



SABOO BROTHERS LIMITED

33RD ANNUAL REPORT

2010-11

Regd. Office: E-25A, M.I.A. PHASE-II, Bansi JODHPUR- 342005 (Rajasthan)

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Visit us at www.saboobrothers.com

ANNUAL REPORT 2010-11

BOARD OF DIRECTORS

SHREE GOPAL SABOO	Managing director
MAHESH AJMERA	Director
MUKESH SHANTIBHAI SANGHVI	Additional director
ANURAG SABOO	Director
SUKUMAR SABOO	Director
KRISHAN MURARI	Director

AUDITORS

M/s Jain Sawaimal & Company
Chartered Accountants
126, Janakpuri-I
Imliwala Phatak
JAIPUR- 342005

BANKERS

Union Bank Of India
State Bank Of Bikaner & Jaipur

REGISTRAR & SHARE TRANSFER AGENT

System Supports Services
209, Shival Industrial Estate,
89, Andheri Kurla Road,
(Next to Logitech Park, Above McDonalds),
Sakinaka,
MUMBAI – 400 072
Tel : +91 22 28500835
Fax : +91 22 28501438
Email : sysss72@yahoo.com

REGISTERED OFFICE

E-25A, M.I.A Phase -II, Bansi
JODHPUR - 342005
RAJASTHAN
Tel. : +91-291-2654120
Fax : +91-291-2744574
E-mail : info@saboobrothers.com
Web : www.saboobrothers.com

CORPORATE OFFICE:

209, Niranjana,
99, Marine Lines
MUMBAI

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of Saboo Brothers Limited will be held on Friday, September 30, 2011 at 11.00 A.M. at E-25A, M.I.A, Phase II, Basni, Jodhpur – 342005 (Rajasthan), the Registered office of the company to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and Profit & Loss Account of the Company for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shrigopal Saboo, who retires by rotation and being eligible, offers him-self for re-appointment.
3. To appoint a Director in place of Mr. Krishna Murari, who retires by rotation and being eligible, offers him-self for re-appointment.
4. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

SPECIAL BUSINESS**5. Appointment of Shri Mukesh Sanghvi as Director of the Company.**

To consider and if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

“Resolved that Shri Mukesh Sanghvi be and is hereby appointed as Director of the company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of Director of the company, be and is hereby appointed as Director of the company.”

By order of the Board

Sd/-
S.G.SABOO
Chairman

Registered Office:

E-25A, M.I.A, Phase II,
Basni, Jodhpur – 342005.

Date: 19/08/2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the company shall remain closed from Saturday, the 24th September, 2011 to Friday, the 30th September, 2011 (both days inclusive) for the purpose of holding the Annual General Meeting.
3. Members requiring information on the accounts are requested to write to the company at least 10 (Ten) days before the date of the meeting to enable the company to furnish the information.
4. Members are requested to:
 - (i) Intimate the Company about any change in their Registered Addresses in respect of equity shares held in physical form.
 - (ii) Quote the registered folio number in all future correspondence.
 - (iii) Address their grievances, if any, to the Company at it's Registered Office.
 - (iv) Members are requested to please bring their copies of Annual Report at the meeting
5. Members and Proxies attending the meeting should bring the attendance slip duly filled in for attending the meeting.
6. As required under Clause 49 of the Listing Agreement, the particulars of Director proposed to be appointed / reappointed are being furnished in the Corporate Governance Report published in this Annual Report.
7. As per provisions of section 109A of the Companies Act, 1956, the shareholders of the Company are allowed to nominate any person to whom all the rights in shares vests in the event of death of the shareholder. The shareholders who opt to nominate could obtain nomination forms from the Company by sending their formal request at the Registered Office of the Company.
8. Brief resume of person proposed to be appointed/ reappointed as a Director of the company at the AGM as per clause 49 of the Listing Agreement is given below :

PARTICULARS	SHRI MUKESH SANGHVI
Age	48 Yrs
Date of Appointment	18-06-2011
Qualification	Graduate
Expertise in Specific functional areas	Experience of marketing of Pharmaceutical products and chemicals.
Directorship of other Companies	NIL
Chairman/ Member of the Committees of the Board of the Companies on which he / she is a Director	None

1. Brief resume of person proposed to be appointed/ reappointed as a Director of the company at the AGM as per clause 49 of the Listing Agreement is given below :

Particular	Sh. Shrigopal Saboo	Sh. Krishna Murari
Age	58 Yrs	48 Yrs
Date of Appointment	05-02-1997	06-02-2002
Qualification	B. Com.	M. Com.
Expertise in Specific functional areas	Experience of manufacturing and supply of turnkey projects for last 33 years in the field of VSK Plants	nce of over 10 years in the field of management of heavy engineering units.
Directorship of other Companies	1) Saboo Engineers Pvt. Ltd 2) Saboo Cement Pvt. Ltd. 3) Saboo Minerals Pvt. Ltd. 4) Saboo Chemtech Engg. P. Ltd. 5) Saboo Solar Equipment. P. Ltd. 6) Maheshwari Cement Pvt. Ltd.	NIL
Chairman/ Member of the Committees of the Board of the Companies on which he / she is a Director	None	None

Registered Office:
E-25A, M.I.A, Phase II,
Basni, Jodhpur – 342005.

Date: 19/08/2011

By order of the Board
Sd/-
S.G.SABOO
Chairman

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SUB SECTION (2) OF SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING.****ITEM NO. 4**

Shri Mukesh Sanghvi was appointed as an additional Director of the Company by the Board of Directors at their Meeting held 16th June, 2011. Pursuant to Section 260 of the Companies Act, 1956 read with Articles of Association of the Company Shri Mukesh Sanghvi holds office upto this Annual General Meeting. The Company has received notice from Member signifying his intention to propose Shri Anurag Saboo as Director of the Company in the ensuing Annual General Meeting. The Company will be benefited from his continuing association. It is recommended by the directors that the resolution as proposed be passed by the shareholders in the ensuing annual general meeting.

None of the director except Shri Mukesh Sanghvi is interested in the above resolution.

By order of the Board

Sd/-
S.G.SABOO
Chairman

Registered Office:

E-25A, M.I.A, Phase II,
Basni, Jodhpur – 342005

Date: 19/08/2011

DIRECTOR'S REPORT

To
The Members,
Saboo Brothers Limited

Yours Directors have pleasure in presenting the 33rd Annual Report together with Audited Annual Accounts of the Company for the financial year ended 31st March 2011.

Financial Results

PARTICULARS	(Rs. in Lacs)	
	2010 – 2011	2009 – 2010
Sales	69.17	75.49
Other Income	6.5	0
Profit on Sale of Machinery	0	50.81
Total Expenditure	61.71	97.17
Interest and Finance Charges	0.19	1.09
Miscellaneous expenditure w/o	0	6.70
Loss on sale of machinery	0	0
Depreciation	3.85	4.01
Profit / (Loss) for the year before Tax	9.92	17.31
Less: Current Tax	1.84	0
Deferred Tax	0	0
Net Profit for the year after Tax	8.08	17.31

OPERATIONAL PERFORMANCE

For the Financial Year 31st March, 2011 the Income from Sales and Other Income has been decreased from Rs. 69.17 Lacs as compared to last year of Rs. 75.49 Lacs. The company has suffered loss in operating business because of sluggish demand of capital machinery in cement sector. The Net Profit of the Company for the year under review is of Rs. 9.92 Lacs which is lower than the previous year Net Profit of Rs. 17.31 Lacs.

FUTURE OUTLOOK

Continuous technological upgrading and assimilation of latest technology has been going on in the cement industry. The market environment continues to be very competitive where the company has it faced intense competition from low priced brands, the outlook for the industry is positive given the size of the opportunity. Now the machinery division has shown some improvement.

TRANSFER TO RESERVES

Due to unabsorbed losses no amount has been proposed to be transferred to Reserves.

DIRECTORS

Mr. Shrigopal Saboo and Mr. Kirshna Murari Directors of the Company retires by rotation in terms of Section 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. The Company also proposes to appoint Sh. Mukesh Sanghvi as Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 of the Companies Act, 1956, your Directors hereby confirm that:

- In the preparation of annual accounts of the company, the applicable Accounting Standards have been followed along with proper explanation to material departure, if any;
- Appropriate Accounting Policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit & Loss of the Company for that period.
- To the best of our knowledge and information, we 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; and
- The Annual Accounts have been prepared on a "going concern" basis.

DIVIDEND

The Board of Directors of your company are of the view that financial resources of the Company be conserved and judiciously utilized for further growth of your Company. The Board therefore decided not to recommend any dividend for the year 2010-2011.

FIXED DEPOSITS

During the year 2010 - 2011, the Company has not accepted any deposits in terms of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS

The Statutory auditors of the company M/s. Jain Sawaimal & Company, Chartered Accountants, Jaipur holds office until the conclusion of ensuing Annual General Meeting, being eligible, offer them selves for reappointment. The Company has received a certificate from them under section 224(1B) of Companies Act, 1956

AUDITORS REPORT

The Notes to the accounts and Accounting Policies referred in auditors report are self explanatory and hence doesn't call further explanation.

The trading in shares of Company has been suspended since year 2001, the Company is in process of complying with the requirements of listing agreement and the Company has received a letter from the Bombay Stock Exchange Ltd. dated 16th August 2011 conveying their in principle approval for revocation of suspension in trading of equity shares of the Company. The Company is in the process of complying with the remaining conditions for revocation of suspension of equity shares.

The company has appointed M/s System Support Services, Mumbai, as RTA for equity shares of the Company.

The Company has appointed Ms. Sanhita Dey, a qualified Company Secretary, as its Company Secretary and compliance officer.

PARTICULARS OF EMPLOYEE REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

None of the employee is covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

Information in accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure "A" to this report.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION ANALYSIS STATEMENT

As per clause 49 of the Listing Agreement with Stock Exchange, a separate section on Corporate Governance together with a certificate from Company's Auditors confirming Compliance is set out in the Annexure forming part of this report. Also attached a Management Discussion and Analysis Statement.

ACKNOWLEDGEMENT:-

Your Directors place on record their gratitude for the valuable assistance and co-operation extended by the Government and Government Agencies, Bankers, Valued Customers, shareholders and Employees of the Company and look forward their continuous support in future also.

For and on behalf of the Board

Sd/-
S.G.SABOO
Chairman

Place: Jodhpur

Date: 19/08/2011

ANNEXURE 'A' TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A CONSERVATION OF ENERGY

Your Company strives to make the plant energy efficient to the extent possible and continually reviews various schemes to conserve energy and optimum utilization of utility costs. Particulars with respect to Conservation of Energy are given in Form 'A' enclosed.

B TECHNOLOGY ABSORPTION

Particulars with respect to Technology Absorption are given in Form 'B' enclosed.

C FOREIGN EXCHANGE EARNINGS AND OUTGO

	2010-2011 (Rs./Lacs)	2009-2010 (Rs./Lacs)
EARNING	Nil	Nil
OUTGO	Nil	Nil

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

A	POWER AND FUEL CONSUMPTION	2010-2011	2009-2010
1)	Electricity		
	a) Purchased		
	Units (KWH)	20279	22131
	Total amount (Rs. Lacs)	1.25	1.35
	Rate/Unit (Rs./KWH)	6.15	6.10
	b) Own generation		
	(Through diesel generator)		
	Units (KWH)	13000	15000
	Unit per ltr. of diesel oil	4.00	4.00
	Cost/Unit (Rs./KWH)	7.25	2.25
2)	Furnace oil		
	Quantity (KL)	NIL	NIL
	Total Cost (Rs. Lacs)	NIL	NIL
	Average rate (Rs./KL)	NIL	NIL
3)	Coal		
	Quantity (Kg.)	NIL	NIL
	Total cost (Rs. Lacs)	NIL	NIL
	Average Rate (Rs./Kg.)	NIL	NIL

FORM 'B'**Form for Disclosure of particulars with respect to Technology Absorption:****A. RESEARCH & DEVELOPMENT (R & D):****1. Specific areas in which R & D carried out by the Company:**

The company is making all efforts on continuous basis for development of products as per customer's requirement for expanding its market share and to optimize its cost of production to face successfully the stiff competition. The research and development activities of the company are directed towards quality control and improvement of in house facilities.

2. Benefits derived as a result of the above R & D:

New consumer preferred products to drive growth and continuous product optimization for funding growth with an absolute focus on quality and cost effectiveness.

3. Future plan of action:

The Company will continue to focus on developing high quality products to drive growth and a relentless focus on reducing cost to fund growth.

4. Expenditure on R & D:

Capital	Nil
Recurring	Nil
Total	Nil
Total R&D expenditure as a percentage of total turnover	N. A.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**1. Efforts in brief, made towards Technology absorption, adaptation and innovation:**

The Technology used for manufacturing of products of the Company is fully absorbed and new innovations in process control, product development, cost reduction and quality improvements are being made on continuous basis.

2. Benefits derived as a result of the above Efforts:

Improvement in overall productivity, quality of the products and reduced process scrap and cost.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

Technology Imported	No technology has been imported by the Company.
Year of Import	N. A.
Has technology been fully absorbed	N. A.
If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	N. A.

For and on behalf of the Board

Place: JODHPUR

Date: 19/08/2011

Sd/-
S.G. SABOO

Chairman

Annexure - "B" to Directors' Report

REPORT ON CORPORATE GOVERNANCE**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Our corporate governance policies recognize the accountability of the Board and the importance of its decisions to all constituents, including customers, investors, employees and the regulatory authorities and demonstrate the same to shareholders are the cause of and ultimate beneficiaries of economic activities. The functions of the Board and the Executive Management are well defined and are distinct from one another. The Company is having sub-committees of the Board to oversee the functions of Executive Management. These sub-committees of the Board, which mainly consist of Non-Executive Directors, meet regularly to discharge their objectives.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges, the details are set out below:

BOARD OF DIRECTORS AND THEIR MEETINGS:

The Board of Directors along with its committees provides leadership and vision to the management and supervises the functioning of the company. The composition of the Board is governed by the listing agreement executed with the Bombay Stock Exchange Limited, the Companies Act, 1956 and the provisions of the Articles of Association of the Company.

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning. Shri S.G. Saboo, Managing Director is overall incharge for the affairs of the company who exercise his powers and discharge duties under the superintendence and control of the Board of directors from time to time.

(1) Composition of the Board of Directors

The Board of Directors has a mix of Executive and Non-executive Directors. The Board comprises of Managing Director and five Non-executive Directors. Out of the five Non-executive Directors, three are Independent Directors. Accordingly, composition of the Board is in conformity with the listing agreement.

Except the Managing Director, all other Director are liable to retire by rotation

The composition of the Board and other relevant details relating to Directors are Given Below:

Full Name	Designation	Date of Appointment	of	Date of Cessation	Resignation/
BAL KRISHNA KARNANI	Independent Director	06/02/2002		15/12/2010	
SHREE GOPAL SABOO	Managing director	05/02/1997		---	
MAHESH AJMERA	Independent Director	06/02/2002		---	
SUKUMAR SABOO	Independent Director	06/02/1979		---	
KRISHAN MURARI	Independent Director	06/02/2002		---	
MUKESH SANGHVI	Independent Director	16/06/2011		---	
ANURAG SABOO	Independent Director	14/02/2010		---	

CHANGE IN DIRECTORSHIP (During the year under review and upto the date of the Annual Report)

- 1) Mr. Mukesh Sanghvi was appointed as Independent Director of the Company on 16th June, 2011.
- 2) Mr. Bal Kisham Karnani has resigned from the board of the Company on 15th December, 2010.

(2) Board Meetings, Committee Meetings and its Procedures:

The day to day business activities are being conducted by the officers and managers of the Company under the supervision and control of Managing Director. The Board of Directors (the Board) meets frequently as and when required during the year under review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to management of the Company.

- (ii) The Chairman & Managing Director and the Company Law Consultant in consultation with other concerned persons in the senior management, finalize the agenda papers for the Board Meetings.
- (iii) Agenda papers are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda Papers for facilitating meaningful, informed and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.
- (iv) In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance or at the meeting.
- (v) The Company Law Consultant records the minutes of the proceedings of each Board and Committee Meetings. Draft minutes are circulated to all the members of the Board for their comments. The minutes of proceedings of a meeting are entered in the Minutes Book within 30 days from the conclusion of the meeting.

(3) Attendance of each Director at Board Meetings and last Annual General Meeting:

During the year 2010-11, four Board Meetings were held on 30th April 2010, 31st July, 2010, 30th October, 2010, and 31st January, 2011.

The last Annual General Meeting of the Company was held on September 30, 2010.

The record of Attendance of Directors and Membership of Board of Directors:

Name of Director	Designation	Category	No. of meetings held during the last financial year	No. of Attended during the last financial year	Whether Attended last AGM	No. of Other Directorships	No. of Committee positions held in other public companies- Chairman/ member
BAL KISHAM KARNANI	Director	Independent/ Non Executive Director	4	2	Yes	2	None
SHREE GOPAL SABOO	Managing Director	Promoter/ Executive Director	4	4	Yes	4	None
ANURAG SABOO	Director	Promoter/ Non-Executive Director	4	4	Yes	None	None
MAHESH AJMERA	Director	Independent/ Non Executive Director	4	4	Yes	1	None
SUKUMAR SABOO	Director	Promoter/ Non-Executive Director	4	4	No	2	None
KRISHAN MURARI	Director	Independent/ Non Executive Director	4	4	Yes	None	None
MUKESH SANGHVI*	Director	Independent/ Non Executive Director	None	None	No	None	None

Note: The information provided as above pertains to the following Committees of the Board of Directors, in terms of Clause 49 of the Listing Agreement:

- a) Audit Committee
- b) Shareholders / Investors Grievance Committee
- c) Remuneration Committee

1. AUDIT COMMITTEE:

The Audit Committee comprises of three Independent / Non-executive Directors having knowledge of Accounts and Finance background. The Audit Committee is constituted pursuant to Clause 49 of the Listing Agreement.

Constitution as on Date of Annual Report:

Name of Director	Designation	Category
1) Mr. M. Ajmera	Chairman	Independent/ Non Executive Director
2) Mr. K. M. Sornani	Member	Independent/ Non Executive Director
3) Mr. Mukesh Sanghvi*	Member	Independent/ Non Executive Director
4) Mr. B.K. Karnani*	Member	Independent/ Non Executive Director

Mr. B.K.Karnani was the member of the Audit Committee during his tenure as a Director of the Company and after his resignation Mr. Mukesh Sanghvi is the member of the Audit Committee.

ROLE OF AUDIT COMMITTEE:

1. To investigate any activity within its terms of reference.
2. Oversight of the company's Financial Reporting Process and the disclosure of its financial information to ensure that the financial statement(s) is correct, sufficient and credible.
3. Reviewing with management, the Annual Financial Statements before submission to the Board.
4. To appraise the Board about impact of Accounting Policies, Accounting Standards and legislation and to ensure compliance thereof.
5. To hold periodical discussions with statutory auditors on nature and scope of the audit as well as have post audit discussion to ascertain any area of concern.
6. To review the company's financial and risk management policies.
7. To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders, (in case of non-payment of declared dividends) and creditors.

Meetings and Attendance of the Audit Committee During the Year

During the financial year 2010-11, 4 Audit Committee Meetings were held on 30th April 2010, 31st July, 2010, 30th October, 2010, and 31st January, 2011.

Name Of Director	No. of Meeting Held During The Year	No. Of Meeting Attended
1) Mr. M. Ajmera	4	4
2) Mr. K. M. Sornani	4	4
3) Mr. Mukesh Sanghvi*	Nil	Nil
4) Mr. B..K. Karnani*	4	2

2. REMUNARATION COMMITTEE:**Brief description and term of reference**

The Company has no pecuniary relationship or transaction with its Non-executive Directors. The remuneration policy is directed towards rewarding performance. Terms of reference of the Remuneration Committee includes attracting and retaining high caliber talent at the Board Level, to review, consider and recommend appointment of Directors and the remuneration payable thereon. The Remuneration Committee (the Committee) comprises of three independent / Non-executive Directors. The Composition of the present Remuneration Committee is as under:

Constitution as on Date of Annual Report:

Name of Director	Designation	Category
1) Mr. M. Ajmera	Chairman	Independent/ Non Executive Director
2) Mr. K. M. Somani	Member	Independent/ Non Executive Director
3) Mr. Mukesh Sanghvi*	Member	Independent/ Non Executive Director
4) Mr. B..K. Kamani*	Member	Independent/ Non Executive Director

Mr. B..K.Kamani was the member of the Remuneration Committee during his tenure as a Director of the Company and after his resignation Mr. Mukesh Sanghvi is the member of the Remuneration Committee.

The remuneration of Executive / Non-Executive Directors is decided by the Committee. During the financial year 2010-11, no meeting of the Committee was held.

Details of remuneration paid to Managing Director of the Company during the year ended March 31, 2011 as follows:

Name of the Managing Director Remuneration

The Company has not paid any remuneration to its Managing Director in view of the fact that the Managing Director has forgone its remuneration in view of the losses suffered by the Company in past and no sitting fee has been paid to Non Executive Directors due to reason stated above.

1. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:**Brief description and term of reference**

To specifically look into redressal of complaints like transfer of shares, non receipt of dividend, non receipt of annual report etc. received from shareholders/ investors and improve efficiency.

Constitution as on Date of Annual Report:

Name of Director	Designation	Category
1) Mr. M. Ajmera	Chairman	Independent/ Non Executive Director
2) Mr. K. M. Somani	Member	Independent/ Non Executive Director
3) Mr. Mukesh Sanghvi*	Member	Independent/ Non Executive Director
4) Mr. B..K. Kamani*	Member	Independent/ Non Executive Director

Mr. B..K.Kamani was the member of the Shareholders/ Investors Grievance Committee during his tenure as a Director of the Company and after his resignation Mr. Mukesh Sanghvi is the member of the Shareholders/ Investors Grievance Committee.

The Committee meets at frequent intervals to consider, inter alia, share transfers, investor's complaints etc. Mr. S. K. Bohra, General Manager is the Compliance Officer and during the year 4 meetings of the Committee were held and all the members were present in each of the meeting. All valid share transfer applications received during the year 2010-11 have been acted upon by the Company within stipulated time and the grievances pending at the end of Financial year 2010-11 have been resolved.

2. GENERAL BOADY MEETINGS:

Venue and time where the last three Annual General Meetings were held are given below:

Financial Year	Date of AGM	Venue	Time	No. of resolution passed other than ordinary Business	No. of resolution passed by Postal Ballot
2009-10	30 th September 2010	E-25A, M.I.A, Phase II, Basni, Jodhpur	11:00 A.M.	NIL	NIL
2008-09	30 th September 2009	E-25A, M.I.A, Phase II, Basni, Jodhpur	10:00 A.M.	NIL	NIL
2007-08	29 th September 2008	E-25A, M.I.A, Phase II, Basni, Jodhpur	10:00 A.M.	NIL	NIL

1. DISCLOSURES:--

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Attention is drawn to **Schedule "T" point no. 14** to the Audited Annual Accounts of the Company for the year 2010-2011

Postal Ballot:

No Special/Ordinary resolution requiring postal ballot was placed before the last Annual General Meeting.

No Special Resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The trading of Company has been suspended since year 2001, the Company is in process of complying with the requirements of listing agreement and the Company has received a letter from the Bombay Stock Exchange Ltd. dated 16th August 2011 conveying their in principle approval for revocation of suspension in trading of equity shares of the Company. The Company is in the process of complying with the remaining conditions for revocation of suspension of equity shares and no penalty / stricture was imposed on the Company during the last three years.

2. MEANS OF COMMUNICATION:

The Unaudited/ Audited Financial Results are published in English and in Hindi newspaper.

3. GENERAL INFORMATION TO SHAREHOLDERS & INVESTORS:

(i) Date, Time and Venue of Annual General Meeting	30 th September, 2011 At 11:00 A.M. Venue : E - 25A, M.I.A, Phase II, Basni, Jodhpur - 342005,
(ii) Financial Calendar (Tentative) First Quarter Results Second Quarter Results Third Quarter Results Last Quarter Results	1 st April to 31 st March Mid August, 2011 Mid November, 2011 Mid February, 2011 Mid May, 2011
(iii) Date of Book Closure	Saturday, the September 24, 2011 to Friday, the 30 th September, 2011 (both days inclusive)
(iv) Listing on Stock Exchnages	Jaipur Stock Exchange Limited The Ahemdabad Stock Exchange The Bombay Stock Exchange Madras Stock Exchange Limited The Calcutta Stock Exchange Assn. Ltd.
(v) Stock Code	BSE 530267
(vi) Demat ISIN No. for CDSL & NSDL	Not allotted
(vii) Stock Market Data	The same is not available because no trading in the Equity shares of the Company has taken place during the year. The Share of company are suspended since 2001.
(viii) Dividend	No Dividend has been recommended by the
(ix) Share Transfer System	M/s System Support Services
(x) Name of Compliance Officer and Company Secretary	Ms. Sanhita Dey,
(xi) Details of the promoter's shares under pledge.	NIL
(xii) Registered Office	E-25A, M.I.A, Phase II, Basni, Jodhpur - 342005. Telephone : 0291-2654120 Fax :0291-2744574

10. REGISTER AND TRANSFER AGENT:

M/s System Support Services Private Limited have been appointed as Registrar and Share Transfer Agent of the Company. The Company falls under compulsory Demat process but presently the company is undertaking the work of physical transfer of its share through the RTA Applications for transfer of shares held in physical form were received directly by the Company. All valid transfers are processed and effected within the prescribed time limit from the date of receipt. The Company has been taking necessary steps form Dematerializing its shares.

11. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS:

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at March 31, 2011.

12. PLANT LOCATION:

The Plants of the Company is located at: Shree Engineers, E-25A, M. I. A., Phase II, Basni, Jodhpur- 342005.

13. ADDRESS FOR INVESTORS CORRESPONDENCE:

For any assistance regarding Transfer / Transmission of shares, change of address or any other query relating to shares, the investors may please contact at the following address:

Mr. S. K. Bohra,
General Manager and Compliance Officer
Saboo Brothers Limited
E-25A, M.I.A, Phase II, Basni,
Jodhpur - 342005.
Telephone : 0291-2654120
Fax :0291-2744574

14. CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2011:

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters	20	1.54%	4080800	64.04%
Financial Institutions/ Banks	2	0.15%	150000	2.35%
Private Corporate Bodies	10	0.77%	240200	3.77%
Indian Public	1232	94.62%	1604800	25.19%
Non Resident Indians/Overseas Corporate Bodies	38	2.92	296600	4.65
Total	1302	100	6372400	100

Distribution of Shareholding as on March 31, 2011:

Share Holding --	No. of Shareholders	% of Total Shareholders	No of Shares	% of Sharehs
Total	Total	Total	Total	Total
1 - 100	134	10.23	13400	0.21
101 - 500	958	73.13	250300	3.93
501 - 1000	89	6.79	70500	1.11
1001 - 5000	64	4.89	143000	2.24
5001 - 10000	13	0.99	89900	1.41
10001 - 100000	38	2.90	1595300	25.03
100001 & Above	14	1.07	4210000	66.07
	1310	100.00	6372400	100.00

For and on behalf of the Board

Place: JODHPUR
Date: 19/08/2011

Sd/-
S.G. SABOO
Chairman

MANAGEMENT DISCUSSION ANALYSIS REPORT**INDUSTRY STRUCTURE AND DEVELOPMENT:**

The Company is engaged in manufacturing and export of mini and rotary kiln cement plants, refractory cement and emery stone minerals and special cement plant. An integrated facility that prepares the raw mix, feeds it to the pyro-processing system (kiln), and then grinds the clinker from the kiln system into various cement products. The cement industry has witnessed substantial re-organization of capacities during the last couple of years.

OPPORTUNITIES AND RISKS:

Today's cement manufacturers are faced with a spectrum of challenges as they strive for consistent quality products while reducing input costs. The fluctuating customer demands, high energy costs, strict environmental limits are few of the threats faced by Cement Industry. The Company also strives to improve its efficiency levels in all areas of its operations by reducing the costs thereby increasing the profits. There has been a global rise in demand for the cement due to increased activity in infrastructure. India has also witnessed a growth in cement needs with Governments at Centre and State putting their thrust in the areas of infrastructure development like roads, irrigation projects, housing etc. With this background, the Company sees great opportunity for the industry to grow as a whole.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The Company is engaged in manufacturing of mini cement plant machinery and mineral grinding machinery, refractory cement and processing of minerals. The over all market share of the Company has grown slightly as compared to previous year. During the year sales of machinery division, refractory cement and minerals have decreased. The company due to continuing losses in the refractory section has closed down the refractory units. With the increase in growth in capital goods industry the company is hopeful to show a better result in the machinery manufacturing section in future.

OUTLOOK:

There is enormous opportunity for the growth of Cement Industry. This country has huge potential for cement consumption growth, considering major emphasis of

the Government on infrastructure development and boost to housing sector through measures like easy finance, provision of tax incentives etc. the company aims at all round improvement in turnover and profitability in coming years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company believes in systematic working and placing of proper checks. Proper systems are in place and regular reviews are held at higher levels to check the efficacy and relevance of system. The company has adequate Internal control systems that commensurate with the size of the company. The Company is also continuously upgrading itself to meet the market dynamics.

CAUTIONARY STATEMENT:

Statements in this report on Management Discussion and Analysis describing the Company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. Thus, the Company should and need not be held responsible, if, which is not unlikely, the future turns to be something quite different. Subject to this management disclaimer, this discussion and analysis should be perused.

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49(D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the year ended on 31st March, 2010.

BY ORDER OF THE BOARD

SD/-

S.G.SABOO
CHAIRMAN

PLACE: JODHPUR
DATE: 19/08/2011

PRACTICING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Saboo Brothers Limited

We have examined the compliance of conditions of Corporate Governance by Saboo Brothers Limited ("the Company") for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

SD/-
RAMESH MISHRA
F.C.S. No: 5477

Place: Mumbai
Date: 19/08/2011

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements are in full conformity with the requirements of the Companies Act, 1956 and the Accounting Standards issued by the Central Government. The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the Company has installed a system of internal controls, which is reviewed, evaluated and updated on the ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the company's established policy and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provide by any system of internal controls. These financial statements have been audited by M/s Jain Sawaimal & Co., Chartered Accountants, and Statutory Auditors of the Company.

Place: JODHPUR
Date: 19th, August, 2011

Sd/-
S.G.SABOO
(Managing Director)

CEO/CFO CERTIFICATION TO THE BOARD

I Certify that I have reviewed the financial statements and the cash flow statement for the year 2010 -11 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the companies affairs 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 2010-11 which are fraudulent, illegal or violative of the companies 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 and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee -
Significant changes in internal control over the financial reporting during the year 2010-11;
- Significant changes in accounting policies during the year 2010-11 and that the same have been disclosed in the notes to the financial statements; and
- 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 the financial reporting.

For and on behalf of the Board
Sd/-
S.G.SABOO
Chairman

Registered Office:
E-25A, M.I.A, Phase II,
Basni, Jodhpur – 342005

Date: 19/08/2011

CERTIFICATE FROM AUDITOR**To the Members of
Saboo Brothers Limited**

1. We have examined the compliance of conditions of Corporate Governance by Saboo Brothers Limited for the year ended 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange(s).

2. The Compliance of conditions of Corporate Governance is responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit for an expression of opinion on the financial statement of the company.

3. In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement except that:-

- i) The company is not having any RTA which is mandatory as per listing agreement.
- ii) The requirements of EDIFAR are yet to be complied with by the company.
- iii) The unaudited results are not published in news paper.
- iv) The requirement for the quarterly compliance with BSE is not fully complied with.
- v) The secretarial audit report and compliance certificate under clause 47C of Listing Agreement has not been complied.

4. Based on the certificate received from Share Transfer Agent and as per the records maintained by the company, we state that in respect of investor grievances received during the year ended 31st March, 2011, The investor grievances are pending against the company.

5. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affair of the company.

**For Jain Sawaimal & Company
Chartered Accountant**

Sd/-
(CA. Sawai Mal Jain)
M.No.16156 Partner

Place: JODHPUR

Date: August 12, 2011

AUDITOR'S REPORT**TO THE MEMBERS OF
SABOO BROTHERS LIMITED**

1. We have audited the attached Balance Sheet of SABOO BROTHRS LIMITED, as at 31st March, 2011 and also the Profit and Loss Account and 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.
2. 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 included 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 provided a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India, in terms of section 227 (4A) of the Companies Act, 1956 we enclose in the annexure the statement on the matter specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph 3 above:
 - a) We have 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 as far as appears from our examination of the books.
 - c) The Balance Sheet, Profit and Loss Account & Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of representations received from the directors as on March 31, 2011 and taken on record by the Board of directors, We report that none of the directors is disqualified as on 31st March, 2011 from being appointed as directors in terms of Section 274 (1) (g) of the Companies act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said account, read together with the company's accounting policies and notes thereto, 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:
 - i) In the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2011;
 - ii) In the case of the Profit and Loss Account of the Profit of the company for the year ended on that date.
 - iii) In the cash flow statement, of the cash flows for the year ended on that date.

FOR JAIN SAWAIMAL & COMPANY
Chartered Accountants

Place: JODHPUR

Date: August 12th, 2011

SD/-
(CA. Sawai Mal JAIN)
M.NO.16156 PARTNER

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE

Re: Saboo Brothers Limited.

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us the fixed assets have been physically verified by the management during the previous year in accordance with a planned programme of verifying them once in three years which in our opinion is reasonable having regards to the size of the company and the nature of its assets. As informed no material discrepancies were noticed on such physical verification.
- (c) In our opinion and according to the information and explanation given to us the company has not disposed off any assets and as a result the going concern of the company is accordingly not affected.
2. (a) According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable interval during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) According to the information and explanations given to us, the company has not granted/taken unsecured loans to/from companies or other parties covered in the register maintained under section 301 of the Companies Act 1956.
 - a. The company has not granted any loans to the parties covered in the aforesaid register.
 - b. The company has not taken loans from parties covered in the aforesaid register.
- (b) According to the information and explanation given to us, since no loan was taken by the company no comments is made in respect of other particulars
4. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, we have not observed continuing failure to correct major weakness in internal controls.
5. (a) According to the information and explanations to us, we are of the opinion that the transactions that needed to be entered into the register maintained under section 301 have been also entered.
- (b) According to the information and explanations given to us the company has made the transaction in excess of Rs. 5Lacs in respect of any party. In our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public during the year.
7. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
8. To the best of our knowledge and as explained the Central Government has not prescribed for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in the case of the company.
9. (a) According to the records of the company and information and explanations given to us, the company has been regular in depositing undisputed statutory dues including provident fund, Employees state insurance, Income Tax, sales tax, wealth tax, customs duty, excise duty, service tax and other statutory dues with the appropriate authorities during the year.
- (b) According to the records of the company and information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, sales tax. Custom duty, excise duty, cess and other undisputed statutory dues were outstanding at the year end, for a period of more than six month from the date they become payable.
- (c) According to the records of the company the no dues are outstanding of Income Tax.
10. The company does have accumulated losses as at the end of the year and the company has not incurred cash losses during current and the immediately preceding financial year.

- 11 Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions and banks.
- 12 According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/Societies are not applicable to the company.
- 14 In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15 According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- 16 To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were prima facie, applied by the company during the year for the purposes for which the loans were obtained.
- 17 According to the Cash Flow Statement and records examined by us and According to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
- 18 The Company has not made any preferential allotment to parties and Companies covered under register maintained under section 301 of the Companies Act, 1956, during the year and question of whether the prices at which the shares have been issued is prejudicial to the interest of the company does not arise.
- 19 According to the information and explanations given to us and the records examined by us, the company has not issued any debentures during the year.
- 20 The Company has not raised money by any public issues during the year and hence paragraph 4 (xx) of the order is not applicable.
- 21 To the best of our knowledge and belief and According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

FOR JAIN SAWAIMAL & COMPANY
Chartered Accountants
Sd/-

Place: JODHPUR

Date: August 12TH, 2011

(CA Sawai Mal JAIN)
M. No. 16156
Partner

SABOO BROTHERS LIMITED
E-25A, M.I.A, PHASE - II,
BASNI, JODHPUR

BALANCE SHEET
AS AT
MARCH 31, 2011
 (RS.in 000s)

<u>PARTICULAR</u>	SCH. NO.	FIGURES FOR <u>31.03.11</u>	FIGURES FOR <u>31.03.10</u>
<u>I.SOURCES OF FUND</u>			
1. SHAREHOLDERS FUNDS			
A. Share Capital	1	59416	59416
B. Reserves And Surplus	2	84817	84817
2. LOAN FUND			
A. Secured	3	0	0
B. Unsecured	4	0	0
<u>TOTAL</u>	-	<u>144233</u>	<u>144233</u>
<u>II. APPLICATION OF FUND</u>			
1. FIXED ASSETS	5		
Gross Block		23762	23761
Less: Depreciation		9458	9074
Net Block		14304	14687
2. INVESTMENT	6	5000	5000
3. CURRENT ASSETS, LOANS AND ADVANCES			
A. Inventories	7	18170	17938
B. Sundry Debtors	8	32050	31333
C. Cash & Bank Balances	9	374	104
D. Loans And Advances	10	21937	22473
<u>TOTAL</u>		<u>72531</u>	<u>71848</u>
LESS: CURRENT LIABILITIES & PROVISIONS	11	2834	3343
NET CURRENT ASSETS		69697	68505
MISCELLANEOUS EXPENSES (TO THE EXTENT NOT W/O)	12	55232	56041
<u>TOTAL</u>	-	<u>144233</u>	<u>144233</u>
Significant Accounting Policies	22		
Notes to Financial Statements			

*This is the Balance Sheet referred to in our
 report
 of even date*

**For and on Behalf of
 Board**

FOR JAIN SAWAI MAL & CO.
Chartered accountants

(SAWAI MAL JAIN)
PARTNER
 m.no. 16156

(S.G.SABOO) (ANURAG SABOO)
MANAGING DIRECTOR
DIRECTOR

PLACE : JODHPUR
DATE : August 12, 2011

COMPANY SECRETARY

SABOO BROTHERS LIMITED
E-25A, M.I.A, PHASE - II,
BASNI, JODHPUR

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED
31-Mar-11
 (RS.in 000s)

<u>PARTICULAR</u>	<u>SCH.</u> <u>NO.</u>	<u>FIGURES</u> <u>FOR</u> <u>31.03.11</u>	<u>FIGURES FOR</u> <u>31.03.10</u>
<u>I.INCOME</u>			
Sales	13	6917	7549
Profit on sale of Fixed assets		0	5081
Other Income	14	650	0
<u>TOTAL</u>	-	<u>7567</u>	<u>12630</u>
<u>II.EXPENDITURE</u>			
Material Consumption	15	2894	5844
Manufacturing Expenses	16	665	986
Employees Cost	17	2106	1967
Administrative Expenses	18	375	869
Selling Expenses	19	131	51
Financial Expenses	20	19	109
Miscellaneous Expenditure W/ Off		0	670
Depreciation	21	385	401
<u>TOTAL</u>	-	<u>6575</u>	<u>10898</u>
PROFIT/LOSS (-) OF THE YEAR		992	1731
Less: Tax Expense			
A. Current Tax		184	0
B. Deferred Tax w-off/(back)		0	0
C. Total Tax Expenses		0	0
<u>LOSS (-) AFTER TAX</u>	-	<u>808</u>	<u>1731</u>
Balance B/ F earlier year		-56041	-57772
<u>Loss carried to Balance Sheet</u>		<u>-55232</u>	<u>-56041</u>
Significant Accounting Policies	22		
Notes to Financial Statements			

*This is the Profit & Loss Account referred to in our
 report
 of even date*

For and on Behalf of Board

FOR JAIN SAWAI MAL & CO.
Chartered accountants

(SAWAI MAL JAIN)
PARTNER
 m.no. 16156

(S.G.SABOO) (ANURAG SABOO)
MANAGING DIRECTOR
DIRECTOR

PLACE : JODHPUR
DATE : August 12, 2011

COMPANY SECRETARY

SCHEDULES TO THE FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2011

(RS.in 000s)

PARTICULAR	FIGURES FOR 31.03.11	FIGURES FOR 31.03.10
<u>SCHEDULE -1 SHARE CAPITAL</u>		
AUTHORISED SHARE CAPITAL		
6510000 Equity share of Rs.10/ each	65,100	65,100
<u>ISSUED SUBSCRIBED AND PAID UP CAPITAL</u>		
6372400 Equity Share of Rs.10/ each fully paid up in cash	63724	63724
Less: Calls in Arrears	-4308	-4308
TOTAL	59416	59416
<u>SCHEDULE-2 RESERVE AND SURPLUS</u>		
Share Premium	107678	107678
Less: Allotment money in Arrears	-23367	-23367
Balance	84311	84311
Subsidy	114	114
Investment Allowance reserve	392	392
TOTAL	84817	84817
<u>SCHEDULE-3 SECURED LOANS</u>		
	<u>NIL</u>	NIL
<u>SCHEDULE-4 UNSECURED LOANS</u>		
	0	0
TOTAL	0	0
<u>SCHEDULE-5:FIXED ASSETS</u>		
(As per Schedule Attached)	14304	14688
TOTAL	14304	14688
<u>SCHEDULE-6:INVESTMENTS</u>		
Capital Investment Bond	5000	5000
TOTAL	5000	5000
<u>SCHEDULE-7: INVENTORIES</u>		
(As Valued and Certified by the Management Valued at Cost)		
Raw-materials	6580	7598
Store & Spares	2245	2245
Semi Finished Goods	8595	7545
Finished Goods	0	0
Scrap & Defective	750	550
TOTAL	18170	17938
<u>SCHEDULE-8:SUNDRY DEBTORS</u>		
(For which the Company holds no security other then the personal security of the Debtors subject to confirmation from the Debtors)		
More than six month	0	0
Less than six month	32050	31333
TOTAL	32050	31333

SCHEDULE-9 CASH AND BANK BAL.

Cash in Hand	180	28
Bank Balances with Scheduled Banks	149	31
Deposit in National Security	45	45
TOTAL	374	104

SCHEDULE-10: LOANS AND ADVANCES

(Unsecured considered good, and subject to confirmation)

Suppliers	13740	17543
Advance for Expenses & Others	5580	7872
Advances to Labour & Staff	1560	0
Security Deposits	4000	0
TOTAL	24880	25416

SCHEDULE-11 CURRENT LIABILITIES AND PROVISIONS

Sundry Creditors for goods & supplier	46	2863
Against Expenses & Others	457	480
Against Orers	2147	0
Provision for Tax	184	0
TOTAL	2834	3343

SCHEDULE-12: MISCELLANEOUS EXPENSES.

Profit & Loss Account	55232	56041
TOTAL	55232	56041

SCHEDULE-13: SALES

Exort Sales	0	0
Domestic Sales	6917	7549
TOTAL	6917	7549

SCHEDULE-14: OTHER INCOME

Interest on Bond	4000	0
Other misc. Income	250	
TOTAL	4250	0

SCHEDULE-15: RAW-MATERIAL CONSUMED

Opening Stock		
Raw Material	7598	8597
Consumable Stores	2245	2494
Semi Finished Goods	7545	9989
Finished Goods	0	0
Scraps & Defectives	780	550
Add: Purchases & Transfers	2896	2382
TOTAL	21064	24012

Less : Closing Stock

Raw Material	6580	7598
Consumable Stores	2245	2245
Semi Finished Goods	8595	7545
Finished Goods	0	0
Scraps & Defectives	750	780
TOTAL	2894	5844

Power Expenses	195	173
Factory Expenses	1	4
Generator R & M Expenses	50	14
Plant & Machinery R & M	69	29
Pattern Exp	9	6
Job Charges	307	714
Water Expenses	6	5
Store expenses	28	42
TOTAL	665	986

**SCHEDULE-17 PAYMENT TO & FOR
EMPLOYEES**

Salaries & Wages	1490	1352
Contribution to E.S.I. & EPF	195	191
Other Benefits	421	424
TOTAL	2106	1967

SCHEDULE-18:ADMINISTRATIVE EXPENSES

Printing and Stationery	9	8
Computer Exp.	0	0
Fee & Subscription	3	1
Postage, Telegram & Telephone	20	34
Travelling & Conveyance Expenses	41	157
Legal & Consultancy	15	15
Professional Service Charges	28	208
Books & Periodicals		
Insurance Expenses	8	9
Motor Car Expenses		
Charity & Donation	0	211
Service Charges to RIICO		
Service tax on TP	1	0
Rent	0	13
Bombay Office Expenses	0	82
Auditors Remuneration	25	20
Fringe Benefit Tax		
Sales Tax Defferment	17	43
Sales Tax Demand	1	1
Misc. Expenses	2	8
REPAIRS AND MAINTENANCE EXPENSES		
Building	57	6
General	148	53
TOTAL	375	869

SCHEDULE-19 SELLING EXPENSES

Carriage Outward	85	5
Bad Debts w/off		
Rebate & Discount		
Advertisement	6	
Entertainment To Guest	40	46
After Sale Service & other expenses		
TOTAL	131	51

SCHEDULE-20:FINANCIAL EXPENSES

Bank Commission & Processing	82	2
Bank Interest	0	107
TOTAL	82	109

*This is the schedule referred to in our report
of even date*

For and on Behalf of Board

FOR JAIN SAWAI MAL & CO.

Chartered accountants

Sd/-

(SAWAI MAL JAIN)

PARTNER

m.no. 16156

Sd/-

**(S.G.SABOO)
MANAGING
DIRECTOR**

sd/-

**(ANURAG SABOO
DIRECTOR**

Sd/-

COMPANY SECRETARY

PLACE : JODHPUR

DATE : August 12, 2011

SABOO BROTHERS LIMITED
E-25A, M.I.A, PHASE Ind,
BASNI, JODHPUR

SCHEDULE OF FIXED ASSETS
FOR THE YEAR ENDED

31-03-2011

S. NO.	NAME OF THE ASSETS	GROSS BLOCK		DEDUCT		TOTAL		DEPRECIATION DR. YEAR		TOTAL		NET BLOCK	
		01.04.10	ADD.	0	0	01.04.10	ADD.	01.04.10	31.03.11	01.04.10	31.03.11	01.04.10	31.03.11
1	GOODWILL	150	0	0	0	150	0	0	0	150	0	150	150
2	LEASEHOLD LAND	977	0	0	0	977	0	0	0	977	0	977	977
3	BUILDING	9957	0	0	0	9957	4303	59	4362	5595	5654	5654	5654
	Internal Roads &												
	Site Development	1189	0	0	0	1189	147	0	147	1042	1042	1042	1042
4	PLANT & MACHINERY	3545	0	0	0	3545	1141	114	1255	2290	2404	2404	2404
5	FURNITURES AND												
6	FIXTURES	481	0	0	0	481	286	9	295	185	195	195	195
7	OTHER MISC.ASSETS	7463	0	0	0	7463	3197	203	3400	4064	4266	4266	4266
	TOTAL	23762	0	0	0	23762	9074	385	9458	14304	14688	14688	14688

SCHEDULE 20**NOTES TO THE ACCOUNTS****A. NATURE OF OPERATIONS:**

The Company is presently engaged in manufacturing of capital goods machineries used in manufacturing of Portland Cement, mineral grinding machineries etc. Previously the Company was also manufacturing refractory Cement but the operation was closed due to high cost and not having regular demand.

B. SIGNIFICANT ACCOUNTING POLICIES:**1. ACCOUNTING CONVENTIONS:**

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting presentation of financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and action, actual results could differ from these estimates.

3. FIXED ASSETS

- i) Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working conditions for its intended use.
- ii) Insurance spares/ standby equipments are capitalized as part of mother assets.

4. RECOGNIZATION OF INCOME & EXPENDITURE:

- a. Sales revenue is recognized when goods are cleared from factory and is inclusive of excise duties.
- b. Export sales are recognized at the time of shipment of products to customer and are inclusive of incentives and exchange fluctuation of export.
- c. Income, expenditure and incentives / benefits are accounted for on accrual basis.
- d. Claim & refunds due from government authorities and parties though receivable/ refundable are not recognized in the accounts if the amount there of is not ascertainable. These are accounted for as admitted / parties in favor of the company.

5. DEPRECIATION:

Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act.

6. IMPAIRMENT

The carrying amounts of assets are reviewed at each balance sheet if there is any indication of impairment based on internal / external factor. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

7. INVENTORIES:

Inventories are valued at cost and net realizable value whichever is lower. In the case of work in progress valuation is based on raw material cost and overhead. Net realizable value is the estimated current procurement price in the ordinary course of the business.

8. BORROWING COSTS:

Interest and other costs in connection with the borrowing of the funds to the extent related / attributable to the acquisition / construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use and other borrowing costs are charged to profit and Loss account.

9. FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are accounted at exchange rates prevailing on the date of the transaction. All foreign currency assets and liabilities if any at the Balance Sheet date are translated into rupees at the applicable exchange rates prevailing at that date. All exchange difference is dealt with in the profit and loss account except those relating to acquisition of fixed assets which are adjusted in the cost of the fixed assets.

1. REVENUE RECOGNISATION OF INCOME AND EXPENDITURE:

All incomes are on accrual basis except in respect of claim receivable that are accounted when admitted.

2. RETIREMENT BENEFITS:

Company Contribution to Provident Fund and Superannuation fund are charged to Profit & loss Account.

3. PROVISION FOR BAD & DOUBTFUL DEBTS:

Provision is made in accounts for bad and doubtful debts/advances which in the opinion of the management is considered irrecoverable.

4. EARNING PER SHARE:

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighed average number of equity shares out standing during the period. Since there is loss during the year, accumulated losses and unabsorbed depreciation for earlier years the earning per share is negative figure.

5. MISCELLANEOUS EXPENDITURE:

The Miscellaneous Expenditure consisting of Preliminary Expenses, Deferred Revenue Expenditure are amortized over a period of 10 years, commencing from the year in which they are incurred/ commencement of commercial operations by the company, as the case may be.

PARTICULARS OF CONTINGENT LIABILITY

	2011	2010
Claimed against the company not acknowledge the debts as certified by management.	NIL	NIL
Contract remaining to be executed on capital account	NIL	NIL
Contingent liabilities		
Bill discounted with bank	NIL	NIL
Disputed income tax demand	NIL	NIL
Disputed excise demand	NIL	NIL

6. The Company has sold lease hold land and factory building related to the refractory unit as per the resolutions passed by the Company.

7. The balances grouped under sundry debtors, creditors and advances are still under reconciliation and confirmation from respective parties awaited. The final adjustment if any shall be made only after reconciliation.

8. The stock of raw material, semi-finished goods and stores are as per inventory prepared, valued and certified by the management.

9. In the opinion of the management current assets and advances if realized in the ordinary course of business have value of realization at least of the amount at which they are stated in the Balance Sheet.

10. As per the information available with the company there are no small scale industrial undertaking to whom the Company owed any sum as at 31st, March 2010 and there is no balances outstanding for more than 30 days as at 31st, March, 2010.

11. The Company has not paid the remuneration to the Managing Director in view of not claiming the remuneration by managing director due to losses suffered by the Company..

12. Sundry debtors include Rs.25.50 (Rs. 25.50 lakhs) due from the firm and companies in which directors are interested. Similarly Advances include Rs. (Rs.30.40 lakhs) given to firms and companies in which directors are interested.

13. Auditors Remuneration	31.03.2011	31.03.2010
a. As audit Fee	10000	7500
b. Tax Audit Fee	5000	5000
c. For Certificate &		
Consultation	10000	7500
Total	25000	20000

2. Income Taxes

A tax expense comprises current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forwarded unabsorbed depreciation or carry forwarded tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Due to uncertainty of income deferred Tax need not be accounted for as the Company has huge accumulated business losses.

3. Previous year figures have been regrouped wherever necessary so as to correspond with those of the current year.

4. Earnings per share (EPS):	(Rs. In 000)
Net Profit/ (Loss) as per	
Profit after tax	992
No. of Equity Shares (in Nos.)	63724
No. of Equivalent Equity Shares	59416
Earnings Per Share (in Rs.)	
(Basic & Diluted)	

Note: There are no further diluted or anti dilute securities affecting the existing issued capital

Additional information pursuant to the provisions of paragraphs 3, 4c of part ii of Schedule VI to the Companies Act, 1956 as certified by the management:

1. LICENCED & INSTALLED CAPACITY, PRODUCTION, STOCK AND TURNOVER

A. LICENSED & INSTALLED CAPACITY, PRODUCTION:

	LICENSED CAPACITY	INSTALLED CAPACITY	PRODUCTION
1. CEMENT CLINKER GRINDING PLANTS (50 TO 200 TPD)	N.A	20 No.	0
2. OTHER SPARES	N.A	N.A	No.

B. STOCKS

	Machinery Mini cement plant	Refractory Cement
STOCK OF FINISHED GOODS		
Opening Stock	NIL	(M.T.)
Closing Stock	NIL	(M.T.)

C. TURNOVER (AMOUNT IN THOUSANDS)

PARTICULAR	UNIT	QUANTITY		VALUE	
		2010-11	2009-10	2010-11	2009-10
1. Cement Plant Machinery & Mineral Grinding plants and Spares	No.	51	52	6917	7548
2. Others	No.	NIL	NIL	NIL	NIL
TOTAL		51	52	6917	7548

E. RAW- MATERIAL CONSUMED

PARTICULAR	UNIT	QUANTITY		VALUE	
		2010- 11	2009-10	2010-11	2009-10
1. Iron & steel & allied Materials	M.T.	65	110	2620	4560
2. Electric Motors & V belts	No.	0	0	0	00
3. Components	No.	55	100	170	1180
4. others	No.	0	0	104	104
5. TOTAL				2894	5844

1. Segment information for the year ended 31.03.10

	Mini cement Machinery	Refractory Cement & Min	Total
Revenue			
External Sales	7567	0	7567
Results			
Segment Results	6575		6575
Interest Expenses	0	0	0
OPERATING INCOME		0	0
Less: Unallocated	0		
Corporate Expenses		0	0
Net PROFIT/ LOSS	992	0	992

Capital Expenditure/ Income			
Depreciation	385	401	
Non-cash expenses			
Unallocated Non Cash Expenses	0	0	

2. RELATED PARTY DISCLOSURE

The disclosure in pursuance to as 18 on "Related Party discloser is as under:

a. Name of Related Parties & Relationship

Name	relationship	Manner		
.Saboo Engineers (P) Ltd.	ssociate	irectors are Director		
.Saboo Emery Stone Ind.	ssociate	irectors are Partner		
.Saboo Synthetics Stones	ssociate	irectors are Partner		
.Synthetic Stones	ssociate	irectors are Partner		
.Avon Emery Industries	ssociate	irectors are Partner		
.Abrasive India	ssociate	irectors are Partner		
.Saboo Founders	ssociate	irectors are Partner		
.Saboo Mill Stones	ssociate	irector are Partner		
TRANSACTION	TOTAL	ASSOCIATE	KEY MANAGEER	RELATIVE Of KEY MANAGER
Purchase of goods	NIL	NIL	NIL	NIL
Sales of goods	55 LACS	55 LACS	NIL	NIL
Managerial remuneration	NIL	NIL	NIL	NIL
balances outstanding as on 31.03.2011				
Amount payable	NIL	NIL	NIL	NIL
Amount receivable	NIL	NIL	NIL	NIL

Additional information as required under Part-II of Schedule V to the Companies Act, 1956 to the extent applicable to the company is as under

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SABOO BROTHERS LIMITED

Regd. Office: E-25A, M.I.A Phase -II, Bansi, JODHPUR - 342005 (RAJASTHAN)

ATTENDANCE SLIP

ANNUAL GENERAL MEETING ON 30TH SEPTEMBER, 2011, AT 11.00 AM

R.F. No. _____
Mr./Mrs./Miss _____
(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.

I/We hereby record my/our presence at the Annual General meeting of the company at the registered office of the company on 30th September, 2011 at 11.00 AM

SIGNATURE OF THE SHAREHOLDER/PROXY

Notes:

1. Shareholders/proxy holders are requested to bring the attendance slips with them when they come to the meeting and hand them over at the entrance after putting their signature on them.
 2. Shareholders are requested to bring their copy of the Annual Report along with them to the Annual General Meeting, as copies to the Report will NOT be distributed again at the Meeting, in view of the increasing cost of printing.
-

PROXY FORM

R.F. No. _____ No. of Shares _____

I/We _____ of
_____ being a member of
SABOO BROTHERS LIMITED holding _____ ordinary share(s) hereby appoint
_____ of
_____ or failing him or her
_____ of
_____ as my/our proxy to vote for
me/us on my/our behalf at the Annual General meeting of the Company to be held on 30th September, 2011
at 11.00 AM and at any adjourned meeting thereof.

As witnessed my/our hand(s) this _____ day of _____

Rs.1/-
Revenue
Stamp

Signature _____

Note:

If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the meeting commencement time.

BOOK POST
(Printed Matter)

To,



If undelivered, please return to:

SABOO BROTHERS LIMITED

Regd. Office: E-25A, M.I.A Phase -II, Bansi, JODHPUR - 342005 (RAJASTHAN)