	<b>242.04</b>	<b>317.19</b>
	<b>Less: Interest &amp; financial charges</b>	<b>107.75</b>	<b>111.03</b>
	<b>TOTAL PROFIT BEFORE TAX</b>	<b>134.29</b>	<b>206.16</b>
	<b>Provision for Taxation</b>	<b>27.00</b>	<b>64.40</b>
	<b>Provision for Deferred Tax</b>	<b>(0.64)</b>	<b>(1.09)</b>
	<b>(Assets)Liability</b>		
	<b>Income Tax paid/adj. for earlier years</b>	<b>89.31</b>	<b>60.58</b>
	<b>Prior Period Adjustments</b>	<b>0.00</b>	<b>0.00</b>
	<b>Net Profit /(Loss)</b>	<b>18.62</b>	<b>82.27</b>
<b>3.</b>	<b><u>CAPITAL EMPLOYED</u></b>		
	(Segment assets-Segment liabilities)		
	a) Construction Division	(22.52)	360.91
	b) Real Estates Division	2737.46	2628.60
	c) Investments (in shares)	1556.90	1556.90
	d) Agriculture	737.54	737.54
	e) Infotech Division	27.24	31.95
	f) Trading Division	18.96	(15.78)
	g) Unallocable assets less liabilities	90.33	90.33
	<b>TOTAL</b>	<b>5145.91</b>	<b>5390.45</b>

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

11. EARNINGS PER SHARE (EPS)

Basic/Diluted Earnings per share

(Rs.in lacs)

	Current Year	Previous Year
Profit/(Loss) after tax as per Profit & Loss A/C	20.62	82.27
No of equity shares	15188372	15188372
Earnings per share (Rs)(basic & diluted)	0.14	0.54

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

12. DETAIL OF PROVISIONS AS PER AS-29

	Income Tax	Others
Balance as at April 1, 2011	64.40	268.64
Provision made during the year	25.00	3.49
Provision paid/ written off/back during the period	--	34.28
Balance as at 31 <sup>st</sup> March 2012	89.40	237.85

13. Leases

The company has leased facilities under cancellable and non-cancellable operating leases arrangements with a lease term ranging from one to three years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses recognized during the year amounts to Rs.61.85 lacs (previous year Rs.72.45 lacs). The future minimum lease payments in respect of the non-cancellable operating leases as at 31<sup>st</sup> March 2012 are:

(Rupees in lacs)

S.No.	Particulars	As at 31.03.12	As at 31.03.11
a)	not later than one year	0.76	1.08
b)	later than one year but not later than five year	--	--
c)	later than five year	--	--

Further, the company has leased facilities for rent receivable under cancellable operating leases arrangements with a lease term ranging from one to three years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent income recognized during the year amounts to Rs.17.16 lacs (previous year Rs.16.44 lacs). As we don't have any non-cancellable lease rent receivable agreement, no income has been recognized for future.

#### 14. RELATED PARTY DISCLOSURES:

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

Particulars	Subsidiaries Company	Key Management Personal (KMP)	Enterprises/ Relatives over which KMP is able to exercise significant influence	Total for this year	Total for previous year
Lease Rent Paid against shared accommodation	---	---	48.00	48.00	57.00
Lease Rent Received against shared accommodation	---	---	14.40	14.40	14.40
Lease line/cable net	---	---	25.49	25.49	18.44
Electricity & Water Charges paid	---	---	0.81	0.81	0.73
Electricity & Water Charges received	---	---	0.24	0.24	0.58
Dividend received	---	---	19.41	19.414	12.94
2. Management contract (salaries)	---	41.37	---	41.37	30.19

#### **Finance**

Particulars	Subsidiaries Company	Key Management Personal (KMP)	Enterprise over which KMP is able to exercise significant influence	Total for this year	Total for previous year
1. Loan received	---	311.00	--	311.00	--
Loan Re-paid	---	---	--	--	74.45
Outstanding at the end of the year	---	---	--	--	--

#### **Note:**

- Key management: Sh.R.K.Garg, Chairman, Sh.Avinash Sharma, Executive Director, Sh.H.K.Singhal, Director (Ms Priya Garg has since resigned as Executive Director w.e.f. 11.11.2011).

2. Enterprises over which Key Management Personal (KMP) are able to exercise significant influence and with whom transactions have taken place during the year:
  1. Indian Acrylics Ltd
  2. Steel Strips Wheels Ltd
  3. Steel Strips Infrastructures Ltd
  4. R.K.Garg & Sons (HUF)
  5. SAB Udyog Ltd
  6. Munak Financers (P) Ltd
  7. Steel Strips Industries Ltd
  8. Steel Strips Financers (P) Ltd
  9. Steel Strips Holdings (P) Ltd
  10. Munak Investment (P) Ltd
3. Relatives of the Key Management Personnel (with whom transactions have taken place) Sh.R.K.Garg himself is Chairman of the company, Also Sh R.K.Garg is Karta of R.K.Garg & Sons (HUF).

15. ADDITIONAL INFORMATION PURSUANT TO PROVISIONS OF PARAGRAPHS 3, 4C AND 4D OF PART II, SCHEDULE VI, OF COMPANIES ACT, 1956

	Qty.(Bags) 31.03.2012	Qty.(Bags) 31.03.2011
Opening Stock of Trading goods	--	--
Purchase during the year	24400	92720
Sales during the year	24400	92720
Own Consumptions	--	--
Closing Stock	--	--

16. Expenditure in Foreign Currency. As on 31.03.2012 As on 31.03.2011

Particulars	Amount (Rs. in lacs)	Amount In foreign currency	Amount (Rs in lacs)	Amount In foreign currency
Traveling (Staff/Others)	--	--	0.59	1250(USD)
Purchases/Payments made under Buyers' Credit for purchases.	84.63	177438(USD)	122.84	265787(USD)

AUDITORS' REPORT

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

H.K.SINGHAL  
Director

For S.C.Dewan & Co.  
Chartered Accountants

AVINASH SHARMA  
Executive Director

PLACE : CHANDIGARH

DATED :29.05.2012

S.C.DEWAN  
PARTNER  
Membership No.015678

GURPREET KAUR  
Company Secretary